



We create chemistry

BASF India Limited. Mumbai - 400 051. India

June 18, 2019

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,

Re: Submission of Annual Report for the financial year ended 31st March, 2019

We enclose herewith the Annual Report containing the Directors' Report and its annexures, Management Discussion and Analysis Report, Corporate Governance Report and Audited Financial Statements along with the Notice of the 75th Annual General Meeting of the Company for the financial year ended 31st March, 2019 for your reference and record.

Thanking you.

Yours Faithfully,
For BASF India Limited

Pradeep Chandan
Director – Legal, General Counsel (South Asia)
& Company Secretary

Pankaj Bahl
Manager – Company Secretarial

Encl : a.a.

Cc: The Assistant Manager – Listing
The National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block
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

Annual Report 2018-2019

BASF India Limited

#Next75





Message from the Managing Director

Dear Shareholders,

Having started my BASF career 24 years ago, it is truly an honor to now lead your Company. I thank you, our team and the Board of Directors for the support and confidence entrusted in me.

It gives me great pleasure to celebrate with you 75 years of incorporation of your Company. To commemorate this milestone, the Board of Directors of your Company have recommended a special dividend of Rs. 2/- per Equity Share in addition to a final dividend of Rs. 3/- per Equity Share for the financial year ended 31st March, 2019 aggregating to Rs. 5/- per Equity Share.

The overall global economic scenario with trade conflicts between US and China had an impact on the Indian manufacturing industry. The financial year 2018-19 has been a mixed bag for us in terms of business performance. It was encouraging to see sales grow by 8% on a comparable basis (adjusted for GST & Excise duty) to reach Rs. 60,256.7 million. Our Agricultural Solutions business supported by new product launches performed well despite below average monsoon last year. Though capacity utilization at our Dahej production site improved, we faced challenges from a slowdown in various sectors of the economy including automotive and rising input costs which impacted our profitability.

During the financial year 2018-19, we achieved several milestones which will aid sustainable growth in future. These include the roll out of customer centricity and digitalization initiatives. We introduced digital invoicing for enhancing our efficiency and launched our first-ever "Digital Innovation Day" for cross-sharing and learning of digital possibilities.

Our committed focus on EHS and operational excellence resulted in green ratings for global safety audits at our Dahej, Thane, Mangalore and Kharagpur production sites. We also won the Indian Chemical Council Award for Excellence in Management of Environment.

As is the nature of an evolving business, we continued our strategic portfolio management initiatives by completing the divestiture of the paper and wet-end business to Solenis Chemicals India Private Limited.

The hard work of your team was recognized at key external and internal platforms during the year. Our Agricultural Solutions team saw global recognition at the 18th AGROW awards for its 'Suraksha Hamesha' initiative and the Construction Chemicals team won five external awards. Recently our Cellasto[®] plant at Dahej was honored with the prestigious Ford Q1 certification while 'Track and Trace', a digitalization initiative bagged the BASF Asia Pacific Customer Service Award.

We successfully organized the first TEDx styled event under the Future Perfect 3.0 series at the Innovation Campus (IC), Mumbai. Additionally, over 50 sessions were also hosted at the IC with key stakeholders including customers, academia and industry around the themes of co-creation and innovation. Our efforts at boosting Diversity & Inclusion (D&I) initiatives as well as employee morale continued with various initiatives from the Fit@BASF, Fun@BASF and D&I teams. We saw great employee participation and commitment to society as we launched our corporate volunteering program – Connected to Care.

Looking ahead, we remain committed to moving towards better profitability. We believe that customers are at the center of everything we do, and we will further build on our solid foundation by exceeding their expectations. I am confident that with our highly competent team, we will steer your Company to the #Next75 years of sustainable and profitable growth.

Thank you for your continued support and look forward to celebrating many milestones with you.

With best wishes,

Narayan Krishnamohan

"I am confident that with our highly competent team, we will steer your Company to the #Next75 years of sustainable and profitable growth."

Friday, 19 th July, 2019 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021.		Page
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BASF India Limited	Balance Sheet	68
Registered Office: The Capital, 'A' Wing, 1204-C 12 th Floor, Plot No. C-70, 'G'-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. Telephone : +91 6278 5600 Website : www.basf.com/in E-mail ID : investor-grievance-india@basf.com	Statement of Profit & Loss	69
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<u>Maharashtra (Navi Mumbai)</u>	Notes to the Financial Statements for the year ended 31 st March, 2019	73
(1) Plot Nos. 12 & 13, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400 705.		
(2) Plot Nos. C-68, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400 613.		
<u>Karnataka (Mangalore)</u>		
Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka – 575 030.		
<u>Gujarat</u>		
(1) Ankleshwar Plot Nos. 6214/6216, GIDC Phase IV Ankleshwar – 393 002, Gujarat.		
(2) Dahej 4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat – 392 130.		
<u>Andhra Pradesh (Nellore)</u>		
Plot 1 & 1A, APIIC Industrial Park, Menakur Village, Block B, Naidupet Mandal, SPSR Nellore District, Andhra Pradesh.		
<u>Himachal Pradesh (Nalagarh)</u>		
Khasra No. 87/1, Village: Beer Plassis, Nalagarh, District: Solan, Himachal Pradesh.		
<u>West Bengal (Kharagpur)</u>		
Plot No. F-7, Vidyasagar Industrial Park, Kharagpur, Paschim Medinipur, West Bengal.		
Branch Offices: Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Pune.		
Registrar & Share Transfer Agent: TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited) Unit : BASF India Limited, 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011. Tel. No. : +91 22 66568484 Extn: 411/412/413 Fax No. : +91 22 66568494 Email : csg-unit@tsrdarashaw.com		
	Front cover:	
	<i>As part of our 75th Anniversary celebrations, we invited paintings from children of our employees, asking for their vision for the #Next75 years. The painting on the front cover page was chosen from many others as it paints a vibrant and promising picture of the years ahead.</i>	



This report is printed on
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(except colour sections)

Board of Directors



Mr. Pradip P. Shah
Chairman



Mr. Narayan Krishnamohan
Managing Director



Mr. R. A. Shah



Mr. Arun Bewoor



Mrs. Shyamala Gopinath



Dr. Ramkumar Dhruva



Mr. Raimar Jahn



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



Mr. Pradeep Chandan
General Counsel, Company Secretary
& Alternate Director



Mr. Rajesh Naik
Whole-time Director

Management Committee

Mr. Narayan Krishnamohan
Mr. Narendranath J. Baliga
Mr. Bejoy Chandran
Mr. Brioux Boisdequin
Mr. Pradeep Chandan
Dr. Lakshmi Nadkarni
Mr. Rajesh Naik
Ms. Sunita Sule
Mr. Jayant Bahekar

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.

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.

Bankers

- (i) Citibank N.A.
- (ii) Deutsche Bank AG
- (iii) The Hongkong and Shanghai Banking Corporation Limited
- (iv) BNP Paribas
- (v) MUFJ Bank Limited
- (vi) Credit Agricole CIB
- (vii) Mizuho Bank

Internal Auditors

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

Secretarial Auditors

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

Director – Legal, General Counsel (South Asia) & Company Secretary

Mr. Pradeep Chandan



We hosted a Digital Innovation Day at the Innovation Campus, Mumbai in February with leading technology companies to exchange knowledge and experience in digitalization. At the event, companies including Innovise, Chemarc, Salesforce as well as BASF's Industry 4.0 team showcased their innovations in customer experience, future technology, digital marketplace and smart manufacturing.



The Care Chemicals team recently conducted a workshop in Mumbai to showcase a range of personal care solutions addressing the impact of hot and humid weather to more than 100 key customers from the beauty and personal care industry.



Dr. Ramkumar Dhruva – President, Asia Pacific at BASF, addressed the attendees at the Indo-German Environment Forum in Delhi on the topic ‘Clean and healthy air – from policies to practices’. He spoke about BASF’s technology solutions from low-VOC paints and floor coatings to catalysts that remove formaldehyde, ozone and other toxins from the air.

Directors’ Report

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2019.

Financial Results

(Rs. in million)

Description	Year ended 31.3.2019	Year ended 31.3.2018
Revenue from operations (Net of GST/Excise duty)	60,256.7	55,834.0
(Loss) / Profit before tax and exceptional items	(542.0)	1,024.6
Exceptional items	1,260.6	1,585.7
Profit before tax	718.6	2,610.3
Tax expense/(credit)	(98.6)	145.3
Profit after tax	817.2	2,465.0
Dividend	216.4	129.9
Dividend distribution tax	44.5	26.7

Note: As per Indian Accounting Standard 115/Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from Operations for the period ended after June 30, 2017 does not include Goods and Services Tax (GST), however Revenue from Operations till the period ended June 30, 2017 included Excise duty.

Performance

Revenue from Operations (net of GST/Excise duty) at Rs. 60,256.7 million, represents an increase of 8% over the previous year. Your Company reported a profit after tax of Rs. 817.2 million for the year ended 31st March, 2019 as compared to profit after tax of Rs. 2,465.0 million in the previous year. The profitability was mainly impacted due to higher input cost.

The business segments of your Company have been reorganized effective 1st January, 2019. The new segment structure will enable an even more differentiated steering of the business, taking into account market-specific requirements and the competitive environment. It will further increase the transparency of the segment results. The new segments are as under:

- Agricultural Solutions – The Agricultural Solutions segment consists of the Crop Protection business.
- Materials – The Materials segment comprises of Performance Materials and the Monomers businesses.

- c) Industrial Solutions – The Industrial Solutions segment consists of the Dispersions & Pigments and Performance Chemicals businesses.
- d) Surface Technologies – The Surface Technologies segment comprises of the Catalysts, Coatings and Construction Chemicals businesses.
- e) Nutrition & Care – The Nutrition & Care segment consists of the Care Chemicals and Nutrition & Health businesses.
- f) Chemicals – The Chemicals segment consists of the Petrochemicals and Intermediates businesses.
- g) Others – Others include activities that are not allocated to any of the continued operating divisions. These include remaining activities after divestiture of certain businesses including leather and textile chemicals business, paper wet-end and water chemicals business, technical and service charges other than those specifically identifiable to the above segments.

The Agricultural Solutions segment of your Company registered good growth in sales and profits during the year as compared to the previous year mainly due to increased sales from launch of new products for crops like cotton, corn, rice and coupled with growth in volumes.

The Materials segment registered modest growth in sales during the year under review as compared to the previous year. However, its margins significantly dropped due to volatile Crude MDI (Methylene diphenyl di-isocyanate) prices.

The Industrial Solutions segment registered increase in sales & profits mainly due to right product mix, collaborative engagement with key customers, tapping of new market opportunities, strong domestic demand driven by increase in prices and favourable exchange rates from exports.

The Surface Technologies segment registered marginal growth in sales during the year under review as compared to the previous year. The improved profitability of the Construction Chemicals business was offset by a weak Coating Chemicals business due to slowdown in the auto industry.

The Nutrition & Care segment recorded modest growth in sales and incurred losses due to force majeure declared in BASF SE Plant in Germany and fluctuations in fatty alcohol prices. The pressure on margins continued due to higher input cost.

During the year under review, the sales & profits of the Chemicals segment were lower as compared to the previous year on account of shortage of materials & volatility in prices.

Exports of goods & services stood at Rs. 7,811.1 million during the year under review.

Change of Business Model from Agency to Merchandise

Pursuant to the new rules framed by Organisation for Economic Cooperation and Development (OECD), BASF has decided to phase out the agency business globally.

Accordingly, the Board of Directors of your Company approved the proposal to replace the agency business of your Company with the merchandise model effective financial year 2019-2020.

BASF to evaluate strategic options for Construction Chemicals business

As a part of its active portfolio management, BASF SE, Germany, continuously evaluates its businesses. Accordingly, in October 2018, BASF SE decided to evaluate strategic options for its Construction Chemicals business. BASF SE could consider a merger of this business with a strong partner as well as a divestiture, subject to such approvals, as may be necessary. The Construction Chemicals business comprises of the Admixture and the Construction Systems and forms part of the Surface Technologies segment.

Transfer of Pigments business to BASF Colors & Effects India Private Limited

In order to further develop the Pigments business and to fully leverage its growth potential arising out of the emerging Asian region, the Board of Directors of your Company had approved the transfer of the Pigments business of your Company, to BASF Colors & Effects India Private Limited, a 100% subsidiary of BASF Colors & Effects GmbH, Germany at a consideration to be determined by an independent valuer (on an arm's length basis).

Accordingly, the Pigments business of your Company was transferred to BASF Colors & Effects India Private Limited with effect from 1st January, 2019 for a consideration of Rs. 190.0 million based on the valuation of an Independent Valuer.

Transfer of the Company's Paper Wet-end & Water Chemicals businesses to Solenis Chemicals India Private Limited

Pursuant to the global combination of BASF's Paper wet-end & Water Chemicals businesses with Solenis, your Company's Paper wet-end and Water Chemicals businesses were transferred to Solenis Chemicals India Private Limited with effect from 1st February, 2019 for a consideration of Rs. 2,520.0 million (based on an Independent Valuation Report), subject to working capital adjustments.

Dividend

In view of the 75th anniversary milestone, the Board of Directors of your Company have recommended a special dividend of Rs. 2/- per equity share of Rs. 10 each i.e. 20% in addition to a final dividend of Rs. 3/- per equity share of Rs. 10 each i.e. 30% for the financial year ended 31st March, 2019 aggregating to 50% i.e. Rs. 5/- per equity share of Rs. 10 each, subject to the approval of the shareholders at the 75th Annual General Meeting of the Company to be held on 19th July, 2019. The aggregate dividend will absorb Rs. 216.4 million and the dividend distribution tax to be borne by the Company would amount to Rs. 44.5 million.

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 500 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>

Directors

Dr. Andrea Frenzel resigned as Director of your Company on 31st July, 2018 and Dr. Ramkumar Dhruva was appointed as Director of the Company with effect from 10th August, 2018 in place of Dr. Andrea Frenzel. The Board of Directors of your Company place on record its sincere appreciation of the valuable contributions made by Dr. Andrea Frenzel during her tenure as Director of the Company.

In accordance with the provisions of Section 161(4) of the Companies Act, 2013, Dr. Ramkumar Dhruva being eligible, offers himself for re-appointment.

Dr. Raman Ramachandran superannuated as the Chairman & Managing Director of the Company with effect from the close of business hours as on 31st March, 2019. The Board of Directors of your Company place on record its sincere appreciation of the valuable contributions made by Dr. Raman Ramachandran in the growth of the Company during his tenure as the Chairman & Managing Director of the Company.

The Board of Directors of the Company at their Meeting held on 23rd January, 2019 appointed Mr. Narayan Krishnamohan as the Managing Director of the Company with effect from 1st April, 2019, subject to the approval of the Ministry of Corporate Affairs (Central Government). His appointment has been duly approved by the shareholders of the Company by way of Postal Ballot on 26th March, 2019.

Mr. Narayan Krishnamohan has completed his Bachelors in Chemical Engineering from Laxminarayan Institute of Technology, Nagpur. Having joined the Company in January, 1995, Mr. Narayan Krishnamohan has been with BASF for more than 24 years. He has held various regional and global leadership roles in Singapore, Germany and Hong Kong. His leadership experience cuts across multiple operating divisions like Leather Chemicals, Specialty Chemicals, Petrochemicals, Acrylics & Dispersions, Paper Chemicals, Human Nutrition and Chemical Intermediates.

Mr. Pradip P. Shah was re-appointed as Independent Non-Executive Director of the Company by the shareholders of the Company on 26th March, 2019 by way of Postal Ballot for a second term of five years with effect from 1st April, 2019 to 31st March, 2024. He was also appointed as the Chairman of the Company with effect from 1st April, 2019 by the Board of Directors of the Company at their Meeting held on 23rd January, 2019.

Mr. R. A. Shah and Mr. Arun Bewoor were re-appointed as Independent Non-Executive Directors of the Company by the shareholders of the Company on 26th March, 2019 by way of Postal Ballot for a second term of five years with effect from 1st April, 2019 to 31st March, 2024.

SEBI vide its notification dated 9th May, 2018 has amended the SEBI Listing Regulations requiring the top 500 listed entities based on market capitalization, to appoint an Independent Woman Director by 1st April, 2019. Accordingly, Mrs. Shyamala Gopinath was appointed as Independent Woman Director of the Company for a period of five years with effect from 23rd January, 2019 to 22nd January, 2024 by the shareholders of the Company on 26th March, 2019 by way of Postal Ballot.

Mrs. Shyamala Gopinath is the Non-Executive Chairperson of HDFC Bank Limited. As Deputy Governor of the Reserve Bank of India (RBI) for seven years and member of the RBI's Board of Directors, she guided and influenced national policies in diverse areas of financial sector regulation and supervision, the development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. She has served on several Committees of RBI. During 2001 to 2003, she worked as senior financial sector expert in the Monetary Affairs and Exchange Department of the International Monetary Fund (Financial Institutions Division). She has served as Chairperson of the Advisory Board on Bank, Commercial and Financial Frauds for two years from 2012 to 2014. She was an Independent Director on the Boards of Clearing Corporation of India, Indian Oil Corporation Limited, GAIL India Limited and an Independent Non-Executive Director on the Global Governance Council of Ernst and Young. She was also the Chairperson of the Board of Corporate Bonds and Securitisation Advisory Committee of Securities & Exchange Board of India. Apart from HDFC Bank, she is an Independent Non-Executive Director on the Boards of Colgate-Palmolive (India) Limited, Tata Elxsi Limited and other companies, including not for profit entities. Mrs. Shyamala Gopinath is also Chairperson of the Board of Governors of Indian Institute of Management, Raipur.

Pursuant to expiry of his first term as Independent Non-Executive Director, Mr. R. R. Nair did not seek re-appointment for a second term. Hence, he ceased to be an Independent Non-Executive Director of the Company with effect from the close of business hours as on 31st March, 2019. Your Directors place on record their sincere appreciation of the invaluable contribution made by Mr. R. R. Nair in the growth of the Company during his long years of association with the Company.

Dr. Lakshmi Nadkarni ceased as an Alternate Director to Dr. Ramkumar Dhruva with effect from the close of business hours as on 31st March, 2019. Your Directors place on record their sincere appreciation of the contribution made by Dr. Lakshmi Nadkarni in the growth of the Company, during her tenure as Director of the Company.

Mr. Pradeep Chandan was appointed as an Alternate Director to Dr. Ramkumar Dhruva and being in the whole-time employment of the Company, also as a Whole-time Director of the Company for a period of three years from 1st April, 2019 to 31st March, 2022. The shareholders of the Company have also approved the appointment of Mr. Pradeep Chandan on 26th March, 2019 by way of Postal Ballot.

Mr. Rajesh Naik was re-appointed as a Whole-time Director of the Company for a period of three years from 1st April, 2019 to 31st March, 2022 by the shareholders of the Company on 26th March, 2019 by way of Postal Ballot.

As required under the SEBI Listing Regulations, the profiles of Directors seeking re-appointment at the ensuing Annual General Meeting is provided on page no. 53 in the Corporate Governance Report, forming part of this Annual Report.

Finance & Accounts

Your Company continued to optimize borrowings during the year by focusing on cash flows and working capital management. Your Company availed of alternative funding options such as Commercial Papers, Trade Financing, Inter-Corporate Deposits from BASF Group Companies, etc., to ensure efficiency in its borrowing costs.

Your Company follows a prudent financing policy and aims to maintain optimum financial gearing at all times. Your Company's debt equity ratio was 0.6 as at 31st March, 2019.

Capital Expenditure

Capital expenditure incurred during the year aggregated to Rs. 674.5 million.

Credit Rating

During the year, CRISIL reaffirmed credit rating of 'CRISIL AAA/Stable' for long term debt programs and 'CRISIL A1+' for Commercial Paper Programme of Rs. 7,500.0 million. Further, India Ratings and Research Private Limited has also maintained a credit rating of 'IND A1+' for Commercial Paper Programme of Rs. 7,500.0 million.

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 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 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, Whole-time Director are presently the members of the CSR Committee.

Mr. Pradeep Chandan, Director – Legal, General Counsel (South Asia) & Company Secretary is the Secretary of the CSR Committee.

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 under review, due to impact on profitability, your Company was not required to spend any amount on CSR activities. However, in order to maintain project sustainability, the Board of Directors of your Company decided to spend an amount of Rs. 1.5 million towards CSR activities.

Your Company undertook CSR activities mainly in the areas of Water, Sanitation and Hygiene (WASH) & Education including conduct of various behavioural change programs, details of which are provided in **Annexure I** of this Report.

Business Responsibility Report

Regulation 34(2) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 500 listed entities based on market capitalization, should include a Business Responsibility Report (“BRR”).

Your Company, being among the top 500 listed entities, has included BRR, as part of this Report as **Annexure II**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRR for the financial year 2018-2019 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, 2019 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, the 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 on page no. 48 in the Corporate Governance Report, forming part of this Annual Report.

Policy on Directors' appointment and remuneration

The policy on Directors' appointment and remuneration including the criteria for determining 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>

Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai, have been appointed as Statutory Auditors of the Company at the Annual General Meeting held on 28th September, 2017. They have confirmed to the Company that they are not disqualified from continuing to act as Statutory Auditors of the Company.

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. HS Associates, Practising Company Secretaries, Mumbai (C.P. 1483), to conduct the Secretarial Audit of the Company for the financial year 2018-2019 and to furnish the report to the Board. The Secretarial Audit Report dated 30th April, 2019 forms part of this Report as **Annexure IV**.

Auditors' Report & Secretarial Audit Report

There are no qualifications/reservations/emphasis of matter placed by the Statutory Auditors and the Secretarial Auditors in their respective Reports for the financial year ended 31st March, 2019.

Cost Audit

The Board of Directors, in pursuance of Section 148 of the Companies Act, 2013, has 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 2019-2020. They 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 by 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 on page nos. 46 and 47 of 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>

Your Directors draw the attention of the shareholders to Note No. 45 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

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. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

Extract of Annual Return

The extract of the Annual Return in Form MGT-9 is available on the Company's website and can be accessed at: www.basf.com/in

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 the Registered Office 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.

In compliance with the provisions 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 the Workplace and has constituted an Internal Committee (IC). The names of the Committee Members are displayed on the notice board in each establishment. 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 2018-2019.

Training programs on prevention of sexual harassment at the workplace are also conducted at regular intervals. During the year under report, your Company conducted e-workshops/awareness programmes on the policy for the employees. Your Company 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 mitigated 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.

SEBI vide its notification dated 9th May, 2018 had amended the SEBI Listing Regulations which mandates top 500 listed entities based on market capitalization, 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 the top 500 listed entities, the Board of Directors of the Company at their Meeting held on 28th March, 2019 constituted the Risk Management Committee of the Company with effect from 1st April, 2019. The details about the Risk Management Committee have been provided in the Corporate Governance section of the Annual Report.

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 the Regulators or Courts

Certain litigations pending with Regulators or Courts have been disclosed as Contingent Liabilities in note no. 35 of the notes to the financial statements for the year ended 31st March, 2019. There are no 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

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

Eight Board Meetings were held during the financial year 2018-2019 on the following dates:

- | | |
|------------------------------------|------------------------------------|
| (1) 3 rd May, 2018 | (2) 4 th May, 2018 |
| (3) 31 st July, 2018 | (4) 10 th August, 2018 |
| (5) 3 rd October, 2018 | (6) 30 th October, 2018 |
| (7) 23 rd January, 2019 | (8) 28 th March, 2019 |

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.

Personnel and Welfare

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 : 30th April, 2019

Annual Report on CSR activities

1.	A brief outline of the Company's CSR policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR policy.	<p>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.</p> <p>The Company has undertaken various community initiatives and projects under its different CSR programs. Water, Sanitation and Hygiene (WASH) and Education are the mainstay of the CSR programs of the Company.</p> <p>The Company has focused its CSR projects on community development around its manufacturing sites at Dahej and Mangalore.</p> <p>The Company believes that its CSR programs require a long term commitment and continuity. Hence, even though the Company was not mandatorily required to spend any amount towards CSR in the financial year 2018-2019, the Company decided to continue support to the communities, which had benefited from its CSR programs.</p> <p>In the financial year 2018-2019, the Company constructed a toilet block in one school at Dahej. The Company believes that behavioural change programs are just as important as physical infrastructure to bring about an end to open defecation. Therefore, the Company conducted a series of awareness programs on sanitation and use of toilets to bring about a change in entrenched behaviour.</p> <p>At Mangalore, the Company has built one toilet in a school. In line with its commitment to raising awareness on sanitation among school children, the Company also conducted awareness programs for 400 school children on personal hygiene, safe sanitation, usage of toilet, solid and liquid waste management. Further, with a view to provide safe drinking water to children, the Company also installed water filters in 3 schools in Mangalore.</p> <p>The CSR Policy of the Company is available on the Company's website and can be accessed at http://bit.do/basfcsrpolicy</p>
2.	Present Composition of the CSR Committee.	<p>Mr. Arun Bewoor, Chairman (Independent Non-Executive Director)</p> <p>Mr. R. A. Shah (Independent Non-Executive Director)</p> <p>Mr. Rajesh Naik (Whole-time Director)</p> <p>Mr. Pradeep Chandan (Secretary of the Committee)</p>
3.	Average net profit of the Company for the last three financial years	N.A.
4.	Prescribed CSR Expenditure (two percent of the amount as shown in item 3 above)	N.A. (Due to impact on profitability, the Company was not required to mandatorily spend any amount on CSR. However, in order to maintain project sustainability, the Board of Directors decided to spend Rs. 1.5 million on CSR activities during the financial year 2018-2019)
5.	Details of CSR spent during the financial year:	
	(1) Total amount spent for the Financial Year	Rs. 1.5 million
	(2) Amount unspent, if any;	Nil
	(3) Manner in which the amount spent during the financial year	Refer table on page no. 13 of this Report

Details of CSR Amount Spent

(Rs. in million)

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
					Direct expenditure on projects or programs	Overheads		
1.	Construction of toilet	WASH (Water, Sanitation and Hygiene)	Village Dahej, District Bharuch, Gujarat	0.4	0.3	0.1	0.4	Sulabh Sanitation Mission Foundation
2.	Awareness generation (School sanitation club, sanitation awareness camps)			0.3	0.3	0.0	0.3	
Total CSR amount spent in Dahej				0.7	0.6	0.1	0.7	
1.	*Construction of toilet	WASH (Water, Sanitation and Hygiene)	Mangalore, Karnataka	0.4	0.4	0.0	0.4	Leaf Society
2.	Behavioural change programs on sanitation & hygiene			0.3	0.3	0.0	0.3	
3.	Installation of water purifiers in 3 schools			0.1	0.1	0.0	0.1	
Total CSR amount spent in Mangalore				0.8	0.8	0.0	0.8	
Total CSR amount spent				1.5	1.4	0.1	1.5	

* Necessary approvals for construction of toilet has been obtained & the construction is expected to complete by August 2019.

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 : 30th April, 2019



Your Company constructed and inaugurated a public toilet on World Toilet Day at Bala Grama Panchayath, near Mangalore site in October 2018.

The project was implemented by one of our NGO partners – LEAF Society. This will help many truck drivers coming to the industrial area and the local panchayat will maintain the toilet by pay and use mechanism.

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars/Activities	Details									
1.	Corporate Identification Number (CIN) of the Company	L33112MH1943FLC003972									
2.	Name of the Company	BASF INDIA LIMITED									
3.	Registered office address	The Capital, 'A'-wing, 1204-C, 12 th floor, Plot No. C-70, 'G' – Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051.									
4.	Website	www.basf.com/in									
5.	E-mail ID	investor-grievance-india@basf.com									
6.	Financial Year reported	2018-2019									
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">Manufacture and sale of chemicals & chemical products</th> </tr> <tr> <th style="width: 50%;">Product</th> <th style="width: 25%;"></th> <th style="width: 25%;">NIC Code</th> </tr> </thead> <tbody> <tr> <td>Chemicals & Chemical Products</td> <td>Chapter 25 to 40 of ITC (HS) Code</td> <td style="text-align: center;">20</td> </tr> </tbody> </table>	Manufacture and sale of chemicals & chemical products			Product		NIC Code	Chemicals & Chemical Products	Chapter 25 to 40 of ITC (HS) Code	20
Manufacture and sale of chemicals & chemical products											
Product		NIC Code									
Chemicals & Chemical Products	Chapter 25 to 40 of ITC (HS) Code	20									
8.	List three key products that the Company manufactures	1) Elastocool EH 2030/1 2) Texapon N 701 GT 3) Acronal IN 004 AP									
9.	Total number of locations where business activity is undertaken by the Company: i. Number of International Locations ii. Number of National Locations	Nil The Company has 8 manufacturing sites and 14 offices all over India.									
10.	Markets served by the Company	The Company serves national and international markets									

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars/Activities	Details
1.	Paid up Capital	Rs. 432.9 million
2.	Total Turnover (Net of GST/Excise duty)	Rs. 60,256.7 million
3.	Total Profit after taxes	Rs. 817.2 million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit before tax (%)	Due to impact on its profitability, the Company was not required to mandatorily spend any amount on CSR activities during the financial year 2018-2019. However, to maintain project sustainability, the Board of Directors of the Company decided to spend Rs. 1.5 million on CSR projects / activities during the year.
5.	List of activities in which expenditure in point 4 above has been incurred	Water, Sanitation and Hygiene.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? – No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) – Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

The Company encourages its suppliers, dealers and other stakeholders to support various initiatives taken by the Company towards its business responsibility.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR
 - a) Details of the Director responsible for implementation of the BR policy/policies
 - Name : Mr. Narayan Krishnamohan
 - Designation : Managing Director
 - b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number	08350849
2.	Name	Mr. Narayan Krishnamohan
3.	Designation	Managing Director
4.	Telephone number	022-67243700 / 67243800
5.	E-mail ID	narayan.krishnamohan@basf.com



Since 2011, employees of your Company visit schools in Mangalore every month to teach students to conserve and purify water. Thus, now children can help spread the awareness about the importance of clean water for health.

2. Principle-wise (as per National Voluntary Guidelines) BR policy/policies

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Whether the Company has policies for each of the 9 Principles?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Whether the policies have been formulated in consultation with the relevant stakeholders?	Yes								
3.	Whether the policies conform to any national/international standards? If yes, specify?	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.								
4.	Whether the policies are being approved by the Board? If yes, has it been signed by MD/CEO/ or any Director?	Key policies are formulated at BASF Group level in Germany. The policies are adopted & implemented by the Company in line with the local legislations & corporate guidelines. The 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.								
5.	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policies?	The Company has a Committee for Corporate Social Responsibility. For other policies, the Company has put in place internal framework/Committees to monitor their implementation from time to time.								
6.	Indicate the link for the policies to be viewed online.	The Company's CSR Policy is available at http://bit.do/basfcsrpolicy All other policies are available on the Company's internal network.								
7.	Whether the policies have been formally communicated to all relevant internal and external stakeholders?	All the policies have been communicated and are available on the internal network for the internal stakeholders. Policies communicated to external stakeholders are available on Company's website www.basf.com/in								
8.	Whether the Company has an in-house structure to implement the policy/policies.	There is an in-house structure to implement the policies.								
9.	Whether the Company has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	In order to ensure integrity and transparency of business processes, the Company has established a hotline to facilitate reporting of any non-compliance or violation of the Company's Code of Conduct. The Company also has a Stakeholders' Relationship Committee to redress grievances of investors. An Internal Committee has also been constituted at each establishment of the Company to look into complaints of sexual harassment.								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company's policies/guidelines and procedures are audited by the Company's Internal as well as the BASF Group's Auditors.								

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: Not Applicable.

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.
The BR performance is reviewed annually by the Board of Directors of the Company.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The Company publishes the Business Responsibility Report as a part of the Annual Report of the Company. The Report can be viewed on the website of the Company www.basf.com/in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company strives to adhere to the highest standards of integrity and behaviour and ensure compliance & adherence to the law and internal policies through its compliance systems. The Company has zero tolerance towards 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 topic areas 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.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

There was no stakeholder complaint received during the financial year 2018-2019.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of the Company's products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
 - b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

i) MasterKure Series- Concrete Curing Compound

Key feature of "MasterKure technology" is water retention within mass of concrete, which is a mixture of fine and coarse aggregates, water and cement. During concrete making process, all the ingredients are mixed together which ultimately harden over time. During hardening process, cement reacts chemically with water and generates heat, which ultimately leads to increase in temperature of concrete and thereby there is loss of water out of concrete mix. Faster loss of moisture is harmful to concrete as it leads to cracks. Hence, it is a standard practice to use potable water which keeps the concrete moist for a minimum period of seven days. Major objective of curing is to maintain appropriate temperature and moisture content in the concrete during the strength gaining process. Based on the type of structure, civil engineers adopt various techniques like water ponding, frequent water sprinkling, use of wet hessian to cure concrete after casting.

However, in certain situations it is not possible to use potable water as a curing agent, e.g. high rise/ sloping structures, cross country concrete roads / structures, large slabs or industrial floors, water scarcity areas, high cost of potable water etc. In such situation, BASF's Master Builders Solutions offers a "MasterKure" range of curing compounds and evaporation reducers, which is a substitute to water curing and eliminates use of water with single application. At the same time, it also helps reducing plastic & drying shrinkage in concrete and thereby reducing the cost of post construction repair. Finally, it also reduces cost of labor and ultimately proves economical to the users.

ii) MasterGlenium 8600 Series – Smart Dynamic Concrete

This technology makes the concrete robust and durable. The general practice in the construction industry is to use more cement to give strength to the structure. MasterGlenium 8600 series has the potential to optimize the mix design, which helps reduce the amount of cement used, and consequently, reduce the carbon footprint. As every kilogram of cement produced gives rise to CO₂ (Carbon dioxide), the polymers of Smart Dynamic Concrete are so designed to induce less cement in the concrete mix. Less cement means less carbon dioxide emission, reducing the carbon footprint. The resources used in the entire process of making concrete such as batching plants, pumps, vibrators, pipelines and labours are also optimized resulting in lesser consumption of electricity & diesel.

iii) ecovio® – Compostable Plastic

BASF's ecovio® is a certified compostable plastic, which plays a key role in addressing the challenges of waste management. It also helps in sustainable food waste management as it links organic food waste to agriculture. Proper source segregation allows food waste to be disposed in compostable waste bags, which

gets converted to compost in standard composting conditions. Compost from food waste can be used in agriculture as it is an excellent nutrient for the soil and also helps in water retention and in preventing soil erosion. ecovio® is gaining increasing acceptance for shopping bags, fruit & vegetable bags and organic waste bags. ecovio® compostable polymers are increasingly being used for packaging and for mulch film for agricultural use.

iv) Eco Dispersions

The Company has been able to make dispersions with very low ppm of unreacted monomers using BASF patented technology. The Company's Eco Dispersions have enabled paint companies to formulate paints with low Volatile Organic Contents, which have no smell. Consequently, both the painter as well as the occupant enjoy a safe and comfortable experience and the occupant is able to occupy the premises immediately after painting.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

The Company has been conducting EHS (Environment, Health and Safety) audits for the last several years. The Company has completed more than 200 supplier audits in the last 5 years. The Company is gradually shifting its focus to TFS (Together for Sustainability). Through these audits, it is ensured that the supplier implements and follows sustainability practices (Environmental, Safety & Governance Guidelines – ESG Guidelines). These audits are conducted by third parties. The Company provides recommendations to suppliers wherever improvements are needed and monitors their implementation. The Company has completed more than 55 TFS audits and more than 120 online assessments in the last 3 years. The online assessments are carried out by a third party, EcoVadis and their report is shared with the suppliers.

Further, the Company reuses the packaging materials (IBC, drums etc.) and also recovers the solvents for reuse, wherever possible. The Company has adopted many modes of transportation, which are green and low emission modes (contributing to reduction of the carbon foot print). The Company has started use of multi-modal transport (road, rail and sea) for transporting goods within the country in addition to the Roll-on / Roll-off (RORO) model. The Company also uses coastal shipping for transporting hazardous chemicals, which is less polluting than road transportation and minimizes the risk of accidents.

The Company is a member of NicerGlobe, an independent platform founded by Indian Chemical Council, which provides real-time monitoring of the movement of dangerous goods across the length and breadth of India. This helps in monitoring any deviations in speed or route or driving time restrictions, which results in minimizing transport related incidents. Apart from this, almost all the filled containers being transported by road are enabled with GPS for real-time monitoring.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

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 Small & Medium Enterprises (SMEs) in the Indian chemical industry to compete in the global market. Many of the Company's packaging and service suppliers are small or medium enterprises. The Company is associated with more than 120 SME suppliers on an average since last 3 years.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste. Also, provide details thereof.

The Company is committed towards increasing waste efficiency through the ISO 14001 certification for all its manufacturing sites. Waste is segregated into hazardous and non-hazardous waste and processed through a robust waste management system.

Solid waste generated in the effluent treatment plant is sent to the cement industry as co-fuel. This reduces the net greenhouse gas emissions. All other wastes are segregated based on their characteristics, collected and stored in an appropriate manner. The waste is then disposed of as per the hazardous waste authorization issued by the State Pollution Control Board.

About 23% of the treated effluent at the Company's Thane (Navi Mumbai) production site is used for washing, cleaning and gardening thereby contributing towards sustainability.

Further, the Company's Dahej production site has installed an improved design cyclone separator in the process plant, which has resulted in a reduction in process waste by 90% (300 MT p.a) resulting in yield improvement.

Principle 3: Businesses should promote the well-being of all employees

Sr. No.	Particulars	Details
1.	Total No. of employees	1673
2.	Total No. of employees hired on temporary/contractual/casual basis	1464
3.	No. of permanent women employees	129
4.	No. of permanent employees with disabilities	1
5.	Whether there are any employee associations that are recognized by management	Refer Note below*
6.	Percentage of permanent employees being members of this recognized employee association?	13%

* BASF believes in collective bargaining and social partnership as an important mechanism to engage with the employees. The Company has adopted a constructive attitude towards co-operation with the workers' authorised representatives. The Company has engaged with trade unions at its manufacturing sites at Thane, Mangalore & Ankleshwar. Through continual dialogue with these unions, the Company strives to maintain cordial relationships with employees and work towards their welfare.

1. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

BASF has a governance structure in place to address complaints related to child labour, involuntary labour and 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.

Sr. No.	Category	No. of complaints filed	No. of complaints closed	No. of complaints pending
1.	Child labour/forced labour/involuntary labour	Nil	Nil	Nil
2.	Sexual Harassment	Nil	Nil	Nil
3.	Discriminatory Employment	Nil	Nil	Nil

2. What percentage of the Company's employees were given safety & skill upgradation training in the last year?

Permanent Employees:

About 75% of employees were given safety training in the form of on-the-job, classroom and interactive audio-visual training. At the Company's manufacturing site at Dahej, the Company had approximately 4.6 million Safe Man hours.

The Company has a robust skill assessment program whereby employees at manufacturing sites are provided skill training in line with the skill matrix, which is inclusive of generic skills such as Environment, Health & Safety & Quality and specific skills in their area of domain expertise. Annually about 0.7% of annual hours are spent for training. This training includes mandatory trainings, soft skills training & discipline specific training. Approx. 21,000 man hours of training was imparted to the Company's employees (including contract staff) at the manufacturing sites.

The Company also conducts a week of Technical Academy Training wherein the employees are provided special skill / working level skill training in class room sessions.

Permanent Women Employees:

Training is planned and imparted based on the need identified in the Employee Development Plan and Performance Appraisal. Training programmes are designed on the basis of common developmental needs.

Casual / Contractual Staff:

All casual / contract staff are imparted training in the area of environment, health & safety and also domain training through the contractors.

Employee with Disabilities:

There is only one employee with permanent disability in the Company.

Further, the Company has also provided training to 66 trainees, including 21 women at its manufacturing sites under the National Employability Enhancement Mission (NEEM).

Principle 4: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

The Company has mapped its internal and external stakeholders in a structured way and carried out engagements with its investors, employees, customers, suppliers, business partners, etc. The Company identifies the interest of internal stakeholders like permanent employees through engagement surveys and periodical reviews. The external stakeholders are mapped through defined activities such as customer events, etc. The Company also reaches out to its external stakeholders on a regular basis through press releases, analyst meets and the Annual General Meeting. The Company also participates in events organised by trade associations and contributes by providing inputs whenever required.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

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 conducts behavioural change programs on sanitation and hygiene amongst the students and women from low socio-economic background as a part of its CSR activities.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged vulnerable and marginalized stakeholders? If so, provide details thereof.

The initiatives undertaken by the Company for the disadvantaged, vulnerable and marginalized stakeholders are elaborated in Principle 8 and in the Annexure on CSR activities forming part of the Directors' Report for the year ended 31st March, 2019.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company acknowledges its responsibility to respect and support human rights. BASF Group observes the principles of the following internationally recognized standards:

- United Nations Universal Declaration of Human Rights.
- International Covenant on Civil and Political Rights.
- International Covenant on Economic, Social and Cultural Rights.
- International Labour Organization's (ILO) eight core labour standards.
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- OECD Guidelines for Multinational Enterprises.
- Responsible Care Global Charter.
- Ten principles of the UN Global Compact.

As a founding member of the UN Global Compact, BASF Group strives to contribute to the protection and wider recognition of human rights within the sphere of its influence. The Company also supports its suppliers and business partners in their efforts to act in accordance with the internationally recognized standards.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no stakeholder complaints received by the Company during the financial year 2018-2019.

Principle 6: Businesses should respect, promote, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

BASF Group creates chemistry for a sustainable future through its commitment to the principles of Responsible Care® and innovation. The continuous improvement of safety, health, environment protection, energy and resources efficiency and social responsibility is anchored in the strategy of the Company and underlines its philosophy in conducting all its activities and dealings with third parties.

The Company has laid down policies, principles and standards, which its manufacturing sites are required to adhere. BASF aims to achieve excellence in environment protection, health management and safety across its businesses. The Company's EHS Policy also specifies the EHS requirements to be observed by its contractors & others.

The Company has won the Indian Chemical Council (ICC) Environment Management Award for its environmental commitment and performance. The Company has also received Confederation of Indian Industry (CII) Pinnacle Award for Excellence in Manufacturing in Environment, Health and Safety category.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.

Under the new Corporate Strategy, BASF has set itself the goal of carbon-neutral growth – holding greenhouse gas emissions constant while growing the business and constructing new manufacturing sites. BASF commits to keep its greenhouse gas emissions flat from now until 2030. In a business where almost 95% of products are derived from hydrocarbons, this is an ambitious goal. To achieve this objective, BASF will improve the management, efficiency and integration of its plants and purchase a greater share of electricity from renewable energy sources.

Globally BASF's goal is to achieve a 40% reduction in specific greenhouse gas emissions per ton of sales product in the chemicals business by the year 2020, compared to the base year 2002. It is also intended to improve energy efficiency by 35% in the same period.

BASF's innovative products are 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.

The Company's manufacturing site at Thane also took up the initiative of planting 1500 trees in an open plot of land allotted by Maharashtra Industrial Development Corporation.

3. Does the Company identify and assess potential environmental risks?

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.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

Clean Development Mechanism (CDM) is one of the flexible mechanisms for the reduction of greenhouse gas emissions as laid down in the Kyoto Protocol, in which the companies from industrialized and transitional countries participate in emission reducing and quality projects and in doing so, acquire tradeable emission vouchers.

BASF Group initiated Clean Development Mechanism and Joint Implementation projects both for customers and for its own plants and in this way supported customers who reduce greenhouse gas emissions by the use of BASF products. These projects are based on BASF's own catalyst technology for nitrous oxide decomposition in chemical plants.

The Company does not have any Clean Development Mechanism Projects.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.

- i. Utilization of sludge from the Effluent treatment plant as a co-fuel in cement manufacturing:

The Company has been using the ETP (Effluent Treatment Plant) sludge as a co-fuel in the cement industry. The Company has worked with the authorities & carried out extensive trials in the cement industry & obtained their approval for its use.

The advantages of using this sludge are as follows:

- Net reduction in the greenhouse gas emission to the extent of 1 ton per ton of sludge co-incineration.
- No need to run the in-house Incinerator to incinerate the said ETP sludge thereby achieving reduction in power consumption.
- The high calorific value of the sludge generates significant energy savings.
- All harmful constituents are completely destroyed in the cement kiln where the temperature is above 14000°C.
- Conservation of fossil fuel by the cement industry.

- ii. Recycling of treated effluents:

The Company's manufacturing site at Thane has initiated recycling of treated effluent of 33 cubic meter per day, which, in turn, is used for floor washing, gardening (irrigation) thus enabling conservation & saving of natural water.

iii. Bio Boiler:

The Company has installed a “Dynamically Air cooled Step grate” (DAS) technology Bio-mass Boiler of 6TPH capacity at its Mangalore Plant.

The project was initiated with the objective of reducing the steam generation cost and to decrease greenhouse gas emissions in the atmosphere.

The fuel comprises of agricultural by-products in the form of briquettes with calorific value of 3500 Kcal to 4100 Kcal.

The Bio Boiler uses state-of-the-art technology and its operations are automated and controlled through two levels of alarm signals to ensure safe operation.

The benefits of the Bio Boiler are as follows:

- Reduction in steam cost by more than 20%
- Reduction in Green House Gas emission by 2500 ton/annum
- Substantial reduction in Sulphur Oxides (SOx) and Nitrogen Oxides (NOx) emissions
- Eco-friendly ash generation due to cleaner fuel
- Fully automated safety & control

iv. Energy Management System:

By 2020, BASF Group plans to introduce certified energy management system (DIN EN ISO 50,001) at relevant manufacturing sites.

v. Renewable Energy:

The Company’s manufacturing site at Mangalore is meeting its power demand with renewable solar energy, which has helped to reduce carbon dioxide emission by 10,920 tons by using 15041 MWh of renewable energy generated by the solar power plant instead of conventional sources.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company’s emissions, effluents and wastes are within the permissible limits.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.

There were no show causes/legal notices received from Central and State Pollution Control Boards which are pending as on 31st March, 2019.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Whether the Company is a member of any trade and chamber or association? If yes, name those major ones that your business deals with:

Some of the key trade/industry associations, of which the Company is a member are:

- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce
- Global Compact Network
- Public Affairs Forum of India
- Bombay Chamber of Commerce & Industry
- Indian Chemical Council
- Indo German Chamber of Commerce
- CropLife India

2. Whether the Company has advocated/lobbied through above associations for the advancement or improvement of public good? If yes, please specify the broad areas.

Through the membership of trade and industry associations, the Company makes efforts to contribute towards sustainable business issues. On issues related to environment under Swachh Bharat Abhiyan, the Company has been focusing on use of compostable plastic as an alternative to plastic carry bags. In the area of solid waste management, the Company has been advocating the use of compostable bags instead of virgin plastic bags for conversion of perishable waste to manure by composting.

Under the aegis of 'CropLife India', the Company has been advocating faster introduction of pesticides using greener chemistry. BASF has also encouraged use of catalytic converters in vehicles for pollution reduction as part of switch over to BS VI norms.

Suggestions / recommendations on amendments in laws are also taken up through the Industry Associations for submission to the concerned Ministry.

Lectures on various topics including Corporate Governance & Business Ethics are conducted for Management Students at the Indo-German Chamber of Commerce under the 'Seminar Series of Indo German Training Centre'.

The Company actively promotes "Responsible Care®" under EHS among chemical industries through Indian Chemical Council. This includes safe, secure and efficient handling and transportation of chemicals.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Inclusive growth and equitable development are essential to foster sustainable local development and uplift the communities in which the Company operates. Through socio-economic, health and environment initiatives, the Company leverages on its core-competencies to address the stakeholder needs. The Company's CSR Policy meets the compliance requirements under the Companies Act, 2013. The Company has undertaken various community initiatives and projects under its CSR Programs, which are focussed on Water, Sanitation and Hygiene (WASH). These programs are executed in and around the Company's production sites at Dahej and Mangalore. The details of the various programs / initiatives adopted by the Company are provided in the Annexure on CSR activities forming part of the Directors' Report of the Company for the financial year 2018-2019.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other Organisation?

The Company has its own in-house team which plans, monitors and governs the corporate social responsibility initiatives / projects of the Company. The Company partners with like-minded implementing Non-Government Organizations (NGOs) such as Sulabh Sanitation Mission Foundation, New Delhi and Leadership through Education & Action Foundation (LEAF), Chennai to implement the Company's CSR initiatives.

3. Whether the Company has done any impact assessment of these initiatives?

The Company's CSR initiatives are long term projects. The Company conducts need assessment studies before initiating the projects. The outcome and the impact of each project is monitored and measured by the Company at regular intervals along with its implementing partners.

4. What is the Company's direct contribution to community development projects — Amount in INR and the details of the projects undertaken?

During the financial year 2018-2019, due to impact on the profitability, the Company was not required to spend any amount on CSR initiatives. However, in order to maintain sustainability of the projects, the Board of Directors of the Company decided to spend Rs. 1.5 million on CSR activities.

The details of the activities undertaken by the Company are given in the Annexure on CSR activities forming part of the Directors' Report for 2018-2019.

5. Whether the Company has taken steps to ensure that these community development initiatives are successfully adopted by the community?

All CSR initiatives undertaken by the Company are planned, monitored and evaluated keeping in view the needs of the communities. Efforts are made for driving sustainability with continued focus on the environment and resource efficiency. The Company's CSR activities are mainly in the areas of Water, Sanitation & Hygiene (WASH). The Company has used innovative and interactive techniques to create awareness amongst the people about its programs. There has been special attention on programs which are designed to bring about behavioral changes in the people specially with respect to sanitation facilities. The Company's partners engage with community leaders & other important stakeholders to ensure effective adoption by the community.

The Company has also been training farmers on various aspects of safety while dealing with crop protection products. Since 2016, the Company has been conducting "Suraksha Hamesha" ('Safety all the time') training programs for farmers in India. The program serves as a platform to help educate farmers and spray men about the 9 steps of responsible use of crop protection products and personal protection measures. Using tools such as safety films, posters and presentations, the team shares messages on important stewardship topics including handling, usage, storage and disposal of crop protection products.

The key achievements of Suraksha Hamesha program are as follows:

Year	Farmers covered	Women farmers covered	Spray men covered	Participation of agriculture department officials
2018-2019	43,488	1,746	9,591	649

The Company has also developed a first of its kind 'Sanrakshan Kit', which contains certified personal protection equipment designed to meet the safety requirements of farmers and is made available to the farmers at a subsidized price. Your Company continued providing improvised 'Sanrakshan kit' to the farmers during the year 2018-2019.

The Company's Suraksha Hamesha program was honored with 2018 Agrow Award for Best Stewardship Program by a panel of global industry experts in London.

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

1. What percentage of customer complaints/consumer cases are pending as on 31st March, 2019?
~ 1% of the total customer complaints are pending as on 31st March, 2019 before various Courts in India.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?
The Company adheres to all applicable laws and regulations on product labelling. Apart from the mandated declarations, additional declarations relating to the safe handling & use of the products are made on the labels.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof.
No cases were filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.
4. Whether the Company carried out any consumer survey/consumer satisfaction trends?
Customer survey from SCM (Supply Chain Management) perspective was carried out in the financial year 2016-2017. This year the Company will roll out NPS (Net Promoter System) to seek feedback and suggestions from customers.

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 : 30th April, 2019



BASF awarded for its commitment towards environment in India. In September 2018, your Company received the Certificate of Merit for Excellence in Management of Environment from the Indian Chemical Council (ICC) for 2017.

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

The 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 facilities at Navi Mumbai (Maharashtra), Mangalore (Karnataka), Ankleshwar & Dahej (Gujarat), Kharagpur (West Bengal), Nellore (Andhra Pradesh) and Nalagarh (Himachal Pradesh).

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

- Replacing the sodium vapour/CFL bulbs/illumination lamp/conventional lights with energy efficient LED lamps/lights.
- Replacement of old motor with energy efficient motor.
- Generation of steam using Briquette fired boiler.
- Process optimization in various production plants.
- Installing Orifice on air inlet line of Filter press to reduce air consumption.
- Providing timer for air diffuser and agitator to reduce electricity consumption.
- Installation of Variable Frequency Drive and mechanical seals in various pumps for power saving.
- Reduction in electricity demand for lower fixed cost charges.
- New technology air dryer installed (HOC type against heatless type) which resulted in power saving.
- Downsizing of various pumps.
- Purchase of electricity from private players through open access resulting in reduction of electricity costs.
- Replacement of old chilling unit with new energy efficient units.
- Replacement of old agitator with new energy efficient agitator.
- Replacement of old N2 compressor with new energy efficient unit.
- Purchase of solar power from external solar park.
- Usage of Bio fuel for generation of steam instead of Furnace Oil resulting in lower carbon dioxide emission.

Reduction in process water consumption in plants was achieved by:

- Reduction of effluent water load from plants to Effluent Treatment Plant (ETP).
- Recycling of waste water inside the plants.
- Use of ETP recycle water for cooling tower and gardening.
- Rain water harvesting system.
- Condensation recovery.
- Drip irrigation and sprinkler system for tree plantation and gardening.

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

- Initiating employee engagement program to identify & develop energy saving measures, operation excellence.
- Carrying out steam & energy audit.
- Creating awareness on energy conservation among employees.
- Optimising utility energy consumption in the plant through resource conservation.
- Change in operation philosophy.
- Reduction in energy consumption of chillers by descaling.
- Automation of central utility air compressors.
- Recycling of RO reject and cooling tower blowdown water.

Requisite data in respect of Energy Consumption is given below:

	Current Year 1.4.2018 to 31.3.2019	Previous Year 1.4.2017 to 31.3.2018
Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (in '000 kwh)	63,780.0	64,258.4
Total amount (Rs. in million)	472.1	447.9
Rate per unit (Rs.)	7.6	7.2
(b) Own generation		
Through diesel generator		
Units (in '000 kwh)	687.9	760.8
Units per litre of oil	3.6	3.6
Cost per unit (Rs.)	16.3	15.4
2. Furnace oil/fuels		
Qty. (k. litre)	476.7	506.4
Total Amount (Rs. in million)	16.1	16.4
Average rate (Rs./litre)	32.1	42.0
3. Natural Gas		
Qty (kNcm)	11,566.8	13,083.9
Total cost (Rs. in million)	427.2	408.5
Average rate	34.0	30.4

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 all the businesses through innovations 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 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 technical support laboratory at Mangalore is actively involved in the area of developing new coatings technologies and testing services for global customers. This laboratory was a part of developing two new clearcoat technologies with improved environmental resistance, better appearance and better scratch resistance.

Your Company has a Pharma laboratory at 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 greenhouses and fields for efficacy and safety against economically important pests, weeds and diseases. Baseline monitoring and resistance monitoring tests were carried out for insecticides and herbicides enabling the business to take right decisions for new product introduction in the market.

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: Rs. 82.8 million.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

The R&D Centre of the 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 the 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.

The Company has 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. 7,811.1 million.

Foreign exchange expenses during the year: Rs. 2,404.2 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 : 30th April, 2019

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2019.

[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 books, 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, 2019, 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, 2019, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") the applicable and effective Amendments and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. 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;
- V. 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:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited.
- VI. The Management has identified and confirmed the Sector Specific Laws as applicable to the Company being in Chemical Sector as given in **Annexure – 1**.

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

- i) Secretarial Standards 1 and 2 as issued and revised by The Institute of Company Secretaries of India with effect from 1st October, 2017.
- ii) 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 balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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 financial year ended 31st March, 2019:

1. The Company has obtained Shareholders approval for Appointment of Mr. Raimar Jahn having (DIN:07819517) as a Director of the of the Company at their Annual General Meeting held on 10th August, 2018.
2. The Company has obtained Shareholders approval pursuant to Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for re-appointment of Dr. Raman Ramachandran (DIN: 00200297) as the Chairman & Managing Director Company for a period of one year from 1st April, 2018 to 31st March, 2019 and fixation of his remuneration in case of inadequacy of profits at their Annual General Meeting held on 10th August, 2018.
3. The Company has transferred the 15,821 (Fifteen Thousand Eight Hundred and Twenty One) shares to IEPF Authority for Financial Year ended 2010-11 pursuant to section 124(5) of the Companies Act, 2013 read with the applicable rules made thereunder.
4. The Company has declared and paid the Final dividend @30% i.e Rs. 3/- per Equity Share for the financial year ended 31st March, 2018 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.
5. 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, 2019, 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 10th August, 2018.
6. The Company has obtained Shareholders approval at their Annual General Meeting held on 10th August, 2018 under 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 and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for entering into Transactions with the Related parties upto the maximum amount mentioned in the resolution passed therein, in each financial year, for a period of 5 years.
7. The Following changes took place in the Board of Directors during the Financial year under review:
 - Dr. Andrea Frenzel resigned from the post of Director of the Company w.e.f 31st July, 2018. Consequent to her resignation, Dr. Lakshmi Nadkarni also ceased to be an Alternate Director.
 - Dr. Ramkumar Dhruva has been appointed as a Director of the Company by the Board of Directors at their meeting held on 31st July, 2018, in place of Dr. Andrea Frenzel. Dr. Lakshmi Nadkarni has been appointed as an Alternate Woman Director to Dr. Ramkumar Dhruva to represent him during his absence from India.
 - Superannuation of Dr. Raman Ramachandran as the Chairman & Managing Director of the Company with effect from the close of business hours as on 31st March, 2019.
8. Conducted Postal Ballot process under section 110 of the Companies Act, 2013 and the rules made thereunder for approval of 9 (nine) resolutions all of which were duly passed as per the scrutinizers report dated 27th March, 2019.

Mumbai
Dated : 30th April, 2019

For **HS Associates**
Company Secretaries

Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

This report is to be read with our letter of even date which is annexed as **Annexure – 2** and forms an integral part of this report.

Annexure – 1

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

1. Factories Act, 1948
2. The Contract Labour (Regulation & Abolition) Act 1970
3. Air & Water (Prevention and Control of Pollution) Acts
4. The Air (Prevention and Control of Pollution) Act, 1981 and the Rules made thereunder
5. The Water (Prevention and Control of Pollution) Cess Act and Rules.
6. Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986
7. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
8. Indian Boilers Act, 1923
9. GIDC/ MIDC / KIADB Act and Rules
10. Chemical Weapons Convention Act, 2000
11. The Narcotics Drugs and Psychotropic Substances Act, 1985
12. The Explosives Act, 1884
13. The Inflammable Substances Act, 1952
14. Insecticides Act, 1968 and Rules, 1971
15. Legal Metrology (Packaged Commodities) Rules, 2011
16. Fertilizer (Control) Order, 1985
17. Solvent Raffinate & Slop (Licensing) Order, 2007
18. Drugs and Cosmetics Act, 1940

Mumbai

Dated : 30th April, 2019

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner**

FCS No.: 2827

CP No.: 1483

Annexure – 2

To,
The Members,
BASF INDIA LIMITED

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

1. 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.
2. 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.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. 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.
5. 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.

Mumbai
Dated : 30th April, 2019

**For HS Associates
Company Secretaries**

Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

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 at Arm's length basis:

There were no contracts or arrangements or transactions of the Company during the year ended 31st March, 2019, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at 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 Societas Europaea (BASF SE), Parent Company	(a) Sale and/or purchase of goods. (b) Availing or rendering of services. (c) Payment of Royalty for Technical Collaboration/ Assistance.	On-going transactions	As per Inter Company Transfer Pricing (ICTP) Guidelines	(a) 6,768.8 (b) 1,107.4 (c) 17.3
BASF Hong Kong Limited, Affiliate Company	(a) Sale and/or purchase of goods. (b) Availing or rendering of services.			(a) 9,176.9 (b) 793.8
BASF Company Ltd., Affiliate Company	(a) Sale and/or purchase of goods. (b) Availing or rendering of services.			(a) 6,044.1 (b) 36.1

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 : 30th April, 2019

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 2018-2019: (Amount in Rupees)

Sr. No.	Name of Director	Remuneration	Median Remuneration of Employees	Ratio
1.	Dr. Raman Ramachandran (Chairman & Managing Director) [#]	64,008,824	1,145,244	55.89
2.	*Mr. Narendranath J. Baliga (Chief Financial Officer & Alternate Director)	20,266,933	1,145,244	17.70
3.	**Dr. Lakshmi Nadkarni (Alternate Director)	17,719,462	1,145,244	15.47
4.	***Mr. Rajesh Naik (Whole-time Director)	14,499,594	1,145,244	12.66

[#] Dr. Raman Ramachandran superannuated as the Chairman & Managing Director of the Company with effect from the close of business hours as on 31st March, 2019. His remuneration includes leave encashment payable to him during the FY 2019-2020. Mr. Narayan Krishnamohan is the Managing Director of the Company with effect from 1st April, 2019.

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

** Dr. Lakshmi Nadkarni ceased as an Alternate Director to Dr. Ramkumar Dhruva with effect from the close of business hours as on 31st March, 2019.

*** Mr. Rajesh Naik has been re-appointed as the Whole-time Director of the Company with effect from 1st April, 2019.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2018-2019 (compared to the financial year 2017-2018):

Sr. No.	Name	Designation	Percentage increase in remuneration
1.	Dr. Raman Ramachandran	Chairman & Managing Director	9.52
2.	Mr. Narendranath J. Baliga	Chief Financial Officer & Alternate Director	10.10
3.	Dr. Lakshmi Nadkarni	Alternate Director	10.11
4.	Mr. Rajesh Naik	Whole-time Director	8.16
5.	Mr. Pradeep Chandan*	Company Secretary	10.70

* Mr. Pradeep Chandan is appointed as an Alternate Director to Dr. Ramkumar Dhruva and being in the whole-time employment of the Company, also deemed to be Whole-time Director for a period of three years from 1st April, 2019 to 31st March, 2022.

3. Percentage increase in the median remuneration of employees in the financial year 2018-2019 is 10.94%.
4. The number of permanent employees on the rolls of the Company as on 31st March, 2019 are 1,673.
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 9.72% and for other employees is 10.94%.

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 individual performance as well as that of BASF's business globally.

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

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and 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.

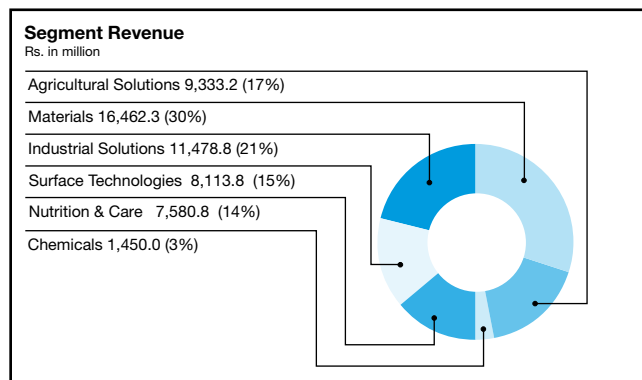
On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

NARAYAN KRISHNAMOHAN
Managing Director
(DIN: 08350849)

Mumbai
Dated : 30th April, 2019

Management Discussion and Analysis Report



The global economy is expected to grow by 2.8% in 2019 as compared to 3.2% in 2018. Global chemical production is forecasted to grow by 2.7% in 2019. Slowing external demand, rising borrowing costs, and persistent policy uncertainties have impacted the emerging market and developing economies. International trade and manufacturing activity have softened, trade tensions remain elevated and some large emerging markets have experienced substantial financial market pressures.

India's economy is expected to grow at 7.0% in 2018-2019, a tad higher from 6.7% in the previous fiscal, mainly due to improvement in the performance of agriculture and manufacturing sectors and robust consumption and investment growth.

Key sectoral highlights – India in 2018-2019



Agriculture sector expected to grow by **~2.7%**



Industry overall expected to grow to **~4.4%**



Services expected to grow by **~8.3%**



Manufacturing sector expected to grow to **~8.3%**



The automotive sector registered a modest growth of **6.26%**



Commercial vehicle sales grew by **17.55%**



Three wheeler sales grew by **10.27%**



Two wheeler sales grew by **4.86%**



Passenger vehicle sales grew by **2.70%**

Domestic demand has strengthened as the benefits of structural reforms such as the Goods and Services Tax (GST) harmonization and bank recapitalization took effect. The growth is expected to be accelerated by an upswing in consumption and investment.

The products manufactured by your Company serve several sectors including agriculture, automotive, pharmaceuticals, construction, consumer durables, consumer care and paints.

AGRICULTURAL SOLUTIONS

The Agricultural Solutions segment includes products for Crop Protection like insecticides, herbicides, fungicides and plant growth regulators. The sales of the products of your Company's Agricultural Solutions business depend on the monsoon and its distribution. Dry spell in the later part of the previous year impacted sales in affected segments. However, it was mitigated with your Company's current strategy of crop diversification. Your Company launched a novel insecticide, Sefina™ for cotton and vegetables. India is one of the pioneering countries in the world to have launched Sefina™ well ahead of other countries. Your Company has also introduced Priaxor® in the cotton market which has further strengthened the diversification strategy.



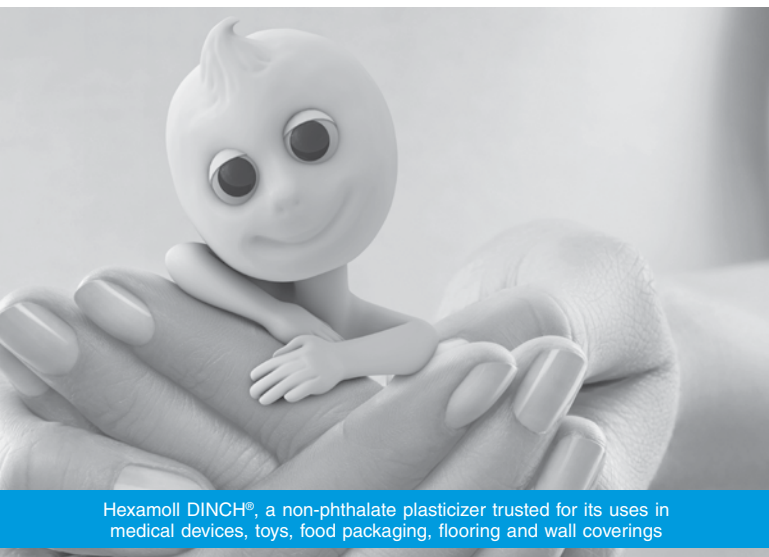
Sales realized from new products further improved with significant growth in sales of Tynzer™ in corn, Xelora® and Opera® in soybean and wheat. Seltima®, Adexar®, Basagran® continue to grow in rice markets.

Your Company's commitment to stewardship was exemplified by 'Suraksha Hamesha' a farmer's education initiative on safe handling of crop protection chemicals, which continued in 2018.



Cotton crop for which Sefina insecticide is highly effective

CHEMICALS



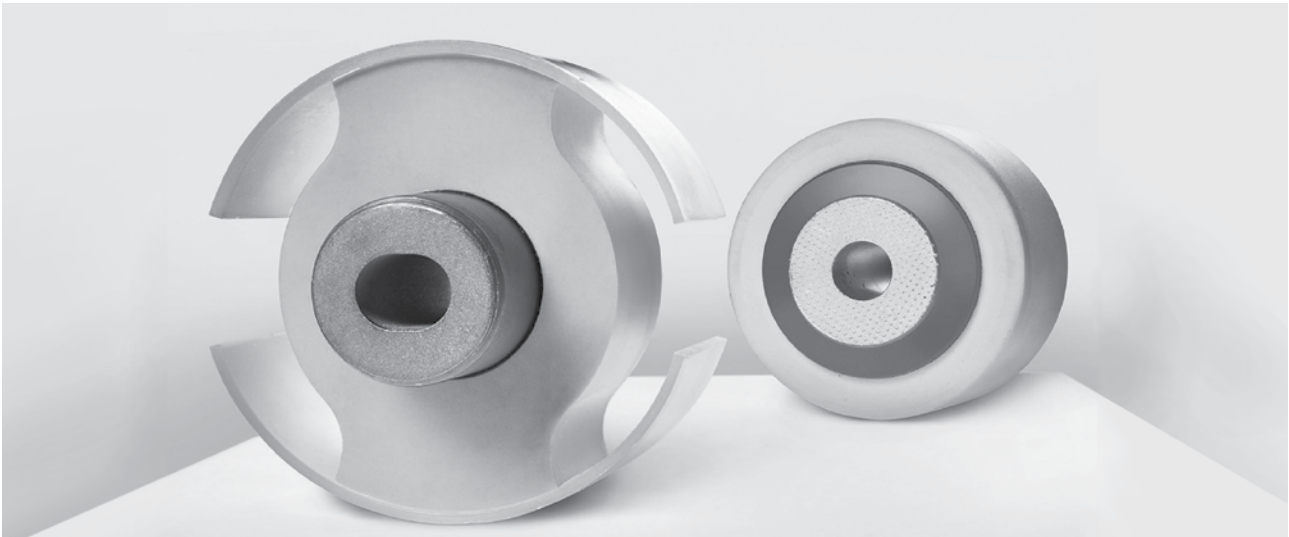
Hexamoll DINCH®, a non-phthalate plasticizer trusted for its uses in medical devices, toys, food packaging, flooring and wall coverings

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

The Petrochemicals business of your Company comprises of solvents, acrylic acid, acrylic monomers and plasticizers. In the financial year 2018-2019, this business delivered strong double-digit volume growth capitalizing on BASF's global production footprint. Domestic demand remains robust and your Company will continue to work closely with customers to position itself as a reliable supplier of choice. BASF's innovative and trusted non-phthalate plasticizer, Hexamoll DINCH® continues to make inroads into a range of applications.

The Intermediate chemicals supplied by your Company cater to more than 22 major industry segments, such as pharmaceuticals, agrochemicals, coatings, epoxy, leather, food & feed, construction, personal care, adhesives, dyes

etc. Major growth drivers for the business were exports of agrochemicals and pharmaceuticals actives as India continues in its path of becoming a global manufacturing hub for pharma and agrochemical active ingredients. During the year, this business registered good growth in sales, specifically in the amines, acids and specialties portfolios. To enhance business portfolio, the Intermediates business introduced five new products in the market and acquired several new customers. With continued growth in pharma, agrochemicals sectors and growing thrust in the coatings, food & feed & personal care ingredients and construction, the outlook for this business looks positive.



Cellasto® mounts for vehicle powertrains offering outstanding NVH performances with low weight and high durability

MATERIALS

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

The Performance Materials (Polyurethane and Engineering Plastics) business of your Company caters to the requirements of the Consumer, Construction, Industrial Product applications and Transportation industries.

While the production of passenger vehicles remained almost flat in the financial year 2018-2019, your Company's product lines that cater to the Interior, Exterior, Under Bonnet and Vehicle Suspension related applications grew. The business continues to sweat the assets of its Engineering Plastics unit at Thane and Cellasto® production unit at Dahej Plant. To cater to the increasing needs of the Automotive industry for "Made in India" products, the Cellasto® production unit at Dahej Plant is in the process of expansion.

The Consumer business continues to have a strong presence in the appliance (refrigerator), footwear and furniture markets. The Appliance business unit continues its efforts to increase locally produced volumes with existing customers and add new customers to increase utilization of its integrated production facilities at Dahej. During the year under report, this business grew in volume as well as in value. The business is expected to face increased competition due to new capacities in the Middle East.

The footwear market continued to be impacted by Goods & Services Tax for the first half of the year as the end customers in this sector face an Inverted Duty structure.

The Construction industry business grew on the back of new projects, while facing stiff competition on price.

Although the Performance Materials business showed good sales growth during the year, the rising costs of raw materials impacted the margins. Your Company maintains a cautiously optimistic outlook for the current year.

The Monomers business deals in basic raw materials for polyurethanes, inorganics & polyamides and its precursors. Strong market conditions in sectors such as flexible PU foam, coating adhesives, flexible packaging etc. contributed to the growth of Methylene diphenyl diisocyanate (MDI) business. Your Company will continue to have strong engagement with customers and it is expected that your Company shall maintain its position as one of the key suppliers to the market. Local availability of Toluene diisocyanate (TDI) and increasing capacity for isocyanates in Asia with fluctuating raw material prices continues to be a challenge for this business.

In the polyamide and precursor business, focus continues to remain on the packaging and monofilament segment, where significant growth was seen both in terms of value and volume.



Our Performance Materials team at a product and technology showcase at the office of 3M (a global innovation partner for BASF)

INDUSTRIAL SOLUTIONS

Your Company's Industrial Solutions segment comprises of Dispersions & Pigments and Performance Chemicals business.

The Dispersions & Pigments business of the Company comprises of resins, additives and dispersions that cater to the needs of paints & coatings, construction, paper, adhesives, printing and packaging industries.

Localization of import substitutes, innovation, aggressive selling strategies together with an optimal product mix enabled this business to grow faster than the market.

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

Pursuant to the global combination of BASF's Paper wet-end & Water Chemicals business with Solenis, your Company's Paper wet-end and Water Chemicals business was transferred to Solenis Chemicals India Private Limited with effect from 1st February 2019. Your Company will however, continue to supply Paper Chemicals products from its manufacturing facility at Mangalore to Solenis under a long-term supply agreement.

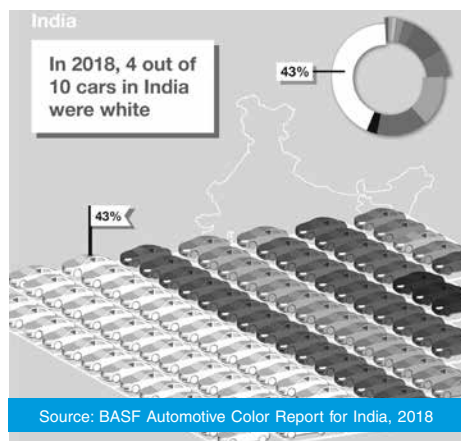
Your Company's Plastic Additives business is categorized into antioxidants and light stabilizers for the plastic industry. Expansion plans of major polymer producers and expected shift from natural fibers to plastic in the packaging sector will enhance demand for light stabilizers and antioxidants. Your Company increased its market share of antioxidants and UV stabilizers by capturing the market opportunities in the Polymer industry. New business development activities undertaken during the year helped to significantly increase the sales this year. Increased focus to sell value-added & innovative products to customers is expected to enhance sales of the business.

The Fuel and Lubricant Solutions business caters to the automotive, fuel, lubricants, refinery and refrigeration industries. This business ventured into the untapped markets of Polyisobutylene, base-stocks and compounded lubricants. Coolants were introduced in the earth-moving and heavy-duty vehicles segment. Focused business development activities helped to significantly increase the sales of this business during the year.

The Mining Chemicals 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. New business opportunity tapped last year around iron ore palletization remained a focus area. This resulted in a significant increase in the sales of mining solutions and is expected to grow further.



SURFACE TECHNOLOGIES



Your Company's Surface Technologies segment comprises of Catalysts, Coatings and Construction Chemicals business.

The Process Catalysts business caters to the refining, petrochemicals and downstream base and fine chemical industries. During this year, the business registered growth in sales of refining catalysts as well as chemical catalysts. The medium-term outlook for process catalysts remains positive on the prospects of growth in refining, petrochemicals and pharmaceutical industries in India.

The Automotive Coatings business comprises of coatings for passenger cars, commercial vehicles and two wheelers. Two wheeler and passenger cars are among the two major segments in India's automotive paints market, roughly contributing about 3/4th of the overall automotive paint consumption in volume. Upcoming greenfield/brownfield projects in the automotive sector and growth in automotive refinish market are among the prominent factors driving the automotive paint market in India. Major OEMs are expected to expand their production capacities and set up new vehicle manufacturing facilities in India.

The Construction Chemicals business of your Company supplies chemical solutions and technologies to customers in the construction industry.

The Admixture Systems business unit of the Construction Chemicals business caters to customers from the ready-mix, precast, site mix, underground construction and cement production industries. This unit has performed well during the year due to improved pace of execution in infrastructure projects, higher funding from Government and improvement in realizations due to price increases.

The Construction Systems business unit offers a wide range of products and solutions such as industrial floorings, insulation and waterproofing solutions, concrete & building repair and protection products and tile fixing solutions. This business was flat during the year due to increased price pressure from domestic and overseas competition.



NUTRITION & CARE

Your Company's Nutrition & Care business comprises of Care Chemicals, Nutrition and Health business units.

The Care Chemicals business unit provides ingredients and solutions to Personal Care, Home Care & Institutional Cleaning and Industrial segments viz textile, emulsion polymerization, metal surface cleaning and Agricultural chemicals. The market witnessed steady growth, which led to robust sales for the business. Your Company's continuous customer centric approach through customer and cluster workshops translated into a healthy sales pipeline. The business further fortified the key account and channel management effectively reaching out to varied customer segments. The application laboratory of the business closely worked with customers to provide market-oriented solutions and strengthened the product portfolio approach, accelerating sustainable and specialty ingredients.



The Nutrition & Health business of your Company offers a comprehensive range of products across Human Nutrition, Animal Nutrition, Pharma Solutions and Flavors & Fragrances. The Flavors & Fragrances, Animal & Human Nutrition businesses were impacted due to *force majeure* being declared in BASF SE's plant in Germany. However, the business demonstrated strong growth across segments.

The focus of your Company continues to remain on excipients and certain core API's in the pharma segment. Your Company is committed to food fortification to address malnutrition and grow in the dietary supplements and functional foods segments leveraging on its vitamin and functional ingredients portfolio. In Animal Nutrition, the focus is on improving productivity and efficiency by employing varied performance ingredients in poultry, dairy and aqua segments.

TECHNICAL MANAGEMENT



As one of the leading suppliers to the personal care, home care, industrial & institutional cleaning and technical applications, BASF offers a broad range of RSPO – certified sustainable ingredients

During the year, production volumes at your Company's plants increased over the previous year. Dahej site continued to ramp up production and registered higher volumes in all its plants.

Debottlenecking of the Dispersion plant at Mangalore and Dahej was completed safely, on time and within budget. This provided flexibility to produce a wider range of products in two production lines at Mangalore and add capacity at Dahej. Your Company has also established a plant for manufacturing Automotive Coolant at Dahej. Trial production and customer validation process at this plant

is in progress with commercial production planned to commence by the third quarter of financial year 2019-2020. The Cellasto® plant at Dahej is being expanded and the same will be commissioned by the end of this calendar year.

Your Company's plants at Mangalore, Thane, Kharagpur and Dahej were successfully audited by BASF SE for its Responsible Care® (RC) programme.

All your Company's plants were certified for Quality Management System ISO 9001(2015) and Environment Management System ISO 14001(2015). In addition, the Mangalore site was certified for Energy Management System ISO 5001.

Three of the Company's plants serving the automotive industry namely the Engineering Plastics plant at Thane, Coatings plant at Mangalore and Cellasto® plant at Dahej have been certified by IATF (International Automotive Task Force) for their quality system. The Care Chemicals plant at Dahej have received the EFfCI GMP (European Federation for Cosmetic Ingredients Good Manufacturing Practice) & RSPO (Round table for Sustainable Palm Oil) certification.

In line with the Company's purpose "We create chemistry for a sustainable future", your Company continues to promote Responsible Care® together with Indian Chemical Council. All the manufacturing plants of your Company practice Responsible Care®.

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.

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.

Key Financial Ratios:

Key Ratios		2018-19	2017-18	Change %
Debtors Turnover (No. of days)	(Trade Receivables / Revenue from Operations)	63.0	71.2	-12%
Inventory Turnover (No. of days)	(Inventory / Cost of Sales)	96.5	91.7	5%
Interest Coverage Ratio*	(Earnings Before Interest & Tax before exceptional items / Finance cost)	0.4	1.9	-79%
Current Ratio	(Current assets / Current liabilities)	1.3	1.2	8%
Debt Equity Ratio	(Total Debt [Long term borrowings + Short term borrowings + Current maturities of long term debts] / Total Equity)	0.6	0.6	0%
Operating Profit Margin (%)*	(Earnings Before Interest & Tax before exceptional items / Revenue from Operations)	0.5%	3.9%	-87%
Net Profit Margin (%)*	(Profit after tax / Revenue from Operations)	1.4%	4.4%	-68%
Return on Net Worth (%)*	(Profit after tax / Total Equity)	5.8%	18.3%	-68%

* Changes in these ratios are mainly due to lower operating profits during the year. Profitability was impacted due to slowdown in various sectors of the economy including automotive and rising input costs.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company has been working towards engaging and motivating the employees with introduction of a host of initiatives throughout the year.

As part of the new global Corporate Strategy unveiled in 2018, your Company is looking at further strengthening the internal processes.

In our endeavor to empower, simplify and go digital, the process of onboarding was moved to the global platform, Taleo. MentForME, a tool which enables mentor & mentees to connect digitally and Gamification as a learning methodology was also explored as a means of providing developmental opportunity. Your Company launched various flexible compensation & benefits plans for the employees to enhance the Company's compelling total offer with a wide range of elements suited to their individual needs.



With your Company's continued focus on upskilling the employees and being strategically aligned to the business priorities, various customer centricity workshops were conducted throughout the year by internally trained facilitators. The year saw continued leadership contribution and involvement to strategic topics like Talent Management, New Leader Program and Project Related Development. Special emphasis was laid on enhancing gender diversity through programs like Breaking Biases and others that encouraged hiring of women in strategic roles.

The Company employed 1673 persons as on 31st March 2019.

CORPORATE AFFAIRS

Your Company has been engaging with various stakeholders through four key verticals— Marketing & Branding, Stakeholder Relations & Employee Communications, CSR & Sustainability and Government Relations & Advocacy.

BASF's media visibility was amplified with key announcements around product launches like Sefina™ insecticide and BASF Color Report for Automotive coatings 2018. Your Company rolled out multiple initiatives to engage with employees and the society including launch of Connected to Care, a corporate volunteering program. The Company also enhanced its presence on social media to bring the brand closer to external stakeholders.



AWARDS AND RECOGNITION

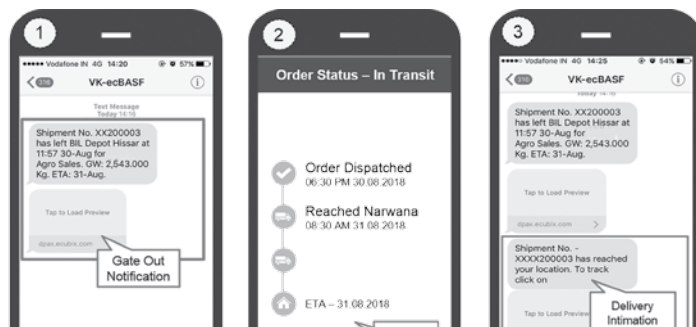


Prestigious Ford Q1 certification for the Cellasto Plant in Dahej

During the year, Cellasto® plant at Dahej was honored with the prestigious Ford Q1 certification. This certification entitles BASF India – Cellasto® division, to be a preferred supplier and recognizes the Company for its efforts to achieve superior quality and delivery as well as the implementation of an effective quality system.

Meanwhile, your Company's brand for Construction industry – MasterBuilders Solutions won the following awards during the year:

- CREDAI MCHI Golden Pillar Award 2018 for the category “Most admired Research & Development work and facility by a building material supplier”.
- Times Network National awards for marketing excellence for the category “Most Preferred Brand by Building & Construction Sector, Insulation and Admixtures”.
- Best innovation award at Asia's Sustainability Excellence Awards, Singapore.
- Experts Choice Award (Runner up) for the category “Waterproofing & Sealants”.



Launch of the Supply Chain Portal by your Company enables reduction in man hours spent tracking shipments while ensuring customers get real time updates

Your Company has been accorded the status of “Authorized Economic Operator – Tier 2 (AEO-T2)” by Indian Customs department as per the guidelines issued by World Customs Organization (WCO). With this certification, the Company is now eligible for customs duty deferment along with many other measures like Green Channel Clearance, faster disbursement of incentives, quicker custom query resolutions, deriving a strategic advantage in the chemical industry. This certification also entitles our international suppliers and customers to faster customs clearances in their respective countries.

Your Company has also launched a Supply Chain portal to create end to end visibility for all full truck

load shipments via the cloud and GPS. Using the system, users can track any shipment of the Company through its entire life cycle.

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 : 30th April, 2019



Your Company believes in good corporate governance and it interacts with various industry stakeholders from time to time to share best practices. Seen in the above picture is Mr. Pradeep Chandan, Director – Legal, General Counsel (South Asia) & Company Secretary taking a session for students of PGPBA Batch during the Indo-German Training Centre on Corporate Governance and Business Ethics Seminar Series.

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, guide its philosophy.

The commitment to good Corporate Governance is embodied in its 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 has consistently shown a high level of commitment towards effective Corporate Governance and has been at the forefront of benchmarking its internal systems and policies with global standards.

The Company's philosophy on Corporate Governance envisages attainment of higher levels of transparency, accountability and ethical conduct in all facets of its operations and interactions with its stakeholders including shareholders, employees, customers, suppliers, government, lenders and the community at large. It aims to increase and sustain its corporate value through growth and innovation.

The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time, in a socially responsible way.

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 in respect of 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 Appointment/Re-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
Dr. Raman Ramachandran***	1 st October, 2013	Chairman & Managing Director	8	8	NIL	NIL
Mr. Narayan Krishnamohan #	1 st April, 2019	Managing Director	8	N.A.	NIL	NIL
Mr. Narendranath J. Baliga (Chief Financial Officer & Alternate Director to Mr. Raimar Jahn)	1 st January, 2015	Vice President – Finance & Corporate Processes, South Asia	8	8 [^]	NIL	NIL
Dr. Lakshmi Nadkarni (Alternate Director to Dr. Ramkumar Dhruva upto 31 st March, 2019)	1 st April, 2017	Director – Human Resources	8	6 ^{^^}	NIL	NIL
Mr. Pradeep Chandan (Alternate Director to Dr. Ramkumar Dhruva) @	1 st April, 2019	Director – Legal, General Counsel (South Asia) & Company Secretary	8	N.A.	NIL	NIL
Mr. Rajesh Naik (Whole-time Director) ##	1 st April, 2019	Director – Manufacturing	8	7	NIL	NIL

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

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

*** Dr. Raman Ramachandran superannuated as the Chairman & Managing Director of the Company with effect from the close of business hours as on 31st March, 2019.

Appointed as the Managing Director of the Company for a period of five years from 1st April, 2019 to 31st March, 2024 at the General Meeting of the Company convened through Postal Ballot on 26th March, 2019. Mr. Narayan Krishnamohan holds 50 shares of the Company. He attended the Board Meetings held on 23rd January, 2019 and 28th March, 2019 as Invitee.

^ Attended the Board Meeting held on 10th August, 2018 as Invitee.

^^ Attended the Board Meetings held on 10th August, 2018 and 23rd January, 2019 as Invitee.

@ Appointed as an Alternate Director to Dr. Ramkumar Dhruva with effect from 1st April, 2019 & attended all the Board Meetings held during the financial year 2018-2019 as Company Secretary.

Re-appointed as a Whole-time Director of the Company for a period of three years from 1st April, 2019 to 31st March, 2022 at the General Meeting of the Company convened through Postal Ballot on 26th March, 2019.

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.

(ii) **NON-EXECUTIVE DIRECTORS**

Name	Date of 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. Andrea Frenzel **	1 st January, 2015	8	–	NIL	NIL
Dr. Ramkumar Dhruva #	10 th August, 2018	8	2	NIL	NIL
Mr. Raimar Jahn ^	1 st April, 2017	8	1	NIL	NIL

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

** Resigned as a Director of the Company with effect from the close of business hours as on 31st July, 2018.

Appointed as a Director of the Company in place of Dr. Andrea Frenzel with effect from 10th August, 2018 & represented by an Alternate Director during his absence from India.

^ Represented by an Alternate Director during his absence from India.

(iii) **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Name	Date of 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. R. A. Shah	24 th April, 1968	8	8	7***	Membership – 2 Chairmanship – 3
Mr. Pradip P. Shah ^	31 st January, 2000	8	8	8	Membership – 5 Chairmanship – 1
Mr. Arun Bewoor	19 th January, 2010	8	8	3	Membership – Nil Chairmanship – 1
Mrs. Shyamala Gopinath	23 rd January, 2019	8	2	5	Membership – 3 Chairmanship – 2
Mr. R. R. Nair #	3 rd March, 2001	8	7	2	Membership – 1 Chairmanship – Nil

* 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.

*** As per declaration received from Mr. R. A. Shah, out of the above 7 Companies, he is acting as Non-Executive Non-Independent Director in 2 Listed Companies.

^ Appointed as the Chairman of the Company with effect from 1st April, 2019.

Did not seek re-appointment for the second term as an Independent Director of the Company after the expiry of his term on 31st March, 2019.

Directorships of Independent Non-Executive Directors in other Listed Companies:

a. 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.	Procter & Gamble Hygiene and Healthcare Limited	Independent Director
2.	Pfizer Limited	Independent Director
3.	Colgate-Palmolive (India) Limited	Independent Director
4.	The Bombay Dyeing and Manufacturing Company Limited	Independent Director
5.	Lupin Limited	Independent Director
6.	Godfrey Philips India Limited	Non-Executive Non-Independent Director
7.	Atul Limited	Non-Executive Non-Independent Director

b. 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.	Tata Investment Corporation Limited	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.	HDFC Bank Limited	Independent Part-time Non-Executive Director
2.	Colgate-Palmolive (India) Limited	Independent Director
3.	Tata Elxsi Limited	Independent Director

As per the declarations/disclosures received from Mr. R. A. Shah, Mr. Pradip P. 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. R. A. Shah, Mr. Pradip P. 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 at the General Meeting of the shareholders of the Company through Postal Ballot on 26th March, 2019 and they are not liable to retire by rotation. Mrs. Shyamala Gopinath was appointed as Independent Woman Director of the Company for a term of 5 consecutive years from 23rd January, 2019 to 22nd January, 2024 at the General Meeting of the shareholders of the Company through Postal Ballot on 26th March, 2019 and she is not liable to retire by rotation. Mr. R. R. Nair did not seek re-appointment as Independent Director of the Company for a second term upon expiry of his first term on 31st March, 2019.

The Independent Directors of the Company have given 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 the management.

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

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

<http://bit.do/basfindependentdirectorfamiliarisationpolicy> and <http://bit.do/basffamiliarisationprogramme>

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

Eight Board Meetings were held during the financial year 2018-2019 on the following dates:

- | | |
|------------------------------------|------------------------------------|
| (1) 3 rd May, 2018 | (2) 4 th May, 2018 |
| (3) 31 st July, 2018 | (4) 10 th August, 2018 |
| (5) 3 rd October, 2018 | (6) 30 th October, 2018 |
| (7) 23 rd January, 2019 | (8) 28 th March, 2019 |

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 special and 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 Independent Non-Executive Directors vis-à-vis the Company.

Mr. R. A. Shah, Mr. R. R. Nair (upto 31st March, 2019), Mr. Pradip P. Shah, Mr. Arun Bewoor and Mrs. Shyamala Gopinath, Independent Non-Executive Directors of the Company do not have any material pecuniary relationship with the Company other than the sitting fees paid to them. Details of sitting fees paid are given at Serial No. 4(b) 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 with the Company do not exceed 10% of the gross receipts of M/s. Crawford Bayley & Co.

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

Mr. Raimar Jahn, Dr. Andrea Frenzel (up to 31st July, 2018) and Dr. Ramkumar Dhruva (w.e.f. 10th August, 2018) were not paid any commission during the financial year 2018-2019. They do not hold any shares and 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/ Experience and Competence of the Board of Directors of the Company

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

- knowledge of the Chemical sector and the related value chains.
- expertise in technical management i.e. Manufacturing Sites.
- knowledge of finance, accounting, financial reporting.
- specialist knowledge and experience in law, corporate governance & compliance.
- knowledge and experience in Marketing.

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 Non-Executive Director. During the financial year 2018-2019, 4 Audit Committee Meetings were held on 4th May, 2018, 31st July, 2018, 30th October, 2018 and 23rd January, 2019 respectively.

The present composition of the Audit Committee is as follows:

Name	Date of appointment in the Audit Committee	No. of Meetings during FY 2018-2019	
		Held	Attended
Mrs. Shyamala Gopinath, Chairperson*	1 st April, 2019	4	N.A.
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

* Appointed as the Chairperson of the Audit Committee by the Board of Directors of the Company at their meeting held on 28th March, 2019, with effect from 1st April, 2019.

Mr. R. R. Nair ceased as Chairman of the Audit Committee pursuant to expiry of his term as Independent Director of the Company with effect from the close of business hours as on 31st March, 2019. He attended 4 Audit Committee meetings during the financial year 2018-2019.

Mrs. Shyamala Gopinath is the part-time Non-Executive Chairperson of HDFC Bank Limited. As Deputy Governor of the Reserve Bank of India (RBI) for seven years and member of the RBI's Board of Directors, she guided and influenced national policies in diverse areas of financial sector regulation and supervision, the development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. She has served on several Committees of RBI. During 2001 to 2003, she worked as senior financial sector expert in the Monetary Affairs and Exchange Department of the International Monetary Fund (Financial Institutions Division). She has served as the Chairperson of the Advisory Board on Bank, Commercial and Financial Frauds for two years from 2012 to 2014.

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 MBA 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, Director – Legal, General Counsel (South Asia) & 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.

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

The minutes of the meetings of the Audit Committee are noted at the Board Meetings. The Chairman of the Audit Committee, Mr. R. R. Nair (upto 31st March, 2019) was present at the 74th Annual General Meeting held on 10th August, 2018.

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 and 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 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 is an Independent Non-Executive Director. During the financial year 2018-2019, 3 meetings of the Nomination & Remuneration Committee were held on 31st July, 2018, 23rd January, 2019 and 28th March, 2019 respectively.

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

Name	Date of appointment in the Nomination & Remuneration Committee	No. of Meetings during FY 2018-2019	
		Held	Attended
Mr. R. A. Shah, Chairman *	29 th July, 2013	3	3
Mr. Pradip P. Shah	29 th July, 2013	3	3
Mrs. Shyamala Gopinath	1 st April, 2019	3	N.A.

* Appointed as the Chairman of the Nomination & Remuneration Committee by the Board of Directors of the Company at their meeting held on 28th March, 2019, with effect from 1st April, 2019.

Mr. R. R. Nair ceased to be the Chairman of the Nomination & Remuneration Committee pursuant to expiry of his tenure as Independent Director of the Company with effect from the close of business hours as on 31st March, 2019. He attended 3 meetings of the Nomination & Remuneration Committee during the financial year 2018-2019.

Dr. Raman Ramachandran ceased to be a Member of the Nomination & Remuneration Committee pursuant to his superannuation as the Chairman & Managing Director of the Company with effect from the close of business hours as on 31st March, 2019. He attended 3 meetings of the Nomination & Remuneration Committee during the financial year 2018-2019.

Mr. Pradeep Chandan was appointed as the Secretary of the Nomination & Remuneration Committee on 29th July, 2013 and was present at all the meetings of the Nomination & Remuneration Committee.

The minutes of the meetings of the Nomination & Remuneration Committee are noted at the Board Meetings. The Chairman of the Nomination & Remuneration Committee, Mr. R. R. Nair (upto 31st March, 2019), was present at the 74th Annual General Meeting held on 10th August, 2018.

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 the 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 28th March, 2019 to evaluate the performance of the Chairman, Non-Independent Directors and the Board 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 Non-Executive Directors**

The remuneration to be paid to the Independent Non-Executive 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 shall not exceed 1% of the net profit of the Company for each financial year calculated as per the provisions of the Companies Act, 2013. The Independent Non-Executive Directors of the Company did not receive any commission from the Company for the financial year ended 31st March, 2019. Only sitting fees as approved by the Board were paid to the Independent Non-Executive Directors for attending the meetings of the Board and/or Committee thereof. Reference may be made to page 50 for details of sitting fees paid to Independent Non-Executive Directors for the financial year ended 31st March, 2019.

- **Criteria for payment of sitting fees to Independent Non-Executive Directors**

The criteria for payment of sitting fees to Independent Non-Executive Directors is based on:

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

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

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 2018-2019, 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. Some of the senior management personnel are, however, eligible for the BASF Option Program of the parent company, BASF SE, Germany.

Details of remuneration paid/payable to all the Directors during the financial year 2018-2019 are as under:

(a) MANAGING DIRECTOR / ALTERNATE DIRECTORS

(Amount in Rupees per annum)

Remuneration	Dr. Raman Ramachandran (Chairman & Managing Director upto 31 st March, 2019)	Mr. Narendranath J. Baliga**	Dr. Lakshmi Nadkarni ^ (Alternate Director to Dr. Ramkumar Dhruva upto 31 st March, 2019)	Mr. Rajesh Naik	Total
Salary & Benefits @	33,147,612	15,264,496	15,610,474	12,655,656	76,678,238
Performance Linked Incentive #	16,140,876	5,002,437	2,108,988	1,843,938	25,096,239
Leave Encashment *	14,720,336	–	–	–	14,720,336
Total	64,008,824	20,266,933	17,719,462	14,499,594	116,494,813

@ Salary & Benefits includes Salary, Benefits, Provident Fund and Superannuation but excluding provision for contribution to Gratuity Fund and Group Insurance & long service awards.

Performance Linked Incentive is based on achievements against pre-agreed targets.

* Leave encashment will be paid to Dr. Raman Ramachandran in the financial year 2019-2020.

** 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.

(b) INDEPENDENT NON-EXECUTIVE 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. The details of the sitting fees paid to them during the financial year ended 31st March, 2019 are as follows:

Mr. R. A. Shah	Mr. R. R. Nair	Mr. Pradip P. Shah	Mr. Arun Bewoor	Mrs. Shyamala Gopinath
1,425,000	1,675,000	1,425,000	1,425,000	200,000

(c) No remuneration was paid to the Non-Executive Foreign Directors during the financial year 2018-2019.

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. The Chairman of the Stakeholders' Relationship Committee is an Independent Non-Executive Director. During the financial year 2018-2019, 2 meetings of the Stakeholders' Relationship Committee were held on 30th October, 2018 and 28th March, 2019 respectively. The minutes of the meetings of the Stakeholders' Relationship Committee are noted at the Board Meeting. The Chairman of the Stakeholders' Relationship Committee, Mr. R. R. Nair (upto 31st March, 2019) was present at the 74th Annual General Meeting held on 10th August, 2018.

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

Name	Date of appointment in the Stakeholders' Relationship Committee	No. of Meetings during FY 2018-2019	
		Held	Attended
Mrs. Shyamala Gopinath, Chairperson*	1 st April, 2019	2	N.A.
Mr. Arun Bewoor	19 th January, 2010	2	2
Mr. Narayan Krishnamohan	1 st April, 2019	2	N.A.
Mr. Rajesh Naik	15 th May, 2017	2	2

* Appointed as the Chairperson of the Stakeholders' Relationship Committee by the Board of Directors of the Company at their meeting held on 28th March, 2019, with effect from 1st April, 2019.

Mr. R. R. Nair ceased to be the Chairman of the Stakeholders' Relationship Committee pursuant to expiry of his tenure as Independent Director of the Company with effect from the close of business hours as on 31st March, 2019. He attended 2 meetings of the Stakeholders' Relationship Committee during the financial year 2018-2019.

Dr. Raman Ramachandran ceased to be a Member of the Stakeholders' Relationship Committee pursuant to his superannuation as the Chairman & Managing Director of the Company with effect from the close of business hours as on 31st March, 2019. He attended 2 meetings of the Stakeholders' Relationship Committee during the financial year 2018-2019.

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, general meetings 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 receipts of dividend warrants, 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 time lines during the financial year 2018-2019.

Name, designation and address of the Compliance Head is as follows:

Mr. Pradeep Chandan
Director – Legal, General Counsel (South Asia) & Company Secretary
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, 2018	Received during the financial year	Cleared/attended during the financial year	Pending as on 31 st March, 2019
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
Non-receipt of Annual Report	NIL	2	2	NIL
SEBI Complaints Redressal System (SCORES)	NIL	18	17	1
Total	NIL	20	19	1*

* The complaint has been satisfactorily resolved by the Company as on the date of this report.

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

SEBI vide its notification dated 9th May, 2018 had amended the SEBI Listing Regulations which mandates top 500 listed entities based on market capitalisation, 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 the 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.

The composition of the Risk Management Committee is as under:

Name	Date of appointment in the Risk Management Committee
Mr. Narayan Krishnamohan, Chairman	1 st April, 2019
Mr. Pradip P. Shah	1 st April, 2019
Mr. Arun Bewoor	1 st April, 2019
Mrs. Shyamala Gopinath	1 st April, 2019
Mr. Narendranath J. Baliga	1 st April, 2019
Mr. Pradeep Chandan, Director – Legal, General Counsel (South Asia) & Company Secretary is appointed as the Secretary to the Risk Management Committee with effect from 1 st April, 2019.	

The terms of reference of the Risk Management Committee is 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 Schedule II Part B of the SEBI Listing Regulations for the financial year ended 31st March, 2019 was placed before the Board at its meeting held on 30th April, 2019 and the same is also annexed to this Report.

7. ANNUAL GENERAL MEETINGS

(a) During the last three years, your Company's Annual General Meetings (AGMs) were held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021 on the following dates:

1. 10th August, 2018 at 3.00 p.m.
2. 28th September, 2017 at 3.00 p.m.
3. 11th August, 2016 at 3.00 p.m.

No Special Resolutions were passed at the 74th Annual General Meeting held on 10th August, 2018. However, Special Resolutions were passed at the previous Annual General Meetings held on 28th September, 2017 and 11th August, 2016 respectively in respect of the following matters and same were approved with the requisite majority.

73 rd AGM: 28 th September, 2017	
1.	Appointment of Mr. Rajesh Naik (DIN: 06935998) as Whole-time Director of the Company for a period of 2 years from 1 st April, 2017 to 31 st March, 2019 and fixation of his remuneration.
2.	Appointment of Dr. Lakshmi Nadkarni (DIN: 07076164) as Alternate Director to Dr. Andrea Frenzel and by virtue of being in whole-time employment of the Company as a Whole-time Director for a period of 2 years from 1 st April, 2017 to 31 st March, 2019 and fixation of her remuneration.
3.	Payment of remuneration within maximum limits, as minimum remuneration to the Managerial Personnel in the event of losses or inadequacy of profits.

72 nd AGM: 11 th August, 2016	
1.	Keeping of Register and Index of Members, copies of Annual Returns and other documents at the office of the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited.

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 e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 74th Annual General Meeting held on 10th August, 2018. On the day of the Annual General Meeting, the Company also conducted e-voting facility at the venue on all the resolutions and the resolutions were passed with the requisite majority.

During the financial year 2018-2019, the following Special Resolutions were passed at the General Meeting of the Shareholders through Postal Ballot on 26th March, 2019:

1.	Re-appointment of Mr. Pradip P. Shah (DIN: 00066242) as Independent Director of the Company for a period of five years from 1 st April, 2019 to 31 st March, 2024
2.	Re-appointment of Mr. R. A. Shah (DIN: 00009851) as Independent Director of the Company for a period of five years from 1 st April, 2019 to 31 st March, 2024
3.	Re-appointment of Mr. Arun Bewoor (DIN: 00024276) as Independent Director of the Company for a period of five years from 1 st April, 2019 to 31 st March, 2024
4.	Payment of remuneration within maximum limits, as minimum remuneration to the Managerial Personnel in the event of losses or inadequacy of profits

The Board of Directors of the Company at their meeting held on 23rd January, 2019 appointed Mr. Hemant Shetye, Partner, HS Associates, Practicing Company Secretary, having Membership No. FCS-2827 & Certificate of Practice No. 1483, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Based on the report of Mr. Hemant Shetye, the resolutions were passed with requisite majority.

(b) **Attendance of Directors at 74th AGM held during the last financial year:**

All the Directors of the Company, except Mr. Raimar Jahn were present at the last AGM held on 10th August, 2018.

Dr. Lakshmi Nadkarni, being Alternate Director to Dr. Ramkumar Dhruva was present at the last AGM held on 10th August, 2018 as an Invitee.

8. DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT

- Dr. Ramkumar Dhruva is presently 50 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, BASF Monomers, Asia Pacific. Presently, he is the President of Regional Divisions South & East Asia, ASEAN & ANZ countries based in Hong Kong. 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 BASF Options Program.
- Mr. Narendranath J. Baliga aged 51 years, is a Chartered Accountant and has also graduated in Business Management from Mysore University. Mr. Baliga joined the Company in April 1994 as Manager, Accounts & Logistics in Mangalore. In October 2001, he was delegated to Singapore as Manager Asia Pacific, Regional Controlling and was later promoted as Senior Manager – Asia Pacific. In April 2007, Mr. Baliga moved to BASF (China) Co. Ltd. as Director, Finance & Accounting, Greater China. In January 2011, Mr. Baliga was delegated to BASF SE, Germany, as Director – Global Supply Chain & Process Innovation and later as Director – Global Process & Enterprise Architecture. Mr. Baliga has valuable experience of over 25 years in the area of Finance, Accounting & Controlling. Mr. Narendranath J. Baliga is the Chief Financial Officer of the Company since 1st January, 2015. Mr. Narendranath J. Baliga does not hold any shares of the Company. He does not hold any Directorship/ Committee positions in any other public company in India. Mr. Narendranath J. Baliga may hold shares of BASF SE, Parent Company as part of the BASF Options Program

9. DISCLOSURES

- (a) The Company does not have any subsidiary.
- (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 Directors 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. 45 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 Chairperson 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) The Management Discussion & Analysis Report forms part of this Annual Report.
- (i) 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.
- (j) The Corporate Governance Report of the Company for the financial year ended 31st March, 2019 is in compliance with the SEBI Listing Regulations.

- (k) 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 Non-Executive 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 Non-Executive Director has been appointed as the 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 years.
 - v. Reporting of Internal Auditor: M/s Mahajan & Aibara, Chartered Accountants, Internal Auditors of the Company reports to the Audit Committee.
- (l) Mr. Hemant Shetye, Partner, HS Associates, Practicing Company Secretary 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 same is annexed hereto as Annexure-1.
- (m) The aggregate fees paid to M/s. Price Waterhouse Chartered Accountants LLP (including all its network firms /entities) is Rs. 14.1 million.
- (n) Prevention of Sexual Harassment at the Workplace: Details are provided on page no. 10 of this Annual Report.

10. MEANS OF COMMUNICATION

- The Quarterly and Half-yearly Unaudited Financial Results are generally published in widely circulating national and local newspapers such as 'Business Standard' (in English) and 'Mumbai Tarun Bharat' (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.
- During the year, the Company made a presentation to analysts on 2nd August, 2018 and the presentation has been uploaded on the Company's website, viz., 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 Friday, 19th July, 2019 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021.
- (b) The Company's financial year begins on 1st April and ends on 31st March.

Financial Calendar —	Results for quarter ending June 30, 2019	2 nd week of August, 2019
(tentative)	Annual General Meeting	19 th July, 2019
	Results for quarter ending September 30, 2019	2 nd week of November, 2019
	Results for quarter ending December 31, 2019	5 th week of January, 2020
	Results for the year ending March 31, 2020	1 st /2 nd week of May, 2020

- (c) Period of book closure: 6th July, 2019 to 12th July, 2019 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend.
- (d) Dividend payment date: On or after 24th July, 2019.
- (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 2019-2020 to both the Stock Exchanges.

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

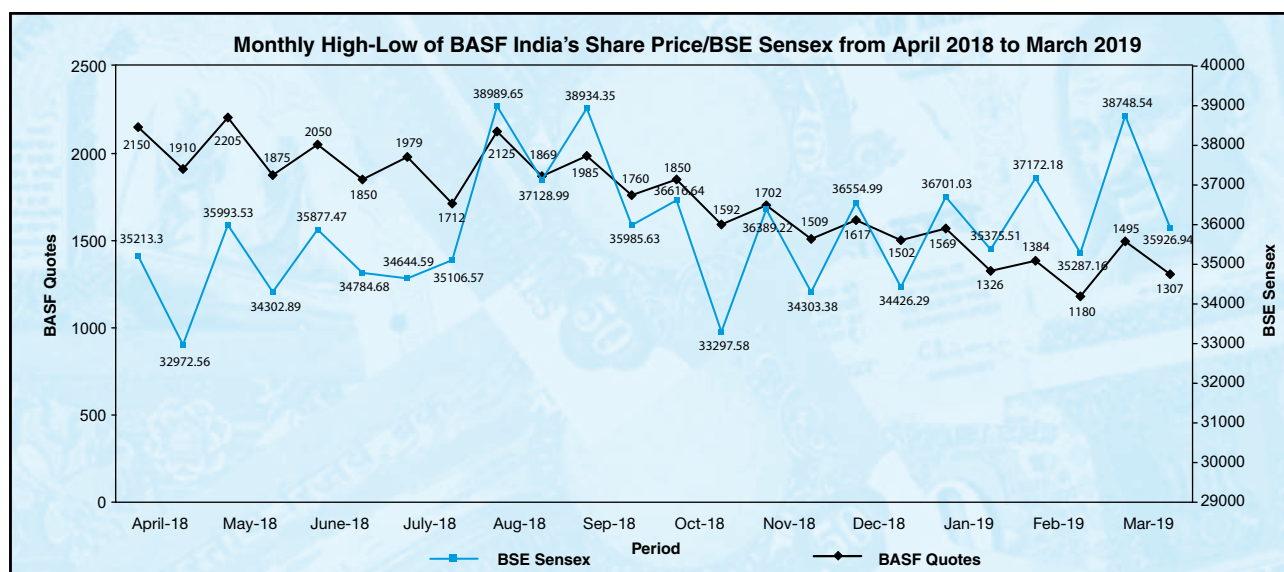
(g) Market Price Data:

High/low market price of the Company's equity shares traded on BSE Ltd. and National Stock Exchange of India Limited during each month in the last financial year ended on 31st March, 2019 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 2018 TO MARCH 2019
 (Share prices in Rs.)

BSE			NSE		
MONTH	HIGH (DATE)	LOW (DATE)	MONTH	HIGH (DATE)	LOW (DATE)
April	2150.00 (19.04.2018)	1910.00 (02.04.2018)	April	2155.95 (20.04.2018)	1917.65 (02.04.2018)
May	2204.90 (02.05.2018)	1875.15 (15.05.2018)	May	2214.90 (02.05.2018)	1890.00 (15.05.2018)
June	2050.00 (11.06.2018)	1849.85 (29.06.2018)	June	2054.35 (11.06.2018)	1847.00 (29.06.2018)
July	1979.00 (31.07.2018)	1712.25 (25.07.2018)	July	1985.00 (31.07.2018)	1710.35 (25.07.2018)
August	2125.00 (07.08.2018)	1869.15 (02.08.2018)	August	2135.00 (07.08.2018)	1860.00 (02.08.2018)
September	1985.00 (03.09.2018)	1760.00 (27.09.2018)	September	1986.00 (03.09.2018)	1762.20 (27.09.2018)
October	1850.00 (01.10.2018)	1592.00 (30.10.2018)	October	1875.00 (01.10.2018)	1590.10 (30.10.2018)
November	1701.80 (01.11.2018)	1508.70 (27.11.2018)	November	1699.00 (01.11.2018)	1500.10 (27.11.2018)
December	1617.45 (28.12.2018)	1502.40 (06.12.2018)	December	1624.00 (28.12.2018)	1503.40 (10.12.2018)
January	1569.30 (03.01.2019)	1326.05 (31.01.2019)	January	1568.00 (01.01.2019)	1332.05 (29.01.2019)
February	1384.15 (05.02.2019)	1180.05 (20.02.2019)	February	1380.15 (05.02.2019)	1176.05 (20.02.2019)
March	1495.00 (29.03.2019)	1306.65 (01.03.2019)	March	1500.00 (26.03.2019)	1305.75 (01.03.2019)

MONTHLY HIGH-LOW OF BASF INDIA'S SHARE PRICE/BSE SENSEX FROM APRIL 2018 TO MARCH 2019



(h) Registrar & Share Transfer Agent: TSR Darashaw Limited

Registered Office & Investors Relation Centre
TSR Darashaw Limited
Unit : BASF India Limited
6-10, H. M. Patrawala Industrial Estate,
Near Famous Studio, 20, Dr. E. Moses Road,
Mahalaxmi (West), Mumbai – 400011.
Tel. No. : +91 22 66568484 Extn: 411/412/413
Fax No. : +91 22 66568494
Email : csg-unit@tsrdarashaw.com

The contact details of the persons of TSR Darashaw Limited are as follows:

Name	Phone No.	Fax No.
Ms. Kshama Ghole/ Ms. Mary George	022 - 66568484	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, 2019 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-500	39,355	94.82	2,669,766	6.17
501-1000	1,152	2.78	863,345	1.99
1001-2000	537	1.29	768,548	1.78
2001-3000	167	0.40	409,832	0.95
3001-4000	72	0.17	255,180	0.59
4001-5000	67	0.16	308,672	0.71
5001-10000	81	0.20	570,926	1.32
10001 and above	73	0.18	37,439,371	86.49
Total	41,504	100.00	43,285,640	100.00

(k) The shareholding pattern of the Company as on 31st March, 2019 was as follows:

Category	No. of shares	% of total capital
Foreign Promoters	31,743,220	73.33
Directors and relatives of Directors	80	0.00
NRIs, OCBs, FIIs and FPIs	1,035,183	2.39
Financial Institutions and Mutual Funds	1,207,398	2.79
State Government	30	0.00
Insurance Companies	2,571,105	5.94
Nationalised and other Banks	10,313	0.02
Domestic Corporate Bodies/Trusts/NBFC/ Alternate Investment Fund	703,353	1.62
General Public including shares in transit	106,429	0.25
General	5,908,529	13.66
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, 2019, 42,810,356 equity shares, representing 98.90% of the share 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:

Ankleshwar, Gujarat	Dahej, Gujarat
Plot Nos. 6214/6216, GIDC Phase IV, Ankleshwar – 393 002, Gujarat.	4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat – 392130.
Nellore, Andhra Pradesh	Nalagarh, Himachal Pradesh
Plot 1 & 1A, APIIC Industrial Park, Menakur village, Block B, Naidupet Mandal, SPSR Nellore District, Andhra Pradesh.	Khasra No. 87/1 Village: Beer Plassis, Nalagarh, District: Solan, Himachal Pradesh.
Kharagpur, West Bengal	Mangalore, Karnataka
Plot No. F-7, Vidyasagar Industrial Park, Kharagpur, Paschim Medinipur, West Bengal.	Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka – 575030.
Navi Mumbai, Maharashtra	
Plot Nos. 12 & 13, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400705, Maharashtra.	Plot Nos. C-68, TTC Industrial Area, MIDC Thane-Belapur Road, Turbhe, Navi Mumbai – 400613, Maharashtra.

- (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, 2019:

Sr. No.	Name of the Shareholder(s)	No. of shares	% of total capital
1.	BASF SE	20,939,259	48.37
2.	BASF Schweiz AG	8,907,900	20.58
3.	BASF Construction Solutions GmbH	1,896,061	4.38
4.	Bajaj Allianz Life Insurance Company Ltd.	912,239	2.11
5.	General Insurance Corporation of India	690,000	1.59
6.	TATA Mutual Fund	665,351	1.54
7.	Life Insurance Corporation of India	576,588	1.33
8.	Franklin Templeton Mutual Fund a/c Franklin India Focused Equity Fund	525,000	1.21
9.	Atul Limited	261,396	0.60
10.	First State Indian Subcontinent Fund	189,766	0.44

- (q) Share price: Rs. 1,368.35 per share as on 30th April, 2019 on BSE Limited.

12. **CODE OF CONDUCT**

The Company has established 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: 30th April, 2019

ANNEXURE-1

Certificate from Practicing Company Secretary confirming Directors of the Company are not debarred or disqualified by SEBI/MCA or any other statutory authority

To,
The Members,
BASF INDIA LTD

I, Mr. Hemant Shetye, Partner of HS Associates (Practicing Company Secretaries) verified the relevant data and Information available on the Ministry of Corporate affairs, MCA 21 Portal and various documents provided individually by the Directors to the Company, furnished to me for my review.

On the basis of the above and according to the information and data as available in public domain, in my opinion, 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 SEBI/Ministry of Corporate Affairs or any such statutory authority.

For HS Associates
Company Secretaries

Hemant Shetye
Partner
FCS No.: 2827
CP No.: 1483

Mumbai
Dated: 30th April, 2019

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

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:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) 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.
- (d) We have indicated to the Auditors and the Audit Committee:
 - 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) 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

NARAYAN KRISHNAMOHAN
Managing Director
(DIN: 08350849)

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

Mumbai
Dated: 25th April, 2019

INDEPENDENT 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, 2019 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 Reports or Certificates for special purpose, 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: 19048125AAAAAJ5142

Mumbai
Dated: 30th April, 2019

Independent Auditors' 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, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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, 2019, 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 Auditors' 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.

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 Provisions and Contingent liabilities</p> <p>At March 31, 2019, 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. 469.8 million and disclosed contingent liabilities (to the extent not provided for) of Rs. 1,146.2 million.</p> <p>Refer to Notes 17, 35 and 41 to the financial statements.</p> <p>The Company undergoes assessment proceedings from time to time with direct and indirect tax authorities and with certain other parties. There is a high level of judgement required in estimating the level of provisioning and/or the disclosures required. The management's assessment is supported by advice from independent tax consultants and legal consultants, where considered necessary by the management. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and Balance Sheet position.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls; • Obtaining details of the related matters, inspecting the supporting evidences and critically assessing management's evaluation through discussions with management on both the likelihood of outcome and the magnitude of potential loss; • Reading recent orders and/ or communication received from the tax authorities and with certain other parties, and management replies to such communication; • Where relevant, reading most recent available 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; • Understanding the current status of the tax assessments/litigations; • Obtaining direct written confirmations from the Company's legal/tax consultants (internal/external) to confirm the facts and circumstances and assessment of the likely outcome;

Key audit matter	How our audit addressed the key audit matter
We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.	<ul style="list-style-type: none"> Together with auditor tax experts, assessed the likelihood of the potential financial exposure; <p>We did not identify any material exceptions as a result of above procedures relating 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, report on corporate governance and management discussion and analysis report but does not include the financial statements and our auditors' 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.

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("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 Cash Flow Statement 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Notes 17, 35 and 41 to the financial statements;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Jeetendra Mirchandani
 Partner
 Membership Number: 048125

Place : Mumbai
 Date : April 30, 2019

Annexure A to the 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, 2019

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, 2019 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 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 on Audit of Internal Financial Controls Over Financial Reporting (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 the 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 control 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, 2019, 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 issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Jeetendra Mirchandani

Partner

Membership Number: 048125

Place : Mumbai

Date : April 30, 2019

Annexure B to the 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, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 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 fixed assets 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 immovable properties, as disclosed in Note 1 on fixed assets to the financial statements, are held in the name of the Company, except in respect of leasehold land held at one of the Company's manufacturing locations (having Gross Block – Rs. 21.4 million and Net Block – Rs. Nil). The Company is in the process of complying with terms of the lease cum sale agreement and basis completion thereof, would execute the final sale agreement to obtain right of ownership thereon.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. 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 material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any 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 undisputed statutory dues in respect of income tax and profession tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 35(ii) to the financial statements regarding management's assessment on certain matters relating to provident fund.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax 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, 2019 which have not been deposited on account of a dispute.

Annexure B to the 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, 2019

- viii. 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 borrowings to any bank as at the Balance Sheet date. The Company neither has any loans or borrowings from financial institutions or Government, nor has it issued any debentures as at the Balance Sheet date, therefore the provisions of Clause 3(viii) of the Order, to that extent, are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year ended March 31, 2019. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are 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 (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Jeetendra Mirchandani

Partner

Membership Number: 048125

Place : Mumbai

Date : April 30, 2019

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, 2019

Sr. No.	Name of the Statute	Nature of Dues	Amounts (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
1.	The Income Tax Act, 1961	Income Tax Liability (including interest and penalty, as applicable)	383.4	Assessments Years 2002-03, 2004-05, 2005-06, 2007-08, 2013-14 and 2014-15	Appellate Authority – up to Commissioner's level
			312.5	Assessment Years 2007-08 to 2012-13	Income Tax Appellate Tribunal
			2.5	Assessment Years 2000-01, 2002-03 and 2006-07	High Court
	Sub Total		698.4		
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)	393.1	Financial Years 2002-03, 2005-06, 2006-07 to 2016-17	Appellate Authority – up to Commissioner's level
			11.8	Financial Years 1993-94, 1994-95, 2004-05, 2006-07, 2009-10 to 2011-12, 2013-14	Sales Tax Appellate Tribunal
	Sub Total		404.9		
3.	The Finance Act, 1994	Service Tax Liability (including interest and penalty, as applicable)	3.5	Financial Years 2006-07 to 2010-11	Appellate Authority – up to Commissioner's level
			930.7	Financial Years 2004-05 to 2012-13 to 2015-16	Custom, Excise and Service Tax Appellate Tribunal
	Sub Total		934.2		
4.	The Customs Tariff Act, 1975	Customs Duty (including interest and penalty, as applicable)	43.6	Financial Years 2003-04 to 2005-06	Supreme Court
			1.2	Financial Year 2012-13	Custom, Excise and Service Tax Appellate Tribunal
	Sub Total		44.8		
5.	The Central Excise Act, 1944	Excise Duty Liability (including interest and penalty, as applicable)	20.4	Financial Years 1997-98, 2007-08, 2009-10, 2011-12 to 2014-15	Appellate Authority – up to Commissioner's level
			9.1	Financial Years 1981-82, 2011-12 to 2012-13	Custom, Excise and Service Tax Appellate Tribunal
	Sub Total		29.5		
	Total		2,111.8		

Balance Sheet as at March 31, 2019

Rs. in million

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	1 A	9,560.8	11,169.2
Capital work-in-progress	1 B	422.4	274.8
Intangible assets	1 C	9.0	4.3
Financial assets			
(i) Loans	2	214.0	231.1
Deferred tax assets (net)	3	639.0	460.2
Income tax assets (net)	4	1,220.7	966.5
Other non-current assets	5	347.5	249.9
Total non-current assets		12,413.4	13,356.0
Current assets			
Inventories	6	12,126.3	10,191.7
Financial assets			
(i) Trade receivables	7	10,406.7	10,887.8
(ii) Cash and cash equivalents	8	127.8	81.0
(iii) Bank balances other than cash and cash equivalents	8	4.3	5.2
(iv) Loans	9	52.3	62.8
(v) Other financial assets	10	744.4	915.7
Other current assets	11	2,625.4	2,901.1
Assets classified as held for sale	12	14.1	62.3
Total current assets		26,101.3	25,107.6
Total assets		38,514.7	38,463.6
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	432.9	432.9
Other equity	14	13,696.0	13,005.9
Total equity		14,128.9	13,438.8
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	3,034.1	3,206.8
(ii) Other financial liabilities	16	163.5	525.4
Provisions	17	491.3	530.9
Other non-current liabilities	18	34.3	92.6
Total non-current liabilities		3,723.2	4,355.7
Current liabilities			
Financial liabilities			
(i) Borrowings	19	5,734.8	1,734.3
(ii) Trade payables	20		
(a) Outstanding dues to Micro Enterprises and Small Enterprises		268.7	144.2
(b) Outstanding dues to creditors other than micro enterprises and small enterprises		12,407.2	12,567.0
(iii) Other financial liabilities	21	1,510.8	5,227.9
Provisions	17	362.0	404.7
Current tax liabilities	22	—	136.2
Other current liabilities	23	379.1	454.8
Total current liabilities		20,662.6	20,669.1
Total liabilities		24,385.8	25,024.8
Total equity and liabilities		38,514.7	38,463.6

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 : April 30, 2019

**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

Pradeep Chandan
Company Secretary
FCS No.: 2852

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Shyamala Gopinath DIN: 02362921
Rajesh Naik DIN: 06935998
Directors

Place: Mumbai
Date : April 30, 2019

Statement of Profit and Loss for the year ended March 31, 2019

Rs. in million

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations (Refer Notes 46 and 47)			
Sale of products (including excise duty)		57,986.5	54,994.4
Sale of services		2,001.1	1,795.5
Other operating revenues		269.1	436.9
		60,256.7	57,226.8
Other income	24	133.4	229.3
Total Income		60,390.1	57,456.1
Expenses:			
Cost of materials consumed	25	34,780.1	27,438.3
Purchase of stock-in-trade		12,682.4	13,521.5
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(1,596.1)	(414.8)
Excise duty		—	1,392.8
Employee benefit expenses	27	3,764.7	3,514.3
Finance costs	28	851.1	1,129.6
Depreciation and amortisation expenses	29	1,470.9	1,533.9
Other expenses	30	8,979.0	8,315.9
Total Expenses		60,932.1	56,431.5
(Loss)/ Profit before exceptional item and tax		(542.0)	1,024.6
Exceptional items	39	1,260.6	1,585.7
Profit before tax		718.6	2,610.3
Tax expense/ (credit):	31		
Current tax (including Minimum alternate tax 'MAT')		112.8	555.6
Deferred tax (including MAT credit availed Rs. 117.6 million [Previous Year Rs. 553.9 million])		(178.8)	(460.2)
Income tax for previous periods		(32.6)	49.9
		(98.6)	145.3
Profit for the year		817.2	2,465.0
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Gain/ (Loss) on remeasurement of post employment benefit plan		29.1	(7.8)
Income tax relating to these items		(4.8)	1.7
Other comprehensive income for the year, net of tax		24.3	(6.1)
Total comprehensive income for the year		841.5	2,458.9
Weighted average number of equity shares outstanding during the year		43,284,958	43,284,958
Basic and diluted earnings per share (in Rs.)		18.9	56.9
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 : April 30, 2019

**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

Pradeep Chandan
Company Secretary
FCS No.: 2852

Place: Mumbai
Date : April 30, 2019

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Shyamala Gopinath DIN: 02362921
Rajesh Naik DIN: 06935998
Directors

Cash Flow Statement for the year ended March 31, 2019

Rs. in million

	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. Cash flow from operating activities				
Profit before tax		718.6		2,610.3
Adjustments for:				
Exceptional items (Refer Note 39)	(1,260.6)		(1,585.7)	
Depreciation/amortisation	1,470.9		1,533.9	
Interest cost	1,655.1		898.5	
Effects from fair valuation of derivatives on borrowings (net)	(804.0)		231.1	
(Profit)/ Loss on sale of property, plant and equipment (net)	(6.8)		(10.9)	
Interest income	(46.3)		(36.8)	
Unrealised loss/ (gain) on derivative transactions (net)	196.5		(238.4)	
Unrealised (gain) on foreign exchange (net)	(574.6)		(99.1)	
Provision/ (Reversal) for loss allowance on trade receivables (net)	42.9	673.1	(56.1)	636.5
Operating cash flow before working capital changes		1,391.7		3,246.8
Adjustments for changes in working capital:				
Decrease/ (Increase) in trade receivables	385.8		(277.4)	
Decrease in other financial assets (including loans)	156.5		159.0	
Decrease in other current and non-current assets	169.9		495.5	
(Increase) in inventories	(2,377.6)		(1,156.6)	
Increase in other financial liabilities	32.2		107.7	
(Decrease)/ Increase in long-term provisions	(45.8)		87.5	
Increase in trade payables	133.6		711.9	
(Decrease) in other current and non-current liabilities	(134.0)		(83.8)	
(Decrease)/ Increase in short-term provisions	(8.4)	(1,687.8)	51.6	95.4
Cash generated from operations		(296.1)		3,342.2
Income taxes paid (net)		(475.4)		(442.2)
Net cash (used in)/ generated from operating activities		(771.5)		2,900.0
B. Cash flow from investing activities				
Acquisition of property, plant and equipment (net of capital creditors and including capital advances)		(840.8)		(670.8)
Realisation on sale of property, plant and equipment and residential properties		136.7		280.5
Proceeds from divestiture of paper wet-end and water chemicals business		2,520.0		—
Proceeds from divestiture of pigments business		190.0		—
Proceeds from divestiture of leather chemicals business (including receipts towards deferred income)		—		1,936.0
Compensation towards Voluntary Retirement Scheme		(284.2)		—
Interest received		46.3		36.8
Net cash generated from investing activities		1,768.0		1,582.5

Cash Flow Statement for the year ended March 31, 2019 (continued)

Rs. in million

	For the year ended March 31, 2019		For the year ended March 31, 2018	
C. Cash flow from financing activities				
Inter Corporate deposits taken		3,100.0		—
Inter Corporate deposits/ External commercial borrowings repaid		(3,361.3)		(1,814.8)
Other short-term borrowings taken/ (repaid) (net)		1,150.5		(1,906.0)
Dividend paid (including dividend distribution tax)		(157.5)		(52.8)
Interest paid		(1,681.4)		(872.9)
Net cash (used in) financing activities		(949.7)		(4,646.5)
Net increase/ (decrease) in cash and cash equivalents		46.8		(164.0)
	As at March 31, 2019		As at March 31, 2018	
Opening cash and cash equivalents				
Balances with banks:				
— In current accounts		81.0		245.0
		81.0		245.0
Closing cash and cash equivalents				
Balances with banks:				
— In current accounts (Refer Note 8 for cash and cash equivalents)		127.8		81.0
		127.8		81.0

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 : April 30, 2019

**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

Pradeep Chandan
Company Secretary
FCS No.: 2852

Place: Mumbai
Date : April 30, 2019

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Shyamala Gopinath DIN: 02362921
Rajesh Naik DIN: 06935998
Directors

Statement of changes in equity as at March 31, 2019

Rs. in million

	Notes	Total
A. Equity share capital		
As at March 31, 2017		432.9
Changes in equity share capital	13	—
As at March 31, 2018		432.9
Changes in equity share capital	13	—
As at March 31, 2019		432.9

Rs. in million

	Reserves and Surplus					Total
	Share options outstanding Account	Securities premium	Amalgamation reserve	General reserve	Retained earnings	
B. Other equity (Refer Note 14)						
Balance at April 1, 2017	10.8	646.5	371.7	10,046.9	(486.2)	10,589.7
Profit for the year	—	—	—	—	2,465.0	2,465.0
Other comprehensive income:						
— Remeasurement of the net defined benefit asset/liability, net of tax effect	—	—	—	—	(6.1)	(6.1)
Total	10.8	646.5	371.7	10,046.9	1,972.7	13,048.6
Transactions with owners in their capacity as owners:						
— Dividends including dividend distribution tax	—	—	—	—	(52.1)	(52.1)
— Employee stock option expense	9.4	—	—	—	—	9.4
Balance at March 31, 2018	20.2	646.5	371.7	10,046.9	1,920.6	13,005.9
Balance at April 1, 2018	20.2	646.5	371.7	10,046.9	1,920.6	13,005.9
Profit for the year	—	—	—	—	817.2	817.2
Other comprehensive income:						
— Remeasurement of the net defined benefit asset/liability, net of tax effect	—	—	—	—	24.3	24.3
Total	20.2	646.5	371.7	10,046.9	2,762.1	13,847.4
Transactions with owners in their capacity as owners:						
— Dividends including dividend distribution tax	—	—	—	—	(156.6)	(156.6)
— Employee stock option expense	5.2	—	—	—	—	5.2
Balance at March 31, 2019	25.4	646.5	371.7	10,046.9	2,605.5	13,696.0

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 : April 30, 2019

**For and on behalf of Board of Directors of
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Pradip P. Shah
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Arun Bewoor DIN: 00024276
Shyamala Gopinath DIN: 02362921
Rajesh Naik DIN: 06935998
Directors

Place: Mumbai
Date : April 30, 2019

Notes to the Financial Statements for the year ended March 31, 2019

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 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 & 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 43
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Note 35 and 41
- (c) Recognition of deferred tax assets – Note 3
- (d) Measurement of useful lives for property, plant and equipment & intangible assets and impairment – Note 1(d), 1(e) and 1(f)
- (e) Loss allowance on trade receivables and other financial assets – Note 33(iv)

c. Revenue Recognition

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 - 'Revenue from Contracts with Customers' ('Ind AS 115') with modified retrospective approach. Accordingly, the comparative information for previous year has not been restated.

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, 2019

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 inclusive of excise duty and 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. 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, 2019 that have an expected original term of one year or less was reported.

As part of the adoption of the new standard, contract liabilities are new additions to the Balance Sheet disclosure. 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.

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 standby 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.

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

Notes to the Financial Statements for the year ended March 31, 2019

1. Significant Accounting Policies (Continued)

d. Property, plant and equipment (Continued)

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 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.

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. Software is being amortized over a period of four 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.

f. 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.

g. 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).

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.

h. Inventories

Inventories including raw materials, work-in-progress, 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.

i. 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.

j. 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.

Notes to the Financial Statements for the year ended March 31, 2019

1. Significant Accounting Policies (Continued)

j. Non-current assets (or disposal groups) held for sale and discontinued operations (Continued)

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.

k. Financial Instruments

Financial assets

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.

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 33 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.

Notes to the Financial Statements for the year ended March 31, 2019

1. Significant Accounting Policies (Continued)

k. Financial instruments (Continued)

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.

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.

l. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

m. 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.

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.

n. 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.

Notes to the Financial Statements for the year ended March 31, 2019

1. Significant Accounting Policies (Continued)

o. 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.

p. 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 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.

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 ('option program') for senior executives of BASF group. Participation in this program is voluntary.

Options mentioned above are issued by BASF SE and the cost of such options 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.

q. Leases

As a Lessee

Determining whether an arrangement contains lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

Notes to the Financial Statements for the year ended March 31, 2019

1. Significant Accounting Policies (Continued)

q. Leases (Continued)

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded that for a finance lease that is impracticable to separate the lease payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

Assets held under leases

Leases of property, plant and equipment that transfers to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of fair value of the leased asset and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Lease payments

Payments made under operating leases are generally recognized in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

r. 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

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.

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 includes 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.

Notes to the Financial Statements for the year ended March 31, 2019

1. Significant Accounting Policies (Continued)

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. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 & Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on March 30, 2019. The rules shall be effective from reporting periods beginning on or after April 1, 2019. Amendments to Ind AS as per these rules are mentioned below:

Ind AS 116 – Leases

Effective April 1, 2019, Ind AS 116 – 'Leases' will replace the existing leases Standard, Ind AS 17 Leases. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for almost all the leases with a term of more than twelve months, unless the underlying asset is of low value.

A significant number of lease agreements that currently represent operating leases will be reported in the balance sheet as right-of-use assets with the corresponding lease liabilities. As of the date of initial application of the new standard i.e. April 1, 2019, the Company will measure – in accordance with the modified retrospective method – lease liabilities arising from operating leases with a remaining term of more than 12 months at the present value of the remaining lease payments, taking into account current incremental borrowing rates. The right-of-use asset will be recognized at the same amount as the lease liability.

In the Statement of Profit and Loss, there will be a reduction in operating expenses and an increase in finance costs (lease interest expense at effective interest rate) and depreciation (on right-of-use assets on a straight-line basis).

In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

This amendment clarifies how the recognition and measurement requirements of Ind-AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

The management is in process of evaluating the impact of the amendment on the financial position. The Company will adopt the amendment from April 1, 2019.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendment to Ind AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is in process of evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant.

Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19

The amendment to Ind-AS 19 - Employee Benefits clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant. The Company will adopt the amendment from April 1, 2019.

Annual Improvements to Ind AS

Ind AS 23, "Borrowing Cost"- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 12, "Income Taxes"- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

These interpretations are effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that impact from the amendment would not be significant. The Company will adopt the amendments from April 1, 2019.

Notes to the Financial Statements as at March 31, 2019

1(A). Property, plant and equipment

Rs. in million

Particulars	Gross Block			Depreciation / Amortisation				Net Block	
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	For the year	Deductions	As at March 31, 2019	As at March 31, 2019
Freehold land	27.8	—	—	27.8	—	—	—	—	27.8
Leasehold land [Refer Note (a) below]	276.4	—	46.0	230.4	31.0	3.1	6.5	27.6	202.8
Buildings [Refer Note (b) below]	3,647.5	123.9	284.2	3,487.2	484.1	169.0	58.1	595.0	2,892.2
Plant & machinery and Computers	11,398.5	306.7	1,217.1	10,488.1	4,040.1	1,172.2	843.6	4,368.7	6,119.4
Furniture and fixtures	307.5	9.2	23.4	293.3	112.1	44.9	12.6	144.4	148.9
Vehicles	145.7	21.8	9.6	157.9	93.8	28.5	7.9	114.4	43.5
Office equipment	251.4	57.3	25.0	283.7	124.5	49.9	16.9	157.5	126.2
Total	16,054.8	518.9	1,605.3	14,968.4	4,885.6	1,467.6	945.6	5,407.6	9,560.8

1(B). Capital work-in-progress

Rs. in million

Particulars	As at April 1, 2018	Additions	Amounts Capitalised	As at March 31, 2019
Capital work-in-progress	274.8	674.5	526.9	422.4

1(C). Intangible assets

Rs. in million

Particulars	Gross Block			Amortisation				Net Block	
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	For the year	Deductions	As at March 31, 2019	As at March 31, 2019
Goodwill	17.1	—	17.1	—	17.1	—	17.1	—	—
Other intangible assets	—	8.0	—	8.0	—	0.2	—	0.2	7.8
Software	101.2	—	0.8	100.4	96.9	3.1	0.8	99.2	1.2
Total	118.3	8.0	17.9	108.4	114.0	3.3	17.9	99.4	9.0

Notes:

- Includes gross block of **Rs. 21.4 million and net block Rs. Nil** (Previous Year: gross block Rs. 21.4 million and net block Rs. Nil) for which the Company is in the process of complying with the terms of lease cum sale agreement and basis completion thereof, would execute the final sale agreement to obtain right of ownership thereon.
- Buildings include **Rs. 0.01 million** (Previous Year: Rs. 0.01 million) being the value of shares in various co-operative societies.

Notes to the Financial Statements as at March 31, 2019

1(A). Property, plant and equipment

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation					Net Block	
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	For the year	Write down during the year [Refer Note (c) below]	Deductions	As at March 31, 2018	As at March 31, 2018	
Freehold land	27.8	—	—	27.8	—	—	—	—	—	27.8	
Leasehold land [Refer Note (a) below]	276.4	—	—	276.4	27.9	3.1	—	—	31.0	245.4	
Buildings [Refer Note (b) below]	3,408.7	245.5	6.7	3,647.5	315.5	167.4	2.7	1.5	484.1	3,163.4	
Plant & Machinery and Computers	11,075.4	375.1	52.0	11,398.5	2,627.0	1,236.0	237.9	60.8	4,040.1	7,358.4	
Furniture and fixtures	266.0	52.1	10.6	307.5	72.4	49.4	—	9.7	112.1	195.4	
Vehicles	129.9	16.1	0.3	145.7	61.3	33.0	—	0.5	93.8	51.9	
Office equipments	214.5	42.7	5.8	251.4	76.5	41.8	8.1	1.9	124.5	126.9	
Total	15,398.7	731.5	75.4	16,054.8	3,180.6	1,530.7	248.7	74.4	4,885.6	11,169.2	

1(B). Capital work-in-progress

Rs. in million

Particulars	As at April 1, 2017	Additions	Amounts Capitalised	As at March 31, 2018
Capital work-in-progress	328.6	679.4	733.2	274.8

1(C). Intangible assets

Rs. in million

Particulars	Gross Block				Amortisation					Net Block	
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	For the year	Write down during the year [Refer Note (c) below]	Deductions	As at March 31, 2018	As at March 31, 2018	
Goodwill	17.1	—	—	17.1	17.1	—	—	—	17.1	—	
Software	99.5	1.7	—	101.2	93.7	3.2	—	—	96.9	4.3	
Total	116.6	1.7	—	118.3	110.8	3.2	—	—	114.0	4.3	

Notes:

- Includes gross block of Rs. 21.4 million and net block Rs. Nil (Previous Year: gross block Rs. 21.4 million and net block Rs. Nil) for which the Company is in the process of complying with the terms of lease cum sale agreement and basis completion thereof, would execute the final sale agreement to obtain right of ownership thereon.
- Buildings include Rs. 0.01 million (Previous Year Rs. 0.03 million) being the value of shares in various co-operative societies.
- Gross block and accumulated depreciation of assets written down aggregated Rs. 589.0 million and Rs. 340.3 million, respectively. Also refer Note 39.

Notes to the Financial Statements as at March 31, 2019

2. Loans (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Security deposits	214.5	230.3
Loan to employees	0.5	0.8
	215.0	231.1
Less: Loss allowance on financial assets	1.0	—
	214.0	231.1

3. Deferred tax assets (net)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
Temporary differences on account of:		
Loss allowance on trade receivables	79.0	115.9
Carried forward loss	170.9	250.6
Minimum Alternate tax (MAT) credit receivable	671.5	553.9
Payment towards Voluntary Retirement Scheme	81.6	—
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	252.2	256.6
Total deferred tax assets	1,255.2	1,177.0
Deferred tax liabilities		
Temporary differences on account of:		
Carrying value of property, plant and equipment	(616.2)	(716.8)
Total deferred tax liabilities	(616.2)	(716.8)
Deferred tax assets (net)	639.0	460.2

Note: During the current year the Company has recognised deferred tax assets including MAT credit considering the profits earned by the Company (Refer Note 31).

4. Income tax assets (net)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Opening balance	966.5	976.5
Add: Taxes paid	373.1	39.9
Less: Provision for current year	117.6	—
Less: Provision for earlier years	1.3	49.9
Closing balance	1,220.7	966.5

5. Other non-current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Capital advances	107.9	23.8
Other Advances:		
— Prepayments	7.1	11.3
— Amount recoverable from tax authorities	232.5	214.8
	347.5	249.9

Notes to the Financial Statements as at March 31, 2019

6. Inventories

(Valued at lower of cost and net realisable value)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Raw materials	4,724.6	4,439.5
Finished goods	3,605.4	2,435.6
Stock-in-trade	3,529.7	3,107.5
Work-in-progress	34.1	30.0
Others		
Packing materials	202.1	177.3
Fuel oil	30.4	1.8
	12,126.3	10,191.7
Goods in transit (included above)		
Raw materials	2,001.9	2,298.3
Stock-in-trade	1,590.1	1,243.9
Finished goods	228.5	121.8

Amounts recognised in Statement of Profit and Loss

Write downs of inventories to net realisable value amounted to **Rs. 170.0 million** (Previous year Rs. 226.8 million). These were recognised as an expense during the year and included in 'cost of materials consumed' and 'Changes in inventories of finished goods, stock-in-trade and work-in-progress' in Statement of Profit and Loss.

7. Trade receivables

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Considered good:		
– Secured	26.7	47.0
– Unsecured	10,380.0	10,840.8
	10,406.7	10,887.8
Considered doubtful	226.1	334.9
	10,632.8	11,222.7
Less: Loss allowance on trade receivables	226.1	334.9
	10,406.7	10,887.8
<i>Of the above, dues from companies where directors are interested</i>	240.0	185.4

For Trade Receivables from related parties, refer Note 45.

8. Cash and bank balances

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks:		
– In current accounts	127.8	81.0
	127.8	81.0
Bank balances other than cash and cash equivalents		
– In unpaid dividend account	4.3	5.2
	4.3	5.2
	132.1	86.2
Of the above		
Earmarked bank balance (unpaid dividend account)	4.3	5.2

Notes to the Financial Statements as at March 31, 2019

9. Loans (current)

(Unsecured)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Security deposits	40.4	50.7
Loan to employees	11.9	12.1
	52.3	62.8

10. Other financial assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Derivatives with positive fair values	5.2	41.1
Refund receivable from government authorities	677.3	838.9
Others receivable	61.9	35.7
	744.4	915.7

11. Other current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Prepayments	72.5	48.1
Advances to vendors	250.3	175.4
Balances with government authorities	2,302.6	2,677.6
	2,625.4	2,901.1

12. Assets classified as held for sale

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Assets held for sale	14.1	62.3
	14.1	62.3
Asset held for sale includes following:		
Non-core assets (residential apartments)	—	0.4
Land for biotechnology research	14.1	61.9
	14.1	62.3
Fair value measurement:		
Non-core assets (residential apartments)	443.5	87.7
Land for biotechnology research	14.1	61.9
	457.6	149.6

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 has sold certain plots of the land during the current year and it intends to dispose off the balance 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.
- (iii) Refer Note 39 for gains/ losses from sale of these assets.

Notes to the Financial Statements as at March 31, 2019

13. Share capital

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Authorised:		
54,359,715 (Previous Year 54,359,715) Equity Shares of Rs. 10/- each	543.6	543.6
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

a. Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting year

	As at March 31, 2019		As at March 31, 2018	
	Number	Rs. in million	Number	Rs. in million
Shares outstanding at the beginning and at the end of the year	43,284,958	432.9	43,284,958	432.9

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, 2019	As at March 31, 2018
BASF Societas Europea	Ultimate Holding Company	20,939,259	20,939,259
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	8,907,900
BASF Construction Solutions GmbH (Formerly known as BASF Construction Chemicals GmbH)	Subsidiary of Ultimate Holding Company	1,896,061	1,896,061

d. Equity shares in the Company held by each shareholder holding more than 5% shares

Name of Shareholder	Relationship	As at March 31, 2019		As at March 31, 2018	
BASF Societas Europea	Ultimate Holding Company	20,939,259	48.37%	20,939,259	48.37%
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, 2019

14. Other equity

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Securities premium	646.5	646.5
Amalgamation reserve	371.7	371.7
Share options outstanding account	25.4	20.2
General reserve	10,046.9	10,046.9
Retained earnings	2,605.5	1,920.6
	13,696.0	13,005.9

(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.

Securities premium	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	646.5	646.5
Balance at end of the year	646.5	646.5

(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.

Amalgamation reserve	As at March 31, 2019	As at March 31, 2018
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.

Share options outstanding account	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	20.2	10.8
Add: Employee stock option expense (Refer Note 43)	5.2	9.4
Balance at end of the year	25.4	20.2

(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.

General reserve	As at March 31, 2019	As at March 31, 2018
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

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	1,920.6	(486.2)
Add: Profit for the year	817.2	2,465.0
Items of other comprehensive income/(loss):		
Less: Remeasurement of the net defined benefit asset/liability, net of tax effect	24.3	(6.1)
Appropriations:		
Less: Dividend [Refer Note 34(b)]	(129.9)	(43.3)
Less: Dividend distribution tax	(26.7)	(8.8)
Balance at end of the year	2,605.5	1,920.6

Notes to the Financial Statements as at March 31, 2019

15. Borrowings (non-current)

(Unsecured)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Term loan from related party		
– External commercial borrowings	3,387.3	6,942.6
Less: Current maturities of long-term debt (Refer Note 21)	(353.2)	(3,735.8)
	3,034.1	3,206.8

Terms of repayment

Interest is payable on a half yearly basis on June 15 and December 15 at 4.93% p.a. for USD loan and at 6 months EURIBOR + 147 basis point per annum for EURO loan.

The loan is repayable in various installments as per the repayment schedule summarised below:

Financial Year (Foreign Currency)	As at March 31, 2019		As at March 31, 2018	
	Amount payable in Foreign Currency (million)	Amount payable in Rs. (million)	Amount payable in Foreign Currency (million)	Amount payable in Rs. (million)
2018-19 (USD)	—	—	56.5	3,735.8
2019-20 (USD)	5.0	353.2	5.0	330.6
2020-21 (USD)	23.5	1,659.8	23.5	1,553.8
2021-22 (USD)*	—	—	20.0	1,322.4
2021-22 (EURO)*	17.3	1,374.3	—	—
Total term loans from related parties	45.8	3,387.3	105.0	6,942.6

Total outstanding external commercial borrowings from BASF Belgium Coordination Center Comm. V. as on October 1, 2018 have been assigned to BASF Ireland Limited effective October 1, 2018 with existing terms and conditions.

* Under the agreement terms entered into with BASF Belgium Coordination Center Comm. V. on April 27, 2018, borrowings aggregating USD 20 Million were converted into equivalent EURO loan amount at the EURO/USD exchange rate effective May 29, 2018 with interest rate of 6 months EURIBOR + 147 basis point per annum.

Net debt Reconciliation	As at March 31, 2019		As at March 31, 2018	
	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	81.0	8,761.2	245.0	12,885.4
Cash inflow/ (outflow)	46.8	—	(164.0)	—
Interest expense	—	1,648.8	—	824.8
Inter Corporate deposits taken	—	3,100.0	—	—
Inter Corporate deposits/ External commercial borrowings repaid	—	(3,361.3)	—	(1,814.8)
Other short-term borrowings taken/ (repaid) (net)	—	1,150.5	—	(1,906.0)
Foreign Exchange adjustments	—	(444.0)	—	(355.3)
Interest Paid	—	(1,681.4)	—	(872.9)
Closing Net debt	127.8	9,173.8	81.0	8,761.2

Note: Liabilities from financial activities include Non-current borrowings (Note 15), Current borrowings (Note 19), Current maturities of long-term debts (Note 21) and Interest accrued but not due on borrowings (Note 21).

Notes to the Financial Statements as at March 31, 2019

16. Other financial liabilities

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Derivatives with negative fair values	—	360.1
Deposits from customers	66.1	71.0
Accrual for employee benefits	97.4	94.3
	163.5	525.4

17. Provisions

Rs. in million

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits:				
– Compensated absences (Refer Note 43)	—	—	348.0	361.7
– Long service award	21.5	25.1	1.2	2.1
– Gratuity (Refer Note 43)	—	—	12.8	40.9
Other provisions (Refer Note 41)	469.8	505.8	—	—
	491.3	530.9	362.0	404.7

18. Other non-current liabilities

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Deferred revenue (Refer Note 46)	34.3	92.6
	34.3	92.6

19. Borrowings (current)

(Unsecured)

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Overdraft facilities from bank	485.0	242.9
Short-term loan from bank	2,399.8	499.9
Commercial papers	—	991.5
Inter Corporate deposits from group companies (Refer Note 45)	2,850.0	—
	5,734.8	1,734.3

Overdraft facilities and Short-term loan from banks carry average interest ranging from 7% to 9% p.a. computed on daily basis on the actual amount utilised and are repayable on demand and maturity respectively.

Commercial papers carry average interest ranging from 6% to 8% p.a. Outstanding Commercial Papers in previous year were repaid in May 2018.

Inter Corporate deposits carry average interest ranging from 7% to 8% p.a. over the financial year. Outstanding Inter corporate deposits are repayable on maturity in June 2019.

20. Trade payables

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Micro, Small and Medium Enterprises (Refer Note 38)	268.7	144.2
Others	12,407.2	12,567.0
	12,675.9	12,711.2

For payables to related parties, refer Note 45.

Notes to the Financial Statements as at March 31, 2019

21. Other financial liabilities

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debts (Refer Note 15)	353.2	3,735.8
Unpaid dividends*	4.3	5.2
Capital creditors	58.6	110.0
Derivatives with negative fair values	595.9	879.3
Accrual for employee benefits	447.1	413.3
Interest accrued but not due on borrowings	51.7	84.3
	1,510.8	5,227.9

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

22. Current tax liabilities

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Opening balance	136.2	—
Add: Current tax payable for the year	—	561.5
Less: Reversal of provision for previous period	33.9	—
Less: Taxes paid	102.3	425.3
	—	136.2

23. Other current liabilities

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Advances received from customers	204.8	215.7
Deferred revenue (Refer Note 46)	61.8	62.2
Statutory dues payable	112.5	176.9
	379.1	454.8

Notes to the Financial Statements for the year ended March 31, 2019

24. Other income

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	24.5	19.1
Interest on income tax refunds	21.8	17.7
Profit on sale of property plant and equipment (net)	6.8	10.9
Reversal of loss allowance on trade receivables (net)	–	56.1
Miscellaneous income	80.3	125.5
	133.4	229.3

25. Cost of materials consumed

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw materials:		
Stock at the beginning of the year	4,439.5	3,914.3
Add: Purchases	33,927.7	26,960.4
Less: Stock at the end of the year	(4,724.6)	(4,439.5)
Cost of raw materials consumed	33,642.6	26,435.2
Packing materials consumed	1,137.5	1,003.1
	34,780.1	27,438.3

26. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock at the end of the year:		
Finished goods	3,605.4	2,435.6
Stock-in-trade	3,529.7	3,107.5
Work-in-progress	34.1	30.0
Sub-total	7,169.2	5,573.1
Stock at the beginning of the year:		
Finished goods	(2,435.6)	(2,627.6)
Stock-in-trade	(3,107.5)	(2,482.7)
Work-in-progress	(30.0)	(48.0)
Sub-total	(5,573.1)	(5,158.3)
	(1,596.1)	(414.8)

27. Employee benefit expenses

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	3,331.7	3,131.9
Contribution to provident and other funds (Refer Note 43)	205.4	155.4
Share based payments (Refer Note 43)	5.2	9.4
Gratuity (Refer Note 43)	45.3	44.3
Staff welfare expense	177.1	173.3
	3,764.7	3,514.3

Notes to the Financial Statements for the year ended March 31, 2019

28. Finance costs

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	613.9	655.4
Add: Exchange differences regarded as an adjustment to borrowing costs	1,034.9	169.4
Total interest cost	1,648.8	824.8
Add: Effects from fair valuation of derivatives on borrowings	(804.0)	231.1
Interest on income tax	6.3	73.7
	851.1	1,129.6

29. Depreciation and amortisation expenses

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property, plant and equipment	1,467.6	1,530.7
Amortisation of intangible assets	3.3	3.2
	1,470.9	1,533.9

30. Other expenses

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Freight and handling charges	1,938.2	1,628.4
Power and fuel	1,068.5	946.3
Professional charges (Refer Note 32)	824.4	689.7
Communication / system expenses	1,150.5	1,103.5
Foreign exchange loss [including loss on fair valuation of trade derivatives Rs. 196.4 million (Previous Year: gain netted off Rs. 238.4 million)]	317.5	228.0
Sales promotion expenses	514.0	467.5
Travelling	345.1	342.6
Rent (Refer Note 37)	835.9	812.9
Royalty	518.9	494.9
Consumption of stores and spare parts	297.2	340.6
Service fees	68.2	81.6
Repairs — Machinery	255.6	239.3
— Buildings	154.1	103.0
— Others	30.1	23.0
Insurance	110.2	101.3
Rates and taxes	64.3	195.1
Bad debts written-off	151.7	73.0
Less: Utilisation of loss allowance on trade receivables	(151.7)	(73.0)
	—	—
Loss allowance on trade receivables (net)	42.9	—
Miscellaneous expenses	441.9	516.7
Corporate Social Responsibility expenses (Refer Note 42)	1.5	1.5
	8,979.0	8,315.9

Notes to the Financial Statements for the year ended March 31, 2019

31. Tax expense

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Income tax expense		
Current tax		
Current tax	112.8	555.6
Income tax for previous periods	(32.6)	49.9
Total current tax expense	80.2	605.5
Deferred tax		
(Increase) in deferred tax asset	(78.2)	(94.8)
(Decrease) in deferred tax liabilities	(100.6)	(365.4)
Total deferred tax benefit	(178.8)	(460.2)
Income tax (credit)/expense	(98.6)	145.3
Income tax impact on items included in Other comprehensive income	4.8	(1.7)
Total income tax (credit)/expense	(93.8)	143.6
	For the year ended March 31, 2019	For the year ended March 31, 2018
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before income tax expense	718.6	2,610.3
Income tax rate	34.94%	34.61%
Tax on income	251.1	903.4
Tax effect of items in reconciliations		
Recognition of deferred tax on unutilised tax losses (Refer Note 3)	—	(505.2)
Impact of derivatives	(275.3)	(97.1)
Tax effects for prior years and others	(69.6)	(157.5)
Income tax expense	(93.8)	143.6

32. Payment to auditors

Professional charges in Note 30 includes payment to auditors as follows:

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditors	9.6	8.9
For other services	3.5	5.1
For reimbursement of expenses	1.0	1.3
Total	14.1	15.3

Notes to the Financial Statements for the year ended March 31, 2019

33. 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, 2019	As at March 31, 2018
Financial assets				
Derivatives – no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique – use of dealer quotes for similar instruments.	5.2	41.1
Financial liabilities				
Derivatives – no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique – use of dealer quotes for similar instruments.	595.9	1,239.4

There are no reclassification between different levels during the year.

Risks 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.

Notes to the Financial Statements for the year ended March 31, 2019

33. Fair value measurement (Continued)

(i) Foreign currency risk (Continued)

(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, 2019	As at March 31, 2018
Trade payable		
USD	9,318.6	8,925.0
EUR	116.0	116.6
JPY	9.8	—
AUD	0.5	—
CHF	—	1.6
GBP	—	1.7
MYR	—	0.9
Capital Creditors		
USD	18.8	—
Capital Advances		
EUR	102.4	—
USD	0.9	—
Borrowings (including interest accrued)		
USD	2,042.0	7,026.6
EUR	1,379.2	—
Other current liabilities		
USD	1.5	3.3
Trade receivables		
USD	1,800.6	1,793.2
EUR	39.1	12.4
CHF	0.2	—
HKD	—	1.4
Cash and cash equivalents (EEFC account)		
USD	24.3	3.3
Other current assets		
USD	—	11.5
EUR	—	3.8

	As at March 31, 2019	As at March 31, 2018
Forward contracts		
USD	9,069.6	13,273.1
EUR	1,374.3	—

	As at March 31, 2019	As at March 31, 2018
Net exposure (after forward contracts)		
USD*	485.5	873.8
EUR	(20.6)	100.4
JPY	9.8	—
AUD	0.5	—
CHF	(0.2)	1.6
GBP	—	1.7
HDK	—	(1.4)
MYR	—	0.9

* Subsequent to the year end, this exposure has been hedged on next working day due to weekend/public holiday.

(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, 2019		As at March 31, 2018	
	Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	48.6	(48.6)	87.4	(87.4)
EUR	(2.1)	2.1	10.0	(10.0)
JPY	1.0	(1.0)	—	—

* Holding all other variables constant.

Notes to the Financial Statements for the year ended March 31, 2019

33. Fair value measurement (Continued)

(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, 2019			As at March 31, 2018		
	Weighted average interest rates	% of total loans	Total Borrowings	Weighted average interest rates	% of total loans	Total Borrowings
External commercial borrowings (USD) (Fixed rate)	4.9%	22.1%	2,013.0	4.9%	80.0%	6,942.6
External commercial borrowings (EURO) (Variable rate)	1.2%	15.1%	1,374.3	—	—	—
Short term borrowings, Commercial paper, Inter Corporate deposits, Overdraft facilities (Variable rate)	7.5%	62.8%	5,734.8	8.0%	20.0%	1,734.3
Total		100.0%	9,122.1		100.0%	8,676.9

(b) Sensitivity

The sensitivity of profit or loss to changes in interest rates / exchange rates

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Rate increase by 100 basis points*	91.2	86.8
Rate decrease by 100 basis points*	(91.2)	(86.8)

* 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, ongoing commercial paper programme, debentures.

(a) Financing arrangements

The Company has access to undrawn borrowing facilities from banks for **Rs. 12,419 million** (Previous Year: Rs. 11,547 million), Debentures for **Rs. 200 million** as on March 31, 2019 (Previous Year: Rs. 200 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.

Rs. in million

Contractual maturities of financial liabilities as at March 31, 2019	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non-derivatives					
Borrowings	6,088.0	1,659.8	1,374.3	—	9,122.1
Trade payables	12,675.9	—	—	—	12,675.9
Other financial liabilities	561.7	163.5	—	—	725.2
Total non-derivative liabilities	19,325.6	1,823.3	1,374.3	—	22,523.2
Derivatives					
Derivatives with negative fair values	595.9	—	—	—	595.9
Total derivative liabilities	595.9	—	—	—	595.9

Notes to the Financial Statements for the year ended March 31, 2019

33. Fair value measurement (Continued)

(iii) Liquidity risk (Continued)

(b) Maturities of financial liabilities (Continued)

Rs. in million

Contractual maturities of financial liabilities as at March 31, 2018	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non-derivatives					
Borrowings	5,470.1	330.6	1,553.8	1,322.4	8,676.9
Trade payables	12,711.2	—	—	—	12,711.2
Other financial liabilities	612.8	165.3	—	—	778.1
Total non derivative liabilities	18,794.1	495.9	1,553.8	1,322.4	22,166.2
Derivatives					
Derivatives with negative fair values	879.3	360.1	—	—	1,239.4
Total derivative liabilities	879.3	360.1	—	—	1,239.4

(iv) Credit risk

Credit risk arise when counterparties do not fulfill 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, 2019

Rs. in million

Ageing	Not due	Overdue	Total
Gross carrying amount	9,731.5	901.3	10,632.8
Expected loss rate	0.5%	19.7%	
Expected credit losses (loss allowance provision)	48.7	177.4	226.1
Carrying amount of trade receivable (net of impairment)	9,682.8	723.9	10,406.7

Year ended March 31, 2018

Rs. in million

Ageing	Not due	Overdue	Total
Gross carrying amount	9,993.6	1,229.1	11,222.7
Expected loss rate	0.4%	23.8%	
Expected credit losses (loss allowance provision)	42.8	292.1	334.9
Carrying amount of trade receivable (net of impairment)	9,950.8	937.0	10,887.8

– 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, 2019	1,011.7	0.0%	1.00	1,010.7
March 31, 2018	1,209.6	0.0%	—	1,209.6

Notes to the Financial Statements for the year ended March 31, 2019

33. Fair value measurement (Continued)

(iv) Credit risk (Continued)

(b) Reconciliation of loss allowance provision for Trade Receivables

Rs. in million

Loss allowance on March 31, 2017	464.0
Less: Utilisation towards bad debts	(73.0)
Less: Changes in loss allowance	(56.1)
Loss allowance on March 31, 2018	334.9
Less: Utilisation towards bad debts	(151.7)
Add: Changes in loss allowance	42.9
Loss allowance on March 31, 2019	226.1

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.

34. 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 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:

- Equity ratio** - Total equity divided by Total assets

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Total equity	14,128.9	13,438.8
Total assets	38,514.7	38,463.6
Equity ratio	36.7%	34.9%

- Debt equity ratio** – Total debt divided by Total equity

Total debt = Long term borrowings + Short term borrowings + Current maturities of long term debts

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Total debt	9,122.1	8,676.9
Total equity	14,128.9	13,438.8
Debt equity ratio	0.6	0.6

(b) Dividends

Rs. in million

	As at March 31, 2019	As at March 31, 2018
(i) Equity shares		
Dividend for the year ended March 31, 2018 of Rs. 3 (March 31, 2017 of Re. 1) per fully paid share	129.9	43.3
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. 5 for the year ended March 31, 2019 (Previous year Rs. 3) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	216.4	129.9

Notes to the Financial Statements for the year ended March 31, 2019

35. Contingent liabilities

Rs. in million

Nature	As at March 31, 2019	As at March 31, 2018
Contingent liabilities (excluding interest & penalties)		
a) Claims against the Company not acknowledged as debts	42.0	47.9
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	1,077.6	945.1
b. Customs, Excise, Service tax and Sales tax (refer Note (i) below)	26.6	74.8
Total	1,146.2	1,067.8

Notes:

- (i) Commercial taxes department had issued demand notices amounting to Rs. 893.1 million (excluding interest and penalty) for the periods April 2006 to March 2010 by treating 100% of the stock transfers as interstate sales to unregistered dealers. The Company had filed appeals against the aforesaid demand notices with the Honorable Karnataka Appellate Tribunal which set aside and remanded back the impugned reassessment orders for the above referred periods for fresh assessment to lower authorities. In view of this outcome, currently there are no demand notices against the Company and thus, the contingent liability on this account is **Rs. Nil** (Previous Year Rs. Nil). The Company was aggrieved by certain observations and inferences of the Honorable Karnataka Appellate Tribunal and thus, had filed the relevant appeals with the Honorable Central Sales Tax Appellate Authority (CSTAA), New Delhi. The Honorable CSTAA has granted stay for the period April 2006 to March 2010 against the de-novo reassessment proceedings considering the pendency of the appeals at CSTAA.

Commercial taxes department has issued demand notice for the period January 2011 to March 2011 amounting to Rs. 63.8 million (excluding interest & penalty) against which company has filed an appeal before Karnataka Appellate Tribunal & also received stay order from the said Tribunal. The amount in respect of other periods, if any, are currently not determinable.

The Company, on the basis of legal opinions, does not consider these stock transfers as interstate sales.

- (ii) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

36. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for **Rs. 349.8 million** (Previous Year Rs. 313.2 million).

37. Operating lease

The Company has taken vehicles and office facilities under operating leases.

- a) Total minimum lease payments in respect of non-cancellable leases are as follows:

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Due:		
Not later than one year	177.8	205.6
Later than one year but not later than five years	604.9	662.7
Later than five years	—	47.6
Total	782.7	915.9

- b) Lease rent of **Rs. 835.9 million** (Previous Year Rs. 812.9 million) towards cancellable and non cancellable leases has been included under "Rent" in Note 30 to the Financial Statements.

Notes to the Financial Statements for the year ended March 31, 2019

38. 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, 2019	As at March 31, 2018
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	221.4	121.5
– Interest amount	1.4	0.5
The interest paid 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	—	—
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.	23.2	8.0
The amount of interest accrued and remaining unpaid at the end of each accounting year.	24.6	8.5
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 small/ micro enterprise.	47.3	22.7

39. Exceptional items

Rs. in million

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit on divestiture of paper wet-end and water chemicals business pursuant to global divestment	1,593.6	—
Profit on transfer of pigments business	55.7	—
Profit on sale of its non-core assets (i.e. residential properties)	43.1	268.6
Compensation towards Voluntary Retirement Scheme for certain permanent workmen at Thane plant	(284.2)	—
Write down of certain assets due to cessation of certain operations from Thane plant	(147.6)	—
Profit on divestiture of leather chemicals business pursuant to global divestment	—	1,559.6
Write down of Thermoplastic Polyurethane (TPU) assets, due to cessation of its manufacturing	—	(242.5)
Total	1,260.6	1,585.7

40. 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, 2019	10,909.9	503.2	10,406.7
Total	10,909.9	503.2	10,406.7
March 31, 2018	11,407.7	519.9	10,887.8
Total	11,407.7	519.9	10,887.8

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, 2019

41. Other provisions

Rs. in million

	As at March 31, 2019	As at March 31, 2018
At the commencement of the year	505.8	338.4
Add: Provisions made during the year (net)	16.3	173.6
Less: Utilisation during the year	52.3	6.2
At the end of the year	469.8	505.8

Other provisions represent 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.

42. 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 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. Nil** (Previous Year Rs. Nil)

(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, 2019	For the year ended March 31, 2018
1) Construction/Acquisition of any assets	—	—
2) For purposes other than (1) above:		
– Promoting education facilities, sanitation and making available safe drinking water	1.5	1.5

43. Employee benefits

(a) Defined contribution plans:

The Company's contribution to defined contribution funds comprising of Superannuation fund and Employees' state insurance schemes amounting to **Rs. 48.4 million** (Previous year Rs. 49.6 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.

Rs. in million

	Gratuity Funded	
	As at March 31, 2019	As at March 31, 2018
I) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	560.7	562.1
Benefits paid from plan	(106.5)	(65.5)
Benefits paid from employer	—	(4.9)
Current service cost	44.9	45.5
Interest cost	41.1	37.5
Actuarial gain/loss recognised in other comprehensive Income		
– Changes in demographic assumptions	(0.1)	(2.2)
– Changes in financial assumptions	(19.6)	(0.8)
– Changes of experience adjustments	12.1	7.9
Transfers (out) on divestiture	(36.8)	(18.9)
Balance at the end of the year	495.8	560.7

Notes to the Financial Statements for the year ended March 31, 2019

43. Employee Benefits (Continued)

Rs. in million

	Gratuity Funded	
	As at March 31, 2019	As at March 31, 2018
II) Reconciliation of present value of plan assets		
Balance at the beginning of the year	519.8	567.8
Contributions paid into plan	40.9	—
Benefits paid	(106.5)	(65.5)
Employer direct benefit payments	1.7	—
Return on plan assets (excluding interest income)	21.5	(2.9)
Interest income	40.7	38.7
Transfer out on divestitures	(35.1)	(18.3)
Balance at the end of the year	483.0	519.8
Net liability (current) (I-II)	12.8	40.9
III) Expenses recognised in the Statement of Profit and Loss		
Current service cost	44.9	45.5
Interest cost	41.1	37.5
Interest income	(40.7)	(38.7)
Expenses recognised in the Statement of Profit and Loss	45.3	44.3
IV) Remeasurements recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation	(7.6)	4.9
Return on plan assets excluding interest income	(21.5)	2.9
	(29.1)	7.8

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, 2019	As at March 31, 2018
Government of India securities	16%	8%
State government securities	57%	50%
Public Sector Unit bonds	—	6%
Private sector bonds	22%	21%
Fixed deposit and others	2%	7%
Special deposit scheme	—	6%
Mutual funds	3%	2%
Total	100%	100%

The assumptions used for actuarial valuation are as follows:-

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.7%	7.9%
Expected salary increase rate	6% - 8% p.a.	6% - 9% 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 (2006-08) 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.

Notes to the Financial Statements for the year ended March 31, 2019

43. Employee Benefits (Continued)

Rs. in million

Expected total benefit payments	As at March 31, 2019	As at March 31, 2018
Year 1	77.1	75.9
Year 2	43.8	60.6
Year 3	51.0	44.7
Year 4	47.0	52.3
Year 5	52.7	45.3
Next 5 years	189.7	212.0

Sensitivity analysis – defined benefit obligation end of period

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Discount rate +100 basis points	(491.4)	(526.1)
Discount rate –100 basis points	557.8	599.4
Salary Increase Rate +1%	554.9	596.1
Salary Increase Rate –1%	(493.5)	(528.4)
Attrition Rate +1%	(522.6)	(559.4)
Attrition Rate –1%	522.8	561.9

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 2019-20 is **Rs. 82.7 million** (Previous Year Rs. 80.4 million).

Risk exposure

The fund assets 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 15% 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.

(ii) Provident Fund

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 Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation based on the below provided assumptions and there is no shortfall as at March 31, 2019.

Notes to the Financial Statements for the year ended March 31, 2019

43. Employee Benefits (Continued)

The details of fund and plan assets position as at year end is given below:

Rs. in million

	As at March 31, 2019	As at March 31, 2018
Plan assets as year end, at fair value	3,142.4	2,865.1
Present value of benefit obligation at year end	3,080.4	2,855.7
Cost of shortfall in interest rate guarantee	—	—
Assumptions used in determining the present value obligation to the interest rate guarantee under the Deterministic Approach:		
Discount rate	7.7%	7.9%
Average remaining tenure of the investment portfolio	5 years	5 years
Expected guaranteed interest rate	8.7%	8.7%

During the year ended March 31, 2019, amount recognised in the Statement of Profit and Loss for the Company's Contribution to Employee provident fund (net of recoveries) is **Rs. 157.0 million** (Previous year Rs. 105.8 million).

(c) Share-based payments

The Ultimate Holding Company ('BASF SE') offers Share Price based compensation program ('option program') for senior executives of BASF group. Participation in this program is voluntary.

The option program starts every year on July 1. After the two-year vesting period, the options can be exercised for a period of six 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.

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.

The Company has recognized share based payment transactions of BASF SE as equity settled share based payment transaction in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments, 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.

		For the year ended March 31, 2019	For the year ended March 31, 2018
Charge included in employee benefit expense (Refer Note 27)	Rs. in million	5.2	9.4
Options outstanding at the beginning of the year	Nos	11,961.0	8,193.0
Options granted during the year	Nos	3,312.0	3,768.0
Options forfeited, exercised or expired during the year	Nos	(1,343.0)	—
Outstanding at the end of the year	Nos	13,930.0	11,961.0
Fair value of options and parameters used for valuation		As at December 31, 2018	As at December 31, 2017
Fair value of BASF SE's shares	Euro	10.5	33.9
Volume-weighted average market price of BASF SE's shares	Euro	78.3	73.4
Expected volatility of BASF SE's shares	%	25.3	23.6
Dividend yield	%	5.3	3.4
Risk-free interest rate	%	—	0.2

Notes to the Financial Statements for the year ended March 31, 2019

43. Employee Benefits (Continued)

d) 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. 348.0 million** (Previous Year: Rs. 361.7 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. 293.7 million** (Previous Year: Rs. 305.1 million).

44. Operating Segments

The Company has reorganised its segment structure with effect from January 1, 2019. The new segment structure will enable an even more differentiated steering of the business, taking into account market-specific requirements and the competitive environment. It will further increase the transparency of the segment results. Previous period segment figures are regrouped in accordance with revised segment structure.

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 and the Monomers divisions
- Industrial Solutions – The Industrial Solutions segment consists of the Dispersions & Pigments divisions and Performance Chemicals divisions
- Surface Technologies – The Surface Technologies segment comprises the Catalysts, Coatings and Construction Chemicals 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. Also includes transactions relating to leather and textile chemicals business, paper wet-end and water chemicals business during the year of respective divestiture.

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 current borrowings and other un-allocable liabilities.

Notes to the Financial Statements for the year ended March 31, 2019

44. Operating Segments (Continued)

(a) Business Segments

The previous year's figures are given in light type below each item

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
Segment revenue	9,333.2	16,462.3	11,478.8	8,113.8	7,580.8	1,450.0	5,837.8	—	60,256.7
	8,638.0	16,291.0	9,791.5	7,901.2	7,278.7	1,729.4	5,597.0	—	57,226.8
Less: Inter-segment revenue	—	—	—	—	—	—	—	—	—
Sales / Revenue from operations	9,333.2	16,462.3	11,478.8	8,113.8	7,580.8	1,450.0	5,837.8	—	60,256.7
	8,638.0	16,291.0	9,791.5	7,901.2	7,278.7	1,729.4	5,597.0	—	57,226.8
Segment result	661.6	(860.4)	715.3	77.7	(312.2)	153.3	182.8	—	618.1
	534.4	523.9	540.8	167.6	(199.1)	418.1	506.1	—	2,491.8
Finance costs								851.1	851.1
								1,129.6	1,129.6
Interest income								46.3	46.3
								36.8	36.8
Other un-allocable expenditure net of un-allocable income								355.3	355.3
								374.4	374.4
Profit/(Loss) before tax and exceptional item									(542.0)
									1,024.6
Exceptional item gain (net) (Refer note 39)	—	—	46.0	—	(169.4)	—	1,384.0	—	1,260.6
	—	—	1,559.6	—	(242.5)	—	268.6	—	1,585.7
Tax									(98.6)
									145.3
Profit/(Loss) after tax									817.2
									2,465.0

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
OTHER INFORMATION									
Segment assets	6,633.7	9,976.1	6,435.8	5,331.4	6,051.6	658.1	1,436.2	1,991.8	38,514.7
	4,496.0	10,493.8	8,746.3	5,646.6	6,106.6	680.9	921.1	1,372.3	38,463.6
Segment liabilities	1,838.1	6,072.2	3,952.9	2,294.3	3,345.4	298.0	845.4	5,739.5	24,385.8
	1,690.5	7,967.1	6,092.5	2,408.5	4,101.0	339.7	549.0	1,876.5	25,024.8
Capital expenditure	19.6	113.5	344.4	82.2	67.4	3.2	44.2	—	674.5
	49.5	131.6	125.3	176.8	111.8	2.1	82.3	—	679.4
Depreciation and amortisation	34.6	461.1	289.9	215.9	368.5	2.4	98.5	—	1,470.9
	37.6	514.0	279.8	209.1	368.8	2.5	122.1	—	1,533.9
Non cash charges - Bad debts and Loss allowance on trade receivables	36.4	21.4	(0.6)	(22.4)	8.0	—	0.1	—	42.9
	17.8	17.1	(58.2)	(30.4)	(5.9)	0.9	2.6	—	(56.1)

(b) Geographic Segments

Rs. in million

	Domestic	Exports	Total
Revenues	52,445.6	7,811.1	60,256.7
	50,379.3	6,847.5	57,226.8
Non-current assets (excluding financial instruments & deferred/ income tax asset)	10,339.7	—	10,339.7
	11,698.2	—	11,698.2

Notes:

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, 2019

45. 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 Japan Ltd. |
| BASF Agricultural Solutions Seed US LLC | BASF Lanka (Private) Limited |
| BASF Agro B.V. Arnhem (NL) | BASF (Malaysia) Sdn. Bhd. |
| BASF Agrochemical Products B.V. | BASF Metals Ltd. |
| BASF Antwerpen N.V. | BASF Mexicana S.A. DE C.V. |
| BASF Asia-Pacific Service Centre Sdn. Bhd. | BASF Nederland B.V. |
| BASF Australia Ltd. | BASF New Business GmbH |
| BASF Bangladesh Ltd. | BASF Pakistan (Pvt.) Limited |
| BASF Belgium Coordination Center Comm. V. | BASF Paper Chemicals (Huizhou) Co. Ltd. |
| BASF Business Services GmbH | BASF Paper Chemicals (Jiangsu) Co. Ltd. |
| BASF Care Chemicals (Shanghai) Co., Ltd. | BASF Personal Care and Nutrition GmbH |
| BASF Catalysts (Shanghai) Co., Ltd. | BASF Petronas Chemicals Sdn. Bhd. |
| BASF Catalysts India Private Limited | BASF Philippines INC |
| BASF Chemicals & Polymers Pakistan (Private) Ltd. | BASF Plant Science Company GmbH |
| BASF Chemicals Co., Ltd. | BASF PLC |
| BASF Chemicals India Pvt. Ltd. | BASF Poliuretanos Ltda. |
| BASF (China) Company Ltd. | BASF Polyurethane Licencing GmbH |
| BASF Coatings GmbH | BASF Polyurethane Specialties (China) Co., Ltd. |
| BASF Coatings S.A.S. | BASF Polyurethanes (China) Co., Ltd. |
| BASF Colors & Effects GmbH | BASF Polyurethanes GmbH |
| BASF Colors & Effects Shanghai Ltd. | BASF S.A. |
| BASF Colors & Effects Singapore Pte. Ltd. | BASF Services Europe GmbH |
| BASF Colors & Effects USA LLC | BASF Shanghai Coatings Co., Ltd. |
| BASF Colors and Effects India Pvt. Ltd.
(w.e.f. August 9, 2018) | BASF South Africa (Pty) Ltd. |
| BASF Company Ltd. | BASF South East Asia Pte. Ltd. |
| BASF Construction Chemicals (China) Co., Ltd. | BASF Specialty Chemicals (Nanjing) Co., Ltd. |
| BASF Construction Chemicals Egypt S.A.E. | BASF Taiwan Ltd. |
| BASF Construction Chemicals Espana S.L. | BASF (Thai) Limited |
| BASF Construction Chemicals Europe AG | BASF Türk Kimya Sanayi ve Ticaret Ltd. Sti. |
| BASF Construction Chemicals Italia Spa | BASF Vietnam Co., Ltd. |
| BASF Construction Chemicals UAE LLC | BASF - YPC Company Limited |
| BASF Construction Solutions GmbH | Chemetall India Private Limited |
| BASF Construction Systems (China) Co. Ltd. | Cognis IP Management GmbH |
| BASF Corporation | Construction Research & Technology GmbH |
| BASF Crop Protection (Jiangsu) Co., Ltd. | Nunhems India Private Limited
(w.e.f. August 16, 2018) |
| BASF East Africa Ltd. | PCI Augsburg GmbH |
| BASF East Asia Regional Headquarters Ltd. | P.T. BASF Care Chemicals Indonesia |
| BASF Espanola S.L. | P.T. BASF Distribution Indonesia |
| BASF France S.A.S. | P.T. BASF Indonesia |
| BASF Hong Kong Ltd. | Saudi BASF for Building Materials Co., Ltd. |
| BASF Intertrade AG | Shanghai BASF Polyurethane Co., Ltd. |
| BASF IP Licensing GmbH | Solenis Chemicals India Private Limited
(w.e.f. January 31, 2019) |
| BASF Ireland Limited | Thai Ethoxylate Co., Ltd. |
| BASF Italia S.p.A. | |
- 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**
- Chairman & Managing Director**
Dr. Raman Ramachandran
(till March 31, 2019)
- Managing Director**
Mr. Narayan Krishnamohan
(w.e.f. April 1, 2019)
- Chairman & Independent Director**
Mr. Pradip P. Shah
(Chairman w.e.f. April 1, 2019)
- Whole-Time Directors**
Mr. Narendranath J. Baliga
Mr. Rajesh Naik
Dr. Lakshmi Nadkarni (till March 31, 2019)
- Company Secretary & Whole-Time Director**
Mr. Pradeep Chandan
(Whole-Time Director w.e.f. April 1, 2019)
- Other Independent Directors**
Mr. R. A. Shah
Mr. R. R. Nair (till March 31, 2019)
Mr. Arun Bewoor
Mrs. Shyamala Gopinath (w.e.f. 23rd January, 2019)

Notes to the Financial Statements for the year ended March 31, 2019

45. Related Party Disclosure (Continued)

e) Details of transactions with parties where control exists / under common control for the year ended March 31, 2019

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Sale of Goods						
BASF SE	2,123.1	1,243.3	—	—	2,123.1	1,243.3
BASF Hong Kong Ltd.	—	—	1,256.2	525.0	1,256.2	525.0
BASF Corporation	—	—	458.7	—	458.7	—
Others	—	—	618.8	1,594.2	618.8	1,594.2
Sub-Total	2,123.1	1,243.3	2,333.7	2,119.2	4,456.8	3,362.5
Services Rendered (including reimbursements)						
BASF SE	614.6	535.0	—	—	614.6	535.0
BASF Hong Kong Ltd.	—	—	793.8	283.4	793.8	283.4
Others	—	—	927.3	1,103.5	927.3	1,103.5
Sub-Total	614.6	535.0	1,721.1	1,386.9	2,335.7	1,921.9
Interest Expense on ECB Loan and ICD's (including incidental charges)						
BASF Belgium Coordination Centre Comm. V	—	—	67.3	395.9	67.3	395.9
BASF Ireland Limited	—	—	142.9	—	142.9	—
Nunhems India Private Limited	—	—	43.4	—	43.4	—
BASF Catalysts India Private Limited	—	—	15.9	—	15.9	—
Chemetall India Private Limited	—	—	33.1	—	33.1	—
Sub-Total	—	—	302.6	395.9	302.6	395.9
Purchase of Goods/Materials						
BASF SE	4,645.7	3,045.1	—	—	4,645.7	3,045.1
BASF Company Ltd.	—	—	6,043.5	5,978.0	6,043.5	5,978.0
BASF Hong Kong Ltd.	—	—	7,920.7	2,766.3	7,920.7	2,766.3
Others	—	—	6,532.6	9,589.3	6,532.6	9,589.3
Sub-Total	4,645.7	3,045.1	20,496.8	18,333.6	25,142.5	21,378.7
Services Received						
BASF SE	492.8	373.2	—	—	492.8	373.2
BASF Schweiz AG	7.9	15.5	—	—	7.9	15.5
BASF South East Asia Pte. Ltd.	—	—	368.9	378.5	368.9	378.5
BASF Asia-Pacific Service Centre Sdn. Bhd.	—	—	229.4	187.5	229.4	187.5
BASF Business Services GmbH	—	—	414.5	389.6	414.5	389.6
Others	—	—	227.8	224.3	227.8	224.3
Sub-Total	500.7	388.7	1,240.6	1,179.9	1,741.3	1,568.6
Royalty						
BASF SE	17.3	26.7	—	—	17.3	26.7
BASF IP Licencing GmbH (earlier known as BASF Polyurethanes Licencing GmbH)	—	—	266.0	245.0	266.0	245.0
BASF Coatings GmbH	—	—	66.6	71.1	66.6	71.1
Construction Research & Technology GmbH	—	—	130.4	126.9	130.4	126.9
Cognis IP Mangement GmbH	—	—	38.6	25.2	38.6	25.2
Sub-Total	17.3	26.7	501.6	468.2	518.9	494.9
Dividend						
BASF SE	62.8	20.9	—	—	62.8	20.9
BASF Schweiz AG	26.7	8.9	—	—	26.7	8.9
BASF Construction Solutions GmbH	—	—	5.7	1.9	5.7	1.9
Sub-Total	89.5	29.8	5.7	1.9	95.2	31.7
ECB Loan and ICDs availed during the year						
Nunhems India Private Limited	—	—	1,600.0	—	1,600.0	—
BASF Catalysts India Private Limited	—	—	500.0	—	500.0	—
Chemetall India Private Limited	—	—	1,000.0	—	1,000.0	—
Sub-Total	—	—	3,100.0	—	3,100.0	—

Notes to the Financial Statements for the year ended March 31, 2019

45. Related Party Disclosure (Continued)

e) Details of transactions with parties where control exists/under common control for the year ended March 31, 2019 (Continued)

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ECB Loan and ICDs repaid during the year including forex loss on settlements						
BASF Belgium Coordination Center Comm. V.	—	—	1,806.9	2,333.7	1,806.9	2,333.7
BASF Ireland Limited	—	—	2,711.1	—	2,711.1	—
Nunhems India Private Limited	—	—	100.0	—	100.0	—
BASF Catalysts India Private Limited	—	—	150.0	—	150.0	—
Chemetall India Private Limited	—	—	—	—	—	—
Sub-Total	—	—	4,768.0	2,333.7	4,768.0	2,333.7
Purchase of Assets						
BASF SE	0.4	—	—	—	0.4	—
BASF Polyurethanes (China) Co., Ltd.	—	—	—	0.6	—	0.6
BASF Coatings GmbH	—	—	1.1	4.0	1.1	4.0
BASF Polyurethane Specialties (China), Co., Ltd.	—	—	1.3	—	1.3	—
BASF Chemicals India Pvt. Ltd.	—	—	4.2	—	4.2	—
BASF Polyurethanes GmbH	—	—	1.4	—	1.4	—
Sub-Total	0.4	—	8.0	4.6	8.4	4.6
Outstanding Receivables						
BASF SE	693.0	391.6	—	—	693.0	391.6
BASF Hong Kong Ltd.	—	—	395.2	535.8	395.2	535.8
BASF Corporation	—	—	266.1	—	266.1	—
Solenis Chemicals India Private Limited	—	—	228.9	—	228.9	—
Others	—	—	567.1	528.8	567.1	528.8
Sub-Total	693.0	391.6	1,457.3	1,064.6	2,150.3	1,456.2
Outstanding Payables						
BASF SE	2,103.6	1,566.2	—	—	2,103.6	1,566.2
BASF Schweiz AG	—	2.8	—	—	—	2.8
BASF Hong Kong Ltd.	—	—	2,022.5	1,480.6	2,022.5	1,480.6
BASF Company Ltd.	—	—	1,192.6	1,665.0	1,192.6	1,665.0
BASF Agro B.V. Arnhem (NL)	—	—	1,046.3	1,066.6	1,046.3	1,066.6
Others	—	—	2,227.9	2,308.9	2,227.9	2,308.9
Sub-Total	2,103.6	1,569.0	6,489.3	6,521.1	8,592.9	8,090.1
ECB Loan Outstanding (including interest accrued not due)						
BASF Belgium Coordination Center Comm. V.	—	—	—	7,026.6	—	7,026.6
BASF Ireland Limited *	—	—	3,421.1	—	3,421.1	—
Nunhems India Private Limited	—	—	1,508.0	—	1,508.0	—
BASF Catalysts India Private Limited	—	—	351.9	—	351.9	—
Chemetall India Private Limited	—	—	1,005.0	—	1,005.0	—
Sub-Total	—	—	6,286.0	7,026.6	6,286.0	7,026.6
Divestiture of pigment business						
BASF Colors and Effects India Private Limited	—	—	190.0	—	190.0	—
Sub-Total	—	—	190.0	—	190.0	—
Divestiture of paper and water chemical business						
Solenis Chemicals India Private Limited	—	—	2,520.0	—	2,520.0	—
Sub-Total	—	—	2,520.0	—	2,520.0	—

* External commercial borrowings from BASF Belgium Coordination Center Comm. V. has been assigned to BASF Ireland Limited effective October 1, 2018 with existing terms and conditions.

Notes to the Financial Statements for the year ended March 31, 2019

45. Related Party Disclosure (Continued)

f) Details of Contributions to post employment benefit plan

Rs. in million

Name of the post employment benefit plan	2018-19	2017-18
BASF India Ltd. Provident Fund	317.8	106.5
BASF India Ltd. Employees Gratuity Fund	40.9	—
BASF India Ltd. Superannuation Fund Trust	56.0	56.5
Sub-Total	414.7	163.0

g) Details of transactions with Key Management Personnel:-

Rs. in million

Particulars	2018-19	2017-18
Short-term employee benefits	137.4	112.3
Post-employment benefits	5.7	3.1
Long-term employee benefits	—	—
Employee share based payments**	0.7	1.4
Total compensation	143.8	116.8

** Key managerial personnel are eligible for share based payments of the Ultimate Holding Company for which there is no cash outflow from the Company.

h) Payment of sitting fees to independent directors

Rs. in million

Particulars	2018-19	2017-18
Sitting fees	6.2	5.5

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.

46. Disclosure under Indian Accounting Standard 115

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 - 'Revenue from Contracts with Customers' ('Ind AS 115') with modified retrospective approach. Accordingly, the comparative information for previous year has not been restated.

Adoption of Ind AS 115 did not have any material impact on the financial statements of the Company.

Deferred revenue:

The Company has disclosed contract liability towards deferred revenue as per terms of customer contracts aggregating **Rs. 96.1 million** (Previous Year: Rs. 154.8 million) as on March 31, 2019 in Notes 18 and 23. Further, an amount of **Rs. 58.7 million** was recognized as revenue in the current year which was included in deferred revenue as of April 1, 2018. Remaining deferred revenue will be recognised in subsequent periods based on terms of the contract.

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 liability.

Notes to the Financial Statements for the year ended March 31, 2019

47. As per Indian Accounting Standard 115/ Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from Operations for the period ended after June 30, 2017 does not include Goods and Service Tax (GST), however Revenue from Operations upto the period ended June 30, 2017 included Excise Duty. In view of the aforesaid restructuring of indirect taxes, Revenue from Operations for the year ended March 31, 2019 are not comparable with previous year. The below table reflects details of Revenue from Operations net of Excise Duty.

Rs. in million

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations	60,256.7	57,226.8
Less: Excise duty	—	(1,392.8)
Revenue from Operations (net of excise duty)	60,256.7	55,834.0

48. Previous year figures have been regrouped/reclassified, wherever necessary to conform to current year classification.

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 : April 30, 2019

**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

Pradeep Chandan
Company Secretary
FCS No.: 2852

Place: Mumbai
Date : April 30, 2019

R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Shyamala Gopinath DIN: 02362921
Rajesh Naik DIN: 06935998
Directors

BASF India Limited

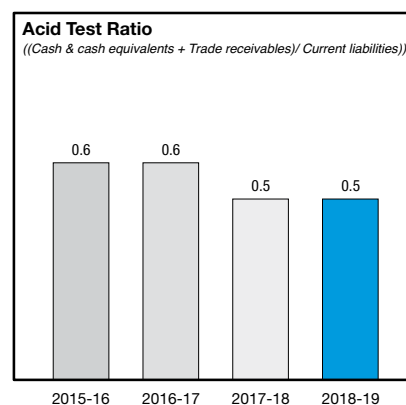
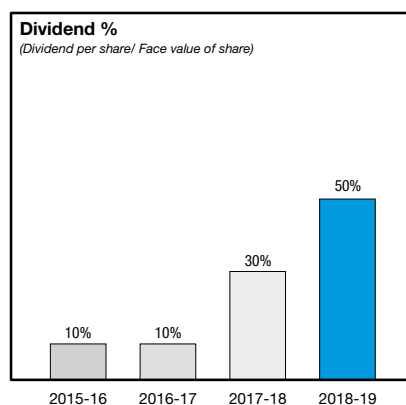
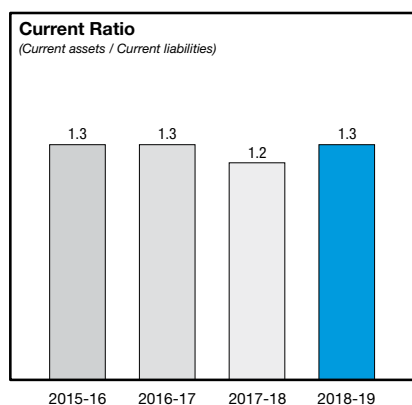
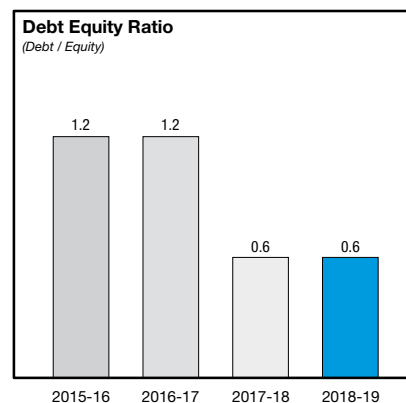
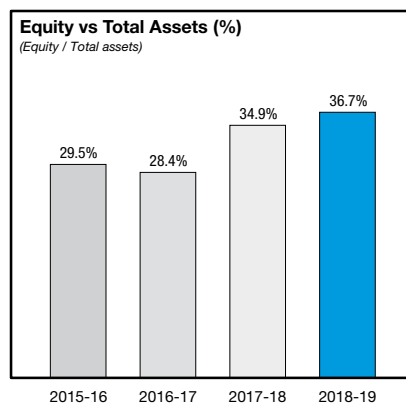
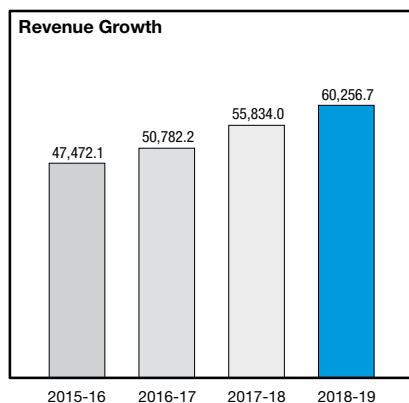
Highlights – At a glance

Rs. in Million

	2015-2016	2016-2017	2017-2018	2018-2019
Revenue and Earnings				
Revenue from operations (net of excise duty/ GST)	47,472.1	50,782.2	55,834.0	60,256.7
Earnings before interest and tax (EBIT)	(544.2)	1,121.6	2,154.2	309.1
Profit/ (Loss) before tax	(2,024.8)	(294.8)	1,024.6	(542.0)
Profit/ (Loss) after tax	(303.7)	(141.3)	2,465.0	817.2
Earnings per share (Re. per share)	(7.0)	(3.3)	56.9	18.9
Exports of goods & services	7,513.2	7,103.1	6,847.5	7,811.1
Capital expenditure, depreciation and amortisation				
Capital expenditure	1,117.8	834.4	679.4	674.5
Depreciation and amortisation	1,630.9	1,690.3	1,533.9	1,470.9
Number of employees and personnel cost				
Number of employees at year-end	1,904	1,868	1,804	1,673
Personnel cost	3,275.8	3,219.6	3,514.3	3,764.7
Key Balance Sheet numbers				
Total assets	37,765.6	38,745.5	38,463.6	38,514.7
Borrowings	13,492.2	12,745.5	8,676.9	9,122.1
Shareholder's equity	11,160.1	11,022.6	13,438.8	14,128.9
Appropriation of profits				
Dividend amount	43.3	43.3	129.9	216.4
Dividend per share (Rs. per share)	1.0	1.0	3.0	5.0

Notes:

- Financial highlights are given only for four 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.





As part of our industry outreach, Dr. Lakshmi Nadkarni – Head for HR, South Asia was a panelist at the National HR Conclave 2018 organized by CII in Mumbai. She spoke on the topic “Improving board oversight of HR- Can it happen?” and elaborated on the need of focusing on talent as well as cultural elements for change management.



At the 12th Annual Indian Chemical Industry Outlook Conference, held in Mumbai, Dr. Ramkumar Dhruva – President, Asia Pacific at BASF, as keynote speaker, outlined the vision for the global chemical industry. He highlighted sustainability, digitalization, co-creation with customers, people development and new business models as the key to long-term success of the industry.



Your Company continued to enhance its rankings in the Avtar and Working Mothers list of 100 Best Companies for Women in India to work in 2018 for the third consecutive year.



Your Company hosted its first ever IP Conference for In-House IP Professionals in Mumbai under the theme- “IP Department in the Digital Global Age” on November 19, 2018. At the event, Padma Vibhushan, Dr. R. A. Mashelkar, FRS National Research Professor and President, Global Research Alliance shared his personal experiences in heralding IP in India.



Employee well-being and satisfaction is one of the key tenets of your Company's corporate strategy. Seen in the above images are Yoga Day Celebrations along with International Women's Day Celebrations 2019.

Your future is also ours.

Our innovations help cities use less energy, make the air we breathe cleaner and turn electric transport into a practical reality. That's why at BASF, we're optimistic about the future.

Find out more at
wecreatechemistry.com



75 Years of
Creating Chemistry
in India

 **BASF**

We create chemistry

NOTICE

NOTICE is hereby given that the SEVENTY FIFTH ANNUAL GENERAL MEETING of BASF INDIA LIMITED will be held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021 on Friday, 19th July, 2019 at 3.00 p.m. to transact the following business, namely:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2019, including the audited Balance Sheet as at 31st March, 2019 and 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 special dividend of Rs. 2/- per equity share i.e. 20% in addition to a final dividend of Rs. 3/- per equity share i.e. 30% for the financial year ended 31st March, 2019 aggregating to Rs. 5/- per equity share i.e. 50%.
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.

SPECIAL BUSINESS

4. 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 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 as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2020, amounting to Rs. 14.30 lakhs (Rupees Fourteen Lakhs and Thirty 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.”

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

“RESOLVED THAT in accordance with the provisions of Sections 2(94), 161(2), 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [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 Nomination & Remuneration 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 Mr. Narendranath J. Baliga (DIN: 07005484) as an Alternate Director of the Company and being in whole-time employment of the Company, deemed as a Whole-time Director and to his receiving remuneration, benefits and amenities for a period of five years from 1st January, 2020 to 31st December, 2024, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Narendranath J. Baliga;

RESOLVED FURTHER THAT based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company be and are hereby authorised to vary the terms and conditions of appointment, including the remuneration payable to Mr. Narendranath J. Baliga, provided, however, that the remuneration payable to Mr. Narendranath J. Baliga shall be in accordance with the provisions specified in Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time;

RESOLVED FURTHER THAT in the event of Mr. Narendranath J. Baliga ceasing to be Alternate Director at any time, during the aforesaid term and being re-appointed as Alternate Director, Mr. Narendranath J. Baliga shall be deemed to continue as Whole-time Director of the Company on the aforesaid terms and conditions upon such re-appointment except that during the period he ceases to be Alternate Director, he shall continue as an employee of the Company on the same terms and conditions as aforesaid;

RESOLVED FURTHER THAT where, during the financial years covered under the period of 3 years from 1st January, 2020 to 31st December, 2022, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Narendranath J. Baliga as specified in the Agreement referred to above, based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to obtaining necessary approvals, as may be required in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time. In that event, the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove:

- (a) Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- (b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
- (c) Encashment of leave at the end of the tenure.

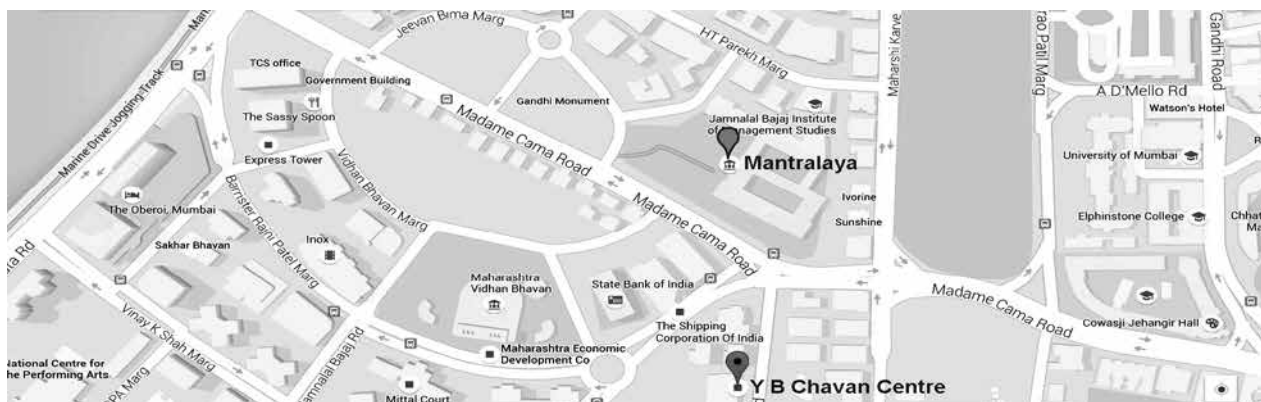
RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors
For BASF India Limited

PRADEEP CHANDAN
*Director – Legal, General Counsel (South Asia)
& 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: 6th June, 2019

Route map to the venue of the AGM



The prominent landmark for the venue is Mantralaya.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL/E-VOTING ONLY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT MORE THAN FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT ONE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
3. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authorization, as applicable. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting 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.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto and forms part of this Notice.
5. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 6th July, 2019 to Friday, 12th July, 2019 (both days inclusive) for the purposes of determining the eligibility of the Members entitled to dividend (subject to the approval of the Members at the Annual General Meeting).
6. Dividend as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid on or after 24th July, 2019 in respect of shares held in physical form, to those members whose names appear in the Company's Register of Members as on 12th July, 2019 and in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) at the close of business hours on Friday, 5th July, 2019.
7. Members are requested to submit their queries/requests for clarification, if any, on the Annual Report so as to reach the Company by Friday, 5th July, 2019, which will enable the Company to furnish replies at the Annual General Meeting.
8. 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 Darashaw Consultants Private Limited (formerly TSR Darashaw Limited) (hereinafter referred as TSR Darashaw) at 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011, in case of shares held in physical form.
9. Members holding shares under multiple folios are requested to submit their applications to TSR Darashaw for consolidation of folios into a single folio.
10. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, 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. 14,21,592, being the unclaimed dividend amount for the financial year ended 31st March, 2011 to IEPF on 30th October, 2018.

The Company has sent reminders to the Members of the Company on 11th February, 2019 and 25th April, 2019 requesting them to claim their dividend for the financial year ended 31st March, 2012. As required under the provisions of Section 124(2) of the Companies Act, 2013, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 10th August, 2018 (i.e. date of last Annual General Meeting 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 i.e. TSR Darashaw for the payment thereof, failing which the same will be transferred to the IEPF on the respective dates mentioned there against.

Financial Year ended	Dates on which unpaid dividend amount will be due to be transferred to IEPF
31.03.2012	29.09.2019
31.03.2013	05.10.2020
31.03.2014	02.10.2021
31.03.2015	23.09.2022
31.03.2016	23.09.2023
31.03.2017	08.11.2024
31.03.2018	15.09.2025

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 which is required to be transferred by the Company to IEPF, equity shares relating to such unpaid/unclaimed dividend are also required to be transferred to IEPF Account. Members therefore are requested to take note of the aforesaid provisions of the Companies Act, 2013 and claim their 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 before transferring to IEPF.

In respect of the unpaid/unclaimed dividend pertaining to the financial years ended 31st March, 2009, 31st March, 2010 and 31st March, 2011, the Company has already transferred the shares to IEPF.

The Company provides an opportunity to the Members to claim the unpaid/ unclaimed dividend pertaining to the financial years 31st March, 2012 onwards, due to them, failing which shares (held either in physical or electronic mode) shall be transferred by the Company to IEPF Account. Members can however, claim both, the unclaimed dividend amount and the equity shares transferred to IEPF Account from the IEPF Authority, by making an application in the manner specified under the IEPF Rules.

11. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by each participant in the securities market. Members holding shares in physical form can furnish their PAN to TSR Darashaw/ Company Secretarial Department of the Company.
12. 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 in the prescribed form, which can be obtained from the Company's Registrar & Share Transfer Agent, TSR Darashaw, 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011. Requests for payment of dividend through NACH for the year 2018-2019 should be lodged with TSR Darashaw on or before the book closure date i.e. Friday, 5th July, 2019.

13. The Company's Equity Shares are listed on BSE Limited, P.J. Towers, Dalal Street, Mumbai-400 001 and 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 2019-2020 to both the Stock Exchanges.
14. 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 Darashaw.
15. Details of the Directors seeking re-appointment under Item Nos. 3 and 5 of this Notice are provided at page no. 53 of the Annual Report.
16. Members holding shares in physical form, who desire to take part in the Green Initiative of the Company, are requested to register their e-mail addresses with the Company by filling up the 'E-communication Registration' Form, which is available on the website of the Company www.basf.com/in and send the said form to TSR Darashaw duly signed by the first named Member as per the specimen signature recorded with the Company/Registrar and Share Transfer Agent. On registration, all the communications will be sent to the e-mail address of the member registered with the Company. Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participant. Members are entitled to receive communication in physical form, free of cost, upon making a request for the same.
17. An electronic copy of the Annual Report 2018-2019 along with the Notice are being sent to all those Members whose e-mail addresses are registered with the Company/Depository Participant(s). Members are requested to print the Attendance Slips and submit a duly filled in Attendance Slip at the Registration Counter at the Annual General Meeting. For Members who have not registered their e-mail addresses, physical copies of the Annual Report 2018-2019 are being sent by the permitted modes. Members may also note that the Notice of the 75th Annual General Meeting, Attendance Slip and the Annual Report are available on the Company's website www.basf.com/in. Physical copies of the aforesaid documents and the documents referred to in the Notice will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.
18. Voting through electronic means:

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 Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing remote e-voting facility to enable the Members to cast their votes electronically on all the resolutions set forth in the Notice convening the 75th Annual General Meeting. The Company has engaged the services of NSDL to provide the remote e-voting facilities.

The instructions for remote e-voting are provided in the Attendance Slip, which is enclosed along with the Annual Report. Members are advised to read the instructions carefully before exercising their vote.
19. Members are requested to bring their copy of the Annual Report along with them to the meeting.

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013.

Item No. 4

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 2018-2019. 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, 2020 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, for the financial year ending 31st March, 2020.

The Board of Directors of the Company at their meeting held on 30th April, 2019 have appointed M/s. R. Nanabhoy & Co., as the Cost Auditors of the Company for the financial year ending 31st March, 2020.

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, 2020 as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 30th April, 2019, will not exceed Rs.14.30 lakhs (Rupees Fourteen Lakhs and Thirty 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, 2020.

The Board of Directors of the Company recommend the Ordinary Resolution set out at Item No. 4 of the accompanying 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, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

1. The Members of the Company at their 71st Annual General Meeting held on 20th August, 2015 had approved the appointment and terms of remuneration of Mr. Narendranath J. Baliga as the Alternate Director of the Company for the period of five years from 1st January, 2015 to 31st December, 2019.
2. The Board of Directors of the Company at their meeting held on 6th June, 2019, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company, have re-appointed Mr. Narendranath J. Baliga as an Alternate Director of the Company.
3. Pursuant to the provisions of Section 2(94) of the Companies Act, 2013, a Whole-time Director includes a Director in the whole-time employment of the Company. Mr. Narendranath J. Baliga being in the whole-time employment of the Company and upon appointed as an Alternate Director will be deemed to be the Whole-time Director of the Company in accordance with the said provisions.
4. Accordingly, the Board of Directors of the Company at their meeting held on 6th June, 2019, on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company, re-appointed Mr. Narendranath J. Baliga as the Whole-time Director of the Company for a period of five years from 1st January, 2020 to 31st December, 2024, on the terms and conditions as detailed in para 6 below. A brief profile of Mr. Narendranath J. Baliga in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is detailed in para 5 below.

5. Mr. Narendranath J. Baliga aged 51 years, is a Chartered Accountant and has also graduated in Business Management from Mysore University. Mr. Baliga joined the Company in April 1994 as Manager, Accounts & Logistics in Mangalore. In October 2001, he was delegated to Singapore as Manager Asia Pacific, Regional Controlling and was later promoted as Senior Manager – Asia Pacific. In April 2007, Mr. Baliga moved to BASF (China) Co. Ltd. as Director, Finance & Accounting, Greater China. In January 2011, Mr. Baliga was delegated to BASF SE, Germany, as Director – Global Supply Chain & Process Innovation and later as Director – Global Process & Enterprise Architecture. Mr. Baliga has valuable experience of over 25 years in the area of Finance, Accounting & Controlling. Mr. Narendranath J. Baliga is also the Chief Financial Officer of the Company since 1st January, 2015.

Having regard to his qualifications, experience and association with the Company, the Board of Directors consider that it will be in the business interest of the Company to re-appoint Mr. Narendranath J. Baliga as the Alternate Director of the Company.

6. The essential terms and conditions of his re-appointment and remuneration payable are as under:
- i. Mr. Narendranath J. Baliga shall carry out such functions, exercise such powers of management and carry out such duties as may be entrusted to him by the Managing Director of the Company from time to time.
 - ii. Period of Agreement: For a period of five years from 1st January 2020 to 31st December, 2024.
 - iii. The remuneration payable to Mr. Narendranath J. Baliga by way of salary, performance linked incentive, perquisites and any other allowances shall be determined by the Board from time to time based on the recommendation/ approval of the Nomination & Remuneration Committee and shall be in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. Narendranath J. Baliga as determined by the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and the subject to the approval of the Members is as under:
 - a) Salary, special allowance and any other allowances, not exceeding Rs. 2,25,00,000 per annum, the current basic salary being Rs. 8,77,500/- per month.
 - b) In addition to remuneration payable under (a) above, Mr. Narendranath J. Baliga is entitled to perquisites including furnished/unfurnished accommodation/house rent allowance in lieu thereof, medical insurance for self and family, leave travel concession for self and family, club fees, personal accident insurance, group term insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

The monetary value of the aforesaid perquisites not exceeding Rs.1,50,00,000/- per annum.
 - c) Performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,00,00,000/- per annum.
 - d) Company's contribution to provident fund, superannuation fund and benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company. The Company's contribution to provident fund and superannuation fund benefits under the Company's pension scheme and gratuity will not be included in the computation of the ceiling on perquisites stated in iii(b) above to the extent these, either singly or put together, are not taxable under the Income-tax Act, 1961. The Company shall provide a car to Mr. Narendranath J. Baliga and the expenses connected therewith will be borne by the Company. These perquisites will also not be included in the computation of the ceiling on perquisites. For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules, 1962, wherever applicable.

- e) Where in any financial year covered during the period of three years from 1st January, 2020 to 31st December, 2022, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Narendranath J. Baliga as specified in the draft Agreement, based on the approval of the Nomination & Remuneration Committee and subject to obtaining necessary approvals, as may be required, in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time.

In that event the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove:

- Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
 - Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
 - Encashment of leave at the end of the tenure.
- f) The total remuneration payable to Mr. Narendranath J. Baliga by way of salary, performance linked incentive, perquisites and any other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme shall be as per the limits prescribed under Sections 197, 198 and Schedule V of the Companies Act, 2013.

Pursuant to the provisions of the Companies (Amendment) Act, 2017, the approval of the Central Government is not required in the event of:

- payment of managerial remuneration exceeding 11% of the net profits;
- payment of remuneration to managerial person in the event of losses or inadequacy of profits.

iv. Other Terms:

- a) Mr. Narendranath J. Baliga shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of Company's business.
- b) Mr. Narendranath J. Baliga shall be entitled to housing loan as per rules of the Company.
- c) Mr. Narendranath J. Baliga shall be entitled to fully paid leave as per the rules of the Company.
- d) Mr. Narendranath J. Baliga shall not directly or indirectly engage himself in any business or occupation other than BASF's.
- e) Mr. Narendranath J. Baliga shall observe the secrecy obligations with regard to the business and operations of the Company.
- f) The appointment may be terminated by either party by giving to the other 6 months' notice in writing.
- g) The appointment also sets out the mutual rights and obligations of the Company and Mr. Narendranath J. Baliga.

In the event of Mr. Narendranath J. Baliga ceasing to be Alternate Director at any time, during the aforesaid term and being re-appointed as Alternate Director, Mr. Narendranath J. Baliga will be deemed to be Whole-time Director of the Company on the aforesaid terms and conditions upon such re-appointment except that during the period that he ceases to be Alternate Director, he shall continue as an employee of the Company on the same terms and conditions as aforesaid.

In compliance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the Special Resolution in terms as set out at Item No. 5 of this Notice is now being placed before the Members for their approval.

A copy of the Agreement to be executed between the Company and Mr. Narendranath J. Baliga will be available for inspection without any fee by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto and including the date of the Annual General Meeting.

Mr. Narendranath J. Baliga does not hold any shares in the Company either by himself or for any other person on a beneficial basis. Mr. Narendranath J. Baliga does not hold any Directorship/Committee positions in any other Public Limited Company in India. Mr. Narendranath J. Baliga is not debarred from holding the office of Director by virtue of any order of the SEBI or any other such Authority. Mr. Narendranath J. Baliga has attended all the Board/ relevant Committee Meetings of the Company during his tenure of appointment.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment.

ADDITIONAL INFORMATION:

Statement containing additional information as per Category B(iv) of Part II of Section II of Schedule V of the Companies Act, 2013 for Item No. 5 of this Notice.

1. General Information:

- (i) Nature of Industry – Manufacturing and Sale of Chemicals and Chemical Products.
- (ii) Date of commencement of commercial production – Existing Company, commercial production commenced in 1943.
- (iii) Financial performance based on given indicators:

(Rs. in million)

Particulars	2018-19	2017-18	2016-17
Sales	60,256.7	55,834.0	50,782.2
Profit / (Loss) before Tax	718.60	2,610.3	(124.7)
Profit / (Loss) after Tax	817.2	2,465.0	(141.3)
Dividend on Equity %	50%	30%	10%

- (iv) Foreign investments or collaborations, if any:

BASF SE along with its Group Companies holds 73.33% of the voting capital of the Company. The Company has entered into agreements with BASF SE, its parent Company for sourcing technical know-how and proprietary technical information and support on an ongoing basis.

2. Information about the Appointees:

- (i) Background Details –

The background details of Mr. Narendranath J. Baliga has been provided in the Explanatory Statement to this Notice under Item No. 5.

- (ii) Past Remuneration-

The remuneration paid to Mr. Narendranath J. Baliga for the financial year 2018-2019 was Rs. 20,266,933/-.

- (iii) Recognition or Awards – N.A.

- (iv) Job Profile and suitability –

The details in respect of job profile and suitability of Mr. Narendranath J. Baliga, Chief Financial Officer & Alternate Director is provided in the Explanatory Statement to this Notice under Item No. 5.

(v) Remuneration proposed:

The remuneration proposed is detailed in Item No. 5 of the Explanatory Statement.

(vi) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company and the individual profile of Mr. Narendranath J. Baliga and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level positions in other Companies in the industry.

(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any –

Mr. Narendranath J. Baliga has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Chief Financial Officer and Alternate Director of the Company.

OTHER INFORMATION:

(a) Reason for expected losses or inadequacy of profits: High input costs and headwinds in currency impacted profitability for the Company.

(b) Steps taken or proposed to be taken for improvement: Better price realizations, expected improvements in business situation and further capacity utilization at Dahej Plant.

(c) Expected increase in productivity and profit in measurable terms: Improved realization of prices and increased capacity utilization at Dahej Plant are expected to improve the profits of the Company. Also, with the improved business situation, the Company is expected to perform better.

Approval of the Members of the Company is sought for re-appointment of Mr. Narendranath J. Baliga as Alternate Director and being in whole-time employment of the Company deemed as Whole-time Director for a period of 5 years from 1st January, 2020 to 31st December, 2024 and for payment of remuneration to him within maximum limits as minimum remuneration for a period 3 years from 1st January, 2020 to 31st December, 2022, in the event the Company has no profits or inadequate profits.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the passing of the resolution set out at Item No. 5 of this Notice as a Special Resolution.

Except Mr. Narendranath J. Baliga and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the Special Resolution set out at Item No. 5 of this Notice.

By Order of the Board of Directors
For BASF India Limited

PRADEEP CHANDAN
*Director – Legal, General Counsel (South Asia)
& 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: 6th June, 2019



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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 – 400 051
CIN: L33112MH1943FLC003972, E-mail ID: investor-grievance-india@basf.com Website: www.basf.com/in,
Tel: +91 22 62785600

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____
Registered Address : _____ _____
E-mail ID : _____ *Folio No./DP ID and Client ID : _____

* For details with respect to your Folio No./DP ID, Client ID and number of shares, please refer to the Attendance Slip enclosed along with the Annual Report.

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____

Signature: _____, or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

Signature: _____, or failing him/her

3. Name: _____ E-mail ID: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll/e-voting) for me/us and on my/our behalf at the 75th Annual General Meeting of the Company, to be held on Friday, the 19th day of July, 2019 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Description of the Resolution	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements, Directors' Report & Auditors' Report for the financial year ended 31 st March, 2019.		
2.	Declaration of Dividend for the financial year 2018-2019.		
3.	Re-appointment of Dr. Ramkumar Dhruva (DIN: 00223237) as a Director, who retires by rotation.		
Special Business			
4.	Ratification of remuneration payable to M/s. R. Nanabhoy & Co. (Firm Registration No. 000010), Cost Auditors for the financial year ending 31 st March, 2020.		
5.	Special Resolution for re-appointment of Mr. Narendranath J. Baliga (DIN: 07005484) as an Alternate Director of the Company and being in the 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.		

Signed this _____ day of _____ 2019.

Affix
Revenue
Stamp

Signature of Member

Signature of Proxy holder(s)

Notes:

- *It is optional to put a 'X' in the appropriate column against the respective resolutions indicated in the table above. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- For the detailed resolutions, explanatory statement and notes, please refer to the Notice of the 75th Annual General Meeting of the Company.
- This form of Proxy, to be effective, should be duly completed and deposited at the Registered Office of the Company at The Capital, 'A' Wing, 1204-C, 12th Floor, Plot No. C-70, 'G'- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 not later than 48 hours before the commencement of the aforesaid meeting.

* * *



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BASF India Limited
Regd. Office : 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 62785600 • Website: www.basf.com/in
Email: investor-grievance-india@basf.com
CIN: L33112MH1943FLC003972

Attendance Slip for 75th Annual General Meeting
(to be handed over at the Registration Counter at the venue of the Meeting)

I/We hereby record my/our presence at the 75th Annual General Meeting of the Company on Friday, 19th July, 2019 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021.

Signature of the Member / Proxy present _____

Note : The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. Hence, Members / Proxy holders attending the Meeting are requested to bring their copies of the Annual Report with them.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING



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BASF India Limited
Regd. Office : 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 62785600 • Website: www.basf.com/in
Email: investor-grievance-india@basf.com
CIN: L33112MH1943FLC003972

Dear Member,

Pursuant to 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 Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to the Members to cast their votes by electronic means on all the resolutions set forth in the Notice convening the 75th Annual General Meeting to be held on Friday, 19th July, 2019 at 3.00 p.m. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the remote e-voting facility.

Your electronic voting particulars are set out below:

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password

The remote e-voting facility will be available during the voting period indicated below:

Commencement of remote e-voting period	End of remote e-voting period
From 9.00 a.m. IST on Tuesday, 16 th July, 2019	Till 5.00 p.m. IST on Thursday, 18 th July, 2019

- Notes:**
- Please read the instructions printed overleaf before exercising your vote.
 - These details and instructions form an integral part of the Notice of the 75th Annual General Meeting to be held on Friday, 19th July, 2019.
 - The voting rights of members shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on the cut-off date of Friday, 12th July, 2019.

P.T.O.

SHREE VISHNU ENTERPRISES (M) 982075648 / 9819771393

INSTRUCTIONS FOR REMOTE E-VOTING

Step 1 : Login to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL's e-voting system.

Details on Step 1 are mentioned below:

How to login to the NSDL e-voting website?

1. Visit the e-voting website of NSDL by opening your web browser and typing the URL: <https://www.evoting.nsdl.com/>
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services, i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-services after using your login 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 Central Depository Services (India) Limited (CDSL)] or Physical	User ID
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, followed by Folio Number registered with the Company. For example, if EVEN is 110725 and your folio number is 001***, then your user ID is 110725001***

5. Your password details 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's 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 change your password, as prompted by the system.
 - 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 email sent to you from NSDL in your mailbox. Open the e-mail and open the attachment (pdf file). The password to open the file is your 8 digit client ID for NSDL account or the last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The file contains your 'User ID' and your 'initial password'.
 - (ii) If your e-mail ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you have not received the 'initial password' or are unable to retrieve it, or have forgotten your password, then:
 - 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) Click on "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 aforementioned 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.
 - 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, agree to the terms and conditions by checking the box.
 8. Then click on "Login" button.
 9. After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After clicking the Active Voting Cycles, you will be able to see the "EVEN" of all the Companies in which you are holding shares and whose voting cycle is in active status.
3. Select the "EVEN" of the Company for which you wish to cast your vote.
4. Now you are ready for e-voting as the voting page opens.
5. 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". Also click on "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cstajoonkhumri@gmail.com 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 the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in, or contact Ms. Pallavi Mhatre, Assistant 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: pallavid@nsdl.co.in / evoting@nsdl.co.in or at telephone no. 022-24945454 who will also address grievances connected with voting by electronic means.
4. The remote e-voting period commences on Tuesday, 16th July, 2019 (from 9.00 a.m. IST) and ends on Thursday, 18th July, 2019 (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 12th July, 2019, may cast their votes electronically. Remote e-voting will not be allowed beyond 5.00 p.m. on Thursday, 18th July, 2019 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 the Annual General Meeting (AGM) of the Company either in person or through a duly appointed proxy, but shall not be allowed to vote on the resolutions 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 or their proxies attending the AGM who have not cast their vote by remote e-voting, will be able to vote at the AGM.
6. Mr. Taizoon Khumri, Practising Company Secretary, T.M. Khumri & Co., Company Secretaries, 12-13, Esplanade, 3rd Floor, 3, Amrit Keshav Nayak Marg, Fort, Mumbai - 400001 having Membership No. FCS-993 (COP No.: 88), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.
7. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM 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, not later than 48 hours 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 voting will be declared within 48 hours 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 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. 19th July, 2019.

By order of the Board of Directors
For BASF India Limited

Mumbai
Dated: 6th June, 2019

Pradeep Chandan
Director - Legal, General Counsel (South Asia) & Company Secretary