

NOTICE

NOTICE is hereby given that the SEVENTIETH 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 Wednesday, 27th August, 2014 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 year ended 31st March, 2014, including the audited Balance Sheet as at 31st March, 2014 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 dividend on Equity Shares @ 40% i.e. Rs. 4/- per equity share for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Dr. Rainer Diercks (DIN: 01725080), who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Andrew Postlethwaite (DIN: 03532678), who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.
5. To appoint M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held for the financial year 2016-17 (subject to ratification of their appointment by the members at every Annual General Meeting) and to authorize the Board of Directors to fix their remuneration for the financial year ending 31st March, 2015.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Gops Pillay (DIN: 06599533), whose term of office as Director of the Company expires at this meeting under Section 161(4) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing, together with the necessary deposit under Section 160 of the Companies Act, 2013 from a member intimating his intention to propose Mr. Gops Pillay as a candidate for the office of Director, be and is hereby appointed as Director of the Company."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and/or any other guidelines issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the appointment of Dr. Raman Ramachandran (DIN: 00200297) as the Managing Director of the Company and to his receiving remuneration, benefits and amenities as the Managing Director for a period from 1st October, 2013 to 31st March, 2018, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Dr. Raman Ramachandran, a draft whereof is placed before the meeting and initialled by the Chairman for the purpose of identification;

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment, including determination of remuneration payable to Dr. Raman Ramachandran, in such manner as the Board may in its absolute discretion deem fit, provided, however, that the remuneration payable to Dr. Raman Ramachandran

shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time or the maximum limits for payment of managerial remuneration as may be prescribed in accordance with the laws, policies, rules, regulations and guidelines in force from time to time;

RESOLVED FURTHER THAT where in any financial year during the tenure of office of Dr. Raman Ramachandran, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Dr. Raman Ramachandran as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Dr. Raman Ramachandran by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to 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 a 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 be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and/or any other guidelines for managerial remuneration issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government or any other statutory authorities, if and to the extent necessary and in partial modification of the resolution(s) passed at the Annual General Meeting of the Company held on 30th August, 2013, consent of the Company be and is hereby accorded to increase the maximum limits of perquisites, forming part of the remuneration, payable to the Managing Director of the Company from the existing Rs. 1,00,00,000/- per annum to Rs. 1,50,00,000/- per annum effective 1st April, 2014 and the Board and/or a duly constituted Committee thereof are hereby authorized to pay perquisites to the Managing Director from time to time, within the above mentioned limits;

RESOLVED FURTHER THAT subject to the above, all other terms and conditions of maximum limits of remuneration payable to the Managing Director as earlier approved shall remain unchanged;

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of Resolution No. 9 concerning appointment and remuneration of Mr. S. Regunathan as a Whole-time Director of the Company, passed at the Annual General Meeting of the Company held on August 12, 2010, and in accordance with the provisions of 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 and/or any other guidelines issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for

the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to extend the tenure of appointment of Mr. S. Regunathan (DIN: 01437534), Whole-time Director of the Company, for a period from 1st June, 2014 to 31st December, 2014, upon the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed upon between the Board of Directors and Mr. S. Regunathan;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of 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 and/or any other guidelines issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to the appointment of Mr. Rajesh Naik (DIN: 06935998) as a Whole-time Director of the Company and to his receiving remuneration, benefits and amenities as a Whole-time Director for a period of 5 years from 1st August, 2014 to 31st July, 2019, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Rajesh Naik, a draft whereof is placed before the meeting and initialled by the Chairman for the purpose of identification;

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment, including determination of remuneration payable to Mr. Rajesh Naik, in such manner as the Board may, in its absolute discretion deem fit, provided, however, that the remuneration payable to Mr. Rajesh Naik shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time or the maximum limits for payment of managerial remuneration as may be prescribed in accordance with the laws, policies, rules, regulations and guidelines in force from time to time;

RESOLVED FURTHER THAT in the event of Mr. Rajesh Naik ceasing to be an Alternate Director at any time during the aforesaid period of service and being appointed as a Director of the Company, whether as an Alternate or otherwise, Mr. Rajesh Naik shall continue as a 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 a Director of the Company, he shall continue as an employee of the Company on the same terms and conditions as aforesaid;

RESOLVED FURTHER THAT where, in any financial year, during the tenure of office of Mr. Rajesh Naik, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Rajesh Naik as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Mr. Rajesh Naik by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to 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 a 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 be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

11. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri R. A. Shah (DIN: 00009851), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation."

12. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri R. R. Nair (DIN: 00202551), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation."

13. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri Pradip P. Shah (DIN: 00066242), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation."

14. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri Arun Bewoor (DIN: 00024276), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit

from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 111 of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the payment and distribution of a sum not exceeding 1% of the net profits of the Company for each financial year commencing from 1st April, 2014, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, by way of commission (including sitting fees, if any, for attending the meetings of the Board of Directors or Committees thereof) to and amongst the Non-executive Independent Directors of the Company, in such amounts or proportion and in such manner as may be determined by the Board of Directors from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the precise quantum of commission payable to each of such Non-executive Independent Directors of the Company on a year to year basis and to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

16. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 13 lacs (plus reimbursement of out of pocket expenses) payable to M/s. R. Nanabhoy & Co., Cost Accountants, for conducting the cost audit of the products of the Company for the financial year ending 31st March, 2015 be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT in supersession of the earlier ordinary resolution passed by the members at the Annual General Meeting of the Company held on 30th August, 2013 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), of the Companies Act, 2013 and Article 144 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, for and on behalf of the Company, any sum or sums of monies, from time to time, upon such terms and conditions and with or without security as the Board of Directors may think fit for the purposes of the Company's business, so that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed the limit of Rs.2,500 Crores (Rupees Two Thousand Five Hundred Crores only) in excess of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, as per the latest annual audited financial statements;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby severally authorized to take all such steps as may be required and to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to borrowing(s) as aforesaid or any other matter in this regard.”

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

“RESOLVED THAT in supersession of the earlier ordinary resolution passed by the members at the Annual General Meeting of the Company held on 26th August, 2011 and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to the mortgaging and/or charging by the Board of Directors (hereinafter referred to as “the Board” which expression shall include a Committee of the Board) of all or any of the properties and assets of the Company, both movable and immovable, present and future, wheresoever situated and/or the whole or substantially the whole of the undertaking or undertakings of the Company, in such form and in such manner as the Board may deem fit, for securing the issue of redeemable non-convertible debentures by the Company, in one or more tranches of the aggregate value not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only), by way of private placement, to financial institutions, banks, mutual funds, any other bodies corporate and/or person/s as may be agreed by the Board together with all interest, compound/additional interest, commitment charge, premium on pre-payment or on redemption, trustees’ remuneration, costs, charges, expenses and all other monies payable by the Company in terms of the agreements, trust deeds/other documents as may be entered into by the Company with such financial institutions/banks/mutual funds/bodies corporate/persons and/or debenture trustees;

RESOLVED FURTHER THAT subject to such approvals as may be necessary, the Board be and is hereby authorized to issue for cash, secured redeemable non-convertible debentures in one or more tranches of the aggregate value not exceeding Rs.200 Crores (Rupees Two Hundred Crores only), by way of private placement to financial institutions, banks, mutual funds, any other bodies corporate and/or person/s, as the Board may, in its absolute discretion, deem fit and on such terms and conditions as the Board may at any time hereafter decide;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the holders of the debentures/the debenture trustees, all agreements, deeds, documents or writings for the issue of the said debentures, creation of the aforesaid mortgage and/or charges and to do and perform all acts, deeds, matters and things and execute all such documents and writings as may be necessary, expedient, usual or proper, for the purpose of giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination & Remuneration Committee but subject to the approval of the Central Government (Ministry of Corporate Affairs, New Delhi), consent of the shareholders of the Company be and is hereby accorded to the Board for payment of remuneration by way of salary, performance salary and perquisites to Dr. Raman Ramachandran, Chairman & Managing Director of the Company, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company within the maximum limits of remuneration detailed hereunder, as minimum remuneration in case if the Company has, in any financial year, no profits or if its profits are inadequate, during the three financial years commencing from 1st April, 2014

as may be agreed mutually between the Board of Directors and the said Dr. Raman Ramachandran, Chairman & Managing Director of the Company, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company;

Particulars	Managing Director	Whole-time Directors	
		Mr. S. Regunathan (till 31 st December, 2014)	Mr. Rajesh Naik (from 1 st August, 2014)
Salary, additional/adhoc salary, special allowances and other allowances as may be determined by the Directors from time to time.	Rs. 2,50,00,000/- p.a. (Present monthly basic salary being Rs. 9,87,500)	Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 6,71,250)	Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 4,31,800)
Performance salary as may be determined by the Board of Directors from time to time.	Rs. 1,50,00,000/- p.a.	Rs. 1,00,00,000/- p.a.	Rs. 1,00,00,000/- p.a.
Perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursement for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.	Rs. 1,50,00,000/- p.a.	Rs. 1,50,00,000/- p.a.	Rs. 1,50,00,000/- p.a.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

By Order of the Board of Directors

PRADEEP CHANDAN
Company Secretary

Registered Office:

VIBGYOR Towers, 1st Floor,
Plot No. C-62, 'G' Block,
Bandra Kurla Complex,
Mumbai 400 051.

CIN: L33112MH1943FLC003972

Dated: 31st July, 2014

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 ONLY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY (50) 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. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/ authorization, as applicable.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business proposed to be transacted at the Meeting is annexed hereto.
5. The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 19th August, 2014 to Wednesday, 27th August, 2014 (both days inclusive) for the purpose of determining the eligibility of the members entitled to dividend (subject to the approval of the members at the Annual General Meeting).
6. Dividend as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or after 1st September, 2014 in respect of shares held in physical form, to those members whose names appear in the Company's Register of Members as on Wednesday, 27th August, 2014 and in respect of shares held in the 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 Monday, 18th August, 2014.
7. Members are requested to intimate their queries/requirements for clarification on the Annual Report so as to reach the Company by Monday, 18th August, 2014 which will enable the Company to furnish the replies at the Annual General Meeting.
8. The members are requested to notify (a) the Depository Participants in case of shares held in electronic form; or (b) the Company's Registrar & Share Transfer Agent, Sharepro Services (India) Private Limited ("Sharepro"), 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, in case of shares held in physical form, of any change in their address. Members holding shares in electronic form are hereby informed that the Bank particulars against their respective depository accounts will be used by the Company for payment of dividend. The Company or Sharepro cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates.
9. Members holding shares under multiple folios are requested to submit their applications to Sharepro for consolidation of folios into a single folio.
10. Pursuant to the provisions of sub section (5) of Section 205A of the Companies Act, 1956 or the applicable provisions of the Companies Act, 2013 and the rules framed thereunder as and when notified, any money 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. 4,60,908/- and Rs. 3,60,843/-, being the unclaimed dividend amounts for the financial year ended 31st March, 2006 pertaining to the Company and erstwhile Ciba India Limited respectively, to the IEPF of the Central Government on 10th September, 2013 & 24th September, 2013, respectively.

The Company has sent separate reminders to all those shareholders of the Company and erstwhile Ciba India Limited on 29th January, 2014 & 15th July, 2014 respectively, requesting them to claim their dividend for the financial year ended 31st March, 2007. Those members who have so far not encashed their dividend warrants for the following years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, on the respective dates mentioned there against.

Financial Year ended	Dates by which unpaid dividend amount will be credited/transferred to the Investor Education and Protection Fund
31.03.2007	06.09.2014
31.03.2007	03.10.2014*
31.03.2008	15.09.2015
31.03.2008	29.09.2015*
31.03.2009	15.09.2016*
31.03.2009	23.09.2016
31.03.2010	15.09.2017
31.03.2011	28.09.2018
31.03.2012	29.09.2019
31.03.2013	05.10.2020

* Refers to dividend declared by the erstwhile Ciba India Limited, now merged with the Company.

11. The Securities and Exchange Board of India (SEBI) vide its Circular No. MRD/DoP/SE/Dep/Cir-4/2005 dated January 28, 2005 has reviewed the dematerialization charges being levied to investors. Pursuant to the said Circular, with effect from 1st April 2005, the Depositories will collect the custody charges from the Issuers on per folio (ISIN position) basis and the same will not be levied on investors. Accordingly, the Company has paid the custody charges levied by the Central Depository Services (India) Limited and the National Securities Depository Limited for the financial year 2014-15.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by each participant of securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. The Company's Equity Shares are listed on the BSE Limited, P.J. Towers, Dalal Street, Mumbai 400001 and The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 and the Company has paid the annual listing fees for the financial year 2014-2015 to both the Stock Exchanges.
14. With respect to payment of dividend, the Company provides the facility of Electronic Clearing Services (ECS) to all shareholders holding shares in electronic and physical forms, residing in the following cities:
Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Hyderabad, Jaipur, Kolkata, Mumbai, New Delhi, Patna, Pune and Trivandrum.

The Company also provides the facility of National Electronic Clearing Services (NECS) to all shareholders holding shares in electronic and physical forms. Shareholders holding shares in physical form who wish to avail ECS/NECS facility, may authorize the Company with their ECS/NECS mandate in the prescribed form, which can be obtained from the Company's Registrar & Share Transfer Agent, Sharepro Services (India) Private Limited (Sharepro), 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. Requests for payment of dividend through ECS/NECS for the year 2013-2014 should be lodged with Sharepro on or before 18th August, 2014.

15. 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 in 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 Sharepro.
16. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form an integral part of this Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
17. Electronic copy of the Annual Report 2013-2014 along with the Notice shall be sent to all those members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2013-2014 are being sent in the permitted mode. Members may also note that the Notice of the 70th Annual General Meeting, Attendance Slip and the Annual Report will also be available on the Company's website www.india.basf.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.
18. Members 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.india.basf.com. Members are requested to send the duly filled in Form to M/s. Sharepro Services (India) Private Limited, Registrar & Share Transfer Agent of the Company for registration. On registration, all the communication 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 Participants. Even after registering for e-communication, Members are entitled to receive such communication in physical form by post, free of cost, upon making a request for the same.
19. Members are requested to bring their copy of the Annual Report along with them to the meeting.
20. 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, and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the Members to cast votes electronically on all resolutions set forth in the Notice convening the 70th Annual General Meeting. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facilities.

The Instructions for 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.

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013.

Item No. 6

Mr. Gops Pillay was appointed as a Director of the Company on 30th April, 2013 in the casual vacancy caused by the resignation of Ms. Saori Dubourg.

Mr. Gops Pillay has graduated from the University of Natal, Durban, South Africa in Chemistry and holds a Diploma in Marketing Management from the Institute of Marketing Management, South Africa. Mr. Gops Pillay completed his executive business education at INSEAD Business School, Fontainebleau, France. Mr. Gops Pillay joined BASF South Africa as Manager in 1995 and then in 1998 worked as Regional Manager, Marketing in BASF South East Asia Pte. Ltd., Singapore. In 2004, Mr. Gops Pillay was appointed as Senior Manager for Strategic Planning in BASF SE, Germany. From 2006 to 2008, Mr. Gops Pillay worked as Director in BASF Japan Limited for Business Management Specialties and Polymers Division. In 2009, Mr. Gops Pillay was appointed as Group Vice President of the Dispersions Business, Asia Pacific and later as Senior Vice President of the Dispersions and Pigments Business for Asia Pacific. Presently, Mr. Gops Pillay is the President – AS Division, Asia Pacific.

In terms of Section 161(4) of the Companies Act, 2013 and Article 122 of the Articles of Association of the Company, Mr. Gops Pillay holds office up to the date of the forthcoming Annual General Meeting, being the date on which Ms. Saori Dubourg would have retired by rotation, had she continued to be a Director of the Company.

The Company has received a notice in writing along with the deposit of the requisite amount from a shareholder under Section 160(1) of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Gops Pillay for the office of Director liable to retire by rotation.

Mr. Gops Pillay does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is neither a Director nor a member of any other Company registered in India.

The Board recommends his appointment as a Director of the Company whose period of office is liable to retire by rotation.

Other than Mr. Gops Pillay, none of the Directors and Key Managerial Personnel of the Company along with their relatives are concerned or interested or deemed to be interested, in the passing of this resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

1. The Board of Directors (the Board) of the Company at their meeting held on 30th September, 2013, appointed Dr. Raman Ramachandran as the Managing Director of the Company, subject to the approval of the members and the Central Government, if and to the extent necessary, and on the terms and conditions detailed in para 3 below. A brief profile of Dr. Raman Ramachandran in terms of Clause 49 IV(G)(i) of the Listing Agreement relating to the Corporate Governance is detailed in para 2 below.
2. Dr. Raman Ramachandran has completed his Bachelors' and Masters' degree in Science (Agriculture) from Tamilnadu Agricultural University, Coimbatore and Indian Agricultural Research Institute, New Delhi, respectively. Dr. Raman Ramachandran holds a doctorate degree from the University of Adelaide, Australia. Dr. Raman Ramachandran started his career as a Scientist with the National Chemical Laboratory, Pune and worked as Collaborative Research Scientist and Senior Research Associate with IRRI, Philippines and the University of Wisconsin, Madison, USA, respectively. Dr. Raman Ramachandran also worked in the Research & Development Department of Sandoz India Limited and later as General Manager, Technical with erstwhile Cynamid India Limited. Dr. Raman Ramachandran joined BASF in August, 2000 pursuant to the merger of erstwhile Cynamid India Limited with BASF India Limited. Thereafter in January, 2005, Dr. Raman Ramachandran was appointed as Chief Executive of the Agricultural Products Division and also served as

Director on the Board of BASF India Limited from April, 2006 till April, 2008. In January, 2008, Dr. Raman Ramachandran was appointed as Vice President, Marketing, Asia Pacific and thereafter in March, 2012 was appointed as the Senior Vice President, Crop Protection, Asia Pacific, BASF South East Asia Pte. Limited, Singapore. Having regard to his qualifications, experience and association with the Company, the Directors consider that it will be in the business interest of the Company to appoint Dr. Raman Ramachandran as the Managing Director of the Company for the period from 1st October, 2013 to 31st March, 2018. Dr. Raman Ramachandran presently holds membership in the Nomination & Remuneration Committee and Shareholders'/ Investors' Grievance Committee of the Company.

3. The essential terms and conditions of appointment of Dr. Raman Ramachandran are as under:
- (i) Dr. Raman Ramachandran shall exercise and perform all such powers and duties as the Board of Directors of the Company shall, from time to time, determine, and subject to the superintendence, control, direction, and restriction from time to time given and imposed by the Board and/or the Articles of Association of the Company. He shall have control of and full executive responsibility for the general conduct and management of the business and affairs of the Company. He shall have the power to enter into contracts on behalf of the Company in the ordinary course of the business and to do and perform all other acts and things, which in the ordinary course of business, he may consider necessary and proper or in the interest of the Company. He shall devote sufficient time and whole-time attention to the business of the Company for which he is made accountable and shall use his best endeavours to promote the Company's interests and welfare.
 - (ii) Period of Agreement: From 1st October, 2013 to 31st March, 2018.
 - (iii) Remuneration: The remuneration payable to Dr. Raman Ramachandran as the Managing Director, by way of salary, additional salary, special allowances, perquisites and other allowances, performance salary/ performance linked incentive shall be determined by the Board from time to time on the recommendation of the Nomination & Remuneration Committee but shall not exceed the maximum limits prescribed in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Dr. Raman Ramachandran as determined by the Board based on the recommendation of the Nomination & Remuneration Committee is as under:
 - (a) Salary, including additional salary, special allowance and any other allowances as may be determined by the Board from time to time not exceeding Rs. 2,50,00,000/- per annum, the current basic salary being Rs. 9,87,500/- per month with effect from 1st January, 2014.
 - (b) Perquisites: In addition to remuneration payable under (a) above, Dr. Raman Ramachandran is entitled to perquisites including furnished/unfurnished accommodation/house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursements for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time. The monetary value of the perquisites aforesaid not exceeding Rs. 1,00,00,000/- per annum.
 - (c) Performance salary/performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,50,00,000/- 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 paid, in accordance with the rules of the Company. Company's contribution to provident fund and superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act, 1961.

The Company shall provide car with driver to the Managing Director and telephone facility at the residence of the Managing Director and expenses connected therewith to be borne by the Company. These perquisites will 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 during the tenure of office of Dr. Raman Ramachandran, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Dr. Raman Ramachandran as specified in the Agreement, subject to the recommendation of the Nomination & Remuneration Committee and the approval of the Central Government, if and to the extent necessary or in the alternative pay remuneration to Dr. Raman Ramachandran by way of salary, dearness allowance, perquisites and any other allowances, within the ceiling limits prescribed in Section II of Part II of Schedule V to 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:
- (i) 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;
 - (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - (iii) Encashment of leave at the end of the tenure;
- (f) The total remuneration payable by way of salary, additional salary, performance salary/performance linked incentive, special allowance, perquisites and other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme to the Managing and Whole-time Directors taken together shall not exceed 10% of the net profits of the Company calculated in accordance with Sections 197 and 198 of the Companies Act, 2013.

(iv) Other Terms:

1. Dr. Raman Ramachandran shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of Company's business.
2. Dr. Raman Ramachandran shall be entitled to housing loan as per the rules of the Company and if permitted under the Companies Act, 2013.
3. Dr. Raman Ramachandran shall be entitled to fully paid leave as per the rules of the Company.
4. Dr. Raman Ramachandran would be entitled to any other benefits or privileges as may be available to the other senior executives of the Company.
5. Dr. Raman Ramachandran shall not directly or indirectly engage himself in any business or occupation other than BASF's.
6. Dr. Raman Ramachandran shall observe the secrecy obligations with regard to the business and operations of the Company.
7. The appointment may be terminated by either party by giving to the other 6 months' notice in writing.

Notwithstanding anything contained hereinabove, if any notice of determination or termination is issued by the Company or its successor in business to the Managing Director, Dr. Raman Ramachandran, within 18 months from the date of any Change of Control taking place in the Company, for any reasons not attributable to the Managing Director or his conduct, the said notice period of 6 months shall stand extended until the end of the 36th month from the date of Change of Control.

Further, in such an event, the Managing Director shall be entitled to a lump-sum severance payment, calculated in the following manner, i.e. for each full calendar month between the date of notice and 18 months after the date of Change of Control, the Managing Director will be entitled to receive one month's gross basic salary as compensation payment. Such lump-sum severance payment shall be disbursed at the end of the 18th month after the Change of Control.

Taxes and other applicable deductions on such payment shall be borne by the Managing Director.

Change of Control shall mean the happening of one or more of the following events, viz.,

- (a) The Control of the Company changes viz. more than 50% of the equity holdings in the Company stand transferred in favour of any person or entity other than BASF Societas Europaea (BASF SE) or affiliates of the BASF Group;
- (b) Any shareholder of BASF SE declares that he/she/they hold at least 25% of the equity shares in BASF SE or has/have further increased his/her/their stake in the equity capital of BASF SE.

In compliance with the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013, the ordinary resolution set out in Item No. 7 of the accompanying notice is now being placed before the members for their approval.

An abstract of the terms of appointment, remuneration and perquisite payable to Dr. Raman Ramachandran as the Managing Director of the Company under Section 302 of the Companies Act, 1956 was sent to every member of the Company on 17th October, 2013.

A copy of the draft Agreement to be executed between the Company and Dr. Raman Ramachandran would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

The Company has filed an application to the Central Government for appointment of Dr. Raman Ramachandran as the Managing Director, as he was not staying in India for at least twelve months preceding the date of his appointment as the Managing Director of the Company and the same has been taken on record by the Central Government.

Dr. Raman Ramachandran does not hold, by himself or for any other person on a beneficial basis, any shares in the Company.

The Board of Directors recommends the passing of the resolution set out in Item No. 7 of the accompanying Notice as an Ordinary Resolution.

Except Dr. Raman Ramachandran, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 7 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

At the Sixty Ninth Annual General Meeting held on 30th August, 2013, the shareholders had, inter-alia, approved the maximum limits for payment of remuneration to the Managing Director and Whole-time Director(s) of the Company and empowered the Board of Directors to vary the terms of remuneration in such manner as the Board in their absolute discretion deems fit, provided that the remuneration payable to the Managing Director and Whole-time Director(s) is within the limits of payment of managerial remuneration specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto, as may be made from time to time or the Companies Act, 1956 as may be recodified.

The maximum limits of remuneration payable to the Managing Director earlier approved by the members at the Annual General Meeting held on 30th August, 2013 and the proposed revision in the said limits for approval of the members are given below:

Description	Managing Director	
	Existing limits as approved by the members on 30 th August, 2013	Proposed limits
Salary, additional/adhoc salary, special allowances and other allowances as may be determined by the Directors from time to time.	Not exceeding Rs. 2,50,00,000 p.a.	Not exceeding Rs. 2,50,00,000 p.a.
Performance salary as may be determined by the Board of Directors from time to time.	Not exceeding Rs. 1,50,00,000 p.a.	Not exceeding Rs. 1,50,00,000 p.a.
Perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursement for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company to the Managing Director from time to time.	Monetary value not exceeding Rs. 1,00,00,000 p.a.	Monetary value not exceeding Rs. 1,50,00,000 p.a.

Subject to the above, all other terms and conditions of maximum limits of remuneration payable to Managing Director, as approved by the shareholders at the Annual General Meeting held on 30th August, 2013, shall remain unchanged.

This is only an enabling resolution with a view to gain flexibility in the emerging environment.

The Board of Directors recommends the passing of the resolution set out in Item No. 8 of the accompanying Notice as an Ordinary Resolution.

Except Dr. Raman Ramachandran, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 8 of this Notice.

Item No. 9

- At the Sixty Sixth Annual General Meeting of the Company held on 12th August, 2010, the Members of the Company had approved the appointment and terms of remuneration of Mr. S. Regunathan as a Whole-time Director of the Company for the period from 16th July, 2010 to 31st May, 2014.
- The Board of Directors (the Board) of the Company at its meeting held on 29th April, 2014, on the recommendation of Nomination and Remuneration Committee, subject to the approval of the members, extended the tenure of appointment of Mr. S. Regunathan as Whole-time Director for a period from 1st June, 2014 to 31st December, 2014, on the terms and conditions detailed in para 4 below, with authority to the Board to fix his salary within the said maximum limit. A brief profile of Mr. S. Regunathan in terms of Clause 49 IV(G)(i) of the Listing Agreement relating to the Corporate Governance is furnished in para 3 below.
- Mr. S. Regunathan is a graduate in Science and a Chartered Accountant. He also holds a Diploma in Management Accountancy. He is associated with BASF since 1982 and has valuable experience of over 27 years in the BASF Group, including 6 years in Singapore as Director – Finance & Controlling, Asia Pacific and 3 years as Representative & Managing Director, Finance & Corporate Services, BASF Japan Limited. Mr. S. Regunathan has been working with the Company as Vice President – Finance & Corporate Processes, South Asia with effect from 1st May, 2010 and is on the Board of the Company as a Whole-time Director

since 16th July, 2010. He is also on the Board of other BASF Group Companies in India. Mr. S. Regunathan is presently a member of the Shareholders'/Investors' Grievance Committee and Corporate Social Responsibility Committee of the Company.

Having regard to his qualifications, experience and association with the Company, the Directors consider that it will be in the business interest of the Company to extend the tenure of appointment of Mr. S. Regunathan as a Whole-time Director of the Company for a period from 1st June, 2014 to 31st December, 2014.

4. The essential terms and conditions of his appointment and remuneration payable are as under:
- (i) Mr. S. Regunathan 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 the period from 1st June, 2014 to 31st December, 2014.
 - (iii) Remuneration: The remuneration payable to Mr. S. Regunathan by way of salary, additional/adhoc salary, special allowance, perquisites and other allowances, performance salary/performance linked incentive shall be determined by the Board, from time to time, on the recommendation of the Nomination & Remuneration Committee but shall not exceed the maximum limits prescribed in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. S. Regunathan as determined by the Directors, based on the recommendation of Nomination & Remuneration Committee, is as under:
 - (a) Salary, additional/adhoc salary, special allowance and any other allowances not exceeding Rs. 2,25,00,000/- p.a., the current basic salary w.e.f. 1st June, 2014 being Rs. 6,71,250/- per month.
 - (b) In addition to remuneration payable under (a) above, Mr. Regunathan is entitled to perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursements for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

The monetary value of the perquisites aforesaid not exceeding Rs. 1,50,00,000/- p.a.
 - (c) Performance salary/performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,00,00,000/- p.a.
 - (d) Company's contribution to provident fund, superannuation fund and benefit 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. Company's contribution to provident fund and superannuation fund benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites stated in 4(iii)(b) above to the extent these singly or put together are not taxable under the Income Tax Act, 1961. The Company shall provide a car to Mr. S. Regunathan and telecommunication facilities at his residence (including payment of local calls and long distance official calls) 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 during the tenure of office of Mr. S. Regunathan, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. S. Regunathan as specified in the draft Agreement, subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Mr. S. Regunathan by way of salary, dearness allowance, perquisites and any other allowances, within the ceiling limits prescribed in Section II of Part II of Schedule V to 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:

- (i) 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;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (iii) Encashment of leave at the end of the tenure;
- (f) The total remuneration payable by way of salary, additional/adhoc salary, performance salary/performance linked incentive, special allowance, perquisites and other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme to the Managing and Whole-time Directors taken together shall not exceed 10% of the net profits of the Company calculated in accordance with Sections 197 and 198 of the Companies Act, 2013.

(iv) Other Terms:

1. Mr. S. Regunathan shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
2. Mr. S. Regunathan shall be entitled to housing loan as per the rules of the Company and if permitted under the Companies Act, 2013.
3. Mr. S. Regunathan shall be entitled to reimbursement of actual expenses incurred in the course of Company's business.
4. Mr. S. Regunathan shall be entitled to fully paid leave as per the rules of the Company.
5. The appointment may be terminated by the Company or Mr. S. Regunathan by giving not less than 6 months' notice in writing.
6. Mr. S. Regunathan shall observe the secrecy obligations with regard to the business and operations of the Company.
7. The Agreement also sets out the mutual rights and obligations of the Company and Mr. S. Regunathan.

In compliance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the ordinary resolution as set out in Item No. 9 of the accompanying notice is now being placed before the members for their approval.

A copy of the draft Agreement to be executed between the Company and Mr. S. Regunathan would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

Mr. S. Regunathan does not hold, by himself or for any other person on a beneficial basis, any shares in the Company.

The Board of Directors recommends the passing of the resolution set out in Item No. 9 of the accompanying Notice as an Ordinary Resolution.

Except Mr. S. Regunathan, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 9 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 10

1. The Board of Directors (the Board) of the Company at its meeting held on 31st July, 2014, on the recommendation of Nomination and Remuneration Committee, subject to the approval of the members, appointed Mr. Rajesh Naik as a Whole-time Director of the Company for the period from 1st August, 2014 to 31st July, 2019, on the terms and conditions as detailed in para 3 below, with authority to the Board to fix his remuneration. A brief profile of Mr. Rajesh Naik in terms of Clause 49 IV(G)(i) of the Listing Agreement relating to the Corporate Governance is detailed in para 2 below.

2. Mr. Rajesh Naik is a Chemical Engineer from MS University, Vadodara. Mr. Rajesh Naik joined BASF on 7th April, 2014. He has valuable experience of over 22 years and has worked with companies like Asian Paints, EI Dupont India Private Limited, etc. Prior to joining the Company, Mr. Rajesh Naik was working as Vice President – Marketing with English Indian Clay Limited (EICL) based at Bangalore.

Having regard to his qualifications, experience and association with the Company, the Directors consider that it will be in the business interest of the Company to appoint Mr. Rajesh Naik as a Whole-time Director of the Company for a period of 5 years from 1st August, 2014 to 31st July, 2019.

3. The essential terms and conditions of his appointment and remuneration payable are as under:

(i) Mr. Rajesh Naik 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 5 years from 1st August, 2014 to 31st July, 2019.

(iii) Remuneration: The remuneration payable to Mr. Rajesh Naik by way of salary, additional/adhoc salary, special allowance, perquisites and other allowances, performance salary/performance linked incentive shall be determined by the Board from time to time on the recommendation of the Nomination & Remuneration Committee but shall not exceed the maximum limits prescribed in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. Rajesh Naik as determined by the Directors, based on the recommendation of Nomination & Remuneration Committee, is as under:

(a) Salary, additional/adhoc salary, special allowance and any other allowances not exceeding Rs. 2,25,00,000/- p.a., the current basic salary w.e.f. 1st August, 2014 being Rs. 4,31,800/- per month.

(b) In addition to remuneration payable under (a) above, Mr. Rajesh Naik is entitled to perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursements for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

The monetary value of the perquisites aforesaid not exceeding Rs. 1,50,00,000/- p.a.

(c) Performance salary/performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,00,00,000/- p.a.

(d) Company's contribution to provident fund, superannuation fund and benefit 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. Company's contribution to provident fund and superannuation fund benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites stated in 3(iii)(b) above to the extent these, singly or put together are not taxable under the Income Tax Act, 1961. The Company shall provide a car to Mr. Rajesh Naik and telephone facilities at his residence (including payment of local calls and long distance official calls) 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 during the tenure of office of Mr. Rajesh Naik, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Rajesh Naik as specified in the draft Agreement, subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Mr. Rajesh Naik by way of salary, dearness allowance, perquisites and any other allowances, within the ceiling limits prescribed in Section II of Part II of Schedule V to 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 a month's salary for each completed year of service; and
- (c) Encashment of leave at the end of the tenure;
- (f) The total remuneration payable by way of salary, additional/adhoc salary, performance salary/performance linked incentive, special allowance, perquisites and other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme to the Managing and Whole-time Directors taken together shall not exceed 10% of the net profits of the Company calculated in accordance with Sections 197 and 198 of the Companies Act, 2013.

(iv) Other Terms:

1. Mr. Rajesh Naik shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
2. Mr. Rajesh Naik shall be entitled to housing loan as per the rules of the Company and if permitted under the Companies Act, 2013.
3. Mr. Rajesh Naik shall be entitled to reimbursement of actual expenses incurred in the course of Company's business.
4. Mr. Rajesh Naik shall be entitled to fully paid leave as per the rules of the Company.
5. The appointment may be terminated by the Company or Mr. Rajesh Naik by giving not less than 6 months' notice in writing.
6. Mr. Rajesh Naik shall observe the secrecy obligations with regard to the business and operations of the Company.
7. The Agreement also sets out the mutual rights and obligations of the Company and Mr. Rajesh Naik.

In compliance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the ordinary resolution in terms as set out in Item No. 10 of the accompanying notice is now being placed before the members for their approval.

A copy of the draft Agreement to be executed between the Company and Mr. Rajesh Naik would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

Mr. Rajesh Naik does not hold, by himself or for any other person, on a beneficial basis, any shares in the Company.

The Board of Directors recommends the passing of the resolution set out in Item No.10 of the accompanying Notice as an Ordinary Resolution.

Except Mr. Rajesh Naik, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No.10 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item Nos. 11 to 14

The Securities and Exchange Board of India (SEBI) has, vide a circular dated 17th April, 2014, sought to amend Clause 49 of the Listing Agreement, inter alia, stipulating the conditions for appointment of Independent Directors by a Listed Company. This amendment will come into force with effect from 1st October, 2014. Pursuant to such amendment, Non-Executive Directors who have served as Independent Directors of the Company for more than 5 (five) years, shall be eligible for appointment for one more term up to five years only.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ('the Act'), which came into effect from 1st April, 2014, every listed public Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

The Company has received individual notices in writing from members under the provisions of Section 160(1) of the Act and the rules framed thereunder, with the deposit of Rs.1,00,000/- each, proposing the candidature of Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor for the office of Director at the forthcoming Annual General Meeting.

Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor, non-executive Directors of the Company have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and Rules framed thereunder for appointment of Independent Director and they are independent of the management.

The Board considers that the continued association of the above mentioned non-executive Directors would be of immense benefit to the Company and it is desirable to continue to avail of their services as Independent Directors. Hence the Board has appointed Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor, non-executive Directors as Independent Directors, in compliance with the requirements of the provisions of Clause 49 of the Listing Agreements (as it currently stands and as sought to be amended) entered into with the Stock Exchanges. In terms of the provisions of Section 149(13) of the Act, Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor shall not be liable to retire by rotation.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Clause 49 of the Listing Agreement (as it currently stands and as sought to be amended), the appointment of the above-mentioned non-executive Directors as Independent Directors is now being placed before the members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of persons to be appointed as Independent Directors is given below:

Mr. R. A. Shah is a non-executive Independent Director of the Company. Mr. R. A. Shah is a member of the Audit Committee and Nomination & Remuneration Committee of the Company. Mr. R. A. Shah is a Solicitor and a senior partner of M/s. Crawford Bayley & Co., a reputed firm of Advocates & Solicitors, Mumbai. He has specialized in a broad spectrum of Corporate Laws in general 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. R. A. Shah is also the Member of Managing Committees of various Commerce & Industry Associations such as Bombay Chamber of Commerce and Industry, Indo German Chamber of Commerce and the President of the Society of Indian Law Firms (Western Region).

Presently, Mr. R. A. Shah is on the Board of following public limited companies viz.

1.	Godfrey Phillips India Limited (Phillip Morris affiliate)	Chairman
2.	Clariant Chemicals (India) Limited	Chairman
3.	Pfizer Limited	Chairman
4.	Procter & Gamble Hygiene and Healthcare Limited	Chairman
5.	Colgate Palmolive India Limited	Vice Chairman
6.	Abbott India Limited	Director
7.	The Bombay Dyeing and Manufacturing Company Limited	Director
8.	Century Enka Limited	Director
9.	Deepak Fertilizers & Petrochemicals Corporation Limited	Director
10.	Lupin Limited	Director
11.	Wockhardt Limited	Director
12.	Atul Limited	Director
13.	Modicare Limited	Alternate Director
14.	RPG Life Sciences Limited	Alternate Director
15.	Schrader Duncan Limited	Alternate Director

Presently, Mr. R. A. Shah is Chairman/Member of the Audit Committees of the following public limited companies viz.

1.	Pfizer Limited	Chairman
2.	Colgate Palmolive (India) Limited	Chairman
3.	Procter & Gamble Hygiene & Healthcare Limited	Chairman
4.	Clariant Chemicals (India) Limited	Chairman
5.	Abbott India Limited	Member
6.	The Bombay Dyeing & Manufacturing Company Limited	Member
7.	Century Enka Limited	Member
8.	Wockhardt Limited	Member

Mr. R. R. Nair is a non-executive Independent Director of the Company. He joined the Board of Directors of the Company on 3rd March, 2001. Mr. R. R. Nair is the Chairman of the Audit Committee, Shareholders' Grievance/ Stakeholders' Relationship Committee and Nomination & Remuneration Committee of the Company. Mr. Nair is also a member of the Corporate Social Responsibility Committee of the Company. Mr. Nair has a Masters Degree in Psychology with a 1st class and 1st rank from Kerala University and a Post Masters' Diploma with Distinction in Industrial Psychology from IIT Kharagpur. He is an alumnus of Stanford and Michigan Universities through their executive education programmes. Mr. Nair's professional experience spanning over 30 years in Human Resource and Organisation Development was mainly with Hindustan Unilever Limited and later Unilever. He was the first HR professional who was seconded to Unilever London, where he was responsible for organization structure review and management development in over a dozen countries. He also served as Director HR in Brooke Bond Lipton India Limited and Unilever Arabia.

BASF India Limited

Widely exposed to businesses in Europe, Latin America, Central Asia and Middle East, Mr. Nair is a specialist in Business HR Strategy, Executive Coaching and Leadership Development. He contributes to teaching efforts at various B schools including the Indian School of Business. He, therefore, brings to the business and the academic scene both local and international perspectives. He is a member of Schneider-Electric India's Advisory Board. He served on the Board of Union Bank of India, the HR Technical Committee of Reserve Bank of India and CII's HR Council. He was chosen by the National HRD Network for the National Award for outstanding contribution to the profession, and also conferred with the Lifetime Achievement Award. In 2009 he was chosen by CNBC-KPMG for their Lifetime Achievement Award. He is a co-editor of a publication entitled "Managing Transition". Mr. Nair is an Honorary Fellow of the Coaching Foundation India Ltd. Presently, Mr. R. R. Nair is a Director on the Board of GMR Energy Limited.

Mr. Pradip P. Shah is a non-executive Independent Director of the Company. Mr. Pradip P. Shah is the member of the Audit Committee and Nomination & Remuneration Committee of the Company. Mr. Shah holds an MBA from the Harvard Business School and a Bachelor's degree in Commerce from Sydenham College, Mumbai. He is a qualified Chartered Accountant and a Cost Accountant and ranked first in India in the Chartered Accountancy examinations.

He is the founder Managing Director of CRISIL, India's first and largest credit rating agency. He has served as a member of various committees of the Government on matters concerning Finance. Mr. Shah is the Chairman of IndAsia Fund Advisors Private Limited, a private equity investment and corporate finance advisory Company.

Presently, Mr. Pradip P. Shah is on the Board of following public limited companies viz.

1.	Shah Foods Limited	Chairman
2.	Sonata Software Limited	Chairman
3.	Wyeth Limited	Chairman
4.	Grindwell Norton Limited	Chairman
5.	Godrej & Boyce Manufacturing Company Limited	Director
6.	Kansai Nerolac Paints Limited	Director
7.	KSB Pumps Limited	Director
8.	Mukand Limited	Director
9.	Panasonic Energy India Co. Limited	Director
10.	Pfizer Limited	Director
11.	Tata Investment Corporation Limited	Director
12.	Hardy Oil & Gas Limited (Foreign Company)	Director
13.	Supra Advisors (BVI) Limited (Foreign Company)	Director

Presently, Mr. Pradip P. Shah is Chairman/Member of the Audit Committees of the following public limited companies viz.

1.	Kansai Nerolac Paints Limited	Chairman
2.	Panasonic Energy India Company Limited	Member
3.	Pfizer Limited	Member
4.	Sonata Software Limited	Member
5.	Tata Investment Corporation Limited	Member

Mr. Arun Bewoor is a non-executive Independent Director of the Company. Mr. Bewoor is a member of the Audit Committee, Shareholders' Grievance/Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company. Mr. 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.

Mr. Bewoor is also the Member of Managing Committee of Bombay Gymkhana Limited and a member of the Advisory Board of International Market Assessment India Private Limited. Presently, Mr. Arun Bewoor is a Director of the following public limited Companies viz.

1. Agro Tech Foods Limited
2. Underwater Services Company Limited, Bombay
3. Hindustan Polyamides and Fibres Limited

Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah & Mr. Arun Bewoor do not, by themselves or for any other person on a beneficial basis, hold any shares of the Company.

The Board recommends the resolutions as set out in Item Nos.11 to 14 of the Notice for appointment of Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah & Mr. Arun Bewoor, as Independent Directors for the approval of the Members of the Company.

Except Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah & Mr. Arun Bewoor, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions set out at Item Nos.11 to 14. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 15

The members of the Company at its 65th Annual General Meeting held on 21st August, 2009 approved by way of a Special Resolution under Section 309 of the Companies Act, 1956, the payment of remuneration by way of commission to the non-executive Independent Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956, for a period of five financial years commencing from 1st April, 2009. The said approval was valid up to the financial year ended 31st March, 2014.

Pursuant to the provisions of Sections 149, 197, 198 and/or any other relevant provisions of the Companies Act, 2013 and taking into account the Company's operations and its increased activities and the additional responsibilities of the non-executive Independent Directors as also the time devoted by them to the affairs of the Company, it is proposed that the non-executive Independent Directors of the Company be paid for each financial year commencing from 1st April, 2014, remuneration by way of commission (including sitting fees, if any, for attending the meetings of the Board of Directors or Committees thereof), not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013. This remuneration will be distributed amongst all the non-executive Independent Directors of the Company in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013.

Accordingly, fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission (including sitting fees, if any, for attending the meetings of the Board of Directors or Committees thereof) at a rate not exceeding one percent of the net profits of the Company, to the non-executive Independent Directors of the Company for each financial year commencing from 1st April, 2014 as set out in Item No. 15 of the accompanying Notice.

The Board of Directors recommend the passing of the Special Resolution set out in Item No. 15 of the accompanying Notice.

Other than the non-executive Independent Directors, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out in Item No.15 of the Notice.

Item No. 16

M/s. R. Nanabhoy & Co., Cost Accountants were appointed as the Cost Auditors of the Company to conduct cost audit in respect of the Company's products viz., Insecticides, Dyes, Paints, Varnishes & Chemicals for the financial year 2013-2014. In connection with the Cost Audit for the year ending 31st March, 2015, M/s. R. Nanabhoy & Co., Cost Accountants have conveyed their willingness to act as cost auditor of the Company and 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 year ending 31st March, 2015.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the shareholders. The remuneration payable to M/s. R. Nanabhoy & Co., Cost Auditors of the Company for conducting the cost audit of the Company's products for the financial year ending 31st March, 2015, as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 29th April, 2014, is Rs.13,00,000/- per annum plus applicable taxes and out of pocket expenses.

Accordingly, consent of the members of the Company is sought for passing an Ordinary Resolution as set out in Item no. 16 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company / its relatives are, in any way, concerned or interested, in the resolution set out at Item No. 16 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.16 of the Notice for the approval of the Members.

Item No. 17

The Members/Shareholders of the Company at their 69th meeting held on 30th August, 2013, had accorded their consent to the Board by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for borrowing up to Rs. 2,000 Crores from Banks/Financial Institutions, etc. notwithstanding that the money or monies to be borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Section 180(1)(c) of the Companies Act, 2013 states that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the members of the Company accorded by way of a Special Resolution.

The Ministry of Corporate Affairs vide their circular dated 25th March, 2014 has clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12th September, 2013 with respect to borrowings (subject to the limits prescribed) will be valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014.

It is therefore, necessary for the Company to pass a Special Resolution under Section 180(1)(c) and any other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder, as set out at Item No.17 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company in order to augment the working capital requirement for Dahej project and other projects which are likely to come in future.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution set out at Item No. 17 of this Notice.

Item No. 18

The Members of the Company at their 67th meeting held on 26th August, 2011, had accorded their consent to the Board by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for issuing secured redeemable non-convertible debentures in one or more tranches not exceeding Rs.100 Crores, on such terms and conditions, including face value, issue price, rate of interest, redemption period, manner of redemption as the Board may, at its discretion, deem fit, by way of private placement with financial institutions, banks, mutual funds, any other bodies corporate and/or person/s as may be decided by the Board of Directors, by creating a mortgage and/or charge on the Company's properties.

Section 180(1)(a) of the Companies Act, 2013 requires that the Board of Directors shall not dispose of the whole or substantially the whole of the undertaking(s) of the Company, except with the consent of the members of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the Company to pass a Special Resolution under Section 180(1)(a) and any other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder, as set out at Item No. 18 of the Notice, to enable the Company to issue secured redeemable non-convertible debentures, in one or more tranches, not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only), on such terms and conditions including face value, issue price, rate of interest, redemption period, manner of redemption as the Board may at its discretion deemed fit, by way of private placement, with financial institutions, banks, mutual funds, any other bodies corporate and/or person/s as may be decided by the Board of Directors. Approval of members is being sought to create the mortgage and/or charge on the Company's properties in terms of the resolution proposed under Item No. 18 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution set out at Item No.18 of this Notice.

Item No. 19

Due to the start-up of the Dahej plants, there would be additional depreciation, interest and start-up costs expected during the current financial year. Moreover, contribution margins of certain businesses are expected to be lower due to pre-marketing sales for Dahej. Deficient monsoon during the financial year will also impact the performance of the Agricultural Solutions business.

All the above factors will have an impact on the profitability and financial performance of the Company, which may lead to inadequacy of profits during the financial year 2014-2015.

In terms of Section II of Part II of Schedule V of the Companies Act, 2013, payment of minimum remuneration to a managerial person in any financial year where the Company has inadequate profits or losses, requires the prior approval of the shareholders and Central Government.

Considering the role and the contributions made by Dr. Raman Ramachandran, Chairman & Managing Director, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company, in the growth of the Company and also taking into account similar sized companies in India, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members & the Central Government, have approved payment of remuneration within the maximum limits as minimum remuneration to them for the three financial years commencing from 1st April, 2014, in case of adequacy of profits.

Statement containing additional information as per Category (iv) of Part II of Section II of Schedule V of the Companies Act, 2013 for Item No.19:

1. GENERAL INFORMATION:

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

(Rs. million)

Particulars	2013-14	2012-13	2011-12
Sales	46,694	40,608	36,011
Profit Before Tax	2,048	1,786	1,497
Profit After Tax	1,279	1,141	1,009
Dividend on Equity %	40%	40%	40%

- (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 Dr. Raman Ramachandran, Chairman & Managing Director, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company, have been provided in the explanatory statement under Item Nos. 7, 9 & 10 respectively.

- (ii) Past Remuneration –

As Dr. Raman Ramachandran was appointed as Chairman & Managing Director of the Company with effect from 1st October, 2013, he was paid Rs. 1.82 crores as remuneration for the period from 1st October, 2013 to 31st March, 2014.

The remuneration paid to Mr. S. Regunathan, Whole-time Director of the Company for the financial year 2013-2014 was Rs. 1.96 Crores

Mr. Rajesh Naik has been appointed as Whole-time Director of the Company with effect from 1st August, 2014 and hence details of his proposed remuneration are provided in Item No. 10 of this Notice.

- (iii) Job Profile and suitability -

The details in respect of job profile and suitability of Dr. Raman Ramachandran, Chairman & Managing Director, and, Mr. S. Regunathan and Mr. Rajesh Naik, both Whole-time Directors of the Company have been provided in the explanatory statement under Item Nos. 7, 9 & 10 respectively.

- (iv) Remuneration proposed

The remuneration proposed is detailed in the resolution.

- (v) 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, their individual profiles 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.

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

Dr. Raman Ramachandran has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Chairman & Managing Director of the Company.

Mr. S. Regunathan and Mr. Rajesh Naik have no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than their remuneration in the capacity of Whole-time Directors of the Company.

OTHER INFORMATION:

(a) Reason for expected losses:

- Additional depreciation, interest and start-up costs on account of Dahej plant.
- Pre-marketing sales of products to be manufactured at Dahej plant will have an impact on the contribution margins for certain businesses.
- Deficient monsoon impacting the Agricultural solutions business.

(b) Steps taken or proposed to be taken for improvement:

- Profit situation is expected to improve in future years with better capacity utilisation from the Dahej Plant.

(c) Expected increase in productivity and profit in measurable terms:

- Dahej plant is expected to ramp-up its capacity utilisation over the course of 3 years, which is expected to improve profits of the Company.

The Special Resolution as set out at Item No. 19 of the Notice is in the interest of the Company and the Board recommends the same for the approval of the members.

Except Dr. Raman Ramachandran, Mr. S. Regunathan and Mr. Rajesh Naik, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 19 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

By Order of the Board of Directors

PRADEEP CHANDAN
Company Secretary

Registered Office:

VIBGYOR Towers, 1st Floor,
Plot No.C-62, 'G' Block,
Bandra Kurla Complex,
Mumbai 400 051.

CIN: L33112MH1943FLC003972

Dated: 31st July, 2014

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Form No. MGT – 11

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: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company, to be held on Wednesday, the 27th day of August, 2014 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.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements, Directors' Report & Auditors' Report for the year ended 31 st March, 2014.		
2.	Declaration of dividend for financial year 2013-2014.		
3.	Re-appointment of Dr. Rainer Diercks (DIN: 01725080) as Director, who retires by rotation.		
4.	Re-appointment of Mr. Andrew Postlethwaite (DIN: 03532678) as Director, who retires by rotation.		
5.	Re-appointment of M/s. B S R & Co. LLP, as Statutory Auditors of the Company for a period of 3 years.		
Special Business			
6.	Appointment of Mr. Gops Pillay (DIN: 06599533) as a Director.		
7.	Appointment of Dr. Raman Ramachandran (DIN: 00200297) as the Managing Director and fixation of remuneration.		
8.	Revision in the maximum limits of perquisites payable to the Managing Director.		
9.	Extension in tenure of appointment of Mr. S. Regunathan (DIN: 01437534) as Wholetime Director.		
10.	Appointment of Mr. Rajesh Naik (DIN: 06935998) as Wholetime Director and fixation of remuneration.		
11.	Appointment of Mr. R. A. Shah (DIN: 00009851) as Independent Director.		
12.	Appointment of Mr. R. R. Nair (DIN: 00202551) as Independent Director.		
13.	Appointment of Mr. Pradip P. Shah (DIN: 00066242) as Independent Director.		
14.	Appointment of Mr. Arun Bewoor (DIN: 00024276) as Independent Director.		
15.	Special Resolution for payment of commission to the Independent Directors.		
16.	Ratification of remuneration payable to Cost Auditor, M/s. R. Nanabhoy & Co., Cost Accountants, for the financial year ending 31 st March, 2015.		
17.	Special Resolution for increasing the borrowing powers as per provisions of Section 180(1)(c) of the Companies Act, 2013.		
18.	Special Resolution for creation of charge over movable/immovable assets as per the provisions of Section 180(1)(a) of the Companies Act, 2013.		
19.	Special Resolution for payment of minimum remuneration to Managing Director and Wholetime Directors, in case of inadequacy of profits.		

Signed this _____ day of _____ 2014.

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

1. 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.
2. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. 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.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 70th Annual General Meeting of the Company.
4. This form of Proxy, to be effective, should be duly completed and deposited at the Registered Office of the Company at VIBGYOR Towers, 1st Floor, Plot No. C-62, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, not later than 48 hours before the commencement of the aforesaid meeting.

