

## **NOTICE**

NOTICE is hereby given that the SEVENTY FIRST 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 Thursday, 20<sup>th</sup> August, 2015 at 3:00 p.m. to transact the following businesses, namely:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2015 including the audited Balance Sheet as at 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Mr. Gops Pillay (DIN: 06599533), who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.
4. To ratify the appointment of the Auditors and fix their remuneration and in this regard, 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 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Registration No.101248W/W-100022) as the Statutory Auditors of the Company for the financial year 2015-2016 and who hold office until the conclusion of the Annual General Meeting of the Company to be held for the financial year 2016-2017 be and is hereby ratified and the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2016 as determined by the Audit Committee in consultation with the said Auditors.”

### **SPECIAL BUSINESS**

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

“RESOLVED THAT Dr. Andrea Frenzel (DIN: 07070693), who was appointed as Director of the Company on 1<sup>st</sup> January, 2015 and whose term of office 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 from a member under Section 160 of the Companies Act, 2013 intimating his intention to propose Dr. Andrea Frenzel as a candidate for the office of Director, be and is hereby appointed as Director of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the remuneration of Rs. 13 lacs (Rupees Thirteen lacs only) per annum, plus applicable taxes and out of pocket expenses, payable to M/s. R. Nanabhoy & Co., Cost Accountants (Registration No. 000010), for conducting the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2016 be and is hereby ratified & confirmed.”

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

“RESOLVED THAT in accordance with the provisions of Sections 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 & Remuneration Committee, consent of the Company be and is hereby accorded to the appointment of Mr. Narendranath J. Baliga (DIN: 07005484) as Whole-time Director & Chief Financial Officer of the Company and to his receiving remuneration, benefits and amenities as Whole-time Director for a period of 5 years from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2019, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Narendranath J. Baliga, 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 & 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. Narendranath J. Baliga, in such manner as the Board may, in its absolute discretion deem fit, provided, however, that the remuneration payable to Mr. Narendranath J. Baliga 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. Narendranath J. Baliga 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. Narendranath J. Baliga shall continue as 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 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 appointment of Mr. Narendranath J. Baliga as Whole-time Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Narendranath J. Baliga within the maximum limits as specified in the draft Agreement referred to above or any amendments thereto as may be made from time to time, as minimum remuneration during the three financial years commencing from the financial year 2014-2015, based on the recommendation of the Nomination & 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. Narendranath J. Baliga 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.”

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

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, a new set of Articles of Association, placed before the members at this meeting be and is hereby adopted and substituted in place of the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorised to do all such acts, deeds, matters & things and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of Clause 49 (VII) and any other applicable provisions of the Listing Agreement executed with the Stock Exchanges (including any amendment, modification(s) or re-enactment thereof), consent of the members of the Company be and is hereby accorded for entering into transaction(s) with the following related party(ies) upto the maximum amount mentioned thereagainst, in each financial year on such terms and conditions as may be mutually agreed between the Company and the related party(ies):

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>	<b>Nature of Transaction(s)* (Singly or all taken together)</b>	<b>Maximum Value of the Transaction(s) per annum (Rs. in crores)</b>
1.	BASF South East Asia Pte. Limited	Affiliate Company	(a) Sale and/or purchase of chemicals/materials (b) Availing or rendering of Services	2000
2.	BASF Belgium Co-ordination Centre	Affiliate Company	(a) External Commercial Borrowing (ECB) Loan (b) Interest on ECB Loan (c) Repayment of ECB Loan as per arrangement	1100
3.	BASF SE	Parent Company	(a) Sale and/or purchase of chemicals/materials (b) Availing or rendering of Services (c) Payment of Royalty for Technical Collaboration/ Assistance (d) Purchase/Sale of Assets/ Business (e) Payment of Dividend	1000

\* Transaction(s) are entered in the ordinary course of business and on arms' length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters & things and to take such steps, settle any queries, difficulties, doubts that may arise with regard to any transaction(s) with the related party(ies) and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto in the best interest of the Company.”

By Order of the Board of Directors

**PRADEEP CHANDAN**  
*Director – Legal, General Counsel  
& Company Secretary*

*Registered Office:*

VIBGYOR Towers, 3<sup>rd</sup> Floor,  
Plot No. C-62, ‘G’ Block,  
Bandra Kurla Complex,  
Mumbai 400 098.

CIN: L33112MH1943FLC003972

Dated: 7<sup>th</sup> May, 2015

**Route Map to the venue of the AGM**



The prominent landmark for the venue is Mantralaya.

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL 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 ATLEAST 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 Friday, 14<sup>th</sup> August, 2015 to Thursday, 20<sup>th</sup> August, 2015 (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 Board of Directors, if approved at the Annual General Meeting, will be paid on or after 25<sup>th</sup> August, 2015 in respect of shares held in physical form, to those members whose names appear in the Company's Register of Members as on Thursday, 20<sup>th</sup> August, 2015 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 Thursday, 13<sup>th</sup> August, 2015.
7. Members are requested to submit their queries/requests for clarification, if any, on the Annual Report so as to reach the Company by Friday, 14<sup>th</sup> August, 2015 which will enable the Company to furnish replies at the Annual General Meeting.
8. Members are requested to notify any change in their address or bank mandate to: (a) 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, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, in case of shares held in physical form.
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, 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. 5,36,921/- and Rs. 3,23,215/-, being the unclaimed dividend amounts of the Company and the erstwhile Ciba India Limited respectively, for the financial year ended 31<sup>st</sup> March, 2007 to the IEPF of the Central Government on 8<sup>th</sup> September, 2014 & 30<sup>th</sup> September, 2014.

The Company has sent separate reminders to all those shareholders of the Company and erstwhile Ciba India Limited on 2<sup>nd</sup> May, 2015 & 17<sup>th</sup> July, 2015 respectively, requesting them to claim their dividend for the financial year ended 31<sup>st</sup> March, 2008. As required under the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27<sup>th</sup> August, 2014 (i.e. date of last Annual General Meeting of the Company) on the website of the Company ([www.india.basf.com](http://www.india.basf.com)) and also filed the same with the Ministry of Corporate Affairs. Those members who have so far not encashed their dividend warrants for the following financial 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.

<b>Financial Year ended</b>	<b>Dates by which unpaid dividend amount will be credited/transferred to the Investor Education and Protection Fund</b>
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
31.03.2014	02.10.2021

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

11. SEBI has mandated the submission of Permanent Account Number (PAN) by each participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. 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. 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, 2<sup>nd</sup> 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 2014-2015 should be lodged with Sharepro on or before 13<sup>th</sup> August, 2015.
13. The Company's Equity Shares are listed on the BSE Limited, P.J. Towers, Dalal Street, Mumbai 400 001 and the National Stock Exchange of India Limited, Exchange Plaza, 5<sup>th</sup> Floor, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 and the Company has paid the annual listing fees for the financial year 2015-2016 to both the Stock Exchanges.

14. In terms of Section 72 of the Companies Act, 2013, and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, every holder of securities of the Company may, at any time, nominate, in the prescribed manner, a person to whom his/her securities in the Company shall vest in the event of his/her death. Members, who wish to avail of this facility, may fill the prescribed Form No. SH-13 and forward the same to Sharepro.
15. 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.
16. 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](http://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 communications will be sent to the e-mail address of the member registered with the Company. Members holding shares in electronic form are requested to register their e-mail addresses with their Depository 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.
17. Electronic copy of the Annual Report 2014-2015 along with the Notice are being sent to all those members whose e-mail addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies of the Annual Report 2014-2015 are being sent in the permitted mode. Members may also note that the Notice of the 71<sup>st</sup> Annual General Meeting, Attendance Slip and the Annual Report are also available on the Company's website [www.india.basf.com](http://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. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the revised Clause 35B of the Listing Agreement, the Company is providing remote e-voting facility to enable the members to cast their votes electronically on all the resolutions set forth in the Notice convening the 71<sup>st</sup> Annual General Meeting. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the remote e-voting facilities.

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

## **Explanatory Statement**

*Pursuant to Section 102 of the Companies Act, 2013.*

### **Item No. 5**

Dr. Andrea Frenzel was appointed as Director of the Company on 1<sup>st</sup> January, 2015 in the casual vacancy caused by the resignation of Mr. Andrew Postlethwaite.

Dr. Frenzel is 45 years of age and holds a doctorate degree from University of Goettingen, Germany and has completed a post-doctoral year at the University of Wisconsin in Madison. Dr. Frenzel started her career with BASF SE in 1997 as a Research Scientist in the area of Heterogeneous Catalysis. In 2000, Dr. Frenzel worked as Manager – New Business Development in the Global Business Unit Inorganic Specialties. In 2003, Dr. Frenzel was appointed as Executive Board Assistant of BASF SE. In 2005, Dr. Frenzel was appointed as Director, Global Development of Business Unit Performance Chemicals for Detergents and Formulators. Thereafter, in 2007, Dr. Frenzel was appointed as Director, Strategies, BASF SE. In 2010, Dr. Frenzel was appointed as Vice President, Business Management Pigments North America, BASF Corporation. Presently, Dr. Frenzel is Senior Vice President, Strategic Planning, BASF SE since 2013.

In terms of Section 161(4) of the Companies Act, 2013 and Article 122 of the Articles of Association of the Company, Dr. Andrea Frenzel holds office upto the date of the forthcoming Annual General Meeting, being the date on which Mr. Andrew Postlethwaite would have retired by rotation, had he continued to be 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 Dr. Andrea Frenzel for the office of Director liable to retire by rotation.

Dr. Andrea Frenzel does not hold any shares in the Company by herself or for any other person on a beneficial basis. She is neither a Director nor a member of any other Company registered in India.

The Board recommends her appointment as Director of the Company liable to retire by rotation.

Other than Dr. Andrea Frenzel, 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. 6**

M/s. R. Nanabhoy & Co., Cost Accountants (Registration No. 000010), were appointed as the Cost Auditors of the Company to conduct the cost audit of the Company's products viz., Insecticides, Dyes, Paints, Varnishes & Chemicals for the financial year 2014-2015. M/s. R. Nanabhoy & Co., Cost Accountants have conveyed their willingness to act as the Cost Auditors of the Company for the financial year ending 31<sup>st</sup> March, 2016 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 financial year ending 31<sup>st</sup> March, 2016.

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 Auditors 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 audit of the cost records for the financial year ending 31<sup>st</sup> March, 2016, as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 7<sup>th</sup> May, 2015, is Rs. 13 lacs (Rupees Thirteen lacs only) per annum plus applicable taxes and out of pocket expenses.



The remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the members of the Company is sought to ratify remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for the approval of the Members.

**Item No. 7**

1. The Board of Directors (the Board) of the Company at its meeting held on 21<sup>st</sup> October, 2014, appointed Mr. Narendranath J. Baliga as Whole-time Director of the Company from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> January, 2019, based on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the members and the Central Government, 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. Narendranath J. Baliga in terms of Clause 49 VIII (E) (1) of the Listing Agreement relating to the Corporate Governance is detailed in para 2 below.
2. Mr. Baliga is 48 years of age and has graduated in Business Management from Mysore University and thereafter qualified as a Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. Mr. Baliga joined the Company in April 1994 and initially worked as Manager, Accounts & Logistics in Mangalore. In April 2000, he moved to Mumbai and was re-designated as Manager, Finance in the Corporate Office. In October 2001, he was delegated to Singapore as Manager Asia Pacific, Regional Controlling and was later promoted as Senior Manager Asia Pacific. In April 2007, Mr. Baliga moved to BASF (China) Co. Ltd. as Director, Finance & Accounting, Greater China. In January 2011, Mr. Baliga was delegated to BASF SE Germany as Director, Global Supply Chain & Process Innovation and since July 2013, as Director Global Process & Enterprise Architecture. Mr. Baliga has valuable experience of over 21 years in the area of Finance, Accounting & Controlling.

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. Narendranath J. Baliga as Whole-time Director & Chief Financial Officer of the Company for a period of 5 years from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2019.

3. The key terms and conditions of his appointment and remuneration payable are as under:
  - (i) Mr. Narendranath J. Baliga shall carry out such functions, exercise such powers of management and carry out such duties as may be entrusted to him by the Managing Director of the Company from time to time.
  - (ii) Term of Appointment: 5 years from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2019.
  - (iii) Remuneration: The remuneration payable to Mr. Narendranath J. Baliga 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 made thereto from time to time. The remuneration payable to Mr. Narendranath J. Baliga as determined by the Board of Directors of the Company, 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 being Rs. 6,13,750/- per month. Mr. Baliga shall receive remuneration from the Company with effect from 1<sup>st</sup> July, 2015.

- (b) In addition to remuneration payable under (a) above, Mr. Narendranath J. Baliga is entitled to perquisites including furnished/unfurnished accommodation, or 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.

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. Narendranath J. Baliga and telephone facilities at 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. Narendranath J. Baliga, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Narendranath J. Baliga as specified in the draft Agreement, subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Mr. Narendranath J. Baliga 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 made thereto 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 profits of the Company calculated in accordance with Section 197 and 198 of the Companies Act, 2013.

(iv) Other Terms:

1. Mr. Narendranath J. Baliga 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. Narendranath J. Baliga shall be entitled to housing loan as per the rules of the Company.
3. Mr. Narendranath J. Baliga shall be entitled to reimbursement of actual expenses incurred in the course of Company's business.
4. Mr. Narendranath J. Baliga 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. Narendranath J. Baliga by giving not less than 6 months' notice in writing.
6. Mr. Narendranath J. Baliga 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. Narendranath J. Baliga.

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 members and Central Government.

Due to factors such as additional depreciation, interest and start-up costs of Dahej plant and on account of the loss suffered by the Company during the quarters ended 30<sup>th</sup> September, 2014, 31<sup>st</sup> December, 2014, 31<sup>st</sup> March, 2015 and financial year 2014-2015, the approval of the members is sought for payment of remuneration within the maximum limits as minimum remuneration to Mr. Narendranath J. Baliga, Whole-time Director of the Company for the three financial years commencing from financial year 2014-2015.

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the members and the Central Government, have approved payment of remuneration within maximum limits as minimum remuneration to Mr. Narendranath J. Baliga for the three financial years commencing from financial year 2014-2015, due to inadequacy of profits.

**Statement containing required information as per Category (iv) of Part II of Section II of Schedule V of the Companies Act, 2013 for Item No. 7:**

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	2014-2015	2013-14	2012-13
Sales	47,057.6	46,694	40,608
Profit Before Tax	(658.6)	2,048	1,786
Profit After Tax	(669.0)	1,279	1,141
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 APPOINTEE:**

(i) Background Details:

The background details of Mr. Narendranath J. Baliga, have been provided in the Explanatory Statement under Item No. 7.

(ii) Past Remuneration:

Prior to being appointed as Whole-time Director and Chief Financial Officer of the Company with effect from 1<sup>st</sup> January, 2015, Mr. Baliga was in the employment of BASF SE, Germany as Director — Global Process & Enterprise Architecture and received his remuneration in Germany.

(iii) Job Profile and Suitability:

The details in respect of job profile and suitability of Mr. Narendranath J. Baliga, have been provided in the Explanatory Statement under Item No. 7.

(iv) Remuneration proposed:

The remuneration proposed is provided in the Explanatory Statement under Item No. 7.

(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, the profile of Mr. Narendranath J. Baliga and the industry benchmarks, the remuneration proposed to be paid to Mr. Baliga is commensurate with the remuneration 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:

Mr. Narendranath J. Baliga has no pecuniary relationship, directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Whole-time Director and Chief Financial Officer 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 manufactured at Dahej site 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.

In compliance with the provisions of Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013, the Special Resolution as set out in Item No. 7 of the accompanying Notice is placed before the members for their approval.

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

Mr. Narendranath J. Baliga does not hold, any shares in the Company either by himself or for any other person on a beneficial basis.

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

Except Mr. Narendranath J. Baliga, 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 disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Item No. 8**

The existing Articles of Association (“AOA”) of the Company are based on the earlier Companies Act, and adopted when the Company was incorporated in 1943. Many of the articles of the existing AOA contain references to specific sections of the earlier Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the new Companies Act, 2013. With the Introduction of the new Companies Act, 2013, it is considered expedient to replace the existing AOA by adopting a new set of AOA, which are largely based on Table ‘F’ of the Companies Act, 2013 including the Rules framed thereunder.

As per the provisions of Section 14 of the Companies Act, 2013 a Company cannot, except with the permission of the members alter its Articles of Association. Members’ approval is, therefore, sought to adopt a new set of Articles of Association.

The Board of Directors of the Company at their meeting held on 20<sup>th</sup> January, 2015 approved the adoption of a new set of AOA, subject to the approval of the members.

A copy of the proposed set of new Articles of Association of the Company will be available for inspection by the members at the Company’s Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 1.00 P.M. up to the date of Annual General Meeting of the Company and is also being uploaded on the Company’s website viz.; [www.india.basf.com](http://www.india.basf.com) for perusal by the members.

The Board of Directors recommends the Special Resolution set out at Item No. 8 for the approval of members.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in the resolution set out in Item No. 8 of this Notice.

#### **Item No. 9**

Section 188 of the Companies Act, 2013 read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribes the procedure for approval of related party transaction(s). The revised Clause 49 of the Listing Agreement has also prescribed seeking of shareholders approval for material related party transaction(s).

The proviso to Section 188 also states that nothing in Section 188(1) will apply to any transaction entered into by the Company in its ordinary course of business and at arms’ length basis. In terms of the proviso to Clause 49(VII)(C) of the Listing Agreement, transaction(s) with a related party are considered material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

BASF South East Asia Pte. Ltd., Singapore and BASF Belgium Co-ordination Centre (“Material Related Parties”) are wholly owned subsidiaries of BASF SE and a “Related Party” within the meaning of revised Clause 49(VII)(B)(2) of the Listing Agreement. BASF SE, Germany is the ultimate holding Company of all BASF Companies worldwide. BASF SE along with its affiliates viz., BASF Schweiz AG and BASF Construction Solutions GmbH (“Promoter Group”) holds 73.33% of the voting capital of the Company.

The transactions of the Company with Material Related Parties are likely to exceed 10% of the annual turnover of the Company in each financial year.

In terms of proviso to Clause 49(VII)(E) of the Listing Agreements, all material Related Party Transaction(s) shall require the approval of the members through Special Resolution and all entities/persons that are directly/indirectly related parties of the Company shall abstain from voting on such resolutions. Accordingly, the Promoter Group shall abstain from voting on this resolution for approval of material related party transactions.

The disclosures required to be made under the provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 are given herein below:

1. Nature of relationship: BASF South East Asia Pte. Ltd., Singapore, BASF Belgium Co-ordination Centre are affiliates of the Company. BASF SE is the ultimate holding Company of all BASF Companies worldwide.
2. Name of the Director or Key Managerial Personnel who is related, if any: None of the Directors or Key Managerial Personnel is related.
3. Nature, material terms, monetary value and particulars of the contract or arrangement: As per Item no. 9 of this Notice.
4. Any other information relevant or important for the members to take a decision on the proposed resolution: The transactions of the Company with the aforementioned related parties put up for approval are in the ordinary course of business and on arms' length basis and these transactions are based on business requirements and are necessary for the smooth and efficient functioning of your Company.

Keeping in view the intent of the law, all transactions (irrespective of the nature of transactions) with a related party have been aggregated while applying threshold limits for seeking your approval.

The above contracts/arrangements/transactions were approved by the Audit Committee and the Board of Directors as the same are in the interest of the Company.

The Board of Directors recommends the Special Resolution set out in Item No. 9 of the accompanying Notice for the approval by the unrelated shareholders of the Company.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Special Resolution set out in Item No. 9 of this Notice. This Explanatory Statement may also be treated as a disclosure under Clause 49(VII) of the Listing Agreements with the Stock Exchanges.

By Order of the Board of Directors

PRADEEP CHANDAN  
*Director – Legal, General Counsel  
& Company Secretary*

*Registered Office:*

VIBGYOR Towers, 3<sup>rd</sup> Floor,  
Plot No. C-62, 'G' Block,  
Bandra Kurla Complex,  
Mumbai 400 098.

CIN: L33112MH1943FLC003972

Dated: 7<sup>th</sup> May, 2015

**BASF INDIA LIMITED**

Registered Office: VIBGYOR Towers, 3<sup>rd</sup> Floor, Plot No. C-62, 'G' Block,  
Bandra Kurla Complex, Bandra (East), Mumbai – 400 098  
CIN: L33112MH1943FLC003972, Website: www.india.basf.com, Tel: +91 22 66618000

**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 71<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, the 20<sup>th</sup> day of August, 2015 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
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statements, Directors' Report & Auditors' Report for the financial year ended 31 <sup>st</sup> March, 2015.		
2.	Declaration of dividend for financial year 2014-2015.		
3.	Re-appointment of Mr. Gops Pillay (DIN: 06599533) as Director, who retires by rotation.		
4.	Ratification of the appointment of M/s. B S R & Co. LLP (Registration No. 101248W/W-100022), as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31 <sup>st</sup> March, 2016.		
<b>Special Business</b>			
5.	Appointment of Dr. Andrea Frenzel (DIN: 07070693) as a Director.		
6.	Ratification of remuneration payable to Cost Auditor, M/s. R. Nanabhoy & Co. (Registration No. 000010), for the financial year ending 31 <sup>st</sup> March, 2016.		
7.	Special Resolution for appointment of Mr. Narendranath J. Baliga (DIN: 07005484) as Wholetime Director and fixation of his remuneration and payment of minimum remuneration to him due to inadequacy of profits.		
8.	Special Resolution for adoption of new set of Articles of Association of the Company.		
9.	Special Resolution for approving the limits for transactions with material related parties for each financial year.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Proxy holder(s)

**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 71<sup>st</sup> 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, 3<sup>rd</sup> Floor, Plot No. C-62, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 098, not later than 48 hours before the commencement of the aforesaid meeting.