



We create chemistry

BASF India Limited, Mumbai - 400 072, India

August 12, 2016

The Corporate Relations Department,
The Stock Exchange, Mumbai,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai – 400 023.

Name of the Company : BASF India Limited
Security Code No. : 500042

Dear Sir/Madam,

Sub: Compliance under Regulations 34(1), 44(3) and Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We wish to inform you that the Seventy Second Annual General Meeting (AGM) of the members of BASF India Limited was held on Thursday, 11th August, 2016 at 3.00 p.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai 400021, where all the resolutions as set out in the Notice conveying the said AGM have been transacted and have been passed with requisite majority by the members.

In compliance with the requirements of the Regulations 34(1), 44(3) and Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are furnishing herewith the following documents:

- 1) Annual Report of the Company for the financial year ended 31st March, 2016;
- 2) Consolidated results of remote e-voting and poll pertaining to the aforesaid AGM in the format prescribed in the SEBI circular CIR/CFD/CMD/8/2015 dated 4th November, 2015 along with the consolidated report dated 11th August, 2016 submitted by the Scrutinizer to the Chairman of the meeting.
- 3) Proceedings of the meeting.

Please take the above intimation on record and kindly treat point no. 3 as disclosure under Regulation 30 and Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly acknowledge receipt of the same.

Thanking you,

Yours Faithfully,
For BASF India Limited

Pradeep Chandan
Director – Legal, General Counsel
& Company Secretary

Manohar Kamath
Senior Manager- Secretarial & Legal

Encl : a.a.

cc: The Assistant Manager – Listing
The National Stock Exchange of India Limited
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (East), Mumbai – 400051.

National Securities Depository Limited (NSDL)

Central Depository Services (India) Limited (CDSL)

Registered Office

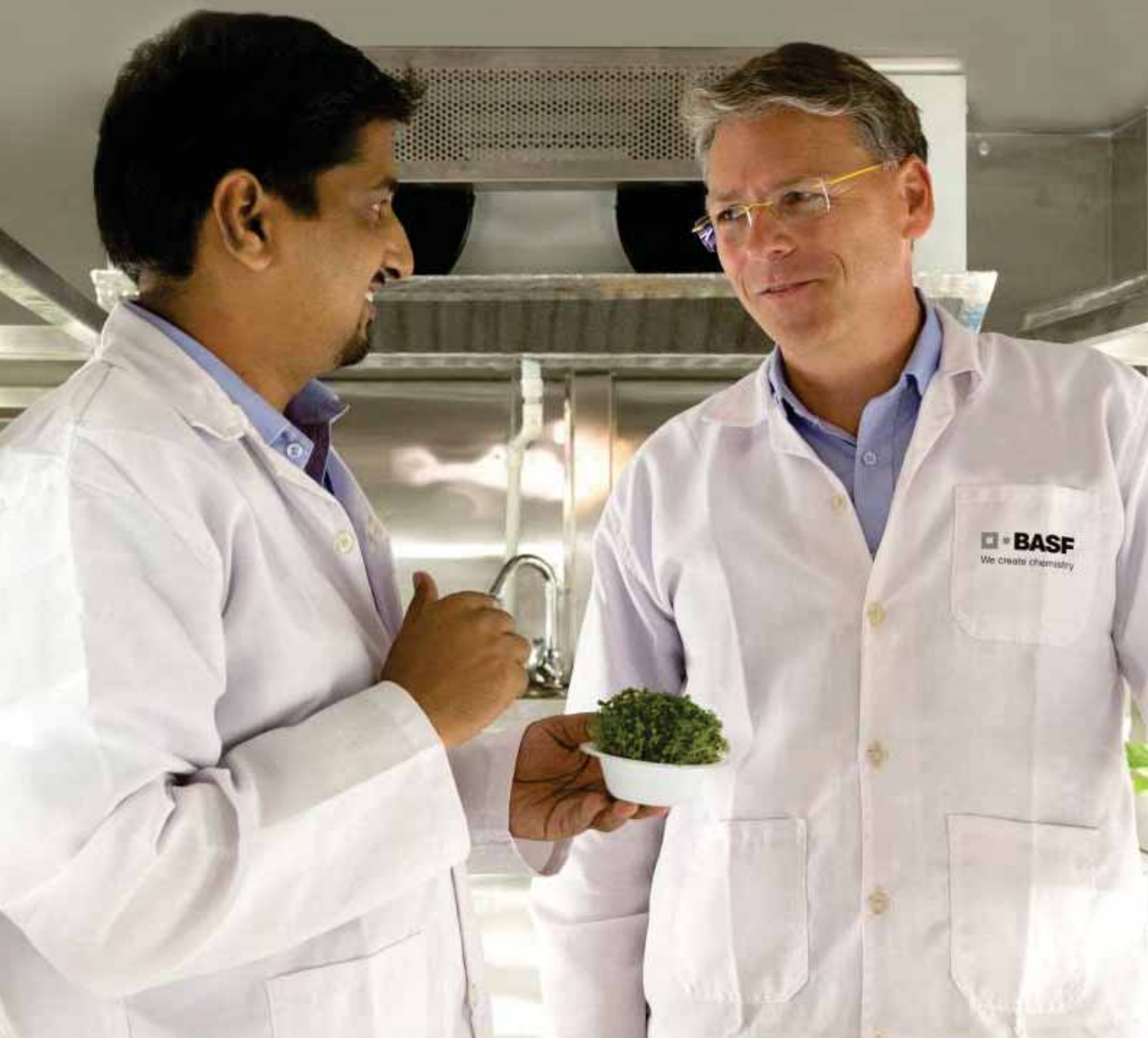
BASF India Limited
Plot No 37, Chandivali Farm Road
Chandivali, Andheri (East),
Mumbai - 400 072, India.

Tel +91 22 2858 0200
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CIN - L33112MH1943FLC003972

www.india.basf.com

**We create chemistry
for a sustainable future**



Annual Report 2015-2016
BASF India Limited

BASF
We create chemistry

From L-R: Chandrashekhar Kulkarni and Dr. Reinhard Stierl prepare plants for testing new pesticides, at our recently inaugurated Agricultural Research Station, in Pune.



Message from the Chairman & Managing Director

Dear Shareholders,

Year 2015-16 has been one of the most challenging years in the recent past, giving us all a taste and first-hand experience of the Volatile, Uncertain, Complex and Ambiguous – better known as the ‘VUCA’ – world that we live in. Fall in crude oil price, volatile currency, second successive poor monsoon and stagnating growth in emerging markets, especially in China, impacted our business environment. Undaunted, we at BASF, continued to invest in growth, improved utilization of our assets, divested non-core business and assets, to become future-ready.

However, these adverse factors muted your Company’s revenue growth to 1% over the previous year, to Rs. 47,517 million. Your Company recorded volume growth in the Construction Chemicals business and several products from Dahej related to Consumer Care, Dispersions, Performance Materials and Monomers businesses. Poor monsoon for the second consecutive year, impacted the Agricultural Solutions business, resulting in significant decline in revenue and profits. During the year, the Textile Chemicals business was also divested as a part of portfolio optimization. We have undertaken several measures to focus on improving utilization of existing capacities, faster ramp-up of new capacities and improving product quality to reduce costs and enhance efficiencies.

The year also witnessed the inauguration of your Company’s fifth and largest Construction Chemicals plant at Nellore, Andhra Pradesh and the ground breaking of our sixth Construction Chemicals plant at Kharagpur, West Bengal – a strong reflection of our firm commitment in partnering the progress of our nation. Your Company also launched more than 15 products across various businesses this year. Furthermore, in continuation to the Creator Space™ Summit, an impactful event that flagged off our 150th anniversary celebrations, we released a whitepaper presenting solutions for Mumbai’s water challenges. The Honourable Chief Minister of Maharashtra, Shri. Devendra Fadnavis unveiled the whitepaper. This initiative was appreciated by several stakeholders including Mr. Amitabh Kant, CEO of NITI Aayog, who posted it on a popular social media platform.

This year, our CSR projects were focused on Water, Sanitation and Hygiene (WASH) efforts at Dahej, Thane and Mangalore. At Dahej, we built more than 200 toilets as well as introduced a waste and water management program. At Thane, we donated a water purification unit to Navjeevan High School to provide children with potable drinking water. In Mangalore, we continued to create awareness on WASH. With these initiatives, we strengthened our commitment and contribution to the well-being of communities near our manufacturing plants.

Your Company received recognition from various organizations for excellence in operations and customer focus, this year. The Human Nutrition unit received Nutra Excellence Award; the Coatings team received the Best Supplier Award by Tata Autocomp during the Seventh Vendor Meet and a Certificate of Recognition from Ford for its efforts in reducing carbon footprint. The Care Chemicals team was named the ‘Best Supply Partner of 2014’ by Hindustan Unilever India Limited.

Your Company believes that employees make the difference between ‘success’ and ‘failure’, and between being ‘good’ and ‘great’. We therefore continued to invest in employee development and capability enhancement in areas such as sales excellence and leadership.

I believe, today, your Company is more efficient and agile. Our efforts to excel in this dynamic market environment will continue. We will drive profitable growth by launching sustainable innovations to help our partners be more successful, gain new customers, ramp-up utilization of our existing and new plants and optimize costs and working capital. As we set our sight on the future, on behalf of the Board, the Executive Management Committee and the entire BASF team in India, I thank you for your valuable trust and seek your continued interest and support.

With best wishes,

Raman Ramachandran, Ph.D.

Thursday, 11 th August, 2016 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021.		Page
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The Notice of the Meeting is enclosed.	Notes to Financial Statements for the year ended March 31, 2016	62
BASF India Limited		
Registered Office: Plot No. 37, Chandivali Farm Road, Chandivali, Andheri (East), Mumbai-400 072. Telephone : +91 22 28580200 Website : www.basf.com/in		
Corporate Identification Number: L33112MH1943FLC003972		
Works		
<u>Maharashtra (Navi Mumbai)</u>		
(1) Plot Nos. 12 & 13, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai-400 705.		
(2) Plot Nos. C-68 & C-68 Pt., TTC Industrial Area, MIDC, Thane Belapur Road, Turbhe, Navi Mumbai-400 613.		
<u>Karnataka (Mangalore)</u>		
Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka-575 030.		
<u>Gujarat</u>		
(1) Ankleshwar		
<u>Unit I:</u> Plot Nos. 6214/6216, GIDC Phase IV Ankleshwar-393 002, Gujarat.		
<u>Unit II:</u> Plot No. 8001, GIDC Phase VI Ankleshwar-393 002, Gujarat.		
(2) Dahej		
4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat-392 130.		
<u>Andhra Pradesh (Nellore)</u>		
Plot 1 & 1A, APIIC Industrial Park, Menakur Village, Block B, Naidupet Mandal, SPSR Nellore District, Andhra Pradesh.		
<u>Himachal Pradesh (Nalagarh)</u>		
Khasra No. 87/1, Village: Beer Plassis, Nalagarh, District: Solan, Himachal Pradesh.		
<u>West Bengal (Kolkata)</u>		
Plot No. F-7, Vidyasagar Industrial Park, Kharagpur, Paschim Medinipur, West Bengal.		
Offices		
Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Pune.		
Registrar & Share Transfer Agent*		
TSR Darashaw Limited Unit : BASF India Limited, 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011. Tel. No. : +91 22 66568484 Extn: 411/412/413 Fax No. : +91 22 66568494 Email : csg-unit@tsrdarashaw.com		
*appointed with effect from 15 th June, 2016.		



This report is printed on
recycled paper

Board of Directors



Raman Ramachandran, Ph.D.
Chairman & Managing Director



Mr. R. A. Shah



Mr. R. R. Nair



Mr. Pradip P. Shah



Mr. Arun Bewoor



Dr. Rainer Diercks



Mr. Gops Pillay



Dr. Andrea Frenzel



Mr. Narendranath J. Baliga
Chief Financial Officer



Mr. Rajesh Naik
Director – Manufacturing

Management Committee

Dr. Raman Ramachandran

Dr. Rajan Venkatesh

Mr. Narendranath J. Baliga

Mr. Sylvain Huguenard

Mr. Pradeep Chandan

Mr. Rajesh Naik

Dr. Lakshmi Nadkarni

Ms. Sunita Sule (w.e.f. 1st June, 2016)

Mr. K. Thyagarajan (upto 31st May, 2016)

Auditors

B S R & Co. LLP
Chartered Accountants
5th Floor, Lodha Excelus,
Apollo Mills Compound,
N. M. Joshi Marg, Mahalaxmi,
Mumbai-400 011, India.

Mr. Pradeep Chandan
Director – Legal, General Counsel & Company Secretary

Advocates & Solicitors

Messrs Crawford Bayley & Co.
State Bank Building, 4th Floor,
N. G. N. Vaidya Marg, Fort,
Mumbai-400 023.

Messrs Dhruve Liladhar & Co.,
61 Free Press House,
215 Free Press Journal Marg,
Nariman Point, Mumbai-400 021.

Bankers

Citibank N.A.
Deutsche Bank AG
The Hongkong and Shanghai Banking Corporation Limited
HDFC Bank Limited
BNP Paribas
The Bank of Tokyo and Mitsubishi UFJ Limited

Internal Auditors

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

Cost Auditors

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

Secretarial Auditors

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



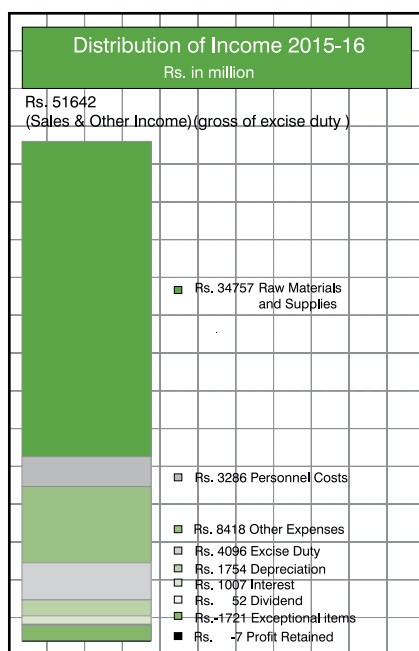
2016 marks 125 years of BASF's Leather Chemicals business. India was chosen as the first country to commemorate this occasion. Seen in this photo are Dr. Raman Ramachandran, CMD, BASF India Ltd., and Dr. Alex Wartini, Vice President, Leather Chemicals, BASF, in our booth at India International Leather Fair. Our booth exhibited products that help tanneries lower their carbon footprint, as well as their water and energy usage.

Directors' Report



Hon'ble Chief Minister of Maharashtra, Shri. Devendra Fadnavis introduces the BASF Creator Space™ whitepaper on Solutions for Mumbai's Water Challenges, with Dr. Rajan Venkatesh, Vice President, Chemicals and Performance Products, BASF, South Asia.

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2016.



Financial Results

(Rs. in million)

Description	Year ended 31.3.2016	Year ended 31.3.2015
Revenue from operations (Net of excise)	47,517.3	47,057.6
Loss before tax and exceptional items	(1,676.6)	(950.5)
Exceptional items	1,721.1	291.9
Profit / (loss) before tax after exceptional items	44.5	(658.6)
Tax	—	10.4
Profit / (loss) after tax	44.5	(669.0)
Balance brought forward	122.6	1,000.0
Available for appropriation	167.1	331.0
This has been appropriated as follows:		
Proposed Dividend	43.3	173.1
Corporate Tax on Dividend	8.8	35.3
Balance carried forward	115.0	122.6

Performance

Revenue from operations (net of excise) at Rs. 47,517.3 million, represents a marginal increase of 1% over the previous year. Despite the challenging year, your Company reported a profit after tax (after exceptional items) of Rs. 44.5 million for the year ended 31st March, 2016 as compared to a loss after tax (after exceptional items) of Rs. 669 million in the previous year.

The performance of the Agricultural Solutions business of your Company was affected on account of advent of the second El Nino which resulted in a drought across significant parts of the country.

The Performance Products segment which includes the performance chemicals, dispersion & pigments, care chemicals, nutrition & health products and paper chemicals businesses recorded good growth in sales during the year under review.

The Chemicals segment of your Company comprising of the intermediates, petrochemicals & monomers businesses registered substantial increase in sales during the year mainly due to sales of monomer products manufactured at Dahej site.

The Functional Material & Solutions segment of your Company which comprises of the coatings, construction chemicals, performance materials and process catalysts technologies businesses registered growth in sales in volume terms during the year as compared to the previous year.

Exports sales (including sales to Nepal & Bhutan) stood at Rs. 5,595 million during the year under report.

Restructuring of businesses

Divestment of the textile chemicals business to Archroma

In July, 2015, your Company sold its textile chemicals business to Archroma India Private Limited pursuant to the global divestment of the said business by BASF SE, after receipt of the requisite approvals. Effective 1st July, 2015, your Company has entered into a long-term supply agreement with Archroma India Private Limited to manufacture & supply textile chemicals products in India.

Setting up of a new Global Business unit for all pigments businesses

In July, 2015, BASF SE, Germany announced the setting up of the new global business unit combining all its pigments activities effective January, 2016. The new unit would fully concentrate on the pigments business and help to further strengthen the support to its customers worldwide. The Pigments business of the Company belongs to the operating division Dispersions & Pigments, which forms part of the Performance Products segment. The Pigments business serves a variety of industries including paints & coatings, printing & packaging and plastics.

Sale of Industrial Coatings business to AkzoNobel

Globally, BASF and AkzoNobel reached a general agreement for sale of its industrial coatings business, subject to receipt of the requisite approvals. In India, your Company's industrial coatings business forms part of the Functional Materials & Solutions segment and mainly caters to coatings for the wind energy segment. With the divestiture of this business by end of 2016, your Company will continue to emphasize on core automotive OEM, automotive refinish coatings and decorative paints businesses.

Restructuring of Plant Biotechnology Research

BASF SE, Germany has decided to refocus its global plant biotechnology research portfolio and restructure the global operations of its Plant Science subsidiary. In India, the Company has been engaged in a project to develop yield enhancing traits in rice on behalf of BASF Plant Science Company, GmbH, Germany. Consequent upon the global restructuring, the yield enhancement project in rice will be discontinued and the field testing sites in India will be closed by end of the year 2016, subject to receipt of requisite approvals.

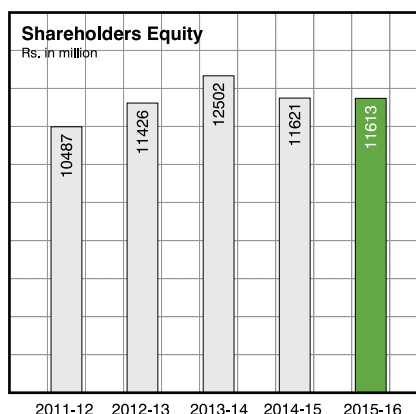
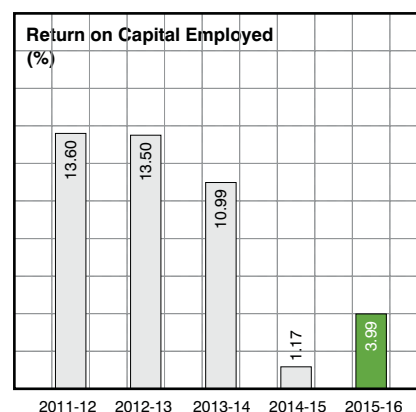
Divestment of Polyolefin Catalysts Business to W. R. Grace & Co.

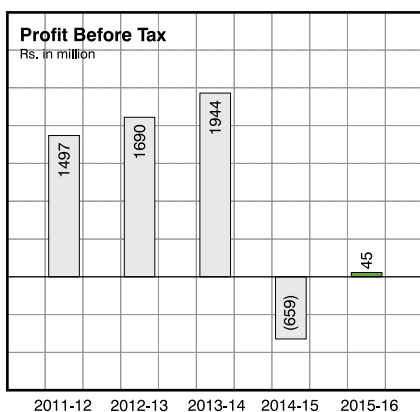
Globally, BASF SE, Germany announced the sale of its Polyolefin Catalysts business, to W.R. Grace & Co., subject to receipt of regulatory approvals. The Polyolefin Catalysts is part of the Process Catalysts business, which forms part of the Functional Materials & Solutions segment of the Company and caters to the petroleum refining, petrochemicals and downstream base and fine chemicals industries. With the divestment of this business by the second quarter of 2016, your Company will re-focus on key growth areas including its Chemical & Refinery Catalysts businesses.

Inauguration of the new Agricultural Research Station in Pune

In May, 2015, your Company inaugurated the new Agricultural Research Station in Pune. This new research & development center will focus on undertaking global research in the area of crop protection.

Financial Ratios		
	2015-16	2014-15
Equity vs Total Assets (%)	29.53	27.88
Return on Capital Employed (%) (before interest and taxes)	3.99	1.17
Current Ratio	1.37	1.39
Acid Test Ratio	0.63	0.59





Alteration of Memorandum & Articles of Association of the Company

During the year, your Company adopted new Articles of Association, which are in conformity with the provisions of the Companies Act, 2013 and the Rules framed thereunder.

The Company also modified the existing objects in the Memorandum of Association of the Company to align the same with the present business scenario and included new objects in line with your Company's long-term business strategy.

Change of Registered Office of the Company

The Registered Office of your Company is shifted from 3rd Floor, VIBGYOR Towers, Plot No. C-62, 'G'-Block, Bandra Kurla Complex, Mumbai-400 098 to Plot No. 37, Chandivali Farm Road, Chandivali, Andheri (East), Mumbai-400 072, with effect from 1st April, 2016.

Corporate Social Responsibility

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

Mr. R. R. Nair and Mr. Arun Bewoor, Independent Directors along with Mr. N. J. Baliga are members of the CSR Committee.

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

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

On account of the challenging year, which impacted the overall performance of the Company, the Board of Directors of the Company approved an amount of Rs. 6.5 million towards CSR activities under the provisions of the Companies Act, 2013 and the Rules framed thereunder.

Your Company continued its efforts to drive sustainability and focused on activities of water, health, education, environment and resource efficiency.

Based on the above, your Company undertook CSR projects mainly in the area of community drinking water supply, waste management, sanitation facilities, education and hygiene and has spent an amount of Rs. 6.2 million as direct expenditure for projects or programs and Rs. 0.4 million on overheads aggregating to Rs. 6.6 million in the financial year 2015-2016, details of which are provided in the prescribed format forming part of this Report in **Annexure I**.

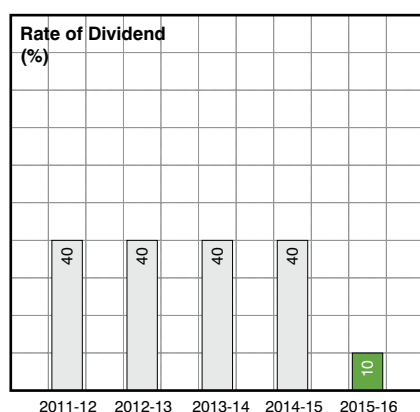
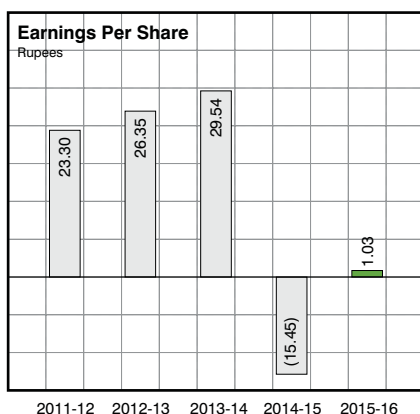
Dividend

In view of the difficult year which impacted the overall performance of the Company, your Directors have recommended a dividend of Re. 1/- per equity share of Rs. 10/- each (i.e 10%) for the financial year ended 31st March, 2016, subject to the approval of the Members at the forthcoming 72nd Annual General Meeting of the Company to be held on 11th August, 2016. The dividend will absorb Rs. 43.3 million. The dividend distribution tax to be borne by the Company would amount to Rs. 8.8 million.

Finance & Accounts

Your Company continued to optimise borrowings during the year by focusing on cash flows and working capital management. By availing of alternate funding options such as Commercial Papers, efficiency in borrowing costs was ensured.

Your Company follows a prudent financing policy and aims to maintain optimum financial gearing at all times. Your Company's debt equity ratio was 1.16 as at 31st March, 2016.



Capital Expenditure

Capital expenditure incurred during the year aggregated to Rs. 1,655.8 million.

Credit Rating

Your Company's credit rating is "AAA/ Negative/ A1+" as awarded by CRISIL on its long term & short term programs respectively.

Fixed Deposits

During the year, your Company has not invited, accepted or renewed any fixed deposits from the public as at 31st March, 2016 and accordingly, there is no principal or interest outstanding in respect thereof.

Management Discussion and Analysis Report

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is appended to this Report.

Corporate Governance

Your Company is committed to maintaining the highest standards of Corporate Governance and has complied with the Corporate Governance requirements as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a Certificate of Compliance from the Statutory Auditors, forms part of this report.

Vigil Mechanism

The Company has established a vigil mechanism for Directors, employees and third parties to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report. This policy is available on the Company's website and can be accessed at: <http://on.basf.com/28LPIIs>

Directors' Responsibility Statement

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2016 and of the profit of the Company for that period; and
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the annual accounts on a going concern basis; and
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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

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

Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Rainer Diercks retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the Director seeking re-appointment at the ensuing Annual General Meeting is provided on page no 44 in the Corporate Governance Report, forming part of this Annual Report.

Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Directors, Board and its Committees based on the recommendation of the Nomination & Remuneration Committee. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The manner in which the evaluation has been carried out has been explained on page no. 41 in the Corporate Governance Report, forming part of this Annual Report.

Policy on Directors' appointment and remuneration

The policy on Directors' appointment and remuneration including the criteria for determining the qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013, forms part of the Nomination & Remuneration Committee policy of the Company. This policy is available on the Company's website and can be accessed at: <http://on.basf.com/28MYFX6>

Auditors

M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), Mumbai, hold office until the conclusion of the Annual General Meeting to be held for the financial year 2016-17, subject to ratification of their appointment by the members at every Annual General Meeting. They have confirmed to the Company that their appointment, if ratified by the members at the ensuing 72nd Annual General Meeting, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Hemant S. Shetye of M/s. H. S. Associates, Practising Company Secretaries, Mumbai, having CP No. 1483, to conduct the Secretarial Audit of the Company for the financial year 2015-16 and to furnish the report to the Board. The Secretarial Audit Report dated 3rd May, 2016 forms part of this Report as **Annexure III**.

Auditors' Report & Secretarial Audit Report

There are no qualifications/reservations/emphasis of matter placed by the Statutory Auditors and the Secretarial Auditors in their respective reports for the financial year ended 31st March, 2016.

Cost Audit

The Board of Directors, in pursuance to the Orders issued by the Central Government under Section 148 of the Companies Act, 2013, have appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, having Registration No. 000010, for conducting the audit of the cost accounting records maintained by the Company for the financial year 2016-17. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

Composition of the Audit Committee

As required under Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules framed thereunder, the composition of the Audit Committee is in line with the provisions of the Companies Act, 2013, details of which are provided on page nos. 38 and 39 in the Corporate Governance Report, forming part of this Annual Report.

Related Party Transactions

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

All related party transactions are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. Such transactions are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The policy on Related Party Transactions, as approved by the Board, is available on the Company's website and can be accessed at: <http://on.basf.com/28LPrt>

The Company does not have contracts or arrangements with its related parties under Section 188(1) of the Companies Act, 2013, which are not on arms' length basis and hence the details are not disclosed in Form AOC-2 as prescribed under the Companies Act, 2013 and the rules framed thereunder.

The Company has entered into material transactions with related parties viz., BASF SE, BASF South East Asia Pte Ltd & BASF Belgium Co-ordination Centre, on arms' length basis under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same are within the maximum limits approved by the shareholders at the last Annual General Meeting of the Company. Your Directors draw the attention of the members to Note No. 25(17) of the financial statement which sets out related party disclosures under Accounting Standard 18.

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

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of any body corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

Particulars of Employees

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

Prevention of Sexual Harassment at Workplace

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

The Company has an anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has also constituted an Internal Complaints Committee (ICC) and the names of the Committee members are displayed on the notice board in each office. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. Allegations of sexual harassment reported are expeditiously and discreetly investigated and disciplinary action, if required, is taken in accordance with the policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2015-16:

- (a) Number of complaints of sexual harassment received during the year – NIL
- (b) Number of complaints disposed of during the year – NIL
- (c) Number of cases pending for more than 90 days – NIL

Training programs on the policy are also conducted at regular intervals. During the year under report, your Company conducted 3 workshops/awareness programmes on the Policy for the employees.

Risk Management

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that risk is controlled by means of a properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company.

Internal Financial Control Systems and their Adequacy

Your Company has policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. For more details, please refer to the Management Discussion and Analysis Report forming part of this Annual Report.

Significant and material orders passed by the Regulators or Courts

The relevant pending litigations with regulators or courts have been disclosed as Contingent Liabilities in note no. 25(10) of the notes to the financial statements for the year ended 31st March, 2016. Besides this, there are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

Board Meetings

Seven Board Meetings were held during the financial year 2015-16 on the following dates:-

- | | |
|------------------------------------|------------------------------------|
| (1) 6 th April, 2015 | (2) 7 th May, 2015 |
| (3) 28 th July, 2015 | (4) 20 th August, 2015 |
| (5) 20 th October, 2015 | (6) 19 th January, 2016 |
| (7) 30 th March, 2016 | |

Declaration of Independence

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9 forms part of this Report as **Annexure IV**.

Personnel and Welfare

Your Directors place on record their sincere appreciation to the employees at all levels for their hard work, dedication and commitment.

Industrial Relations at all our factories remained cordial.

Acknowledgments

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

On behalf of the Board of Directors

RAMAN RAMACHANDRAN, Ph.D.
Chairman & Managing Director
(DIN: 00200297)

Mumbai

Dated : 3rd May, 2016

Annual Report on CSR activities

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The CSR Committee has formulated the CSR Policy and has recommended the activities to be undertaken by the Company as specified under the revised Schedule VII of the Companies Act, 2013. The Company has undertaken various community initiatives and projects under its CSR program "Saksham" — Empowering Communities. Water, Sanitation, Hygiene (WASH) and Education are the mainstay of the CSR programs of the Company. The Company has undertaken its CSR projects focusing on community development around the Company's factory/sites. The programs were executed in and around Dahej, Mumbai and Mangalore.</p> <p>In support of the "Swacch Bharat Abhiyaan" program, an initiative of the Hon'ble Prime Minister of India Shri. Narendra Modi, the Company has taken up programs to build toilets for individual households, communities and schools. The Company has conducted various programs supporting waste management like organising sanitation drives, sponsoring dustbins in households and communities and teaching them about waste segregation and management. There has been a special attention on programs designed to bring about behavioral changes in people and help them use the toilets and maintain the facilities provided to them.</p> <p>The Company has used innovative and interactive techniques to create awareness about these programs. Through these programs, the Company has touched more than 3000 children and taught them to use the sanitation facilities correctly and learn simple things like hand washing which can prevent serious health hazards. The Company has also undertaken programs to teach the adolescent girls/ ladies on menstrual hygiene.</p> <p>The Company has provided for safe, pure drinking water by setting up water purification units based on ultrafiltration/ Reverse Osmosis technology in various schools and community public health centers.</p> <p>With a view to supporting education, schools in Dahej and Mangalore were provided with Digital Boards and Science labs. These would help students get good quality education and to be more engaged with academics.</p> <p>Efforts were made for driving sustainability with continued focus on the environment and resource efficiency.</p> <p>The Company has taken up initiatives like "Gifting a Tree" through the organization "Grow Trees" to support the plantation of trees. These initiatives not only add to the environmental benefits but also reduce our carbon footprint besides supporting livelihood of farmers and tribals where the trees are grown.</p> <p>The Company has also undertaken tree plantation at the Company's sites as well as schools where the Company is implementing CSR programs. A small initiative of planting a tree was taken up on behalf of each employee on the occasion of Dussera instead of the tradition of distributing sweets.</p> <p>The Company continued to focus on reducing the consumption of disposable plastic bottles, reducing undue printing and promoting energy and water conservation at all the Company's sites and offices.</p> <p>The CSR Policy of the Company is available on the Company's website and can be accessed at: http://on.basf.com/28Svdiw</p>
2.	The Composition of the CSR Committee.	<p>Mr. R. R. Nair, Chairman (Independent Director)</p> <p>Mr. Arun Bewoor (Independent Director)</p> <p>Mr. N. J. Baliga (Chief Financial Officer)</p> <p>Mr. Pradeep Chandan (Secretary of the Committee)</p>

3.	Average net profit of the Company for the last three financial years	Rs. 894 million
4.	Prescribed CSR Expenditure (two percent of the amount as shown in item 3 above)	Rs. 18 million
5.	Details of CSR spent during the financial year:	
	(1) Amount spent	Rs. 6.6 million
	(2) Amount unspent	Rs. 11.4 million
	(3) Manner in which the amount spent during the financial year	Refer table on page 13 of this Report



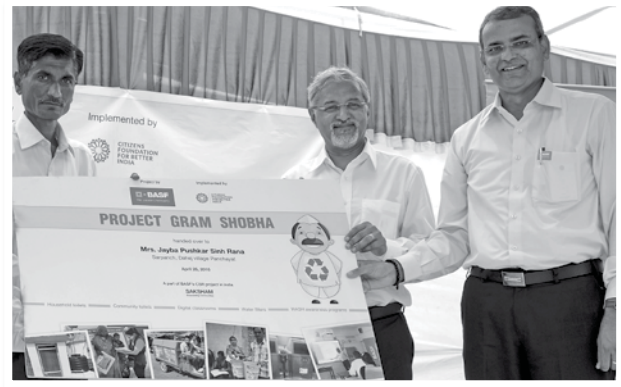
Your Company organized a grassroots exhibition on WASH awareness, to inaugurate the second year of its Project Saksham in Dahej. Students at P. J. Chedda School showcased their learnings through comic illustrations, after a three-day training workshop on Water, Sanitation and Hygiene.



Your Company undertook a cleanliness drive at Navi Mumbai Municipal Corporation School, in which students from standards VII and VIII participated in cleaning the school and its surroundings.



On the occasion of World Water Day, your Company sponsored a water purification unit for Navjeevan High School located in Turbhe. This unit will provide children with potable drinking water.



In its second year of your Company's CSR project Gram Shobha, 230 toilets were built in Dahej. 'Smart Class' for two schools in Dahej were also sponsored. Seen in this pic: from left to right: Sarpanch of Gram Panchayat, Dahej, Shri Pushkar Singh Rana, accepting the Certificate of Completion of 'Project Gram Shobha 2015' from Dr. Raman Ramchandran, CMD, BASF India Limited along with Mr. Jayant Bahekar, Site Director – Dahej.

Details of CSR Amount Spent

Rs. in million

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise (plus tax as applicable)	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
					Direct expenditure on projects or programs	Overheads		
1.	Baseline Survey for community program	WASH (Water, Sanitation and Hygiene)	Village Dahej, Bharuch District, Gujarat	0.2	0.2	0.0	0.2	Citizens Foundation for Better India (CFBI)
2.	Individual Household Laterines (102)	WASH (Water, Sanitation and Hygiene)	Village Dahej, Bharuch District, Gujarat	2.7	2.5	0.3	2.8	CFBI
3.	School Improvement program	Education	Village Dahej, Bharuch District, Gujarat	0.6	0.6	0.0	0.6	CFBI
4.	Community dustbins (for all 14 hamlets)	Waste Management and Sanitation	Village Dahej, Bharuch District, Gujarat	0.2	0.2	0.0	0.2	CFBI
5.	WASH Awareness Programme	WASH (Water, Sanitation and Hygiene)	Village Dahej, Bharuch District, Gujarat	0.3	0.2	0.0	0.2	CFBI
6.	Project Exhibition and Community mobilization	Wash & Education	Village Dahej, Bharuch District, Gujarat	0.2	0.2	—	0.2	CFBI
Total CSR amount spent in Dahej				4.2	3.9	0.3	4.2	
1.	WASH awareness	Sanitation and Water	Mangalore, Karnataka	0.8	0.7	0.1	0.8	Leaf Society
2.	Science Labs	Education	Mangalore, Karnataka	0.3	0.3	—	0.3	Leaf Society
3.	Sanitation	Community toilets	Mangalore, Karnataka	0.2	0.2	—	0.2	Leaf Society
4.	Community Water Plant	Water	Menakur Village, Nellore District, Andhra Pradesh	0.0	0.1	—	0.1	Leaf Society
5.	Program on Menstrual Hygiene	Hygiene	Mangalore, Karnataka	0.1	0.1	—	0.1	Direct
Total CSR amount spent in Mangalore				1.4	1.4	0.1	1.5	
1.	Scholarship for slum community	Education	Mumbai, Maharashtra	0.1	0.1	—	0.1	Aarambh
2.	School improvement program	Sanitation	Schools in Turbhe, Navi Mumbai, Maharashtra	0.8	0.8	—	0.8	Aarambh
Total CSR amount spent in Mumbai				0.9	0.9	—	0.9	
Total CSR amount spent				6.5	6.2	0.4	6.6	

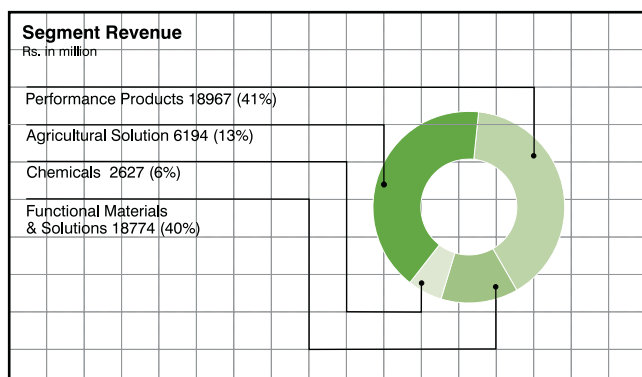
We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

RAMAN RAMACHANDRAN, Ph.D.
Chairman & Managing Director
(DIN: 00200297)

R. R. NAIR
Chairman, CSR Committee
(DIN: 00202551)

Mumbai
Dated : 3rd May, 2016

Annexure II



Statement containing particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY

The Company continued its policy of giving priority to energy conservation measures including regular review of energy generation, distribution and consumption and effective control on utilization of energy in its manufacturing facilities at Navi Mumbai (Maharashtra), Mangalore (Karnataka), Ankleshwar & Dahej (Gujarat), Howrah (West Bengal), Nellore (Andhra Pradesh) and Nalagarh (Himachal Pradesh).

During the year under report, the following energy saving measures were implemented in the Company's factories:-

- Installation of Variable Frequency Drive to agitator, pump motors & induced draft fans.
- Replacing the sodium vapour, CFL bulbs with energy efficient LED lamps.
- Installation of energy efficient cooling tower.
- Installation of Timer control motor to avoid excess running of Reactors/Agitators to save on electricity consumption.
- Rationalisation of electricity consumption for cooling water circulation by replacing high capacity motor with low capacity motor.
- Replacement of old Air conditioners with new energy efficient Air conditioners to save on Electricity consumption.
- Installation of capacitor banks in electrical line to improve the power factor.
- Installation of energy efficient scroll chillers.
- Heat recovery from the process to conserve energy.

Reduction in process water consumption in plants was achieved by:

- Change in plant process.
- Reduction of effluent water load from plants to Effluent Treatment Plant (ETP).
- Recycling of waste water inside the plants to reduce load.

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

- Initiating employee engagement program to identify & develop energy saving measures, operation excellence.
- By carrying out steam & energy audit.
- Creating awareness on energy conservation among employees.
- Configuration of timers in distributed controlled system to prevent overrunning of agitators, stirrers, fans, blowers.
- Carrying out feasibility study of solar power for building air conditioning system.
- Installation of efficient steam trap to avoid steam losses.
- Condensation of recovery system to reduce the fuel consumption in boilers.

Requisite data in respect of Energy Consumption is given below:

	Current Year 1.4.2015 to 31.3.2016	Previous Year 1.4.2014 to 31.3.2015
(a) Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (in '000 kwh)	65,146	54,103
Total amount (Rs. in million)	547	447
Rate per unit (Rs.)	7.79	8.25
(b) Own generation		
• Through diesel generator		
Units (in '000 kwh)	693.3	382.5
Units per litre of oil	3.15	3.70
Cost per unit (Rs.)	6.72	18.89

	Current Year 1.4.2015 to 31.3.2016	Previous Year 1.4.2014 to 31.3.2015
2. Coal (specify quality and where used)		
Qty. (tonnes)	N.A.	N.A.
Total cost	N.A.	N.A.
Average rate	N.A.	N.A.
3. Furnace oil/fuels		
Qty. (k. litres)	614.69	948.7
Total Amount (Rs. in million)	16.21	41.18
Average rate (Rs./litre)	24.45	43.40
4. Natural Gas		
Qty. (KNCM)	13,195	10,083.20
Total Cost	493	453
Average rate	32	45
5. Others/Internal Generation (Qty.)	N.A.	N.A.
Total cost rate/unit	N.A.	N.A.

B. TECHNOLOGY ABSORPTION

Research & Development (R&D):

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

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

- Carrying out ongoing research.
- Introducing new products in existing production lines.
- Developing cost effective processes and streamlining existing processes.
- Optimizing effluent treatment processes.
- Developing new analytical methods.
- Supporting indenting activities.
- Developing new formulations and products based on customer / market requirements.

Your Company has a Pharma lab in its Navi Mumbai factory which provides complete support to various global projects and has been instrumental in launching innovative products during the year under report. The technical and R&D team has been able to provide hands-on experience for platform technology and a solution provider for developmental batches using various excipients. This laboratory was also actively involved in conducting various workshops & training programs to educate & update potential customers on emerging technologies.

Your Company also has its Organic Synthesis Research team at its Chandivali Laboratory which is concerned with construction of organic compounds based on organic reactions. Your Company also has development laboratories of Dispersion & Pigments, Care Chemicals, Paper and Performance Chemicals businesses and an analytical lab engaged in deciding purity and structural aspects.

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

The R&D laboratories remained focused on their mission to explore and apply new and innovative chemistry, expand the product offering and strengthen the infrastructural facilities and technology.

The R&D initiatives resulted in multi-fold benefits during the year, including:

- Development of new products and some of these have been introduced in the market.
- Development of innovative products by Industry Target Groups which worked on cross-functional innovations.
- Improvisation of plant processes, which led to higher efficiency and sustainability.
- Completion of the annual/intensive annual review of processes with respect to safety, efficiency, quality, quantity and sustainability.

The Pharma lab team joined forces with instrument partners to raise awareness and encourage the application of Hot Melt Extrusion (HME) and also offered innovative solutions in pharmaceutical coatings for big and small sized customers in the pharmaceutical industry. They were also able to deliver solutions for life threatening diseases such as retroviral, diabetes and cardiovascular.

3. Expenditure on R&D: Rs. 9.3 million.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

The R&D Centre of the Company is recognized by the Ministry of Science and Technology, Government of India. The Centre is ISO 9000 and 9014 certified and undertakes research in several areas including:

- New Organic Chemical Intermediates for various applications.
- Process Development and scale-up.
- Agricultural Solutions.
- Textile Auxiliaries.
- Leather Chemicals.
- Polymers and other chemicals.
- Other Specialty Chemicals.

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

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

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

3. Imported Technology:

During the year 2015, the Company has not entered into agreements with BASF SE and/or its group Companies for sourcing of technical know-how.

During the years 2013 & 2014, the Company entered into agreements with BASF SE and/or its group Companies for sourcing the following technical know-how.

- In 2013 for Care Chemicals at Dahej.
- In 2014 for Performance Materials and Care Chemicals at Dahej.
- In 2014 for Construction Products.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars with regard to foreign exchange earnings and outgo appear on page no. 74 of the Annual Report.

On behalf of the Board of Directors

RAMAN RAMACHANDRAN, Ph.D.
Chairman & Managing Director
(DIN: 00200297)

Mumbai

Dated : 3rd May, 2016.



An employee of the Agricultural Research Station in Pune sprays a new insecticide over eggplants, as part of research to determine efficacy against fruit and shoot borer.



An R&D employee tests concrete additives which are used to change certain physical characteristics of concrete such as flowability. This helps enhance the concrete's performance under various conditions.

Secretarial Audit Report

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016.

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

To,
The Members,
BASF INDIA LTD.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books as mentioned in **Annexure 1**, Forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2016 to the extent applicable provisions of:

- I. The Companies Act, 2013 ("**The Act**") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- VI. We have relied on the representation made by the Company and its Officers for systems and mechanism put in place by the Company for Compliances under other applicable Act, Laws and Regulations to the Company as given in **Annexure 2**.

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

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);
- iii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

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

We further report that during the audit period the company has:

1. Received approvals from Central Government in respect of payment of managerial remuneration pursuant to provisions of Section 197 read with Schedule V of the Act. The remuneration paid during the period under review is within the limits of the above mentioned approval.
2. The Final dividend declared and paid by the Company for the financial year ended 31st March, 2015 was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.

Date: 3rd May, 2016

Place: Mumbai

For **HS Associates**
Company Secretaries

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

Annexure – 1 to the Secretarial Audit Report

REGISTERS, BOOKS, PAPERS AND MINUTE BOOKS MAINTAINED BY THE COMPANY

1. Minutes of Board, Shareholders and Committee Meeting.
2. Register of Renewed or duplicate Share certificate.
3. Book of accounts.
4. Register of Members.
5. Index of Members.
6. Register of Directors and Key Managerial Personnel.
7. Register of Director's shareholdings.
8. Register of Charges.
9. Register of investments or loans made, guarantee or security provided.
10. Register of particulars of contracts in which Directors are interested.
11. Register of Directors Attendance.
12. Register of Shareholders Attendance.
13. Register of Proxies.
14. Register of Transfers.
15. Postal Ballot Register.

Annexure – 2 to the Secretarial Audit Report

OTHER APPLICABLE LAWS

1. Factories Act, 1948.
2. The Contract Labour (Regulation & Abolition) Act, 1970.
3. The Indian Electricity Act & Rules.
4. Air & Water (Prevention and Control of Pollution) Acts.
5. The Air (Prevention and Control of Pollution) Act, 1981 and Rules, 1982.
6. The Water (Prevention and Control of Pollution) Cess Act and Rules.
7. The Water (Prevention and Control of Pollution) Act, 1974 and Rules, 1975.
8. Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986.
9. The Noise Pollution (Regulation & Control) Rules, 2000.
10. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.
11. The Hazardous Waste (Management and Handling) Rules, 1989.
12. The Batteries (Management and Handling) Rules, 2001.
13. E-waste (Management and Handling) Rules, 2011.
14. Industrial Disputes Act, 1947.
15. Workmen Compensation Act, 1923 and Rules, 1924.
16. Labour Welfare Funds Act.
17. Indian Boilers Act, 1923.
18. GIDC / MIDC / KIADB Act and Rules.
19. Chemical Weapons Convention Act, 2000.
20. The Narcotics Drugs and Psychotropic Substances Act, 1985.
21. The Indian Explosives Act, 1884.
22. The Explosives Substances Act, 1908.
23. The Inflammable Substances Act, 1952.
24. Insecticides Act, 1968 and Rules, 1993.
25. The Destructive Insects & Pests Act, 1914.
26. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodity) Rules, 2011.
27. Insecticides (Price, Stock, Display and Submission of Reports) Order, 2000.
28. Fertilizer (Control) Order, 1985.
29. Competition Act, 2002.
30. Import-Export Policies.
31. The Petroleum Act, 1934 read with Petroleum Rules, 1976.
32. The Apprentices Act, 1961 and Rules, 1991.
33. Employees Provident Funds and Miscellaneous Provisions Act, 1952.
34. Trade Union Act, 1926 read with Central Trade Union Regulation 1938.
35. Employees' State Insurance Act, 1948.
36. Equal Remuneration Act, 1976.
37. Industrial Employment (Standing Order) Act, 1946 and Rules.
38. Minimum Wages Act, 1948.
39. Payment of Wages Act, 1936.
40. Payment of Bonus Act, 1965.

41. SMPV Rules, 1981.
 42. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
 43. Indian Telegraph Act, 1885.
 44. Private Security Agency (Regulation) Act, 2005.
 45. Solvent Raffinate & Slop (Licensing) Order, 2007.
 46. Gas Cylinder Rules.
 47. Payment of Gratuity Act, 1972 and Rules.
 48. Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 and Rules.
 49. Maternity Benefit Act, 1961.
 50. Weekly Holidays Act, 1942.
 51. Shops & Establishment Act.
 52. State Employees Compensation Act, 1923.
 53. Child Labour (Prohibition & Regulation) Act, 1986.
 54. MRTU & PULP Act & Rules.
 55. Motor Vehicles Act, 1988 and Rules, 1989.
 56. State Profession Tax Acts.
 57. Service Tax Act, 1994.
 58. Central Sales Tax Act, 1956.
 59. Income Tax Act, 1961.
 60. State VAT Acts.
 61. Central Excise Act, 1944 and Central Excise Rules, 2002.
 62. Karnataka Value Added Tax Act and Rules.
 63. Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 and Rules, 1976.
 64. Karnataka Entry of Goods Act.
 65. Customs Act, 1962 / Customs Tariff Act, 1975.
 66. Indian Stamp Act, 1899 and State Stamp Acts.
 67. Transfer of Property Act, 1882.
 68. Indian Contract Act, 1872.
 69. Negotiable Instruments Act, 1881.
 70. Sale of Goods Act, 1930.
 71. Foreign Contribution Regulation Act, 2010.
 72. Information Technology Act, 2000.
 73. Prevention of Money Laundering Act, 2002.
 74. Consumer Protection Act, 1986.
 75. Trade Marks Act, 1999.
 76. Patents Act, 1970.
 77. Drugs and Cosmetics Act, 1940.
 78. Public Liability Insurance Act, 1991.
 79. Foreign Trade Act, 1962 and Foreign Trade Policy.
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FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
(As on the financial year ended 31st March, 2016)

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION DETAILS OF THE COMPANY:

CIN	L33112MH1943FLC003972
Registration date	13 th May, 1943
Name of the Company	BASF India Limited
Category/Sub Category of the Company	Public Company/Subsidiary of BASF SE, a Company incorporated outside India
Address of the Registered Office of the Company	Plot No. 37, Chandivali Farm Road, Chandivali, Andheri (East), Mumbai-400 072
Contact details	Tel. No. : +91 22 28580200 E-mail : manohar.kamath@basf.com Website : www.basf.com/in
Whether Listed Company	Listed on BSE Ltd. (BSE) and The National Stock Exchange of India Limited.
Name, Address and contact details of Registrar and Share Transfer Agent	TSR Darashaw Limited (with effect from 15 th June, 2016) 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011. Tel. No. : +91 22 66568484 Extn: 411/412/413 Fax No. : +91 22 66568494 E-mail : csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

There is no single product contributing 10% or more to the total turnover of the Company.

III. PARTICULARS OF HOLDING COMPANIES:

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	BASF Societas Europaea 67056 Ludwigshafen, Germany	Foreign Company	Holding	48.37%	2(46)
2.	BASF Construction Solutions GmbH Dr.-Albert-Frank-Str. 32 83308 Trostberg/ Germany	Foreign Company	Holding	4.38%	2(46)
3.	BASF Schweiz AG Klybeckstrasse 141 4057 Basel Schweiz	Foreign Company	Holding	20.58%	2(46)

IV. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2016:**i) Category-wise Shareholding:**

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
1)	Indian									
a	Individuals/HUF	—	—	—	—	—	—	—	—	—
b	Central Govt.	—	—	—	—	—	—	—	—	—
c	State Govt.(s)	—	—	—	—	—	—	—	—	—
d	Bodies Corporate	—	—	—	—	—	—	—	—	—
e	Banks/FI	—	—	—	—	—	—	—	—	—
f	Any other	—	—	—	—	—	—	—	—	—
	Sub-Total (A) (1)	—	—	—	—	—	—	—	—	—

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2)	Foreign									
a	NRI Individuals	—	—	—	—	—	—	—	—	—
b	Other Individuals	—	—	—	—	—	—	—	—	—
c	Bodies Corporate	3,17,43,220	—	3,17,43,220	73.33	3,17,43,220	—	3,17,43,220	73.33	—
d	Banks/FI	—	—	—	—	—	—	—	—	—
e	Any other	—	—	—	—	—	—	—	—	—
	Sub-Total (A) (2)	3,17,43,220	—	3,17,43,220	73.33	3,17,43,220	—	3,17,43,220	73.33	—
	Total Promoter Shareholding (A)=A1 + A2	3,17,43,220	—	3,17,43,220	73.33	3,17,43,220	—	3,17,43,220	73.33	—
B	Public Shareholding									
1)	Institutions									
a	Mutual Funds/UTI	8,15,483	1,557	8,17,040	1.89	2,67,181	1,557	2,68,738	0.62	-1.27
b	Banks/ FI	5,95,455	1,845	5,97,300	1.38	6,17,884	1,845	6,19,729	1.43	0.05
c	Central Govt.	—	—	—	—	—	—	—	—	—
d	State Govt.(s)	—	30	30	—	—	30	30	—	—
e	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f	Insurance Companies	11,76,388	—	11,76,388	2.72	11,76,388	—	11,76,388	2.72	—
g	FIs	3,41,534	270	3,41,804	0.79	4,88,094	270	4,88,364	1.13	0.34
h	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i	Others (specify)	—	—	—	—	—	—	—	—	—
	Sub-Total (B) (1)	29,28,860	3,702	29,32,562	6.78	25,49,547	3,702	25,53,249	5.90	-0.88
2)	Non-Institutions									
a	Bodies Corporates									
	i. Indian	22,10,370	5,725	22,16,095	5.12	20,25,564	5,705	20,31,269	4.69	-0.43
	ii. Overseas	—	—	—	—	—	—	—	—	—
b	Individuals									
	i. Individual Shareholders holding nominal share capital upto Rs. 1 lakh	48,11,154	6,94,454	55,05,608	12.72	52,47,699	6,59,304	59,07,003	13.66	0.94
	ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	6,25,648	31,502	6,57,150	1.52	6,92,657	31,502	7,24,159	1.67	0.15
c	Others (specify)									
	i. Non-Resident Indian	2,20,647	9,876	2,30,523	0.53	3,16,060	9,795	3,25,855	0.75	0.22
	ii. Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
	iii. Foreign Nationals	250	—	250	—	500	—	500	—	—
	iv. Clearing Members	—	—	—	—	—	—	—	—	—
	v. Trust	232	—	232	—	385	—	385	—	—
	vi. Foreign Bodies	—	—	—	—	—	—	—	—	—
	Sub-Total (B) (2)	78,68,301	7,41,557	86,09,858	19.89	82,82,865	7,06,306	89,89,171	20.77	0.88
	Total Public Shareholding (B)= (B)(1) + (B)(2)	1,07,97,161	7,45,259	1,15,42,420	26.67	1,08,32,412	7,10,008	1,15,42,420	26.67	—
C	Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	4,25,40,381	7,45,259	4,32,85,640	100.00	4,25,75,632	7,10,008	4,32,85,640	100.00	—

ii) Shareholding Pattern of the Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	BASF Societas Europaea	2,09,39,259	48.37	NIL	2,09,39,259	48.37	NIL	NIL
2.	BASF Construction Solutions GmbH	18,96,061	4.38	NIL	18,96,061	4.38	NIL	NIL
3.	BASF Schweiz AG	89,07,900	20.58	NIL	89,07,900	20.58	NIL	NIL

iii) There was no change in the Promoters' shareholding during the Financial Year 2015-16.

Refer table (ii) above.

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholding Pattern for each of the Top 10 Shareholders			
1.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	No. of shares at the beginning of the year	% of total Shares of the Company	
		13,13,153	3.03	
		*Increase/Decrease in shareholding during the year		
		Increase as on		Decrease as on
		15,000 Shares – June 26, 2015	10,000 Shares – April 10, 2015	
		10,600 Shares – July 10, 2015	1,777 Shares – April 24, 2015	
		15,000 Shares – January 8, 2016	1,628 Shares – May 1, 2015	
		10,000 Shares – February 12, 2016	5,712 Shares – May 8, 2015	
		3,000 Shares – February 19, 2016	5,000 Shares – June 12, 2015	
		2,500 Shares – February 26, 2016	25,000 Shares – August 7, 2015	
		7,562 Shares – March 4, 2016	5,394 Shares – August 14, 2015	
		7,000 Shares – March 18, 2016	5,000 Shares – August 21, 2015	
46,000 Shares – March 31, 2016	15,000 Shares – August 28, 2015			
	3,000 Shares – September 4, 2015			
	67,250 Shares – October 23, 2015			
	16,000 Shares – November 6, 2015			
	9,437 Shares – November 20, 2015			
	7,500 Shares – December 4, 2015			
	1,002 Shares – December 31, 2015			
	50,000 Shares – January 15, 2016			
	612 Shares – January 29, 2016			
	12,000 Shares – February 5, 2016			
	10,644 Shares – March 11, 2016			
	1,000 Shares – March 25, 2016			
Cumulative Shareholding during the year				
No. of Shares		% of total Shares of the Company		
-1,36,294		-0.31		
No. of shares at the end of the year		% of total Shares of the Company		
11,76,859		2.72		

Sr. No.	Shareholding Pattern for each of the Top 10 Shareholders		
2.	GENERAL INSURANCE CORPORATION OF INDIA	No. of shares at the beginning of the year	% of total Shares of the Company
		6,99,999	1.62
		Increase/Decrease in shareholding during the year	
		Increase as on	Decrease as on
		NIL	NIL
		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company
		NIL	NIL
		No. of shares at the end of the year	% of total Shares of the Company
6,99,999	1.62		
3.	LIFE INSURANCE CORPORATION OF INDIA	No. of shares at the beginning of the year	% of total Shares of the Company
		5,76,588	1.33
		Increase/Decrease in shareholding during the year	
		Increase as on	Decrease as on
		NIL	NIL
		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company
		NIL	NIL
		No. of shares at the end of the year	% of total Shares of the Company
5,76,588	1.33		
4.	THE NEW INDIA ASSURANCE COMPANY LIMITED	No. of shares at the beginning of the year	% of total Shares of the Company
		2,68,488	0.62
		Increase/Decrease in shareholding during the year	
		Increase as on	Decrease as on
		NIL	NIL
		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company
		NIL	NIL
		No. of shares at the end of the year	% of total Shares of the Company
2,68,488	0.62		
5.	ATUL LIMITED	No. of shares at the beginning of the year	% of total Shares of the Company
		2,61,396	0.60
		Increase/Decrease in shareholding during the year	
		Increase as on	Decrease as on
		NIL	NIL
		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company
		NIL	NIL
		No. of shares at the end of the year	% of total Shares of the Company
2,61,396	0.60		

Sr. No.	Shareholding Pattern for each of the Top 10 Shareholders				
6.	UNITED INDIA INSURANCE COMPANY LIMITED	No. of shares at the beginning of the year	% of total Shares of the Company		
		1,62,901	0.38		
		Increase/Decrease in shareholding during the year			
		Increase as on	Decrease as on		
		NIL	NIL		
		Cumulative Shareholding during the year			
		No. of Shares	% of total Shares of the Company		
		NIL	NIL		
		No. of shares at the end of the year	% of total Shares of the Company		
	1,62,901	0.38			
7.	FIRST STATE INVESTMENTS (HONGKONG) LIMITED	No. of shares at the beginning of the year	% of total Shares of the Company		
		NIL	NIL		
		*Increase/Decrease in shareholding during the year			
		Increase as on	Decrease as on		
		32,887 Shares – December 18, 2015 50,555 Shares – December 25, 2015 32,210 Shares – January 15, 2016 18,355 Shares – January 22, 2016 9,913 Shares – January 29, 2016 5,837 Shares – February 12, 2016 6,306 Shares – February 19, 2016 660 Shares – February 26, 2016 1,160 Shares – March 4, 2016	NIL		
		Cumulative Shareholding during the year			
		No. of Shares	% of total Shares of the Company		
		1,57,883	0.36		
		No. of shares at the end of the year	% of total Shares of the Company		
		1,57,883	0.36		
		8.	ANIMA B. KAPADIA	No. of shares at the beginning of the year	% of total Shares of the Company
				1,04,761	0.24
				*Increase/Decrease in shareholding during the year	
Increase as on	Decrease as on				
2,000 Shares – October 30, 2015 1,000 Shares – February 26, 2016 2,000 Shares – March 4, 2016	1,000 Shares – September 11, 2015 1,000 Shares – September 25, 2015				
Cumulative Shareholding during the year					
No. of Shares	% of total Shares of the Company				
3,000	0.01				
No. of shares at the end of the year	% of total Shares of the Company				
	1,07,761	0.25			

Sr. No.	Shareholding Pattern for each of the Top 10 Shareholders			
9.	IDBI MF - DIVERSIFIED EQUITY FUND	No. of shares at the beginning of the year	% of total Shares of the Company	
		18,000	0.04	
		*Increase/Decrease in shareholding during the year		
		Increase as on		Decrease as on
		2,000 Shares – April 17, 2015		NIL
		2,000 Shares – May 1, 2015		
		248 Shares – June 12, 2015		
		22,908 Shares – August 7, 2015		
		5,894 Shares – August 28, 2015		
		1,578 Shares – September 18, 2015		
		4,035 Shares – September 25, 2015		
		14,000 Shares – October 9, 2015		
		7,150 Shares – December 31, 2015		
1,272 Shares – January 8, 2016				
20,915 Shares – January 29, 2016				
Cumulative Shareholding during the year				
No. of Shares		% of total Shares of the Company		
82,000		0.19		
No. of shares at the end of the year		% of total Shares of the Company		
1,00,000		0.23		
10.	CAISSE DE DEPOT ET PLACEMENT DU QUEBEC-FIRST STATE INVESTMENTS INTERNATIONAL LIMITED	No. of shares at the beginning of the year	% of total Shares of the Company	
		NIL	NIL	
		*Increase/Decrease in shareholding during the year		
		Increase as on		Decrease as on
		18,527 Shares – December 18, 2015		NIL
		28,479 Shares – December 25, 2015		
		17,790 Shares – January 15, 2016		
		10,138 Shares – January 22, 2016		
		5,475 Shares – January 29, 2016		
		3,255 Shares – February 12, 2016		
		3,517 Shares – February 19, 2016		
		368 Shares – February 26, 2016		
		648 Shares – March 4, 2016		
Cumulative Shareholding during the year				
No. of Shares		% of total Shares of the Company		
88,197		0.20		
No. of shares at the end of the year		% of total Shares of the Company		
88,197		0.20		

* The increase/decrease of shares is due to transfer of shares.

Note: The above information is based on the weekly beneficiary position received from Depositories.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Mr. R. A. Shah				
1.	At the beginning of the year	*80	0.00	—	0.00
2.	Date wise/Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/bonus/sweat equity etc)	—	—	—	—
3.	At the end of the year	*80	0.00	—	0.00

* Held jointly with Ms. Shefali Shah (first holder)

Note: None of the Directors except Mr. R. A. Shah hold any equity shares of the Company.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in million

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	—	16,002.0	—	16,002.0
ii. Interest due but not paid	—	—	—	—
iii. Interest accrued but not due	—	146.5	—	146.5
Total (i+ii+iii)	—	16,148.5	—	16,148.5
Change in Indebtedness during the financial year				
Addition	—	71,979.8	—	71,979.8
Reduction	—	74,499.3	—	74,499.3
Net Change	—	(2,519.5)	—	(2,519.5)
Indebtedness at the end of the financial year				
i. Principal amount	—	13,492.2	—	13,492.2
ii. Interest due but not paid	—	—	—	—
iii. Interest accrued but not due	—	136.9	—	136.9
Total (i+ii+iii)	—	13,629.1	—	13,629.1

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD):

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Name of MD / WTD		
		Dr. Raman Ramachandran (CMD)	Mr. Narendranath J. Baliga (WTD)	Mr. Rajesh Naik (WTD)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20,981,431	*12,815,455	8,735,229
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	5,689,623	2,424,429	1,001,402
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	—	—	—

* Salary paid w.e.f. 1st July, 2015.

Sr. No.	Particulars of Remuneration	Name of MD / WTD		
		Dr. Raman Ramachandran (CMD)	Mr. Narendranath J. Baliga (WTD)	Mr. Rajesh Naik (WTD)
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	– as % of profit	NIL	NIL	NIL
	– others, specify	NIL	NIL	NIL
5.	Others, please specify (Co. contribution to PF and SA exempted amount)	1,709,000	823,467	723,651
	Total (A)	28,380,054	16,063,351	10,460,282

B. Remuneration to Other Directors:

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. R. A. Shah	Mr. R. R. Nair	Mr. Pradip Shah	Mr. Arun Bewoor	
1.	Independent Directors					
	Sitting fees for attending Board/ Committee Meetings	1,200,000	1,600,000	1,300,000	1,350,000	5,450,000
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	1,200,000	1,600,000	1,300,000	1,350,000	5,450,000
2.	Other Non-Executive Directors	Mr. Gops Pillay	Dr. Rainer Diercks	Dr. Andrea Frenzel		—
	Fee for attending Board/ Committee Meetings	NIL	NIL	NIL	—	NIL
	Commission	NIL	NIL	NIL	—	NIL
	Others, please specify	NIL	NIL	NIL	—	NIL
	Total (2)	NIL	NIL	NIL	—	NIL
3.	Total (B)= (1+2)	1,200,000	1,600,000	1,300,000	1,350,000	5,450,000
4.	Total Managerial Remuneration (A+B)	60,353,687				

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Mr. Pradeep Chandan (Company Secretary)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	10,212,343
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	809,132
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission	NIL
	– as % of profit	NIL
	– others, specify...	NIL
5.	Others, please specify (Co. contribution to PF and SA exempted amount)	804,261
	Total	11,825,736

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

On behalf of the Board of Directors

RAMAN RAMACHANDRAN, Ph.D.
Chairman & Managing Director
(DIN : 00200297)

Mumbai

Dated : 3rd May, 2016.

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-2016:

Sr. No.	Name of Director	Remuneration	Median Remuneration of Employees	Ratio
1.	Dr. Raman Ramachandran (Chairman & Managing Director)	28,380,054	921,039	30.81
2.	Mr. Narendranath J. Baliga	*16,063,351	921,039	17.44
3.	Mr. Rajesh Naik	10,460,282	921,039	11.36

* Salary paid w.e.f. 1st July, 2015.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2015-2016:

Sr. No.	Name	Designation	Percentage increase in remuneration
1.	Dr. Raman Ramachandran	Chairman & Managing Director	3.12%
2.	Mr. Narendranath J. Baliga	Chief Financial Officer	Nil
3.	Mr. Rajesh Naik	Wholetime Director	5.70%
4.	Mr. Pradeep Chandan	Company Secretary	6.50%

3. Percentage increase in the median remuneration of employees in the financial year 2015-2016 is 3.27%
4. The number of permanent employees on the rolls of the Company as on 31st March, 2016 are 1,904.
5. **Relationship between average increase in remuneration and Company performance:**

Your Company offers competitive remuneration to its employees. The remuneration also incorporates external factors like cost of living to maintain concurrence with the environment. The compensation philosophy of the Company is to provide market competitive compensation that has a strong linkage to performance of the employee as well as other factors such as BASF's performance globally.

6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

In line with the Company's compensation philosophy, merit increases and annual bonus pay-out to its employees, including Key Managerial Personnel are directly linked to individual performance as well as that of BASF's business globally. Looking at the performance rating of the Key Managerial Personnel, appropriate reward by the way of variable pay have been paid to the Key Managerial personnel for the current year.

7. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company:**

Particulars	As on 31 st March, 2015	As on 31 st March, 2016	% Variation
Market capitalization (Rs. in million)	48,298	37,773	21.79%
Price Earnings Ratio	-\$	849.02	—
Equity share price (Rs. per share)	1,115.80	872.65	21.79%

-\$ as Earning per share is negative, details of P/E ratio are not provided.

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

Average percentile increase for Managerial Personnel is 5.11% and for other employees is 2.63%.

In line with the Company's compensation philosophy, merit increases and annual bonus pay-out to its employees, including Key Managerial Personnel are directly linked to individual performance as well as that of BASF's business globally. Looking at the performance rating of the Key Managerial Personnel, appropriate reward by the way of variable pay have been paid to the Key Managerial Personnel for the current year.

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

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

10. The ratio of remuneration of highest paid Director to that of the employees who are not Directors but received remuneration in excess of the highest paid Director during the year is 0.39.
11. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

RAMAN RAMACHANDRAN, Ph.D.
Chairman & Managing Director
(DIN : 00200297)

Mumbai

Dated : 3rd May, 2016.

Management Discussion and Analysis Report



Your Company's representative gives farmers a better understanding about the benefits of Opera®, a fungicide recommended for controlling diseases in groundnut crop.

The global economic environment in recent times has been challenging and marked by increasing volatility and uncertainty. Concerns range from the slowing Chinese economy, falling oil and commodity prices, to geo-political risks.

In spite of the above, the Indian economy grew by a robust 7.3% in 2014-15 and is expected to grow at a similar rate in 2015-16. The agricultural sector is expected to remain flat due to the second consecutive year of poor monsoon. Industry and service sectors are expected to grow around 7% and 9% respectively in 2015-2016. On the back of green shoots in manufacturing, modest recovery in consumption and support from government spending, the manufacturing sector is expected to perform better.

In 2015-16, the domestic automobile industry performed better on the spate of new launches. Production of four-wheeler light vehicles grew by 5.6% while two-wheelers showed a modest performance registering a growth of 1.8%.

With the focus of the Central Government on removal of infrastructural bottlenecks, the Indian construction industry is estimated to grow by 5% in 2015-2016.

Impetus to the rural sector, improved domestic demand, controlled fiscal deficit, cut in interest rates by the Reserve Bank of India and potential impact of reform initiatives of the government are some of the key factors which are likely to lead to the overall stability of the Indian economy.

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

AGRICULTURAL SOLUTIONS

The Agricultural Solutions business includes agrochemicals like insecticides, herbicides, fungicides and plant growth regulators.

The sales of the products of your Company's Agricultural Solutions business are dependent on the monsoon. The advent of the second El Nino resulted in a drought across significant parts of the country. This adversely affected the sales of all products as well as resulted in subdued performance of this business during the year under report. However, your Company undertook various cost optimization & product diversification measures to mitigate the impact on profitability.

To expand its product portfolio, your Company introduced two new crop protection products namely: OPERA™ and TYNZER™. Many training and marketing programs were carried out to launch these products within the farming community and were well received by the farmers.

During the year, your Company continued to focus on sustainable farming by educating farmers on the safe use of agrochemicals.

PERFORMANCE PRODUCTS

The Performance Products business includes performance chemicals, dispersions & pigments, care chemicals, nutrition & health products and paper chemicals. The business caters to the requirements of a wide spectrum of industries, including leather, plastics & coatings, detergent formulators, pharmaceuticals, automobile and oil.

During the year under review, the leather chemicals business witnessed challenges due to stringent pollution norms implemented by the government. Despite the challenging market conditions, the sustained efforts of this business helped to match the previous year's volume and improve profits.

The Leather Chemicals business continued to grow in the beam house segment, by converting challenges into opportunities. During the year under report, this business launched the Dry fast system, which led to water saving and process time reduction.

In line with the strategy of moving closer to the customer, this business shifted its headquarters to Chennai in August 2015, with a clear objective of enhancing customer service through innovative, sustainable and reliable products and offerings.

The Care Chemicals business of your Company caters to the personal care, home care and formulation technology sectors. Rise in disposable incomes and increased awareness amongst consumers have contributed to the increase in sales in the personal care industry. In the laundry care category, the business witnessed good growth in surface cleaning and dish washing categories. This growth has been ably supported by your Company's investment in the Dahej site.

Improvement in the quality of lifestyles have made consumers more aware of better performing and higher efficiency products in the home care industry. This is expected to drive demand for your Company's polymers, fluorescent whitening agents, stain removers and surfactants. The formulation technology sector was characterized by growth in agrochemical additives, surfactants for textile chemicals and specialty additives. New opportunities for the products of this business were also realized in the rubber and paper industry. Key focus areas have been identified for specialty additives, with its offerings to enhance industrial processes.

Your Company's Plastic Additives business is categorized into anti-oxidants and light stabilizers for the plastic industry. Customers are broadly classified into upstream industries such as polymer manufacturers and downstream industries such as packaging and automotive. Expansion plans of major polymer producers and expected shift from natural fibers to plastic in the packaging sector will give rise to the demand for light stabilizers and anti-oxidants. Focused business development activities undertaken during the year helped to increase the sales of this business and also regain customers as compared to the previous year.

The Fuel and Lubricants business of your Company caters to the automotive, fuel, lubricants, refinery and refrigeration industries. Despite the marginal growth in the automotive industry, this business was able to register good growth in sales as compared to the previous year. New markets in the area of coolants & brake fluids and service fills for automotive OEM's (Original Equipment Manufacturers) were established during the year. Additionally, this division continued to supply anti-freeze coolants to major automotive manufacturers in India. With new product launches and entry into new market segments, growth prospects for this business look optimistic.

The Water Solutions business of your Company provides solutions to raw water, industrial and municipal effluents. Significant growth in the municipal and industrial effluent treatment sector is expected to offer good opportunities for its flocculants and coagulants. With secured orders from key accounts, the sales of the Water Solutions business of your Company grew over the previous year.

The Oilfield Solutions business caters to the service companies that carry out work for the oil sector. Growth opportunities have been identified in the enhanced oil recovery areas.

Your Company's Mining Solutions business is mainly focused on the coal and alumina mining sectors. With reforms in the mining sector, this business is expected to grow, but industry related challenges continue to remain.

The Nutrition & Health business of your Company offers a comprehensive range of products and solutions for Human Nutrition, Animal Nutrition, Pharma Solutions and Flavours & Fragrances. This business demonstrated strong growth across segments. The animal nutrition business also launched a new generation enzyme namely Natuphos® E during the year. The year saw a divestiture in the Pharma solutions business. A part of the portfolio on API and Custom Synthesis was divested globally. The focus of your Company continues to remain on excipients and certain core API's viz. ibuprofen, Omega 3, etc.

The Dispersions & Pigments business of your Company comprises of pigments, resins, dispersions and additives, which cater to the needs of the adhesives, paints & coatings, printing & packaging, plastics and construction industries. The business also posted good growth in sales since commercial production began at the Dahej plant. Innovative paper coating binders were introduced to improve paper quality & printability. The decorative and construction industry as well as the plastic and printing and packaging industry will continue to receive priority. This business registered growth in profits during the year under review.



Your Company's Animal Nutrition team launched Natuphos® E, a new enzyme for animal nutrition. Natuphos® E helps poultry utilize phosphorous and key nutrients more efficiently, offering a wide range of benefits to the animal feed industry and to local farmers.

The Paper Chemicals - wet end business of your Company caters to diverse industry segments such as graphical paper, newsprint, and packaging paper and enjoys substantial customer goodwill and industry leadership. Innovative solutions to encourage paper recycling and reduction in the usage of water in the paper manufacturing process were also introduced.

Exports of imaging products continued to rise. A comprehensive product portfolio along with requisite technical expertise enabled this business to grow in sales and profits during the year.

CHEMICALS

Your Company's Chemicals business includes intermediates, petrochemicals & monomers. The chemicals supplied by the BASF Group cater to the requirements of a wide range of user industries including coatings, life sciences, construction additives, food and feed, pharmaceuticals, agrochemicals, plastics and fibers, process chemicals and intermediates.

The Intermediates Division of your Company caters to more than 20 major industry segments such as pharmaceuticals, agrochemicals, coatings, epoxy, leather, food, feed, etc. Major growth drivers for the business were exports of agrochemicals and pharmaceuticals actives. New business model for one of the strategic products of this Division enabled customers to procure with less lead times, thereby supporting the growth of their businesses. During the year, this business registered robust growth in sales. However, lower crude and raw material prices are a major concern and may impact the performance of this business.

With the expected strengthening of the US economy, growth in pharma sector, increase in export penetration by agrochemical manufacturers and growing thrust in the auto and appliance industries, the outlook for this business looks positive.

The Petrochemicals business of your Company comprises Oxo-alcohols, Solvents, Acrylic monomers and Plasticizers. For the year under review, the business did not grow as compared to the previous year, primarily due to volume availability in acrylic monomers. In spite of this, the business was able to retain most key customers. However, with new and upcoming capacities in China for both Oxo-alcohols and acrylics, the future outlook for this business is challenging. We will continue to have close engagement with our customers and position ourselves as one of the key suppliers in the Indian market.

The Monomers business deals in basic raw materials for polyurethane & polyamides and intermediates. Strong market conditions in sectors such as flexible PU foam, construction, footwear, flexible packaging etc. contributed to the growth of the methylene diphenyl diisocyanate business.

In the polyamides and precursor business, focus was on the packaging and monofilament segment, where substantial growth was seen both in value and volume terms. However, local availability of Toluene diisocyanate (TDI) and increasing capacity for Isocyanates in Asia with fluctuating raw material prices will be a challenge for this business going forward. We will continue to engage with customers and with the methylene diphenyl diisocyanate (MDI) splitter at Dahej, we expect to position ourselves strongly in the market.

FUNCTIONAL MATERIALS & SOLUTIONS

The Functional Materials & Solutions segment of your Company comprises of Coatings & Construction Chemicals, Performance Materials and Process Catalyst Technologies.

The Coatings business comprises of automotive, two wheelers OEM coatings and industrial coatings for the wind energy segment.

The Coatings business for automotive and two-wheelers was affected by adverse market conditions. The business focused on developing new products as well as enhancing supply share at existing accounts and enabled acquisition of new customers.

Coupled with policy liberalization and thrust on clean energy, the industrial coatings business, in respect of its wind energy segment witnessed an increase in demand.

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

The Admixture Systems segment in the construction chemicals division caters to customers from the ready-mix, precast, site mix, underground construction and the cement producing industries. In spite of liquidity concerns, this segment registered a positive growth in sales driven by volume growth in infrastructure and institutional sales.



Your Company showcased 'Paper Apparel' to customers on the backdrop of Paperex event, which was held in New Delhi from November 1 – 4, 2015.

The Construction Systems segment offers a wide range of products and solutions such as industrial floorings, grouting and anchoring systems, concrete repair and protection materials, crack repair and injection resins, joint sealants, tiling products, waterproofing membranes and exterior insulation and facade systems. This business registered substantial growth driven by higher value in Waterproofing, Flooring and Repair systems.

During the year, a new Admixture plant was commissioned at Nellore in Andhra Pradesh. This plant will cater to the growing needs of customers in Andhra Pradesh, Telangana and Tamil Nadu. The year also witnessed the groundbreaking of our new plant at Kharagpur, West Bengal which is expected to be inaugurated during the financial year 2016-17. This site will produce the entire range of admixtures and accelerators and will cater to the demands of customers based in East India and Bhutan. With the advent of rising demand in various infrastructure and industrial projects, coupled with our expanding production footprint, the outlook for this business looks optimistic.



Your Company's Nellore site, the fifth and largest Construction Chemicals site in India, was inaugurated by Ralf Spettman, President, Construction Chemicals BASF (center), in the presence of the Management Team of your Company and various stakeholders.

The Performance Materials business of your Company caters to the requirements of the Consumer, Construction, Industrial Product applications and Transportation Industries.

The automotive industry recorded slower growth in 2015-16. Despite this, the Performance Materials business (primarily Polyurethane and Engineering plastics) achieved significant growth in sales during the year by continuing to capture new markets through business development and improving share at OEMs and their suppliers. The production unit for CELLESTO® at Dahej ramped up production in the current year and expects to achieve full capacity utilization in the forthcoming year. While the Budget proposal of levying pollution cess on new vehicles is expected to have an impact, the Company maintains a positive outlook towards growth in this sector.

The Consumer industry business continues to have a strong presence in the appliance (refrigerator), footwear and furniture markets. While the appliance market did not grow significantly, this business registered growth by adding new customers and gaining volume from existing customers which resulted in increased utilization of our integrated polyurethane production at Dahej.

In the footwear market, your Company is one of the leading suppliers. While competition from China led to drop in volumes in the year under report, the Company will continue to engage with customers and further strengthen its participation leveraging on local supply capabilities from the Dahej plant.

The Polyurethanes business of your Company continued to register growth in the construction industry due to value-added services provided to large customers and introduction of our system solutions in new markets.

Overall, the Performance Materials business delivered strong growth in sales volumes during the year under report. But, falling feedstock prices may impact the product pricing and is a concern for this business. Your Company is taking the necessary measures to ramp up capacity utilization at Dahej which will give the business a further boost.

The Process Catalysts business of your Company caters to the refining, petrochemicals and downstream base and fine chemicals industries. During the year, this business registered growth in sales of refining catalysts. Commercial supplies from the fine chemicals catalyst plant at Mangalore, which caters to the pharmaceutical & agrochemical industries, also picked up during the year and we expect momentum to build further over the coming years. The medium term outlook for process catalysts remains positive on the prospects of growth in the refining, petrochemical and pharmaceutical segments in India.

TECHNICAL MANAGEMENT

During the year, production volumes at your Company plants increased over the previous year primarily due to commencement of commercial production at the new plants at Dahej and Nellore.

All the 10 plants at the Dahej site have commenced commercial production resulting in higher output during the year under report.

Our commitment to the site was further reinstated due to ISO 9001 and ISO 14001 certification. Additionally, the Care Chemicals plant has been certified by cGMP. The CELLESTO® plant which caters to the automotive industry has obtained the certificate of confirmation for TS 16949 within the first year of its operation.

Capacity debottlenecking was carried out at your Company's Ankleshwar plant manufacturing imaging products which led to improved capacity. The Ankleshwar plant was also the runner up in the Large Industry category for Manufacturing Performance (2014-15) in a competition organized by the Ankleshwar Industries Association.

The Thane site, your Company's first manufacturing site in India located in Navi Mumbai, completed 50 years of operation this year. This site achieved successful safety performance in the comprehensive Responsible Care audit carried out by BASF SE, Germany. This site also received State Level Energy Conservation Award for the third time in a row.

In line with your Company's purpose "We create chemistry for a sustainable future", your Company has been working together with Indian chemical suppliers' community towards enhancing sustainability within the area of supply chain. These programs have been successful in spreading awareness on sustainability and have been well appreciated by the suppliers.

Your Company, through Industry Associations, have helped the Ministry of Environment & Forests to draft the Plastics Waste Management Rules and have also highlighted the use of alternate composite plastic bags for virgin plastic bags.



Together for Sustainability, is an initiative in which seventeen chemical companies have come together to roll out uniform sustainability practices for suppliers and vendors. Seen in this picture is a representative from a vendor company talking about their sustainability practices, at a session scheduled by your Company.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Your Company's internal control systems are also supplemented by an extensive program of internal audit by an independent firm of Chartered Accountants. Internal audits are conducted on a regular basis and a summary of the observations and recommendations of such audits are placed before the Board of Directors or Audit Committee of your Company. In line with BASF Group policies, the Group's internal auditors also perform audits periodically in selected areas of operations. The Audit Committee constituted by the Board of Directors reviews the internal financial control systems on an ongoing basis.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year, your Company focused on various development initiatives to identify and develop potential talent for undertaking leadership positions in the future.

The Company employed 1,904 persons as on 31st March, 2016.

Your Company has always believed in having a collaborative approach and works closely with the Trade Unions. Industrial Relations have been cordial at all the sites of the Company during the year under report.

Continuing with your Company's communication strategy, the global advertising campaign enhanced brand awareness in relevant markets, covering print, television and online media. This campaign was well supported by media activities and market presence initiatives such as seminars, customer symposia and industry events.

On behalf of the Board of Directors

RAMAN RAMACHANDRAN, Ph.D.
Chairman & Managing Director
(DIN : 00200297)

Mumbai

Dated : 3rd May, 2016.



Dr. Raman Ramachandran, CMD, BASF India Limited along with Mr. Anand Nambiar, MD, Merck India, in your Company's booth at the Make in India Week organized by the Government of India, in Mumbai early this year. Our booth highlighted our manufacturing and sustainability prowess.

Report on Corporate Governance

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

1. **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

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

The commitment to good Corporate Governance is embodied in its values:-

- Creative
- Open
- Responsible
- Entrepreneurial

The value "Responsible" indicates that we act responsibly as an integral part of society and thereby adhere to our compliance standards.

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

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

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

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

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

2. BOARD OF DIRECTORS AS ON 3rd MAY, 2016

The Company is fully compliant with the Corporate Governance norms in respect of the constitution of the Board of Directors. The Board at BASF India Limited represents an optimum mix of professionalism, knowledge, gender and experience.

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

(i) EXECUTIVE DIRECTORS*

Name	Date of Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	Number of Memberships in Boards of other Companies**	No. of Memberships/ Chairmanships in Committees of other Companies
Dr. Raman Ramachandran	1 st October, 2013	Chairman & Managing Director	7	7	NIL	NIL
Mr. Narendranath J. Baliga (Alternate to Dr. Andrea Frenzel)***	1 st January, 2015	Vice President– Finance & Corporate Processes, South Asia	7	7	NIL	NIL
Mr. Rajesh Naik (Alternate to Dr. Rainer Diercks)***	1 st August, 2014	Director – Manufacturing	7	6	NIL	NIL

* Executive Directors do not hold any Independent Directorships in Listed Companies.

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

*** Present at the Board Meeting held on 20th August, 2015 as an invitee.

(ii) NON-EXECUTIVE DIRECTORS

Name	Date of Appointment	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	Number of Memberships in Boards of other Companies**	No. of Memberships/ Chairmanships in other Committees
Mr. Gops Pillay	30 th April, 2013	7	1*	NIL	NIL
Dr. Rainer Diercks	23 rd January, 2006	7	1*	NIL	NIL
Dr. Andrea Frenzel \$	1 st January, 2015	7	1*	NIL	NIL

* Attended the Board Meeting held on 20th August, 2015.

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

\$ Dr. Andrea Frenzel was appointed as Woman Director.

(iii) INDEPENDENT NON-EXECUTIVE DIRECTORS

Name	Date of Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	Number of Memberships in Boards of other Companies*	No. of Memberships/ Chairmanships in Committees of other Companies**
Mr. R. A. Shah	24 th April, 1968	Director	7	6	9***	Membership – 4 Chairmanship – 3
Mr. R. R. Nair	3 rd March, 2001	Director	7	7	1	Membership – 1 Chairmanship – Nil
Mr. Pradip P. Shah	31 st January, 2000	Director	7	7	8	Membership – 6 Chairmanship – 1
Mr. Arun Bewoor	19 th January, 2010	Director	7	7	3	Membership – Nil Chairmanship – Nil

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

** Excludes Chairmanship/ Membership in Committees of other Companies except Chairmanship/Membership in Audit Committee and Stakeholders' Relationship Committee.

*** As per declaration, Mr. R. A. Shah is acting as Non-Executive Non-Independent Director in 3 Listed Companies.

Based on the declarations / disclosures received from Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip Shah and Mr. Arun Bewoor, they do not serve as Independent Directors on the Board of more than 7 listed Companies. They are also not acting as Whole-time Directors on the Board of any listed Company. Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip Shah and Mr. Arun Bewoor, were appointed as Independent Directors of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019 and are not liable to retire by rotation.

The terms and conditions of appointment of Independent Directors are available on the Company's website viz.; www.basf.com/in at: <http://on.basf.com/28MLzfO>

The Company also has a familiarization programme for its Independent Directors, which is available at: <http://on.basf.com/28Ohq09> and at <http://on.basf.com/28Ohxs1>

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

Seven Board Meetings were held during the financial year 2015-16 on the following dates:

- | | |
|------------------------------------|------------------------------------|
| (1) 6 th April, 2015 | (2) 7 th May, 2015 |
| (3) 28 th July, 2015 | (4) 20 th August, 2015 |
| (5) 20 th October, 2015 | (6) 19 th January, 2016 |
| (7) 30 th March, 2016 | |

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

B. All pecuniary relationships or transactions of the non-executive Directors vis-à-vis, the Company.

Mr. R. A. Shah, Mr. Pradip P. Shah, Mr. R. R. Nair and Mr. Arun Bewoor, Independent Non-Executive Directors of the Company do not have any material pecuniary relationship with the Company other than the sitting fees payable to them. Details of sitting fees paid are given at Serial No. 4(b) of this report. M/s. Crawford Bayley & Co., Solicitors & Advocates, in which Mr. R. A. Shah is a Senior Partner renders professional services to the Company. Mr. Shah has confirmed that the transactions with the Company do not exceed 10% of the gross receipts of M/s. Crawford Bayley & Co.

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

Mr. Gops Pillay, Dr. Rainer Diercks and Dr. Andrea Frenzel were not paid any commission during the financial year 2015-16. Mr. Gops Pillay, Dr. Rainer Diercks and Dr. Andrea Frenzel represent BASF SE ("Holding Company" of the Company). They do not hold any shares and convertible instruments of the Company.

C. Relationships between Directors Inter-se.

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

3. AUDIT COMMITTEE

The Board of Directors of the Company constituted an Audit Committee on 1st March, 2001. The Chairman of the Audit Committee is an Independent Non-Executive Director. During the financial year 2015-2016, 5 Audit Committee Meetings were held on 7th May, 2015, 28th July, 2015, 20th October, 2015, 19th January, 2016 and 30th March, 2016, respectively.

The present composition of the Audit Committee is as follows:

Name	Date of Appointment	No. of Meetings during FY 2015-16	
		Held	Attended
Mr. R. R. Nair, Chairman	12 th July, 2006	5	5
Mr. R. A. Shah	1 st March, 2001	5	5
Mr. Pradip P. Shah	1 st March, 2001	5	5
Mr. Arun Bewoor	19 th January, 2010	5	5

Mr. R. R. Nair is an alumni of Stanford & Michigan Universities and has specialized in the field of personnel management, human resources and organization development. Mr. R. A. Shah is a Senior Partner of M/s. Crawford Bayley & Co., Solicitors & Advocates and specializes in a broad spectrum of Corporate laws. Mr. Pradip P. Shah holds a Master's degree in Business Administration from Harvard Business School. Mr. Pradip P. Shah is also a first rank holder in Chartered Accountancy examinations. He is also a Cost Accountant. Mr. Arun Bewoor has received Advanced Management Education from Indian Institute of Management, Ahmedabad & Columbia University, New York, USA. All the members of the Audit Committee are professionals and financially literate within the meaning of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Narendranath J. Baliga, Vice President, Finance & Corporate Processes, South Asia was present at all the meetings of the Audit Committee as Permanent Invitee.

Mr. Pradeep Chandan, Director – Legal, General Counsel & Company Secretary was appointed as Secretary of the Audit Committee on 2nd April, 2010 and was present at all the meetings of the Audit Committee.

The constitution of the Audit Committee meets with the requirements of Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The minutes of the meetings of the Audit Committee were noted at the Board Meetings. The Chairman of the Audit Committee, Mr. R. R. Nair, was present at the 71st Annual General Meeting held on 20th August, 2015.

Statutory Auditors, Internal Auditors and Cost Auditors, as needed, are invitees to the meetings.

The terms of reference of the Audit Committee (stipulated by the Board) under Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- a. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors & Cost Auditors, fixation of the audit fees and approving payments for any other services.
- c. Review with the Management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
 - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in the accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing & other legal requirements concerning financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in draft audit report.
- d. Review with Management, the performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review and monitor auditors' independence and performance and effectiveness of audit process.
- f. Approval or any subsequent modification of transactions of the Company with related parties.
- g. Scrutiny of inter-corporate loans and investments.
- h. Valuation of undertakings or assets of the Company.
- i. Evaluation of internal financial controls and risk management systems.
- j. Review the adequacy of internal audit function, including if applicable, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- k. Discussions with the Internal Auditors of any significant findings and follow-up thereon.
- l. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- m. Discussions with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- n. Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- o. Review the Company's financial and risk management policies.
- p. Review the functioning of the Whistle Blower mechanism.
- q. Appointment of Chief Financial Officer and terms of his appointment.
- r. Monitoring the end use of the funds raised through public offers, if any and other related matters
- s. Reviewing the annual cost audit report submitted by the Cost Auditors.
- t. Reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to the internal control weaknesses;
 - The appointment, removal and terms of remuneration of the chief internal auditor;

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

4. **NOMINATION & REMUNERATION COMMITTEE**

The Board of Directors of the Company constituted a Nomination and Remuneration Committee on 29th July, 2013. The Chairman of the Nomination and Remuneration Committee is an Independent Non-Executive Director. During the financial year 2015-2016, 2 meetings of the Nomination and Remuneration Committee were held on 7th May, 2015 and 30th March, 2016 respectively.

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

Name	Date of Appointment	No. of Meetings during FY 2015-16	
		Held	Attended
Mr. R. R. Nair, Chairman	29 th July, 2013	2	2
Mr. R. A. Shah	29 th July, 2013	2	2
Mr. Pradip P. Shah	29 th July, 2013	2	2
Dr. Raman Ramachandran	1 st October, 2013	2	2

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

The minutes of the meetings of the Nomination and Remuneration Committee were noted at the Board Meetings. The Chairman of the Nomination and Remuneration Committee, Mr. R. R. Nair, was present at the 71st Annual General Meeting held on 20th August, 2015.

The key terms of reference of the Nomination & Remuneration Committee (stipulated by the Board) under Regulation 19 and Schedule II Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- To formulate criteria for evaluation of the performance of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- To extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors.

- **Performance Evaluation Criteria for Independent Directors (ID)**

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

- **Performance Evaluation of the Board**

The Board carries out the evaluation of the performance of every Director, Key Managerial Personnel and other employees who are part of the Senior Management at regular intervals.

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

The Chairman of the Nomination & Remuneration Committee conducts an annual Board evaluation and a peer evaluation survey to assess the performance of the Board as a whole and that of individual Board members. Performances are being assessed based on clearly defined objective criteria, which are in line with the Company's policy of being data-oriented in every transaction and decision. Performances are measured against commitments and best-in-class benchmarks. Plans for orderly succession of Board of Directors and Senior Management are also in place.

As required under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was also held on 30th March, 2016 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

- **Remuneration of Non-Executive Independent Directors**

The remuneration to be paid to the Non-executive Independent Directors is decided by the Board, subject to the approval of the shareholders of the Company. The remuneration shall not exceed 1% of the net profit of the Company for each financial year calculated as per the provisions of the Companies Act, 2013. Considering the performance of the Company for the financial year ended 31st March, 2016, the Independent Directors of the Company did not receive any commission from the Company. Only sitting fees were paid to the Independent Directors for attending the meetings of the Board and/or Committee thereof as fixed by the Board of Directors of the Company. Reference may be made to table (b) below for details of sitting fees paid to Independent Directors for the financial year ended 31st March, 2016.

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

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

- a) Company's operations.
- b) Number of Board Meetings & Committee meetings attended during a financial year.
- c) Time devoted towards the affairs of the Company.
- d) Performance of the Company during a financial year.
- e) Additional work/areas performed.

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

Remuneration to the Managing Director, Whole-time Directors shall be in accordance with the provisions of the Companies Act, 2013. Increments to the existing remuneration/compensation structure shall be recommended by the Nomination & Remuneration Committee to the Board, which shall be within the overall maximum limits of managerial remuneration approved by the shareholders for the Managing Director and Whole-time Directors of the Company. The overall managerial remuneration in respect of any financial year should not exceed 11 percent of the net profits of the Company for that financial year.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall make payment of remuneration within the maximum limits as minimum remuneration to the Managing Director and Whole-time Directors of the Company based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Shareholders and the Central Government in accordance with the provisions of the Companies Act, 2013 and Schedule V thereof.

The payment of remuneration to Managing Director and Whole-time Directors was within the limits approved by the Central Government.

The Company does not have Employee Stock Options Scheme for its Directors and Employees. Some of the Executive Directors and Senior Management personnel are, however, eligible for the BASF Option Program of the parent Company, BASF SE, Germany.

Details of remuneration paid to all the Directors during the year 2015-16 are as under:

(a) EXECUTIVE DIRECTORS

(Amount in Rupees per annum)

Remuneration	Dr. Raman Ramachandran	Mr. Narendranath J. Baliga	Mr. Rajesh Naik	Total
Salary & Benefits @	22,387,373	*13,081,321	9,702,626	45,171,320
Performance Linked Incentive#	5,992,681	2,982,030	757,656	9,732,367
Total	28,380,054	16,063,351	10,460,282	54,903,687

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

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

* Salary paid w.e.f. 1st July, 2015.

(b) INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board of Directors of the Company approved the payment of sitting fees for attending the Board and/or other Committee meetings to the Independent Non-executive Directors for the financial year ended 31st March, 2016. The details of the sitting fees paid are as follows:

Mr. R. A. Shah#	Mr. Pradip P. Shah	Mr. R. R. Nair	Mr. Arun Bewoor
Rs. 12,00,000	Rs. 13,00,000	Rs. 16,00,000	Rs. 13,50,000

M/s. Crawford Bayley & Co., Advocates & Solicitors, in which Mr. R. A. Shah is a Senior Partner renders professional services to the Company. The professional fees paid to Mr. R. A. Shah is not considered material enough to impinge on his independence. Apart from rendering professional services, M/s. Crawford Bayley & Co., does not have any material association with the Company.

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

(c) No remuneration was paid to the Non-Executive Foreign Directors during the financial year 2015-16.

5. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board of Directors of the Company constituted a Shareholders' / Investors' Grievance Committee on 1st March, 2001. The said Committee was renamed as Stakeholders' Relationship Committee on 31st July, 2014. The Chairman of the Stakeholders' Relationship Committee is Non-Executive Independent Director. During the financial year 2015-2016, 2 meetings of the Stakeholders' Relationship Committee were held on 28th July, 2015 and 19th January, 2016 respectively. The minutes of the Stakeholders' Relationship Committee are noted at the Board Meeting. The Chairman of the Stakeholders' Relationship Committee Mr. R. R. Nair, was present at the 71st Annual General Meeting held on 20th August, 2015.

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

Name	Date of Appointment	No. of Meetings during FY 2015-16	
		Held	Attended
Mr. R. R. Nair, Chairman	7 th May, 2008	2	2
Dr. Raman Ramachandran	1 st October, 2013	2	2
Mr. Arun Bewoor	19 th January, 2010	2	2
Mr. Narendranath J. Baliga	1 st January, 2015	2	2

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified in Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee looks into redressal of shareholders' and investors' complaints/grievances. The Committee also looks into complaints concerning transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service.

The Company has a Share Transfer Committee comprising of Dr. Raman Ramachandran as Chairman, Mr. Arun Bewoor and Mr. Narendranath J. Baliga as members, which approve all matters related to shares vis-à-vis transfers, deletions, transmissions, dematerialization and rematerialization of shares, etc. The Committee meets from time to time and approves the transfers and transmission of shares and deletion of names, issue of duplicate share certificates, etc.

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

Mr. Pradeep Chandan
 Director – Legal, General Counsel & Company Secretary
 BASF India Limited
 Plot No. 37, Chandivali Farm Road
 Chandivali, Andheri (East)
 Mumbai-400072, India.

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

	Number of Complaints			
	As on 1 st April, 2015	Received during the financial year	Cleared/attended during the financial year	Pending as on 31 st March, 2016
Non-receipt of dividend warrants	0	4	4	0
Non-receipt of share certificates after transfer, deletion of name, transmission, consolidation of folios & share certificates, correction of name etc	0	0	0	0
Non-receipt of Annual Report	0	0	0	0
SCORES	0	4	4	0
Total	0	8	8	0

During the financial year under review, 8 complaints (including Complaints under SCORES) were received and the same have been redressed/answered to the satisfaction of the shareholders. There were no investor grievances which remained unattended/pending for resolution for more than 30 days and nor any request for share transfers and dematerialization received during the financial year under review were pending for more than the time limit prescribed under the Listing Regulations with the Stock Exchanges.

CEO/CFO Certificate:

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer on the financial statements and other matters of the Company as provided in Regulation 17(7) and Schedule II Part B of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2016 was placed before the Board at its meeting held on 3rd May, 2016 and the same is also annexed to this report.

6. ANNUAL GENERAL MEETINGS

(a) During the last three years, your Company's Annual General Meetings (AGMs) were held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021 on the following dates:

1. 20th August, 2015 at 3.00 p.m.
2. 27th August, 2014 at 3.00 p.m.
3. 30th August, 2013 at 3.00 p.m.

Special resolutions were passed at the previous 2 AGMs for the following matters with the requisite majority.

71 st AGM: 20 th August, 2015	
1.	Appointment of Mr. Narendranath J. Baliga (DIN:07005484) as Whole-time Director and fixation of his remuneration and payment of minimum remuneration to him due to inadequacy of profits
2.	Adoption of new set of Articles of Association of the Company
3.	Approving the limits for transactions with material related parties for each financial year

70 th AGM: 27 th August, 2014	
1.	Payment of Commission to Independent Directors
2.	Increase in the borrowing powers as per provisions of Section 180(1)(c) of the Companies Act, 2013
3.	Payment of minimum remuneration to Managing Director and Whole-time Directors, in case of inadequacy of profits

There was no special resolution passed at the 69th Annual General Meeting of the Company held on 30th August, 2013.

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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had extended e-voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 71st Annual General Meeting held on 20th August, 2015. On the day of the Annual General Meeting, the Company also conducted a poll on all the resolutions and the resolutions were passed with the requisite majority.

(b) Passing of Special Resolution by Postal Ballot

During the year under review, in terms of the Securities and Exchange Board of India circular dated CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular CIR/CFD/DIL/8/2013 dated 21st May, 2013, shareholders' approval was sought by way of Postal Ballot for a resolution to approve the alteration of the Objects and Liability Clause in the Memorandum of Association of the Company on 11th January, 2016. Based on the report of Practicing Company Secretary, Taizoon M. Khumri, Scrutinizer for conducting the aforesaid Postal Ballot, the resolutions were passed with an overwhelming majority. The votes cast in favour aggregated to 99.99% of the total votes cast. The procedure for Postal Ballot can be accessed from the Postal Ballot Notice and the Postal Ballot Form available on the Company's website i.e. [www.basf.com/in](http://on.basf.com/in) at: <http://on.basf.com/28V6vPP>

(c) Attendance of Directors at 71st AGM held during the last financial year:

All the Directors of the Company, except Mr. R. A. Shah, were present at the last AGM held on 20th August, 2015.

Mr. Narendranath J. Baliga and Mr. Rajesh Naik, being Alternate Directors to Dr. Andrea Frenzel and Dr. Rainer Diercks, respectively, were present at the last AGM held on 20th August, 2015 as invitees.

7. DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

Dr. Rainer Diercks (DIN: 01725080) was appointed as a Director of the Company on 23rd January, 2006 in the casual vacancy caused by the resignation of Dr. E. Baumgartner. Dr. Diercks has studied Chemistry at the Universities of Hamburg and Berkeley. Dr. Diercks has over 25 years of experience in the BASF Group. He was appointed as President, Inorganics Division in 2001 and thereafter President, Chemicals Research & Engineering Division in 2004. In 2007, he was appointed as Member of Board of DECHEMA e.V, Frankfurt. Since 2010, Dr. Diercks is the President of Petrochemicals Division of BASF.

Dr. Rainer Diercks does not hold any shares in the Company either in his own name or for any other person on beneficial basis. Dr. Rainer Diercks may hold shares of the parent Company BASF SE as part of the BASF Option Program.

8. DISCLOSURES

(a) The Company does not have any subsidiaries.

(b) The Company has formulated a policy on Related Party Transactions, which has been duly approved by the Board. The Policy is available on the website of the Company www.basf.com/in in the 'Investor Relations' section. All the transactions of the Company with its related parties were on arms' length basis and in the ordinary course of business. All the related party transactions have been approved by the Audit Committee and/or Board of the Company. The approval of the non-related shareholders for transactions with material related parties namely; BASF SE, BASF South East Asia Pte. Ltd and BASF Belgium Co-ordination Centre was obtained at the 71st Annual General Meeting of the Company held on 20th August, 2015. The register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval at every Board Meeting. Transactions with related parties as per requirements of Accounting Standard 18 are disclosed in Note No. 25(17) to the Accounts in the Annual Report and they are not in conflict with the interest of the Company.

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

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

- (e) The Company has complied with the mandatory requirements of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) Risk Management
The Company has a mechanism in place to inform the Board about risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.
- (g) The Company manages its foreign exchange risks by hedging its net exposure with the use of appropriate hedging instruments (e.g. forward contracts). The derivatives are used only for hedging purposes and speculation is strictly prohibited.
- (h) The Management Discussion & Analysis Report forms part of this Annual Report.

9. MEANS OF COMMUNICATION

- The Quarterly and Half-yearly Unaudited Financial results are generally published in widely circulating national and local newspapers such as 'The Economic Times' (in English) and 'Maharashtra Times' (in Marathi). These results are not sent to each household of shareholders.
- The Company's Financial results/official news releases and other important Investor related information are periodically displayed and uploaded on the Company's website, viz., www.basf.com/in in the 'Investor Relations' section.
- During the year, the Company made a presentation to the Analysts' on 12th August, 2015 and the presentation has been uploaded on the Company's website, viz., www.basf.com/in in the 'Investor Relations' section.

10. GENERAL SHAREHOLDERS INFORMATION

- (a) The Annual General Meeting of the Company will be held on Thursday, 11th August, 2016 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400021.
- (b) The Company's financial year begins on 1st April and ends on 31st March.

Financial Calendar —	Results for quarter ending June 30, 2016	1 st week of August, 2016
(tentative)	Annual General Meeting	11 th August, 2016
	Results for quarter ending September 30, 2016	1 st week of November, 2016
	Results for quarter ending December 31, 2016	4 th week of January, 2017
	Results for the year ending March 31, 2017	1 st / 2 nd week of May, 2017

- (c) Period of book closure: Friday, 5th August, 2016 to Thursday, 11th August, 2016 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend.
- (d) Dividend payment date: 16th August, 2016.
- (e) Listing on Stock Exchanges: The equity shares of the Company are listed on the following Stock Exchanges:

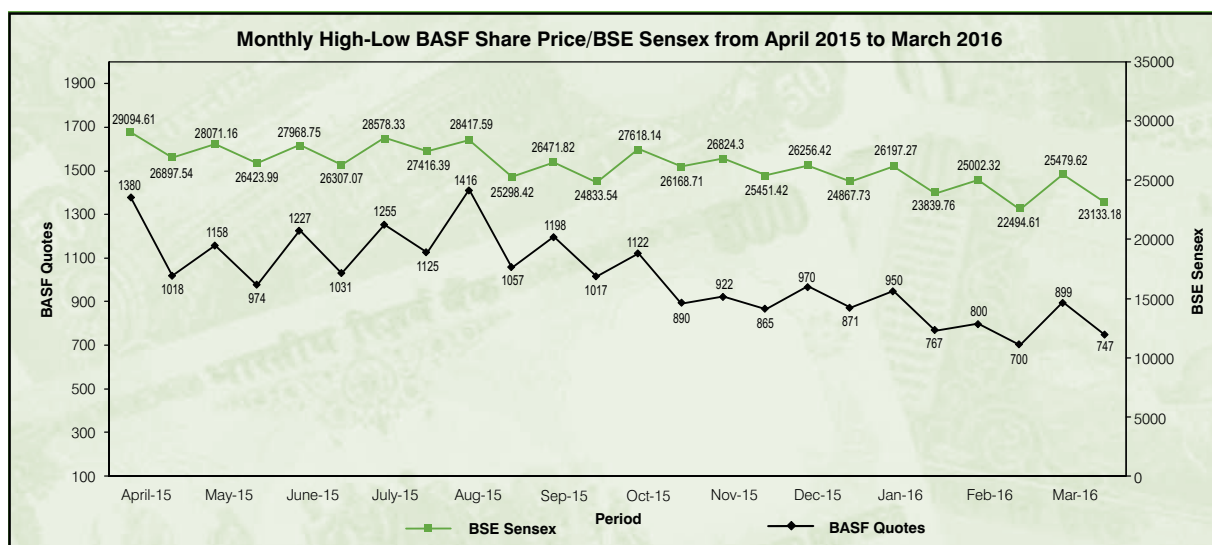
Name of the Stock Exchange	Address
BSE Ltd. (BSE)	1 st Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Mumbai 400 001
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, 5 th floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai-400 051

The Company has paid the annual listing fees for the financial year 2016-17 to both the Stock Exchanges.

- (f) Stock Code : 500042
SYMBOL : BASF
Demat ISIN No. in NSDL : INE373A01013
Demat ISIN No. in CDSL : INE373A01013
- (g) Market Price Data: High/low market price of the Company's equity shares traded on BSE Ltd. and The National Stock Exchange of India during each month in the last Financial Year ended on 31st March, 2016 is furnished along with a graph indicating the performance of Company's share price in comparison with the BSE Sensex:

SHARE PRICES (HIGH/LOW) OF BASF INDIA LIMITED FOR THE PERIOD APRIL 2015 TO MARCH 2016

AT BSE			AT NSE		
MONTH	HIGH (DATE)	LOW (DATE)	MONTH	HIGH (DATE)	LOW (DATE)
April	1380 (22.04.2015)	1018.2 (28.04.2015)	April	1338 (15.04.2015)	1020 (28.04.2015)
May	1158 (05.05.2015)	973.95 (08.05.2015)	May	1161.55 (05.05.2015)	970.10 (08.05.2015)
June	1227 (25.06.2015)	1030.75 (03.06.2015)	June	1230 (25.06.2015)	1030 (01.06.2015) (03.06.2015)
July	1255 (24.07.2015)	1125 (15.07.2015)	July	1249 (24.07.2015)	1126 (16.07.2015)
August	1416 (10.08.2015)	1057 (25.08.2015)	August	1419 (10.08.2015)	1048 (25.08.2015)
September	1198.2 (01.09.2015)	1017 (08.09.2015)	September	1199.90 (01.09.2015)	1020.10 (08.09.2015)
October	1122.3 (07.10.2015)	889.85 (30.10.2015)	October	1118 (07.10.2015)	888.65 (30.10.2015)
November	922.4 (17.11.2015)	865.1 (26.11.2015)	November	924 (04.11.2015)	861.10 (26.11.2015)
December	970.05 (24.12.2015)	871.2 (02.12.2015)	December	968 (24.12.2015)	870.05 (09.12.2015)
January	949.7 (01.01.2016)	767 (21.01.2016)	January	951.05 (01.01.2016)	770 (21.01.2016)
February	799.9 (02.02.2016)	699.9 (12.02.2016)	February	812.70 (04.02.2016)	697.50 (12.02.2016)
March	899.40 (30.03.2016)	747 (14.03.2016)	March	900 (30.03.2016)	746 (14.03.2016)



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

Registered Office & Investors Relation Centre

TSR Darashaw Limited
 Unit : BASF India Limited,
 6-10, H. M. Patrawala Industrial Estate,
 Near Famous Studio, 20, Dr. E. Moses Road,
 Mahalaxmi (West), Mumbai – 400 011.
 Tel. No. : +91 22 66568484 Extn: 411/412/413
 Fax No. : +91 22 66568494
 Email : csg-unit@tsrdarashaw.com

The details of contact persons of TSRDL are as follows:

Name	Phone Nos.	Fax Nos.
Ms. Madhuri Narang Ms. Kshama Ghole	022-6617 8541 022-6617 8552	022-6656 8494

- (i) Share Transfer System: Presently, share transfers which are received in physical form are processed by the Registrar & Share Transfer Agent and approved by the Share Transfer Committee which meets four times in a month and the share certificates are returned within a period of 15 days from the date of lodgment, subject to the transfer documents being found proper and complete in all respects.
- (j) The distribution of the shareholdings of the Company as on 31st March, 2016 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-500	42,820	94.60%	28,14,361	6.50%
501-1000	1,295	2.86%	9,89,436	2.29%
1001-2000	600	1.33%	8,55,727	1.98%
2001-3000	201	0.44%	4,96,400	1.15%
3001-4000	81	0.18%	2,88,789	0.67%
4001-5000	81	0.18%	3,72,163	0.86%
5001-10000	110	0.24%	7,79,126	1.80%
10001 and above	76	0.17%	3,66,89,638	84.76%
Total	45,264	100.00%	4,32,85,640	100.00%

- (k) The shareholding pattern of the Company as on 31st March, 2016 was as follows:

Category	No. of shares	% of total capital
Foreign Promoters	3,17,43,220	73.33%
Directors and relatives of Directors	80	0.00%
NRIs, OCBs and FIIs	8,14,719	1.88%
Financial Institutions and Mutual Funds	20,21,714	4.67%
Nationalised and other Banks	43,141	0.10%
Domestic Corporate Bodies/Trusts	20,31,684	4.69%
General Public including shares in transit	66,31,082	15.33%
Total	4,32,85,640	100%

- (l) Dematerialization of shares: The Company's equity shares are held in dematerialized form by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) under ISIN INE373A01013. As on 31st March, 2016, 4,25,75,632 equity shares, representing 98.36% of the voting capital of the Company have been dematerialized.
- (m) As of date, the Company has not issued GDRs/ADRs/Warrants or any convertible instruments.
- (n) Locations of Manufacturing Plants:

Ankleshwar, Gujarat	
Unit I Plot Nos. 6214/6216, GIDC Phase IV Ankleshwar - 393 002, Gujarat.	Unit II Plot No. 8001, GIDC Phase VI, Ankleshwar - 393 002, Gujarat.
Nellore, Andhra Pradesh	Dahej, Gujarat
Plot 1 & 1A, APIIC Industrial Park, Menakur village, Block B Naidupet Mandal, SPSR Nellore District Andhra Pradesh.	4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat - 392130.

Nalagarh, Himachal Pradesh	Kolkata, West Bengal
Khasra No. 87/1 Village: Beer Plassis Nalagarh, District: Solan, Himachal Pradesh.	Plot No. F-7, Vidyasagar Industrial Park, Kharagpur, Paschim Medinipur, West Bengal.
Mangalore, Karnataka	
Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka - 575 030.	
Navi Mumbai, Maharashtra	
Plot Nos. 12 & 13, TTC Industrial Area, MIDC, Thane – Belapur Road, Turbhe, Navi Mumbai - 400 705, Maharashtra	Plot Nos. C-68 & C-68Pt., TTC Industrial Area, MIDC Thane-Belapur Road, Turbhe, Navi Mumbai - 400 613, Maharashtra.

- (o) Address for correspondence:
Mr. Manohar Kamath
BASF India Limited,
Plot No. 37, Chandivali Farm Road,
Chandivali, Andheri (East)
Mumbai-400072, India.
Tel. : 022- 28580200/ Fax: 022- 28580299
Email : manohar.kamath@basf.com

- (p) Top Ten Shareholders of the Company as on 31st March, 2016

Sr. No.	Name of the shareholder(s)	Holdings	% in the total capital
1.	BASF SE	2,09,39,259	48.37%
2.	BASF Schweiz AG	89,07,900	20.58%
3.	BASF Construction Solutions GmbH	18,96,061	4.38%
4.	Bajaj Allianz Life Insurance Company Limited	11,76,859	2.72%
5.	General Insurance Corporation of India	6,99,999	1.62%
6.	Life Insurance Corporation of India	5,76,588	1.33%
7.	The New India Assurance Company Limited	2,68,488	0.62%
8.	Atul Limited	2,61,396	0.60%
9.	United India Insurance Company Limited	1,62,901	0.38%
10.	First State Investments (Hongkong) Limited A/C	1,57,883	0.36%

- (q) Share price: Rs. 925.10 per share on BSE Limited as on 3rd May, 2016.

11. CODE OF CONDUCT

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

The Code of Conduct for the Board Members and Senior Management personnel is available on the Company's website at: <http://on.basf.com/28Q7IOY>

All the Board members and Senior Management personnel have complied with the Code of Conduct.

The Company has complied with the corporate governance requirements specified in regulations 17 to 27 and the mandatory requirements under Schedule II and regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

On behalf of the Board of Directors

RAMAN RAMACHANDRAN, Ph.D.
Chairman & Managing Director
(DIN: 00200297)

Mumbai

Dated: 3rd May, 2016.

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

May 3, 2016

The Board of Directors
BASF India Limited
Plot No. 37, Chandivali Farm Road,
Chandivali, Andheri (East),
Mumbai- 400072

COMPLIANCE CERTIFICATE

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For BASF India Limited

RAMAN RAMACHANDRAN
Chairman & Managing Director
(DIN: 00200297)

NARENDRANATH J. BALIGA
Vice President- Finance & Corporate Processes, South Asia
(DIN: 07005484)

Certification of compliance with the Corporate Governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To

The Members of BASF India Limited

We have examined the compliance of conditions of Corporate Governance by BASF India Limited ('the Company'), for the year ended on 31 March 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Mumbai
3rd May, 2016

Independent Auditors' Report to the Members of BASF India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of BASF India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2016, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 (10) and Note 25 (20) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

3rd May, 2016

Annexure A to the Independent Auditors' Report – 31 March 2016

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except in respect of the lease cum sale agreement for one of the Company's manufacturing locations (gross block : Rs. 16.4 million and net block Rs. 11.6 million included under leasehold land), where the Company is in the process of complying with the terms of the lease cum sale agreement so as to execute the final sale agreement and obtain the right to ownership.
- ii. The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any security under Section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix to this report.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any loans or borrowings from government or dues to debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

3rd May, 2016

Appendix to the Independent Auditors' Report – 31 March 2016

Name of the Statute	Nature of the dues	Amounts (in million)	Amount paid in dispute (in million)	Period	Forum where the dispute is pending for CARO
Central Excise Act, 1944	Duty interest and penalty	0.85	—	2014-2015	Additional Commissioner
		1.83	—	1982-1983 2008-2009 2011-2012	Assistant Commissioner of Central Excise
		0.66	—	2007-2008	Central Excise & Service Tax Appellate Tribunal
		3.31	—	2007-2008	Commissioner of Central Excise
		2.04	—	2008-2009	Commissioner (Appeals)
		0.51	—	2009-2010 2010-2011	Deputy Commissioner of Central Excise
		3.13	—	1992-1993 2000-2001	High Court
		12.33	—		Total
The Customs Act, 1962	Duty interest and penalty	0.89	—	2012-2013	Assistant Commissioner of Central Excise
		12.10	—	1992-1993	Central Excise & Service Tax Appellate Tribunal
		95.00	—	2005-2006	Supreme Court
		107.99	—		Total
The Service Tax Act, 1975	Tax, Interest and Penalty	0.04	—	2008-2010 2010-2011	Asst. Commissioner-Central Excise
		8.16	—	2005-2010 2009-2010 Apr. 2008 to Jan. 2013 Jan. 2005 to Mar. 2008	Central Excise & Service Tax Appellate Tribunal
		1.56	—	Dec. 2007 – Sep. 2009	Commissioner (Appeals)
		21.80	—	2005-2006 to 2009-2010	Commissioner of Central Excise
		13.87	—	2006-2010 2008-2009 to 2012-2013 2009-2010	Commissioner of Service Tax
		0.12	—	Jan. 2012 to Aug. 2014	Asst. Commissioner-Central Excise
		45.55	—		Total
State and Central Sales Tax Act	Non Submission of forms	0.38	—	2006-2007	Additional Commissioner of Sales Tax
		0.33	—	2012-2013	Assessing Officer
		26.51	—	2013-2014	Assistant Commissioner of Commercial Tax
		4.02	—	2002-2003 2007-2008	Commissioner of Sales Tax
		8.09	0.20	2012-2013 2011-2012 2010-2011	Deputy Commissioner of Sales Tax
		19.77	8.10	2011-2012 2010-2011 2008-2009 2009-2010	Deputy Commissioner of Sales Tax (Appeals)
		3.22	—	2005-2006 2008-2009	Joint Commissioner of Sales Tax
		169.01	21.90	2006-2007 2007-2008 2008-2009 2009-2010 2010-2011 2011-2012	Joint Commissioner of Sales Tax (Appeals)
231.33	30.20		Total		

Name of the Statute	Nature of the dues	Amounts (in million)	Amount paid in dispute (in million)	Period	Forum where the dispute is pending for CARO
	Tax interest and penalty	1.67	—	2006-2007	Additional Commissioner of Sales Tax
		0.14	—	2011-2012	Assistant Commissioner of Sales Tax
		1.56	1.07	2009-2010 2010-2011	Deputy Commissioner of Sales Tax
		56.86	—	2007-2008 2008-2009 2009-2010 2011-2012 2010-2011	Deputy Commissioner of Sales Tax (Appeals)
		20.72	0.74	2013-2014 2006-2007 2005-2006	Joint Commissioner of Sales Tax
		364.16	38.97	2006-2007 2007-2008 2008-2009 2009-2010 2010-2011 2011-2012	Joint Commissioner of Sales Tax (Appeals)
		1.61	0.07	2006-2007 2007-2008 1993-1994 1994-1995 2004-2005	Tribunal
		7.71	—	2002-2003	Commissioner of Sales Tax
		454.43	40.85		Total
		The Income Tax Act, 1961	Tax interest and penalty	0.02	—
50.73	37.50			2006-2007 2008-2009 2009-2010 2010-2011	Commissioner of Income Tax (Appeals)
54.50	7.60			2009-2010	Deputy Commissioner of Income Tax
122.70	—			2012-2013	Dispute Resolution Panel
2.70	2.70			2000-2001 2003-2004 2006-2007	High Court
476.41	233.67			2000-2001 2002-2003 2003-2004 2006-2007 2007-2008 2008-2009 2009-2010 2010-2011 2011-2012	Income Tax Appellate Tribunal
707.06	281.47				Total

Annexure B to the Independent Auditors' Report of even date on the Financial Statements of BASF India Limited – 31 March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of BASF India Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

3rd May, 2016

Balance Sheet as at March 31, 2016

Rs. in million

	Notes	March 31, 2016	March 31, 2015
EQUITY & LIABILITIES			
Shareholders' funds:			
Share capital	2	432.9	432.9
Reserves and surplus	3	11,180.1	11,187.7
		11,613.0	11,620.6
Non-current liabilities			
Long term borrowings	4	9,255.7	9,522.0
Other long term liabilities	5	1,546.6	2,404.5
Long term provisions	6	315.1	310.3
		11,117.4	12,236.8
Current liabilities			
Short term borrowings	7	4,236.5	6,480.0
Trade payables			
Dues to Micro and Small Enterprises	25(13)	35.7	18.8
Due to others		10,370.6	9,130.9
Other current liabilities	8	1,660.1	1,869.6
Short term provisions	6	299.2	322.0
		16,602.1	17,821.3
Total		39,332.5	41,678.7
ASSETS			
Non-current assets			
Fixed assets:			
Tangible assets	9A	13,335.3	13,402.7
Intangible assets	9B	46.6	108.2
Capital work-in-progress	9C	551.4	741.8
		13,933.3	14,252.7
Deferred tax assets (net)	10	—	—
Long term loans and advances	11	1,859.6	1,404.2
Other non-current assets	12	753.8	1,322.6
		16,546.7	16,979.5
Current assets			
Inventories	13	8,075.8	9,907.7
Trade receivables	14	10,382.3	9,304.5
Cash and bank balances	15	31.7	1,276.9
Short-term loans and advances	16	3,719.0	3,599.3
Other current assets	17	577.0	610.8
		22,785.8	24,699.2
Total		39,332.5	41,678.7

Significant accounting policies

1

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

2-25

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 3rd May, 2016

For and on behalf of Board of Directors of

BASF India Limited

(CIN No.: L33112MH1943FLC003972)

Raman Ramachandran, Ph.D.

Chairman & Managing Director

DIN: 00200297

Narendranath J. Baliga

Chief Financial Officer

DIN: 07005484

Pradeep Chandan

Company Secretary

FCS No.: 2852

R. R. Nair

DIN: 00202551

R. A. Shah

DIN: 00009851

Pradip P. Shah

DIN: 00066242

Arun Bewoor

DIN: 00024276

Rajesh Naik

DIN: 06935998

Directors

Mumbai, 3rd May, 2016

Statement of Profit and Loss for the year ended March 31, 2016

Rs. in million

	Notes	March 31, 2016	March 31, 2015
Revenue from operations:			
Sale of goods	25(9)	49,521.1	48,631.6
Less: Excise duty		4,096.1	3,933.8
Sale of goods (net)		45,425.0	44,697.8
Service income		1,916.8	2,251.0
Other operating revenues		175.5	108.8
		47,517.3	47,057.6
Other income	18	29.0	99.0
		47,546.3	47,156.6
Expenditure:			
Cost of materials consumed	19	20,321.9	21,529.6
Purchase of traded goods	25(8)	13,452.8	13,080.6
Changes in inventories	20	982.5	337.7
Employee benefit expenses	21	3,286.1	3,444.1
Finance costs	22	1,007.3	955.6
Depreciation and amortisation	23	1,754.4	1,424.2
Other expenses	24	8,417.9	7,335.3
		49,222.9	48,107.1
(Loss) before exceptional item and tax		(1,676.6)	(950.5)
Exceptional items	25(14)	1,721.1	291.9
Profit/(Loss) before tax		44.5	(658.6)
Tax expenses:			
Current tax (MAT)		30.5	—
MAT Credit		(30.5)	—
Deferred tax charge		—	10.4
		—	10.4
Profit/(Loss) after tax		44.5	(669.0)
Weighted average number of equity shares outstanding during the year		43,284,958	43,284,958
Basic and diluted earnings per share (in Rs.)		1.03	(15.45)
Basic and diluted earnings per share (in Rs.) (before exceptional items)		(38.73)	(22.20)
Face value per share (in Rs.)		10.00	10.00

Significant accounting policies

1

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

2-25

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 3rd May, 2016

For and on behalf of Board of Directors of

BASF India Limited

(CIN No.: L33112MH1943FLC003972)

Raman Ramachandran, Ph.D.

Chairman & Managing Director

DIN: 00200297

Narendranath J. Baliga

Chief Financial Officer

DIN: 07005484

Pradeep Chandan

Company Secretary

FCS No.: 2852

R. R. Nair

DIN: 00202551

R. A. Shah

DIN: 00009851

Pradip P. Shah

DIN: 00066242

Arun Bewoor

DIN: 00024276

Rajesh Naik

DIN: 06935998

Directors

Mumbai, 3rd May, 2016

Cash Flow Statement for the year ended March 31, 2016

Rs. in million

	March 31, 2016		March 31, 2015	
A. Cash flow from operating activities				
Net profit/(loss) before tax		44.5		(658.6)
Adjustments for:				
Exceptional items (Refer note 25 (14))	(1,721.1)		(291.9)	
Depreciation/amortisation	1,754.4		1,424.2	
Finance costs	1,007.3		955.6	
Loss on sale of fixed assets (net)	16.0		3.3	
Interest income	(18.2)		(63.8)	
Unrealised loss on foreign exchange (net)	463.0		99.2	
Bad debts written off	18.6		17.1	
Provision for doubtful debts	98.3	1,618.3	15.7	2,159.4
Operating cash flow before working capital changes		1,662.8		1,500.8
(Increase) in Trade receivables	(1,237.9)		(674.1)	
(Increase) in Loans and advances	(379.0)		(267.2)	
Decrease/(Increase) in Other current and non-current assets	600.1		(35.4)	
Decrease in Inventories	1,703.9		1,552.4	
(Decrease)/Increase in Other long term liabilities	(857.9)		493.8	
Increase/(Decrease) in Long term provisions	(47.3)		(224.9)	
Increase/(Decrease) in Trade payables	1,349.3		(2,642.3)	
(Decrease) in Other current liabilities	(284.5)		(661.9)	
(Decrease)/Increase in Short-term provisions	185.6	1,032.3	150.4	(2,309.2)
Cash generated from/(used in) operations		2,695.1		(808.5)
Direct taxes paid (net)		(165.8)		(154.9)
Net cash generated from/(used in) operating activities		2,529.3		(963.4)
B. Cash flow from investing activities				
Acquisition of fixed assets		(1,476.2)		(2,070.9)
Realisation on sale of fixed assets		892.9		353.1
Divestiture of textile business		1,040.0		—
Interest received		21.0		87.3
Net cash generated from/(used in) investing activities		477.7		(1,630.5)
C. Cash flow from financing activities				
(Repayment) of/Proceeds from short term borrowings		(2,243.5)		3,346.7
Proceeds from long term borrowings		—		1,743.9
Repayment of long term borrowings		(778.8)		(122.1)
Interest paid		(1,021.4)		(1,044.6)
Dividend paid		(173.2)		(174.4)
Tax paid on above dividend		(35.3)		(29.4)
Net cash (used in)/generated from financing activities		(4,252.2)		3,720.1
Net (decrease)/increase in cash and cash equivalents		(1,245.2)		1,126.3

Cash Flow Statement for the year ended March 31, 2016

Rs. in million

	March 31, 2016		March 31, 2015	
Opening cash and cash equivalents				
Cheques on hand		76.3		85.3
Bank balances		1,200.0		64.7
		1,276.3		150.0
Closing cash and cash equivalents				
Cheques on hand		—		76.3
Bank balances		31.1		1,200.0
(Refer Note 15 for cash and cash equivalents)		31.1		1,276.3
Restricted cash and cash equivalents		7.3		8.3

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

The accompanying notes form an integral part of the financial statements. **2-25**

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 3rd May, 2016

For and on behalf of Board of Directors of

BASF India Limited

(CIN No.: L33112MH1943FLC003972)

Raman Ramachandran, Ph.D.

Chairman & Managing Director

DIN: 00200297

Narendranath J. Baliga

Chief Financial Officer

DIN: 07005484

Pradeep Chandan

Company Secretary

FCS No.: 2852

R. R. Nair DIN: 00202551

R. A. Shah DIN: 00009851

Pradip P. Shah DIN: 00066242

Arun Bewoor DIN: 00024276

Rajesh Naik DIN: 06935998

Directors

Mumbai, 3rd May, 2016

Notes to the Financial Statements for the year ended March 31, 2016

1. Significant Accounting Policies

(a) Basis of preparation

The financial statements of BASF India Limited ('the Company') have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the provisions of the Companies Act, 2013 ('the Act') and accounting standards notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in Millions of Indian Rupees.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

(b) Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialise.

(c) Revenue Recognition

Sales of products and Indent commission are recognised when risks and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods and there is no significant uncertainty regarding amount of the consideration that will be derived. Revenue from technical and service charges are recognised as and when the services are provided. Sales include excise duty but exclude trade discounts, rebates and sales tax. Interest income is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

(d) Fixed assets and depreciation

Fixed assets are recorded at cost net of cenvat credit wherever eligible and are stated net of accumulated depreciation and impairment losses, if any. Cost includes all expenses attributable to the construction, acquisition and installation (including eligible borrowing cost) till the date the asset is ready to use.

Depreciation on fixed assets is calculated on a straight-line basis considering the following useful lives estimated by the management based on technical evaluation which are different than those indicated in Schedule II of the Act (Also refer note 9(A))

Buildings	—	30 years
Plant & Machinery	—	5 to 20 years
Computers	—	4 years
Vehicles	—	4 years
Furniture and Fixtures	—	8 years
Office Equipment	—	5 years

Assets individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions/deletions is calculated on a monthly *pro-rata* basis. Accelerated depreciation is charged on certain assets based on periodic review of estimated useful life.

Leasehold land and Leasehold Improvements are amortised over the period of lease or useful life whichever is lower.

(e) Intangible assets and amortization

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. Goodwill arising on acquisition is being amortized over a period of five years. Software is being amortized over a period of four years.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. If at the Balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Notes to the Financial Statements for the year ended March 31, 2016

(g) **Borrowing costs**

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(h) **Inventories**

Inventories are valued at cost or estimated net realisable value, whichever is lower. The costs are determined on weighted average basis. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Excise duty on goods manufactured by the Company and remaining in inventory is included as a part of valuation of finished goods.

(i) **Foreign Currency**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items in foreign currencies are stated at the closing exchange rate. Gains/losses on conversion/translation are recognised in the Statement of Profit and Loss. All forward exchange contracts are backed by underlying transactions and the premium or discount arising at inception of such a forward exchange contract is amortised as expense or income over the life of the contract and the exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. With effect from 1st April 2012, the Company has availed of the option provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011. Consequently, the exchange differences arising on long-term foreign currency borrowings attributable to the acquisition of depreciable assets, which were until then being recognized in the Statement of Profit and Loss, are being adjusted in the cost of the depreciable asset with effect from 1 April, 2012, and are being depreciated over the balance life of such assets. In other cases, if any, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term monetary asset/liability. Pursuant to this, foreign exchange differences amounting to **Rs. 537.9 million** (Previous year Rs. 536.0 million) have been adjusted in the cost of the depreciable fixed assets/capital work-in-progress with corresponding increase in profits for the year. (Previous year decrease in loss for the year.)

(j) **Employee Benefits**

(A) **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the Statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

(B) **Post Employment Employee Benefits**

Company's contributions to defined contribution plans such as Superannuation Fund, Family Pension Fund, Group Mediciam Insurance Policy, Employee State Insurance and Labour Welfare Fund are recognized in the Statement of Profit and Loss on an accrual basis.

Company's liability towards Gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

Eligible employees receive benefits from a provident fund which is a defined benefit/contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the BASF India Limited Provident Fund Trust ('the Trust'). The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations.

(C) **Other Long Term Employee Benefits**

Company's liabilities towards Compensated Absences and Long Service Awards to employees are determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

(D) **Termination Benefits**

Compensation paid to employees under Voluntary Retirement Scheme/Severance payments are recognised as an expense when employees accept the scheme/payments.

Notes to the Financial Statements for the year ended March 31, 2016

(k) **Assets taken on lease**

Lease rentals payable as per agreements for assets taken on operating lease are charged as expenditure on straight line basis over the lease term.

(l) **Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with relevant provisions of Income Tax Act, 1961.

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of Minimum Alternate Tax (MAT) under the Income tax Act, 1961, the Company recognises MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

Deferred tax charge or credit and correspondingly deferred tax liability or asset is recognised using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In the event of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount i.e. reasonable/virtually certain (as the case may be) to be realised.

(m) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when there is a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

(n) **Research & Development Expenditure**

Research expenditure is recognised as an expense in the period in which it is incurred.

(o) **Earnings per share**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

Notes to the Financial Statements as at March 31, 2016

2. Share capital

Rs. in million

	March 31, 2016	March 31, 2015
Authorised:		
54,359,715 (Previous Year – 54,359,715) Equity Shares of Rs. 10/- each	543.6	543.6
Issued:		
43,285,640 (Previous Year – 43,285,640) Equity Shares of Rs. 10/- each	432.9	432.9
Subscribed and paid-up:		
43,284,958 (Previous Year – 43,284,958) Equity Shares of Rs. 10/- each fully paid	432.9	432.9
	432.9	432.9

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

Particulars	March 31, 2016		March 31, 2015	
	Number	Rs. in million	Number	Rs. in million
Shares outstanding at the beginning and at the end of the year	43,284,958	432.9	43,284,958	432.9

b. Rights, preferences and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Equity shares held by Ultimate Holding Company/Holding Company and/or their associates or subsidiaries

Name of Shareholder	Relationship	March 31, 2016	March 31, 2015
BASF Societas Europaea ('SE')	Ultimate Holding Company	20,939,259	20,939,259
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	8,907,900
BASF Construction Solutions GmbH	Subsidiary of Ultimate Holding Company	1,896,061	1,896,061

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

Name of Shareholder	Relationship	March 31, 2016		March 31, 2015	
		Number	Percentage	Number	Percentage
BASF Societas Europaea ('SE')	Ultimate Holding Company	20,939,259	48.37%	20,939,259	48.37%
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	20.58%	8,907,900	20.58%

e. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

- **2,515,653** equity shares were allotted to the erstwhile shareholders of BASF Coatings India Private Limited and BASF Construction Chemicals India Private Limited consequent to the Scheme of Amalgamation from Appointed Date: April 1, 2010.

Notes to the Financial Statements as at March 31, 2016

3. Reserves and surplus

Rs. in million

	March 31, 2016	March 31, 2015
Securities premium account		
Balance at beginning of the year	646.5	646.5
Balance at end of the year	646.5	646.5
Amalgamation reserve		
Balance at beginning of the year	371.7	371.7
Balance at end of the year	371.7	371.7
General reserve		
Balance at beginning of the year	10,046.9	10,050.6
Less: Adjustment on account of depreciation as per schedule II (Refer Note 5 of 9A)	—	(3.7)
Balance at end of the year	10,046.9	10,046.9
Surplus		
Balance at beginning of the year	122.6	1,000.0
Add: Net Profit/(Loss) for the year	44.5	(669.0)
Less: Proposed dividend @ Re. 1 per equity share (Previous year Rs. 4 per equity share)	(43.3)	(173.1)
Less: Tax on proposed dividend	(8.8)	(35.3)
Balance at end of the year	115.0	122.6
	11,180.1	11,187.7

4. Long term borrowings (Unsecured)

	March 31, 2016	March 31, 2015
Term Loans from related parties		
— External Commercial Borrowings	9,255.7	9,522.0
	9,255.7	9,522.0
Terms of repayment		
The Company has taken External Commercial Borrowings from a fellow subsidiary, BASF Belgium Coordination Center Comm. V. Interest is payable half yearly on 15 th June and 15 th December at 4.93% p.a. The repayment schedule is as follows:		

Financial Year	Amount Payable in USD (Million) March 31, 2016	Amount Payable in USD (Million) March 31, 2015
2017-18	33.0	45.0
2018-19	76.5	76.5
2019-20	5.0	28.5
2020-21	23.5	—
Total	138.0	150.0

Notes to the Financial Statements as at March 31, 2016

5. Other long term liabilities

Rs. in million

	March 31, 2016	March 31, 2015
Others		
— Forward premium payable for External Commercial Borrowings	1,332.1	1,911.9
— Deposits from customers	65.0	276.8
— Accrual for employee benefits	64.3	89.1
— Accrual for expenses	84.8	123.0
— Others	0.4	3.7
	1,546.6	2,404.5

6. Provisions

	Long term		Short term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for employee benefits				
— Compensated absences	285.0	281.5	47.1	47.8
— Long service award	30.1	28.8	3.0	4.1
— Gratuity	—	—	64.2	61.7
Other provisions (Refer note 25 (20))	—	—	132.8	—
Proposed dividend	—	—	43.3	173.1
Corporate tax on dividend	—	—	8.8	35.3
	315.1	310.3	299.2	322.0

7. Short term borrowings (Unsecured)

	March 31, 2016	March 31, 2015
Overdraft facilities from banks	236.5	—
Short term loan from banks	—	3,800.0
Commercial papers	4,000.0	2,680.0
	4,236.5	6,480.0

Overdraft facilities and Short term loan from banks carry average interest ranging from 8% to 10% p.a. (Previous year 9% to 10% p.a.) computed on daily basis on the actual amount utilised and is repayable on demand.

Commercial papers carry average interest ranging from 7% to 9% p.a. (Previous year 8% to 9% p.a.) repayable on maturity in April/May 2016. (Previous year June/July 2015)

8. Other current liabilities

	March 31, 2016	March 31, 2015
Capital creditors	209.8	120.6
Interest accrued but not due on borrowings	136.9	151.0
Advances received from customers	354.5	671.8
Unpaid dividends*	7.3	7.4
Other payables		
— In the nature of statutory dues	157.0	137.7
— In the nature of accrual of expenses	794.6	781.1
	1,660.1	1,869.6

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

Notes to the Financial Statements as at March 31, 2016

9(A). Tangible assets

Rs. in million

	Gross Block					Depreciation					Net Block	Net Block
	As at April 1, 2015	Additions	Deductions	Adjustments (Refer Note 3 & 4)	As at March 31, 2016	As at April 1, 2015	Depreciation for the year	Deductions	Adjustment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Freehold land	93.1	—	—	—	93.1	—	—	—	—	—	93.1	93.1
Leasehold land	297.9	9.3	—	—	307.2	22.9	13.2	—	—	36.1	271.1	275.0
Buildings (Note 1 & 5)	3,454.4	149.6	155.6	88.0	3,536.4	648.0	161.7	98.7	—	711.0	2,825.4	2,806.4
Plant & machinery and computers (Note 2)	15,276.1	758.1	121.0	569.4	16,482.6	5,410.6	1,402.0	99.3	—	6,713.3	9,769.3	9,865.5
Furniture and fixtures	430.9	67.0	47.1	—	450.8	295.4	35.9	39.6	—	291.7	159.1	135.5
Vehicles	165.2	37.7	22.9	—	180.0	90.8	31.3	21.8	—	100.3	79.7	74.4
Office equipments	328.0	24.7	4.5	—	348.2	175.2	39.9	4.5	—	210.6	137.6	152.8
Total	20,045.6	1,046.4	351.1	657.4	21,398.3	6,642.9	1,684.0	263.9	—	8,063.0	13,335.3	13,402.7

9(B). Intangible assets

Rs. in million

	Gross Block					Amortisation					Net Block	Net Block
	As at April 1, 2015	Additions	Deductions	Adjustments	As at March 31, 2016	As at April 1, 2015	Amortisation for the year	Deductions	Adjustment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Software	205.8	8.8	—	—	214.6	114.7	53.3	—	—	168.0	46.6	91.1
Goodwill	68.8	—	—	—	68.8	51.7	17.1	—	—	68.8	—	17.1
Total	274.6	8.8	—	—	283.4	166.4	70.4	—	—	236.8	46.6	108.2

9(C). Capital work-in-progress

Rs. in million

	As at April 1, 2015	Additions	Amounts Capitalised	Deductions (Refer Note 6)	As at March 31, 2016
Capital work-in-progress (Note 3 and 4)	741.8	1,655.8	1,712.6	133.6	551.4

Notes:

- Buildings include **Rs. 0.03 million** (Previous Year Rs. 0.03 million) being the value of shares in various co-operative societies.
- Plant & machinery includes Gross Block **Rs. 73.1 million** (Previous Year Rs. 73.1 million), Accumulated Depreciation - **Rs. 73.1 million** (Previous Year Rs. 73.1 million) and Net Block **Rs. Nil** (Previous Year Rs. Nil) being the Company's share of an asset jointly owned with another company.
- Borrowing costs of **Rs. 12.2 million** (net of interest income **Rs. 0.3 million**) (Previous Year Rs. 105.5 million (net of interest income Rs. 26.0 million)) have been included in the additions to the capital work-in-progress/ fixed assets.
- Exchange differences of **Rs. 537.9 million** (Previous Year Rs. 536.0 million) has been included in the additions to the capital work-in-progress/ fixed assets post the exercise of option in terms of Para 46A of AS11 (pursuant to notification dated 29 December, 2011 issued by the Ministry of Corporate Affairs.) (Refer note 1(i) of significant accounting policies).
- Total assets include buildings having net book value of **Rs. 12.64 million** (Previous Year Rs. 4.3 million) for residential apartments and free hold land having net book value of **Rs. 64.8 million** (Previous Year Rs. Nil) held for sale.
- Deductions to capital work-in-progress represents amount recovered from group companies.

Notes to the Financial Statements as at March 31, 2016

9(A). Tangible assets

Rs. in million

	Gross Block					Depreciation					Net Block	Net Block
	As at April 1, 2014	Additions	Deductions	Adjustment (Refer Note 3 & 4)	As at March 31, 2015	As at April 1, 2014	Depreciation for the year	Deductions	Adjustment (Refer Note 5)	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Freehold land	93.1	—	—	—	93.1	—	—	—	—	—	93.1	93.1
Leasehold land	275.6	22.3	—	—	297.9	19.7	3.2	—	—	22.9	275.0	255.9
Buildings (Note 1 and 6)	2,066.5	1,373.9	66.0	80.0	3,454.4	567.9	124.4	44.3	—	648.0	2,806.4	1,498.6
Plant & machinery and computers (Note 2)	7,765.1	7,467.9	463.9	507.0	15,276.1	4,724.9	1,110.8	425.1	—	5,410.6	9,865.5	3,040.2
Furniture and fixtures	366.7	93.8	29.6	—	430.9	269.6	52.3	26.5	—	295.4	135.5	97.1
Vehicles	117.5	49.9	2.2	—	165.2	69.6	23.4	2.2	—	90.8	74.4	47.9
Office equipment	188.3	145.5	5.8	—	328.0	131.3	45.3	5.1	3.7	175.2	152.8	57.0
Total	10,872.8	9,153.3	567.5	587.0	20,045.6	5,783.0	1,359.4	503.2	3.7	6,642.9	13,402.7	5,089.8

9(B). Intangible assets

Rs. in million

	Gross Block					Amortisation					Net Block	Net Block
	As at April 1, 2014	Additions	Deductions	Adjustment	As at March 31, 2015	As at April 1, 2014	Amortisation for the year	Deductions	Adjustment	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Software	203.8	2.0	—	—	205.8	63.7	51.0	—	—	114.7	91.1	140.1
Goodwill	68.8	—	—	—	68.8	37.9	13.8	—	—	51.7	17.1	30.9
Total	272.6	2.0	—	—	274.6	101.6	64.8	—	—	166.4	108.2	171.0

9(C). Capital work-in-progress

Rs. in million

	As at April 1, 2014	Additions	Amounts Capitalised	Adjustment (Refer Note 3 and 4)	As at March 31, 2015
Capital work-in-progress (Note 3 and 4)	7,921.4	2,506.7	9,740.3	54.0	741.8

Notes:

- Buildings include **Rs. 0.03 million** (Previous Year Rs. 0.03 million) being the value of shares in various co-operative societies.
- Plant & machinery includes Gross Block **Rs. 73.1 million** (Previous Year Rs. 73.1 million), Accumulated Depreciation - **Rs. 73.1 million** (Previous Year Rs. 73.1 million) and Net Block **Rs. Nil** (Previous Year Rs. Nil) being the Company's share of an asset jointly owned with another company.
- Borrowing costs of **Rs. 105.5 million** (net of interest income **Rs. 26.0 million**) (Previous Year Rs. 262.3 million (net of interest income Rs. 32.6 million)) have been included in the additions to the capital work-in-progress/ fixed assets.
- Exchange differences of **Rs. 536.0 million** (Previous Year Rs. 354.4 million) has been included in the additions to the capital work-in-progress/ fixed assets post the exercise of option in terms of Para 46A of AS11 (pursuant to notification dated 29 December, 2011 issued by the Ministry of Corporate Affairs.) (Refer note 1(i) of significant accounting policies).
- With effect from 1 April, 2014, considering the requirements of Schedule II the management has reassessed the remaining useful life of its fixed assets based on an internal technical evaluation. Accordingly, **Rs. 3.7 million** is adjusted in opening reserves of the Company in respect of such assets whose net book value had become Rs. Nil as at that date and the additional depreciation on assets whose useful life has been reassessed is **Rs. 18.3 million**.
- Building includes Net book Value of **Rs. 4.3 million** (Previous Year Rs. Nil) residential apartments held for sale.

Notes to the Financial Statements as at March 31, 2016

10. Deferred tax assets (Net)

Rs. in million

	March 31, 2016	March 31, 2015
Deferred tax assets		
Timing differences on account of:		
Provision for doubtful debts	138.5	104.4
Expenditure under Voluntary Retirement Scheme	—	21.7
Carried forward losses	832.5	731.5
Others (Amounts allowable on payment basis under the Income Tax Act, 1961)	218.8	162.4
Total Deferred Tax Assets	1,189.8	1,020.0
Deferred Tax Liabilities		
Timing differences on account of:		
Fixed assets/depreciation	(1,189.8)	(1,020.0)
Total Deferred Tax liabilities	(1,189.8)	(1,020.0)
Deferred tax assets (net)	—	—
	—	—

In the absence of virtual certainty of realisation, deferred tax assets on carry forward losses and other timing differences have been recognised to the extent of deferred tax liability.

11. Long-term loans and advances

(Unsecured, considered good)

	March 31, 2016	March 31, 2015
Capital advances	91.2	60.9
Security deposits	231.7	229.8
Other loans and advances		
— Prepaid expenses	15.0	17.1
— Refund receivable from government authorities	461.2	281.9
— Employee advances	1.7	1.8
— Deposit placed with tax authorities	151.9	71.6
— Advance tax (Net of provisions for tax Rs. 6,513 million (Previous year Rs. 6,483 million))	876.4	741.1
— MAT credit entitlement	30.5	—
	1,859.6	1,404.2

12. Other non-current assets

(Unsecured, considered good)

	March 31, 2016	March 31, 2015
Long term trade receivables	44.1	44.1
Others		
— Unamortised premium on forward contracts	709.7	1,278.5
	753.8	1,322.6

Long term trade receivables represent the value of materials filled in CED tank with the customers, which is receivable upon termination of the contract.

13. Inventories

(Valued at lower of cost and net realisable value)

	March 31, 2016	March 31, 2015
Raw materials (includes goods in transit Rs. 1,008 million (Previous year Rs. 1,490 million))	2,938.2	3,794.3
Finished goods	2,338.6	3,339.2
Traded goods (includes goods in transit Rs. 846 million (Previous year Rs. 1,159 million))	2,638.5	2,625.6
Stock-in-process	43.4	38.2
Others		
— Packing materials	110.3	103.2
— Fuel oil	6.8	7.2
	8,075.8	9,907.7

Notes to the Financial Statements as at March 31, 2016

14. Trade receivables

Rs. in million

	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date due for payment		
Considered good:		
Secured	5.2	3.5
Unsecured	65.5	69.2
	70.7	72.7
Considered doubtful	369.4	282.5
	440.1	355.2
Less: Provision for doubtful receivables	369.4	282.5
	70.7	72.7
Other receivable		
Considered good:		
Secured	82.8	135.5
Unsecured	10,228.8	9,096.3
	10,311.6	9,231.8
Considered doubtful	30.6	19.2
	10,342.2	9,251.0
Less: Provision for doubtful receivables	30.6	19.2
	10,311.6	9,231.8
	10,382.3	9,304.5

15. Cash and bank balances

	March 31, 2016	March 31, 2015
<i>Cash and cash equivalents</i>		
Cheques on hand	—	76.3
Balances with banks:		
— In deposit accounts (with original maturity of 3 months or less)	—	975.0
— In current accounts	23.8	216.7
— In unpaid dividend account	7.3	8.3
<i>Other bank balances</i>		
— Deposits with original maturity of more than three months but less than twelve months	0.6	0.6
	31.7	1,276.9
Of the above		
Restricted cash and cash equivalents (unpaid dividend account)	7.3	8.3

16. Short-term loans and advances (Unsecured, considered good)

	March 31, 2016	March 31, 2015
<i>To related parties</i>		
Receivable from group companies*	41.1	13.8
<i>To parties other than related parties</i>		
Advances to vendors	687.5	439.9
Employee advance	11.1	4.9
Prepaid expenses	64.6	135.6
Security deposits	205.2	237.3
Balances with excise authorities	2,709.5	2,767.8
	3,719.0	3,599.3

* Includes dues from holding company and fellow subsidiaries.

17. Other current assets (Unsecured, considered good)

	March 31, 2016	March 31, 2015
Unamortised premium on forward contracts	577.0	608.3
Interest accrued but not due on fixed deposits	—	2.5
	577.0	610.8

Notes to the Financial Statements for the year ended March 31, 2016

18. Other income

Rs. in million

	March 31, 2016	March 31, 2015
Interest income (Gross)	18.5	89.8
Less: Transferred to capital work-in-progress	(0.3)	(26.0)
Other non operating income	10.8	35.2
	29.0	99.0

19. Cost of materials consumed

	March 31, 2016	March 31, 2015
Raw materials:		
Stock at commencement	3,794.3	4,960.8
Add: Purchases	18,562.7	19,605.0
Less: Stock at close	(2,938.2)	(3,794.3)
	19,418.8	20,771.5
Packing materials consumed	903.1	758.1
	20,321.9	21,529.6

20. Changes in inventories

	March 31, 2016	March 31, 2015
Stock at close		
Finished goods	2,338.6	3,339.2
Traded goods	2,638.5	2,625.6
Stock-in-process	43.4	38.2
Sub-total	5,020.5	6,003.0
Stock at commencement		
Finished goods	(3,339.2)	(3,026.4)
Traded goods	(2,625.6)	(3,275.0)
Stock-in-process	(38.2)	(39.3)
Sub-total	(6,003.0)	(6,340.7)
	982.5	337.7

21. Employee benefit expenses

	March 31, 2016	March 31, 2015
Salaries, wages, bonus	2,795.3	2,909.5
Contribution to provident and other funds (Refer Note 25 (15))	236.4	299.0
Staff welfare	254.4	265.6
Less: Transferred to capital work-in-progress	—	(30.0)
	3,286.1	3,444.1

Notes to the Financial Statements for the year ended March 31, 2016

22. Finance costs

Rs. in million

	March 31, 2016	March 31, 2015
Interest expenses		
— On short term borrowings	379.9	353.7
— On overdrafts	157.9	243.8
— On others	490.7	489.6
Less: Transferred to capital work-in-progress	(21.2)	(131.5)
	1,007.3	955.6

23. Depreciation and amortisation

	March 31, 2016	March 31, 2015
Depreciation expense	1,684.0	1,359.4
Amortisation expense	70.4	64.8
	1,754.4	1,424.2

24. Other expenses

	March 31, 2016	March 31, 2015
Freight and handling charges	1,458.3	1,300.3
Power and fuel	1,144.0	987.9
Legal and Professional fees (Refer note 25 (5))	753.4	652.5
Communication/system expenses	984.0	790.8
Foreign exchange loss (net)	366.7	303.8
Sales promotion expenses	446.8	548.1
Travelling	443.2	490.5
Rent (Refer note 25 (12))	580.3	508.2
Royalty	471.1	405.7
Consumption of stores and spare parts	286.3	225.6
Service fees	142.9	126.3
Repairs — Machinery	191.7	147.6
— Buildings	106.6	80.3
— Others	43.8	45.9
Insurance	84.9	65.3
Rates and taxes		
— Excise duty	(19.6)	46.1
— Others	190.4	16.7
Bad debts written off	18.6	17.1
Provision for doubtful debts (net)	98.3	15.7
Loss on sale of fixed assets (net)	16.0	3.3
Miscellaneous expenses	603.6	581.0
Less: Transferred to capital work-in-progress	—	(36.0)
Corporate Social responsibility expenses (Refer note 25 (21))	6.6	12.6
	8,417.9	7,335.3

25. Notes to the financial statements for the year ended March 31, 2016

1. Value of direct import on C.I.F. basis during the year (including in-transit):

Rs. in million

	March 31, 2016	March 31, 2015
Raw materials	13,402.1	12,688.9
Capital goods	132.3	256.3
Components and spare parts	21.8	23.0
Traded goods	8,878.5	8,368.2
Total	22,434.7	21,336.4

2. Expenses in foreign currencies during the year (on accrual basis):

Rs. in million

	March 31, 2016	March 31, 2015
Royalty	471.1	405.7
Communication/system expenses	626.5	594.6
Foreign travelling	30.0	40.7
Service fees	64.8	33.4
Professional charges	483.4	492.3
Interest expenses (including incidental charges)	501.3	465.4
Others	110.9	89.0
Total	2,288.0	2,121.1

3. Amount remitted in foreign currencies during the year on account of dividends (after tax):

	March 31, 2016	March 31, 2015
Equity Shares:		
Amount remitted (Rs. million)	127.0	127.0
Number of non-resident shareholders	3	3
Number of equity shares of Rs. 10/- each held by non-resident on which dividends were due	31,743,220	31,743,220
Year to which dividend relates	2014-2015	2013-2014

4. Earnings in foreign currencies during the year (on accrual basis):

Rs. in million

	March 31, 2016	March 31, 2015
Exports of goods calculated on FOB basis (Excludes Rupee Exports to Nepal & Bhutan – Rs. 97.4 million – Previous Year Rs. 154.8 million)	5,497.5	3,504.6
Indent commission/technical/service charges	1,751.1	2,030.7
Others (freight/insurance/claims)	109.8	82.3
Total	7,358.4	5,617.6

5. Payment to auditors (net of service tax):

Rs. in million

	March 31, 2016	March 31, 2015
As auditors	16.3	14.7
As reimbursement of out of pocket expenses	1.7	1.5
Total	18.0	16.2

25. Notes to the financial statements for the year ended March 31, 2016

6. Consumption of Raw Materials, Components and Spare Parts:

(a) Raw Materials:

	March 31, 2016		March 31, 2015	
	%	Rs. million	%	Rs. million
Imported	78.1	15,171.5	71.8	14,910.4
Indigenous	21.9	4,247.3	28.2	5,861.1
	100.0	19,418.8	100.0	20,771.5
		Rs. million		Rs. million
Monomer		2,043.4		2,477.5
Lupranol		1,897.3		2,851.4
Fatty Alcohol Ethoxylates		1,561.7		139.5
Resins		926.2		1,081.2
Others		12,990.2		14,221.9
		19,418.8		20,771.5

(b) Stores and Spare Parts:

	March 31, 2016		March 31, 2015	
	%	Rs. million	%	Rs. million
Imported	7.6	21.8	10.2	23.0
Indigenous	92.4	264.5	89.8	202.6
Total	100.0	286.3	100.0	225.6

7. Summary of closing stock of work-in-progress:

Rs. in million

Category	March 31, 2016	March 31, 2015
Paints & coatings	21.5	17.6
Optical brightening agents	13.2	9.3
Imaging agents	8.4	7.0
Others	0.3	4.3
Total	43.4	38.2

8. Traded goods purchased:

Rs. in million

Category	March 31, 2016	March 31, 2015
Polyurethane	2,017.9	3,453.8
Herbicides	1,423.2	619.0
Pigments	982.1	1,280.2
Others	9,029.6	7,727.6
Total	13,452.8	13,080.6

25. Notes to the financial statements for the year ended March 31, 2016

9. Turnover and Stocks:

The Previous year figures are given in light type below each item

Rs. in million

Class of Goods	Sales Value	Closing Inventory	Opening Inventory
(a) Manufactured goods:			
Polyurethane	6,025.3 5,660.2	243.8 392.6	392.6 218.0
Auto. OEM Coatings	3,195.0 3,279.4	294.2 276.6	276.6 293.2
Admixture Systems	2,803.7 2,701.8	40.0 36.1	36.1 64.8
Others	18,670.1 17,188.0	1,760.6 2,633.9	2,633.9 2,450.4
Total	30,694.1 28,829.4	2,338.6 3,339.2	3,339.2 3,026.4

Rs. in million

Class of Goods	Sales Value	Closing Inventory	Opening Inventory
(b) Traded goods:			
Herbicides	1,629.2 1,986.1	555.1 454.2	454.2 1,071.4
Pigments	1,251.9 1,323.7	241.5 230.5	230.5 171.0
Polyurethane	2,525.6 3,537.5	216.7 594.4	594.4 555.3
Others	9,324.2 9,021.1	1,625.2 1,346.5	1,346.5 1,477.3
Total	14,730.9 15,868.4	2,638.5 2,625.6	2,625.6 3,275.0

Rs. in million

Category	March 31, 2016	March 31, 2015
(c) Service Income:		
Indent Commission	1,035.1	1,231.3
Technical/service charges	881.7	1,019.7
Total	1,916.8	2,251.0

10. Contingent Liabilities:

Rs. in million

Nature	March 31, 2016	March 31, 2015
Contingent Liabilities not Provided for		
(a) Claim against the Company not acknowledged as debt	59.4	44.9
In respect of which the Company has counterclaim	68.7	68.7
(b) Demand for taxes and duties in respect of which the company has preferred appeals with appropriate authority		
a. Income Tax	636.1	482.6
b. Customs, Excise, Service Tax and Sales Tax*	138.8	1,053.1

* Commercial taxes department had issued demand notices amounting to **Rs. 956.9 Million** (excludes interest and penalty) for the periods April 2006 - March 2010 and periods February 2011 to March 2011 by treating 100% of the stock transfers as interstate sales to unregistered dealers. The Company had filed appeals against the aforesaid demand notices with the Honorable Karnataka Appellate Tribunal which has set aside and remanded back the impugned reassessment orders for the above referred periods for fresh assessment to lower authorities. In view of this outcome, currently there are no demand notices against the Company and thus the contingent liability on this account is **Nil** (Previous Year Rs. 865.0 Million).

In fact, the Company is aggrieved by certain observations & inferences of the Honorable Karnataka Appellate Tribunal and thus has filed the relevant appeals with the Honorable Central Sales Tax Appellate Authority, New Delhi.

The amount in respect of other periods, if any, are currently not determinable.

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

25. Notes to the financial statements for the year ended March 31, 2016

11. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for **Rs. 536.7 million** (Previous Year Rs. 836.0 million).

12. Operating lease:

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

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

Rs. in million

	March 31, 2016	March 31, 2015
Due		
Not later than one year	102.6	83.9
Later than one year but not later than five years	25.5	137.4
Later than five years	—	—
Total	128.1	221.3

(b) Lease rent of **Rs. 580.3 million** (Previous Year Rs. 508.2 million) towards cancellable and non cancellable leases has been included under "Rent" in the Statement of Profit and Loss.

13. Micro, Small and Medium Enterprises Development Act, 2006:

On the basis of information and records available with the Management, the following disclosure pursuant to the above Act are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities:

Rs. in million

Particulars	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier as at the end of the year.	35.7	18.8
The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each account year	—	—
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	3.9	0.6
The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.7	1.8
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small/micro enterprise.	13.8	8.1

14. Exceptional item:

During the current year, the Company has sold its non-core assets (i.e. residential properties) and has recognized profit of **Rs. 820.6 million** (Previous Year Rs. 291.9 million) which is being disclosed as an exceptional item.

During the current year, the Company has divested its textile chemical business pursuant to global divestment of textile business and has recognised profit of **Rs. 900.5 million** (Previous Year Rs. Nil) which is being disclosed as an exceptional item.

25. Notes to the financial statements for the year ended March 31, 2016

15. Employees benefits:

Defined contribution plans:

Company's contribution to defined contribution funds amounting to **Rs. 53.1 million** (Previous year Rs. 98.5 million) has been charged to the Statement of Profit and Loss.

Defined benefit plans and other long term employee benefits:

Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement and resignation in terms of provisions of the Payment of Gratuity Act, 1972, or as per the Company's scheme whichever is more beneficial. The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation as per Company's policy.

Long Service Awards are payable to employees on completion of specified years of service.

Rs. in million

	Gratuity Funded	
	March 31, 2016	March 31, 2015
Expenses recognized in the Statement of Profit and Loss for the year ended 31st March		
Current service cost	51.4	50.5
Interest cost	40.3	37.4
Expected return on plan assets	(38.4)	(33.8)
Net actuarial loss recognised in the year	12.9	21.3
Expenses recognised in the Statement of Profit and Loss	66.2	75.4
Balance Sheet recognition as at 31st March		
Present value of obligation	567.5	545.2
Fair value of plan assets	503.3	483.5
Net Asset/(Liability) recognised in the Balance Sheet	(64.2)	(61.7)
Change in obligation during the year ended 31st March		
Present value of obligation beginning of the year	545.2	516.6
Interest cost	40.3	37.4
Current service cost	51.4	50.5
Benefits paid	(56.9)	(67.3)
Actuarial (gain)/loss on obligation	(10.5)	21.6
Transfer out	(2.0)	(13.6)
Present value of obligation end of the year	567.5	545.2
Change in fair value of assets during the year ended 31st March		
Fair value of plan assets beginning of the year	483.5	389.5
Expected return on plan assets	38.4	33.8
Contributions	61.7	127.2
Benefits paid	(56.9)	(67.3)
Actuarial (loss)/gain on plan assets	(23.4)	0.3
Fair value of plan assets end of the year	503.3	483.5
Total actuarial (loss) to be recognised	(12.9)	(21.3)

25. Notes to the financial statements for the year ended March 31, 2016

15. Employees benefits: (Continued)

Rs. in million

	Gratuity Funded	
	March 31, 2016	March 31, 2015
Actual return on plan assets		
Expected return on plan assets	38.4	33.8
Actuarial gain/(loss) on plan assets	(23.4)	0.3
Actual return on plan assets	15.0	34.1
Movement in the net liability recognised in the Balance Sheet		
Opening net liability	61.7	127.1
Expenses	66.2	75.4
Contribution	(61.7)	(127.2)
Transfer out	(2.0)	(13.6)
Closing net liability	64.2	61.7

Rs. in million

Experience Adjustments	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligations	567.5	545.2	516.6	441.0	320.1
Plan assets	503.3	483.5	389.5	329.1	250.3
Surplus/(Deficit)	(64.2)	(61.7)	(127.1)	(111.9)	(69.8)
Exp.adj.on plan liabilities	(10.5)	21.6	49.5	76.4	(7.1)
Exp.adj.on plan assets	(23.4)	0.3	(23.0)	5.9	(17.8)

The contribution expected to be made by the Company during the Financial Year 2016-17 is **Rs. 64.2 million** (2015-16 Rs. 61.7 million).

The plan assets under the Gratuity scheme are deposited under approved securities. The major categories of plan assets as a percentage of total plan assets are provided below:

	March 31, 2016	March 31, 2015
Government of India securities	9%	10%
State government securities	45%	44%
Public Sector Unit bonds	11%	15%
Private sector bonds	19%	17%
Fixed deposit and others	8%	6%
Special deposit scheme	7%	7%
Mutual funds	1%	1%
Total	100%	100%

The assumptions used for actuarial valuation as at 31st March are as follows:

	March 31, 2016	March 31, 2015
Expected rate of return on plan assets	7.79% p.a.	7.74% p.a.
Discount rate	7.79% p.a.	7.74% p.a.
Expected salary increase rate	6% – 8% p.a.	6% – 8% p.a.
In-service mortality rates	Indian Assured Lives Mortality (2006-08) ultimate table	Indian Assured Lives Mortality (2006-08) ultimate table

25. Notes to the financial statements for the year ended March 31, 2016

15. Employees benefits: (Continued)

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Provident fund

The Company has an obligation to fund any shortfall on the yield of the Company's Trust investments over the administered interest rates on an annual basis. These administered rates are notified by the Government annually. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation based on the below provided assumptions and there is no shortfall as at 31 March 2016.

The details of fund and plan assets position as at 31 March is given below:

Rs. in million

	March 31, 2016	March 31, 2015
Plan assets as year end, at fair value	2,341.4	2,052.7
Present value of benefit obligation at year end	2,336.0	1,868.6
Cost of shortfall in interest rate guarantee	—	—
Assumptions used in determining the present value obligation to the interest rate guarantee under the Deterministic Approach:		
Discount rate	7.79%	7.80%
Average remaining tenure of the investment portfolio	7 years	7 years
Expected guaranteed interest rate	9.00%	9.00%

During the year ended 31st March 2016, amount recognised in the Statement of Profit and Loss for Employee provident fund is **Rs. 121.1 million** (Previous year Rs. 125.1 million).

16. Segment Information:

(a) PRIMARY SEGMENT INFORMATION (by Business Segments)

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

Rs. in million

	Agricultural Solution	Performance Products	Chemicals	Functional Materials & Solutions	Others	Un-allocated	Total
Segment revenue	6,194.3	18,967.3	2,626.9	18,774.0	954.8	—	47,517.3
	8,906.9	16,822.9	1,423.7	19,097.6	806.5	—	47,057.6
Less: Inter-segment revenue	—	—	—	—	—	—	—
Sales/Revenue from operations	6,194.3	18,967.3	2,626.9	18,774.0	954.8	—	47,517.3
	8,906.9	16,822.9	1,423.7	19,097.6	806.5	—	47,057.6
Segment result	411.5	188.6	(347.4)	(624.5)	71.4	—	(300.4)
	768.2	316.8	(72.9)	(719.3)	46.1	—	338.9
Interest expense						1,007.3	1,007.3
						955.6	955.6
Interest income						18.2	18.2
						63.8	63.8
Other un-allocable expenditure net of un-allocable income						387.1	387.1
						397.6	397.6
(Loss) before exceptional item and tax							(1,676.6)
							(950.5)

25. Notes to the financial statements for the year ended March 31, 2016

16. Segment Information: (Continued)

Rs. in million

	Agricultural Solution	Performance Products	Chemicals	Functional Materials & Solutions	Others	Un-allocated	Total
Exceptional item gain (Refer Note 25(14))		900.5				820.6	1,721.1
		—				291.9	291.9
Tax							—
							10.4
Profit/(Loss) after tax							44.5
							(669.0)
OTHER INFORMATION							
Segment assets	4,877.9	17,031.0	2,503.6	13,541.0	470.9	908.0	39,332.4
	5,345.8	16,875.7	3,386.0	14,396.0	632.2	1,043.0	41,678.7
Segment liabilities	1,615.5	10,551.0	2,480.9	8,692.4	84.2	4,295.4	27,719.4
	2,325.8	9,689.5	2,542.5	8,626.4	178.1	6,695.8	30,058.1
Capital expenditure	82.1	718.8	129.6	715.6	9.8	—	1,655.8
	170.4	1,373.1	67.8	949.6	—	—	2,560.9
Depreciation and amortisation	44.4	926.6	136.0	647.4	—	—	1,754.4
	49.3	769.6	90.9	514.4	—	—	1,424.2
Non cash charges - Bad debts and provision for doubtful debts	4.1	27.1	0.8	84.9	—	—	116.9
	6.5	1.5	—	24.8	—	—	32.8

(b) SECONDARY SEGMENT INFORMATION (by Geographic Segments)

Rs. in million

	Domestic	Exports	Total
Revenues	40,004.1	7,513.2	47,517.3
	41,285.2	5,772.4	47,057.6
Total assets	36,437.0	2,895.5	39,332.5
	39,863.8	1,814.9	41,678.7
Capital expenditure	1,655.8	—	1,655.8
	2,560.9	—	2,560.9

Notes on Segment Information:

- Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17). Business Segments have been considered as primary segments.
- Details of type of products included in each segment —
 - **Agricultural Solution** – includes Agrochemicals. Agricultural Solution is seasonal in nature.
 - **Performance Products** – includes Tanning agents, Leather Chemicals, Textile Chemicals, Dispersion Chemicals, Speciality Chemicals and high-value fine chemicals for the food, pharmaceuticals, animal feed and cosmetics industries. Speciality chemicals include additives, water treatment and paper treatment, home and fabric care chemicals.
 - **Chemicals** – includes Monomers, Intermediates and Petrochemicals.
 - **Functional Materials & Solutions** – includes Catalysts, Coatings, Construction chemicals, Polyurethanes system and Engineering plastics.
 - **Others** – includes technical and service charges other than those specifically identifiable to above segments.
- Un-allocable Corporate Assets mainly includes advance tax (net of provisions), cash and bank balances and other un-allocable assets.
- Un-allocable Corporate Liabilities mainly includes Net deferred tax liabilities, proposed dividend, short term loan and other un-allocable liabilities.

25. Notes to the financial statements for the year ended March 31, 2016

17. Related Party Disclosure:

(a) Parties where control exists

BASF Societas Europaea ('SE') Ultimate holding company

(b) Other related parties with whom transactions have taken place during the year

Fellow Subsidiaries

BASF (China) Company Ltd.	BASF Hock Mining Chemical (China) Co. Ltd.
BASF PLC	BASF Hong Kong Ltd.
BASF (Malaysia) SDN. BHD.	BASF Intertrade (Shanghai) Co. Ltd.
BASF (Thai) Limited	BASF Intertrade AG
BASF Advanced Chemicals Co. Ltd. (Formerly known as BASF Auxiliary)	BASF Italia S.P.A.
BASF Agro B.V. Arnhem (NL)	BASF Japan Ltd.
BASF Agrochemical Products B.V.	BASF Kanoo Gulf FZE
BASF Antwerpen N.V.	BASF Lanka (Private) Limited
BASF Asia-Pacific Service Centre SDN. BHD.	BASF Metals Ltd.
BASF Australia Ltd.	BASF Mexicana S.A. DE C.V.
BASF Bangladesh Ltd.	BASF Nederland B.V.
BASF Belgium Coordination Center Comm. V.	BASF New Zealand Ltd.
BASF Business Services GmbH	BASF Pakistan (Private) Ltd.
BASF Business Services Holding GmbH	BASF Paper Chemicals (Huizhou) Co. Ltd.
BASF Canada Inc.	BASF Performance Products Limited
BASF Care Chemicals (Shanghai) Company Ltd.	BASF Personal Care and Nutrition GmbH
BASF Catalysts India Pvt. Ltd.	BASF Petronas Chemicals SDN. BHD.
BASF Chemcat (Thailand) Ltd.	BASF Pharma (Evionnaz) SA
BASF Chemicals & Polymers Pakistan (Private) Ltd.	BASF Philippines Inc.
BASF Chemicals Co. Ltd.	BASF Plant Science Company GmbH
BASF Chemicals India Pvt. Ltd.	BASF Poliuretani Italia S.P.A.
BASF Chile SA	BASF Poliurtanos Ltda
BASF Coatings GmbH	BASF Polyurethane Specialties (China) Co. Ltd.
BASF Coatings Ltd.	BASF Polyurethanes (China) Co. Ltd.
BASF Coatings S.A.	BASF Polyurethanes GmbH
BASF Coatings S.A.S.	BASF Polyurethanes Licencing GmbH
BASF Coatings S.P.A.	BASF Poliuretanos Ltd.
BASF Company Ltd.	BASF S.A.
BASF Construction Chemical (China) Co. Ltd.	BASF Schweiz AG
BASF Construction Chemicals Egypt S	BASF Schwarzheide GmbH
BASF Construction Chemicals Espana S.L.	BASF Shanghai Coatings Co. Ltd.
BASF Construction Chemicals Europe AG	BASF South Africa (PTY) Ltd.
BASF Construction Chemicals GmbH	BASF South East Asia Pte. Ltd.
BASF Construction Polymers GmbH	BASF Taiwan Ltd.
BASF Construction Solutions GmbH	BASF Türk Kimya Sanayi
BASF Construction Systems (China). Co. Ltd.	BASF Vietnam Co. Ltd.

25. Notes to the financial statements for the year ended March 31, 2016

17. Related Party Disclosure: (Continued)

BASF Corporation	BTC Speciality Chemicals
BASF East Asia Regional Headquarters Ltd.	Cognis IP Management GmbH
BASF Espanola S.L.	Construction Research & Technology GmbH
BASF France S.A.S.	K+S Kali GmbH
BASF Grenzach GmbH	PCI Augsburg GmbH
P.T. BASF Indonesia	Styrolution India Private Limited (till 17 th November 2014)
P.T. BASF Care Chemicals Indonesia	Styrolution ABS (India) Limited (till 17 th November 2014)
Shanghai BASF Polyurethane Co. Ltd.	Thai Ethoxylate Co. Ltd.
Shanghai Gaoqiao-BASF	Watson Bowman ACME Corp.
Shanghai MBT & SCG High-tech Construction Chemicals Co. Ltd.	

(c) Key management personnel

Chairman & Managing Director

Mr. Raman Ramachandran, Ph.D.

Whole – Time Directors

Mr. Narendranath J. Baliga (w.e.f. 1st January 2015)

Mr. Rajesh Naik (w.e.f. 1st August 2014)

Mr. Thilo Bischoff (till 30th April 2014)

Mr. S. Regunathan (till 31st December 2014)

Dr. G. Ramaseshan (till 31st July 2014)

25. Notes to the financial statements for the year ended March 31, 2016

17. Related Party Disclosure: (Continued)

(d) Details of transactions of Ultimate holding company and Fellow subsidiaries for the year ended March 31, 2016

Rs. in million

Nature of Transactions	Ultimate holding company		Fellow subsidiaries		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Sale of Goods						
BASF SE	1,763.3	1,117.4	—	—	1,763.3	1,117.4
BASF South East Asia Pte. Ltd.	—	—	2,557.7	1,612.0	2,557.7	1,612.0
Others	—	—	242.8	152.9	242.8	152.9
Sub-Total	1,763.3	1,117.4	2,800.5	1,764.9	4,563.8	2,882.1
Services Rendered (including reimbursements)						
BASF SE	578.8	671.9	—	—	578.8	671.9
BASF South East Asia Pte. Ltd.	—	—	869.8	969.7	869.8	969.7
Others	—	—	679.0	755.3	679.0	755.3
Sub-Total	578.8	671.9	1,548.8	1,725.0	2,127.6	2,397.0
Interest Expense on ECB Loan (including incidental charges)						
BASF SE	—	0.6	—	—	—	0.6
BASF Belgium Coordination Centre	—	—	501.3	464.7	501.3	464.7
Sub-Total	—	0.6	501.3	464.7	501.3	465.4
Purchase of Goods/Materials						
BASF SE	1,345.7	1,483.4	—	—	1,345.7	1,483.4
BASF South East Asia Pte. Ltd.	—	—	6,346.7	7,181.8	6,346.7	7,181.8
BASF Company Ltd.	—	—	3,809.2	3,091.5	3,809.2	3,091.5
Others	—	—	4,680.2	5,739.3	4,680.2	5,739.3
Sub-Total	1,345.7	1,483.4	14,836.1	16,012.6	16,181.8	17,496.0
Services Received						
BASF SE	648.9	539.0	—	—	648.9	539.0
BASF South East Asia Pte. Ltd.	—	—	372.9	349.3	372.9	349.3
BASF Asia-Pacific Service Centre Sdn. Bhd.	—	—	204.3	227.2	204.3	227.2
Others	—	—	388.4	186.9	388.4	186.9
Sub-Total	648.9	539.0	965.6	763.4	1,614.5	1,302.4
Purchase of Assets						
BASF SE	—	0.9	—	—	—	0.9
BASF Polyurethanes (China) Co. Ltd.	—	—	—	15.7	—	15.7
BASF Polyurethanes GmbH	—	—	1.4	20.5	1.4	20.5
Others	—	—	—	5.8	—	5.8
Sub-Total	—	0.9	1.4	42.0	1.4	42.9
Sale of Assets						
BASF Coatings S.A.	—	—	—	3.0	—	3.0
BASF Chemicals India Private limited	—	—	—	29.5	—	29.5
Sub-Total	—	—	—	32.5	—	32.5
Transfer of employee liabilities						
BASF Chemicals India Private limited	—	—	—	32.0	—	32.0
Sub-Total	—	—	—	32.0	—	32.0
Royalty						
BASF SE	31.9	34.8	—	—	31.9	34.8
BASF Polyurethanes Licencing GmbH	—	—	170.9	150.4	170.9	150.4
BASF Coatings GmbH	—	—	76.6	71.1	76.6	71.1
Construction Research & Technology GmbH	—	—	150.3	148.4	150.3	148.4
Cognis IP Mangement GmbH	—	—	41.4	1.0	41.4	1.0
Sub-Total	31.9	34.8	439.2	370.9	471.1	405.7

25. Notes to the financial statements for the year ended March 31, 2016

17. Related Party Disclosure: (Continued)

Rs. in million

Nature of Transactions	Ultimate holding company		Fellow subsidiaries		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Dividend						
BASF SE	83.8	83.8	—	—	83.8	83.8
BASF Schweiz AG	—	—	35.6	35.6	35.6	35.6
BASF Construction Solutions GmbH	—	—	7.6	7.6	7.6	7.6
Sub-Total	83.8	83.8	43.2	43.2	127.0	127.0
ECB Loan borrowed during the year						
BASF Belgium Coordination Center Comm. V.	—	—	—	1,715.0	—	1,715.0
Sub-Total	—	—	—	1,715.0	—	1,715.0
ECB Loan repaid during the year						
BASF SE	—	122.1	—	—	—	122.1
BASF Belgium Coordination Center Comm. V.	—	—	778.8	—	778.8	—
Sub-Total	—	122.1	778.8	—	778.8	122.1
Outstanding Receivables						
BASF SE	877.6	524.5	—	—	877.6	524.5
BASF South East Asia Pte. Ltd.	—	—	640.5	755.1	640.5	755.1
BASF Agrochemical Products B.V.	—	—	287.6	—	287.6	—
Others	—	—	303.5	405.6	303.5	405.6
Sub-Total	877.6	524.5	1,231.6	1,160.7	2,109.2	1,685.2
Outstanding Payables						
BASF SE	625.3	820.5	—	—	625.3	820.5
BASF South East Asia Pte. Ltd.	—	—	2,232.9	2,161.6	2,232.9	2,161.6
BASF Company Ltd.	—	—	1,113.5	1,503.2	1,113.5	1,503.2
BASF Agrochemical Products B.V.	—	—	—	452.2	—	452.2
BASF Agro B.V. Arnhem (NL)	—	—	1,096.3	143.9	1,096.3	143.9
Others	—	—	1,706.2	1,914.8	1,706.2	1,914.8
Sub-Total	625.3	820.5	6,148.9	6,175.7	6,774.2	6,996.2
ECB Loan Outstanding (including interest accrued not due)						
BASF Belgium Coordination Center Comm. V.	—	—	9,392.6	9,673.0	9,392.6	9,673.0
Sub-Total	—	—	9,392.6	9,673.0	9,392.6	9,673.0
Consideration for divestiture of textile chemicals business						
BASF SE	399.1	—	—	—	399.1	—
Sub-Total	399.1	—	—	—	399.1	—

Purchase of Goods/Materials during the year are net of non recurring price adjustment received for Rs. 806 million.

(e) Details of transactions with Key management personnel

Rs. in million

Name of key managerial personnel	Remuneration	
	March 31, 2016	March 31, 2015
Mr. Raman Ramachandran, Ph.D.	28.4	34.2
Mr. Narendranath J. Baliga	16.1	0.4
Mr. Rajesh Naik	10.5	7.4
Mr. Thilo Bischoff	—	2.8
Mr. S. Regunathan	—	21.8
Dr. G. Ramaseshan	—	16.8
Total Remuneration	55.0	83.4

The above remuneration excludes provision for gratuity, leave encashment and long service award which is provided on an overall basis for the Company.

25. Notes to the financial statements for the year ended March 31, 2016

18. Transfer pricing regulations:

The management is of the opinion that the Company's international and domestic transactions are at an arm's length so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

19. Foreign currency exposure details:

The Company uses forward exchange contracts for the purposes of covering its foreign currency exposure:

Payable/Receivables	March 31, 2016			March 31, 2015		
	Foreign currency	Foreign Currency Amount	Rs. in million	Foreign currency	Foreign Currency Amount	Rs. in million
Trade Payables	USD	74,413,965	4,990.9	USD	77,283,897	4,905.9
External Commercial Borrowings	USD	138,000,000	9,255.7	USD	150,000,000	9,522.0
Total		212,413,965	14,246.6		227,283,897	14,427.9
Trade Receivables	EUR	8,646,791	660.0		—	—

Foreign currency exposure that is not covered by derivative instruments as at 31st March is as follows:

Foreign Currency	March 31, 2016 Payables		March 31, 2015 Payables	
	Foreign Currency Amount	Rs. in million	Foreign Currency Amount	Rs. in million
USD	32,846,283	2,203.0	29,166,683	1,851.5
JPY	4,659,600	0.3	—	—
EURO	368,464	31.0	379,606	26.2
SEK	29,659	0.2	—	—
CHF	17,911	1.3	20,845	1.4
AUD	2,735	0.1	—	—
GBP	—	—	6,835	0.6

Foreign Currency	March 31, 2016 Receivables/advances		March 31, 2015 Receivables	
	Foreign Currency Amount	Rs. in million	Foreign Currency Amount	Rs. in million
USD	31,356,294	2,041.8	23,526,583	1,446.6
EURO	187,066	13.7	344,778	22.8
THB	127,774	0.2	—	—
GBP (advance)	18,711	1.7	—	—

20. Other provisions:

Rs. in million

	March 31, 2016	March 31, 2015
At the commencement of the year	—	—
Provisions made during the year	132.8	—
At the end of the year	132.8	—

Other provisions represents provisions for certain tax related items, the outflow of which would depend on the cessation of the respective events.

25. Notes to the financial statements for the year ended March 31, 2016

21. Corporate Social Responsibility ('CSR'):

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities, sanitation and making available safe drinking water. A CSR committee has been formed by the Company as per the Act.

(a) Gross amount required to be spent by the Company during the year: **Rs. 18 million**

(b) The areas of CSR activities and contributions made thereto are as follows:

	Rs. in million	
	March 31, 2016	March 31, 2015
Amount spent during the year on:		
(1) Construction/Acquisition of any assets	—	—
(2) For purposes other than (1) above:		
— Promoting education facilities, sanitation and making available safe drinking water	6.6	12.6

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vijay Mathur

Partner

Membership No.: 046476

Mumbai, 3rd May, 2016

For and on behalf of Board of Directors of

BASF India Limited

(CIN No.: L33112MH1943FLC003972)

Raman Ramachandran, Ph.D.

Chairman & Managing Director

DIN: 00200297

Narendranath J. Baliga

Chief Financial Officer

DIN: 07005484

Pradeep Chandan

Company Secretary

FCS No.: 2852

R. R. Nair DIN: 00202551

R. A. Shah DIN: 00009851

Pradip P. Shah DIN: 00066242

Arun Bewoor DIN: 00024276

Rajesh Naik DIN: 06935998

Directors

Mumbai, 3rd May, 2016

Employees create chemistry at BASF

BASF's Annual Sports Day



Relay race



Running race



Discus throw

FIT@BASF



Fit@BASF, an initiative to promote health among employees included a Stepathon (walking competition) for groups and individuals. The winning group is seen here along with Dr. Raman Ramachandran, CMD, BASF India Limited.



Nutrition day: A nutritionist spoke to employees about healthy eating habits.



Mango day celebration: Employees enjoyed mangoes as well as understood its nutritional value and health benefits.

Going Beyond Our Call of Duty



Provisions handed over to flood affected residents of Vadagal village in Tamil Nadu.



During Dassehra, employees decided to forego their sweet boxes and opted to donate the amount towards tree plantation, in association with grow-trees.com.

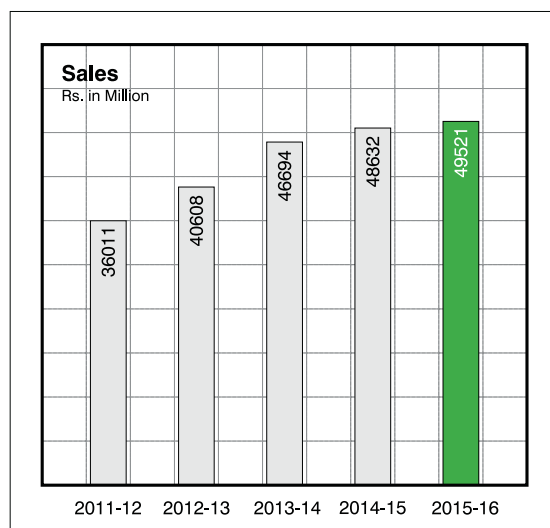
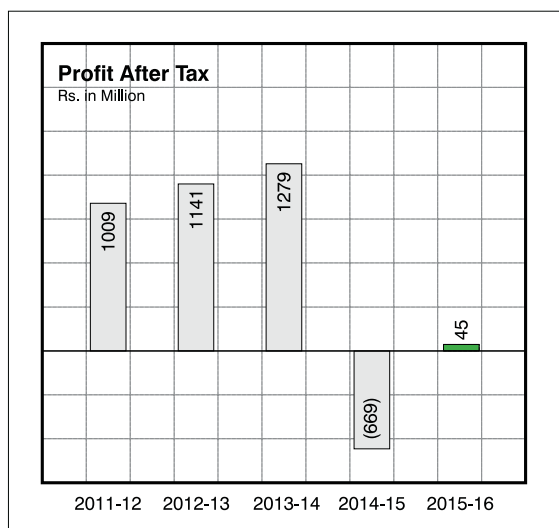


BASF's Turbhe plant pledged to support Aarambh, an NGO, in sponsoring 2 balwadis (nursery schools) which will positively impact 78 children. They will be provided with midday meals and regular health check-ups.

BASF India Limited Financial Highlights – At a glance

Rs. in Million

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Sales	8750	10306	12381	14655	31181	36011	40608	46694	48632	49521
Profit before tax before exceptional items	781	930	1080	1514	1505	1497	1786	2048	-950	-1677
Profit after tax	501	594	686	968	1178	1009	1141	1279	-669	45
Earning per share (in Rs.)	17.77	21.06	24.35	25.00	27.22	23.30	26.35	29.54	-15.45	1.03
Total assets	4594	5246	6509	12677	17944	21935	28057	40344	41679	39333
Borrowings	5	—	—	—	1248	1749	3595	10551	16002	13492
Shareholders' equity	3034	3397	3852	8658	9680	10487	11426	12502	11621	11613
Depreciation	109	136	152	261	464	517	602	711	1424	1754
Capital expenditure	451	301	408	285	925	1798	3904	6173	2561	1656
Exports	320	373	571	609	2259	2183	2677	4016	3587	5607
R & D cost	48	76	96	80	105	92	105	105	61	9
Personnel cost (Total)	684	817	887	1088	1991	2501	2930	3299	3444	3286
Dividend amount	197	197	197	326	346	173	173	173	173	43
Dividend in %	70	70	70	80	80	40	40	40	40	10
Number of employees	801	836	858	1224	1790	2012	2076	2130	1977	1904
Number of shareholders	33042	29631	25606	44184	42963	41556	40843	39545	41010	45264



Your Company's Coatings team was presented with the Best Supplier Award by Tata Autocomp during the Seventh Vendor Meet at Pantnagar, Uttarakhand. The award was presented for excellent customer and technical service, as well as commercial and logistics support.



The Construction Chemicals team of your Company was a finalist at BASF's Asia Pacific Sales and Customer Service Awards, for the work undertaken with Delhi Metro. The success of this project established BASF as a strategic partner to Delhi Metro, in construction solutions.

**We create
chemistry
that makes
more power
love a cleaner
drive.**

The price of increased mobility is higher emissions. While people won't be slowing down any time soon, chemistry is getting us from A to B with a cleaner footprint.

One way we are improving the ecological impact of cars is with fuel additives that reduce emissions while increasing fuel efficiency. We also develop materials that give electric car batteries a higher energy capacity, to ensure that e-mobility is becoming a more attractive way to travel.

When better performance also means lower impact, it's because at BASF, we create chemistry.

www.wecreatechemistry.com/automotive

 **BASF**

We create chemistry

TAIZOON M. KHUMRI

T.M. KHUMRI & CO.

Company Secretaries

12-13, Esplanade, 3rd Floor,

3, Amrit Keshav Nayak Marg, Fort,

Mumbai 400 001

Tel. No. 2207 1721 / 2207 6640 E-mail: taizonkhumri@gmail.com

COMBINED SCRUTINIZER'S REPORT ON REMOTE E-VOTING & BALLOT

To,
Mr. Raman Ramachandran
Chairman,
BASF INDIA LIMITED,
Plot No.37, Chandivali Farm Road,
Chandivali, Andheri (East),
Mumbai-400 072

Subject: Passing of Resolutions through Remote e-voting and Ballot conducted at the 72nd Annual General Meeting of BASF INDIA LIMITED (CIN: L33112MH1943FLC003972) ('the Company') held on Thursday, 11th August, 2016, at 3:00 p.m. at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021

Dear Sir,

The Board of Directors of the Company by a Resolution dated 23rd May, 2016, had appointed me as a Scrutinizer for the remote e-voting held between Monday, 8th August, 2016 (9:00 A.M. IST) to Wednesday, 10th August, 2016 (5.00 P.M. IST) and the Ballot held at the 72nd Annual General Meeting ("AGM") of the Company on Thursday, 11th August, 2016.



The Company had engaged the services of National Securities Depository Limited (NSDL), for extending the facility of remote e-voting to the Members of the Company. At the said AGM held on Thursday, 11th August, 2016, the Chairman of the Company had, as statutorily required, called for a Ballot to facilitate the Members present in the Meeting who could not participate in the remote e-voting to record their votes through the Ballot process. For further details kindly refer to my Scrutinizer's Report in Form MGT-13 dated 11th August, 2016. Immediately after the conclusion of voting at the AGM, I first counted the votes cast at the meeting.

After the voting at the said AGM was concluded, the locked ballot box was subsequently opened in my presence and in the presence of two witnesses viz. Mr. Husain Wagh and Ms. Fatema Fatehi (not in the employment of the Company), and the ballot papers were then scrutinized.

In determining the validity or otherwise of the Ballots received, I have adopted the following criteria:

- (a) Where the date and place has been left blank the signed ballot has been treated as valid;
- (b) Where the number of shares have been left blank, I have accounted for the total holding as on 4th August, 2016 for the purpose of either assent or dissent to the relevant resolution as indicated by the Member;
- (c) Where the Member has left the ballot blank or not indicated his vote or not signed, the ballot has been treated as invalid;
- (d) Where the signatures do not tally or the ballot paper bears no signature(s), the ballot has been treated as invalid;
- (e) Where it is not possible to determine without any doubt the assent or dissent of the Member, the ballot has been treated as invalid;
- (f) In respect of certain ballot forms, where the ballot has been exercised by bodies corporate, Institutional Members (FII's/ Trusts/ Mutual Funds/ Banks etc.), I have tallied the signature of the authorized person(s) from the



specimen signature(s) available with the Registrar and Share Transfer Agents, TSR Darashaw Limited (TSRDL), 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011, and from the Power of Attorney(ies) /Authorization(s) / Certification(s) attached to the Ballot Forms and have treated their votes subject to (a) to (f) above at my discretion.

(g) Member(s) who have exercised their vote(s) in physical as well as electronic mode, the vote(s) by the electronic mode only have been considered.

Thereafter the remote e-voting platform was unblocked by me on Thursday, 11th August, 2016 at 5.15 p.m. in the presence of two witnesses not in the employment of the Company. For further details refer my Scrutinizer's Report dated 11th August, 2016 on the subject of the remote e-voting.

The result of the remote e-voting together with that of the Ballot as rounded off to two decimal places is as under:



ITEM NO.1: AS AN ORDINARY RESOLUTION

Adoption of audited financial statements of the Company for the year ended 31st March, 2016 including the audited Balance Sheet as at 31st March, 2016 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:

RESOLUTION: *"RESOLVED THAT the Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss Account and the Cash Flow Statement of the Company for the year ended 31st March, 2016, the Reports of the Directors' and the Auditors' dated 3rd May, 2016 and other reports and documents attached thereto and forming part of the Directors' Report and the Audited Accounts be and are hereby approved and adopted."*

Mode of Voting	REMOTE E-VOTING			BALLOT			TOTAL		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Votes in favour of the Resolution	125	34709815	100	40	2993	99.77	165	34712808	100
Votes in against of the Resolution	4	146	0	4	7	0.23	8	153	0
Invalid / abstain votes	1	34	-	3	153	-	4	187	-

Based on the foregoing the above Ordinary Resolution voted upon under remote e-voting and ballot may be considered as carried by the requisite majority.



ITEM NO.2: AS AN ORDINARY RESOLUTION

Declaration of dividend on Equity Shares @ 10% i.e. Re. 1/- per equity share for the financial year ended 31st March, 2016:

RESOLUTION:	"RESOLVED THAT pursuant to the recommendation of the Directors, a dividend of Re. 1/- per equity share of Rs.10/- each i.e.@ of 10% on 4,32,85,640 equity shares of Rs.10/- each of the Company be declared and paid for the financial year ended 31st March 2016 to those equity shareholders whose names appear in the Register of Members as on 11th August, 2016 and to all the beneficial owners as per the electronic shareholding data made available to the Company by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of the business hours on 4th August, 2016 in respect of the shares held in electronic form."
-------------	---

Mode of Voting	REMOTE E-VOTING			BALLOT			TOTAL		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Votes in favour Of the Resolution	124	34709738	100	44	3000	100	168	34712738	100
Votes in against of the Resolution	4	146	0	0	0	0	4	146	0
Invalid /abstain votes	2	111	-	3	153	-	5	264	-

Based on the foregoing the above Ordinary Resolution voted upon under remote e-voting and ballot may be considered as carried by the requisite majority.



ITEM NO.3: AS AN ORDINARY RESOLUTION

Re-appointment of Dr. Rainer Diercks (DIN: 01725080) as Director, who retires by rotation.	
RESOLUTION:	<i>"RESOLVED THAT Dr. Rainer Diercks (DIN: 01725080), a Director retiring by rotation, be and is hereby re-appointed as a Director of the Company."</i>

Mode of Voting	REMOTE E-VOTING			BALLOT			TOTAL		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Votes in favour of the Resolution	96	34366546	99.01	44	3000	100	140	34369546	99.01
Votes in against of the Resolution	31	342808	0.99	0	0	0	31	342808	0.99
Invalid /abstain votes	3	641	-	3	153	-	6	794	-

Based on the foregoing the above Ordinary Resolution voted upon under remote e-voting and ballot may be considered as carried by the requisite majority.



ITEM NO.4: AS AN ORDINARY RESOLUTION

Ratification of the appointment of M/s. B S R & Co. LLP (Registration No. 101248WW-100022), as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2017.

RESOLUTION:	<i>"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.101248WW-100022) as the Statutory Auditors of the Company for the financial year 2016-2017 and who hold office until the conclusion of the Annual General Meeting of the Company to be held for the financial year 2016-2017, as approved by the Members at the Seventieth Annual General Meeting, be and is hereby ratified and the Board of Directors be and is hereby authorised to fix their remuneration for the financial year ending 31st March, 2017."</i>
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Mode of Voting	REMOTE E-VOTING			BALLOT			TOTAL		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Votes in favour of the Resolution	123	34709642	100	42	2997	99.97	165	34712639	100
Votes in against of the Resolution	4	284	0	1	1	0.03	5	285	0
Invalid /abstain votes	3	69	-	4	155	-	7	224	-

Based on the foregoing the above Ordinary Resolution voted upon under remote e-voting and ballot may be considered as carried by the requisite majority.



ITEM NO.5: AS AN ORDINARY RESOLUTION

Ratification of remuneration payable to Cost Auditor, M/s. R. Nanabhoy & Co. (Firm Registration No. 000010), for the financial year ending 31st March, 2017:

RESOLUTION:	<p><i>“RESOLVED THAT</i> pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2017, amounting to Rs. 13 lakhs (Rupees Thirteen lakhs only) per annum, plus applicable taxes and reimbursement of out of pocket expenses, in connection with the said audit, be and is hereby ratified & confirmed;</p> <p><i>RESOLVED FURTHER THAT</i> the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”</p>
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Mode of Voting	REMOTE E-VOTING			BALLOT			TOTAL		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Votes in favour of the Resolution	123	34709243	100	42	2995	99.93	165	34712238	100
Votes in against of the Resolution	5	286	0	1	2	0.07	6	288	0
Invalid /abstain votes	2	466	-	4	156	-	4	622	-

Based on the foregoing the above Ordinary Resolution voted upon under remote e-voting and ballot may be considered as carried by the requisite majority.



ITEM NO.6: AS AN ORDINARY RESOLUTION

Approval of the annual limit for transactions with BASF Hongkong Limited, a material related party for a period of 5 years.

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 the Companies (Amendment) Act, 2015 and in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification(s) or re-enactment thereof), the consent of the members of the Company be and is hereby accorded for entering into transactions with BASF Hongkong Limited (a 'Material Related Party'), for sale and/or purchase of chemicals/materials and availing or rendering of services upto the maximum annual value of Rs. 2000 crores (Rupees Two Thousand Crores only) for a period of 5 years with effect from 1st April, 2017, on such terms and conditions as may be mutually agreed between the Company and BASF Hongkong Limited;

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary be and is hereby authorised to do all such acts, deeds, matters & things and to take such steps, settle any queries, difficulties, doubts that may arise with regard to the transactions with the Material Related Party 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."



Mode of Voting	REMOTE E-VOTING			BALLOT			TOTAL		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Votes in favour of the Resolution	116	2965187	99.97	42	2997	99.90	158	2968184	99.97
Votes in against of the Resolution	8	1022	0.03	2	3	0.10	10	1025	0.03
Invalid /abstain votes	*6	*31743786	-	3	153	-	*9	*31743939	-

**Includes 3 members (Promoter Group) holding 3,17,43,220 shares being directly / indirectly related parties of the Company have abstained from voting.*

Based on the foregoing the above Ordinary Resolution voted upon under remote e-voting and ballot may be considered as carried by the requisite majority.



ITEM NO.7: AS A SPECIAL RESOLUTION

Special Resolution for keeping Register and Index of Members, copies of Annual Returns and other documents at the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited.

RESOLUTION:

"RESOLVED THAT in compliance with the provisions of Section 94 read with Sections 88, 92 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Companies (Management and Administration) Rules, 2014 [including any statutory modification(s) or reenactment(s) thereof for the time being in force and corresponding sections of the erstwhile Companies Act, 1956], the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve the Register and Index of Members under Section 88 of the Act, copies of Annual Returns prepared under Section 92 of the Act together with copies of certificates and documents required to be annexed thereto, at the office of the Company's Registrar and Share Transfer Agent (R&T Agent), TSR Darashaw Limited at 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011 instead of being kept at the Registered Office of the Company with effect from 15th June, 2016 or at such other place within Mumbai, where the R&T Agent may shift its office from time to time;

RESOLVED FURTHER THAT the records of the Company including the Registers, Index of Members, Returns, Books, Certificates and other documents of the Company required to be maintained and kept for inspection under the provisions of the Act, be kept open for such inspection, at the above mentioned place for persons entitled thereto, to the extent and in the manner and on payment of fees, if any, specified in the Act, between 10.30 a.m. and 12.30 p.m. on any working day (Monday to Friday) except when the Registers and Books are closed under the provisions of the Act or the Articles of Association of the Company, provided however, that the Register required to be maintained under Section 170 of the Act shall be kept open for inspection of the Members at the Registered Office of the Company during the hours mentioned above during the period prescribed under Section 171(1) of the Act;



RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof, if any, constituted by the Board) and/or the Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Mode of Voting	REMOTE E-VOTING			BALLOT			TOTAL		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Votes in favour of the Resolution	124	34709429	100	42	2997	99.90	166	34712426	100
Votes in against of the Resolution	6	566	0	2	3	0.10	8	569	0
Invalid /abstain votes	0	0	-	3	153	-	3	153	-

Based on the foregoing the above Special Resolution voted upon under remote e-voting and ballot may be considered as carried by the requisite majority.

I hereby confirm that I have maintained the Registers received from the NSDL, both electronically and manually, in respect of the votes cast through remote e-voting and Ballot by the Members of the Company. The ballot papers and all other relevant records were sealed and handed over to Mr. Pradeep Chandan, Director – Legal, General Counsel & Company Secretary, as authorized by the Board for safe keeping and for subsequent handover to the Chairman.

Thanking you,
Yours Faithfully



TAIZOON M. KHUMRI
F.C.S No.993,
Certificate of Practice No. 88
Practicing Company Secretary
Place: Mumbai
Date: 11th August, 2016



We create chemistry

Date of the AGM	11 th August, 2016
Total number of shareholders on record date for voting (i.e. 4 th August, 2016)	44,028
No. of shareholders present in the meeting either in person or through proxy:	218
Promoters and Promoter Groups:	3
Public:	215
No. of shareholders attended the meeting through Video Conferencing	N.A.
Promoters and Promoter Group	
Public:	

A handwritten signature in black ink, appearing to be "M. W." or similar, located at the bottom left of the page.

Agenda- wise Disclosure:

Resolution 1: Adoption of audited financial statements of the Company for the year ended 31st March, 2016 including the audited Balance Sheet as at 31st March, 2016 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.

Resolution required: (Ordinary/Special)		Ordinary Resolution						
Whether promoter/ promoter group are interested in the agenda/resolution?		No.						
Category	Mode of Voting	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/(1)*100	[4]	[5]	[6]=[4]/(2)*100	[7]=[5]/(2)*100
Promoter and Promoter Group	E-Voting	31743220	31743220	100.00	31743220	0	100.00	0.00
	Poll	31743220	0	0.00	0	0	0.00	0.00
	Total	31743220	31743220	100.00	31743220	0	100.00	0.00
Public - Institutional holders	E-Voting	3800509	2688000	70.73	2688000	0	100.00	0.00
	Poll	3800509	0	0.00	0	0	0.00	0.00
	Total	3800509	2688000	70.73	2688000	0	100.00	0.00
Public- Others	E-Voting	7741911	278741	3.60	278595	146	99.95	0.05
	Poll	7741911	3000	0.04	2993	7	99.77	0.23
	Total	7741911	281741	3.64	281588	153	99.95	0.05
Total	E-Voting	43285640	34709961	80.19	34709815	146	100.00	0.00
	Poll	43285640	3000	0.01	2993	7	99.77	0.23
	Total	43285640	34712961	80.20	34712808	153	100.00	0.00



Resolution 2: Declaration of Dividend on equity Shares @10% i.e Re.1/-per equity share for the financial year 2015-2016.

Resolution required: (Ordinary/Special)		Ordinary Resolution						
Whether promoter/ promoter group are interested in the agenda/resolution?		No.						
Category	Mode of Voting	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	$[3]=\frac{[2]}{[1]} * 100$	[4]	[5]	$[6]=\frac{[4]}{[2]} * 100$	$[7]=\frac{[5]}{[2]} * 100$
Promoter and Promoter Group	E-Voting	31743220	31743220	100.00	31743220	0	100.00	0.00
	Poll	31743220	0	0.00	0	0	0.00	0.00
	Total	31743220	31743220	100.00	31743220	0	100.00	0.00
Public - Institutional holders	E-Voting	3800509	2688000	70.73	2688000	0	100.00	0.00
	Poll	3800509	0	0.00	0	0	0.00	0.00
	Total	3800509	2688000	70.73	2688000	0	100.00	0.00
Public-Others	E-Voting	7741911	278664	3.60	278518	146	99.95	0.05
	Poll	7741911	3000	0.04	3000	0	100.00	0.00
	Total	7741911	281664	3.64	281518	146	99.95	0.05
Total	E-Voting	43285640	34709884	80.19	34709738	146	100.00	0.00
	Poll	43285640	3000	0.01	3000	0	100.00	0.00
	Total	43285640	34712884	80.19	34712738	146	100.00	0.00



Resolution 3: Re-appointment of Dr. Rainer Diercks (DIN: 01725080) as Director, who retires by rotation.

Resolution required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			No.					
Category	Mode of Voting	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	$[3]=\frac{[2]}{[1]}*100$	[4]	[5]	$[6]=\frac{[4]}{[2]}*100$	$[7]=\frac{[5]}{[2]}*100$
Promoter and Promoter Group	E-Voting	31743220	31743220	100.00	31743220	0	100.00	0.00
	Poll	31743220	0	0.00	0	0	0.00	0.00
	Total	31743220	31743220	100.00	31743220	0	100.00	0.00
Public - Institutional holders	E-Voting	3800509	2688000	70.73	2345560	342440	87.26	12.74
	Poll	3800509	0	0.00	0	0	0.00	0.00
	Total	3800509	2688000	70.73	2345560	342440	87.26	12.74
Public-Others	E-Voting	7741911	278134	3.59	277766	368	99.87	0.13
	Poll	7741911	3000	0.04	3000	0	100.00	0.00
	Total	7741911	281134	3.63	280766	368	99.87	0.13
Total	E-Voting	43285640	34709354	80.19	34366546	342808	99.01	0.99
	Poll	43285640	3000	0.01	3000	0	100.00	0.00
	Total	43285640	34712354	80.19	34369546	342808	99.01	0.99

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Resolution 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 31st March, 2017.

Resolution required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			No.					
Category	Mode of Voting	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/(1)*100	[4]	[5]	[6]=[4]/(2)*100	[7]=[5]/(2)*100
Promoter and Promoter Group	E-Voting	31743220	31743220	100.00	31743220	0	100.00	0.00
	Poll	31743220	0	0.00	0	0	0.00	0.00
	Total	31743220	31743220	100.00	31743220	0	100.00	0.00
Public - Institutional holders	E-Voting	3800509	2688000	70.73	2688000	0	100.00	0.00
	Poll	3800509	0	0.00	0	0	0.00	0.00
	Total	3800509	2688000	70.73	2688000	0	100.00	0.00
Public-Others	E-Voting	7741911	278706	3.60	278422	284	99.90	0.10
	Poll	7741911	2998	0.04	2997	1	99.97	0.03
	Total	7741911	281704	3.64	281419	285	99.90	0.10
Total	E-Voting	43285640	34709926	80.19	34709642	284	100.00	0.00
	Poll	43285640	2998	0.01	2997	1	99.97	0.03
	Total	43285640	34712924	80.20	34712639	285	100.00	0.00

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Resolution 5: Ratification of the remuneration payable to Cost Auditor, M/s. R. Nanabhoy & Co. (Firm Registration No. 000010), for the financial year ending 31st March, 2017.

Resolution required: (Ordinary/Special)		Ordinary Resolution						
Whether promoter/ promoter group are interested in the agenda/resolution?		No.						
Category	Mode of Voting	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/(1) *100	[4]	[5]	[6]=[4]/(2)*100	[7]=[5]/(2) *100
Promoter and Promoter Group	E-Voting	31743220	31743220	100.00	31743220	0	100.00	0.00
	Poll	31743220	0	0.00	0	0	0.00	0.00
	Total	31743220	31743220	100.00	31743220	0	100.00	0.00
Public - Institutional holders	E-Voting	3800509	2688000	70.73	2688000	0	100.00	0.00
	Poll	3800509	0	0.00	0	0	0.00	0.00
	Total	3800509	2688000	70.73	2688000	0	100.00	0.00
Public-Others	E-Voting	7741911	278309	3.59	278023	286	99.90	0.10
	Poll	7741911	2997	0.04	2995	2	99.93	0.07
	Total	7741911	281306	3.63	281018	288	99.90	0.10
Total	E-Voting	43285640	34709529	80.19	34709243	286	100.00	0.00
	Poll	43285640	2997	0.01	2995	2	99.93	0.07
	Total	43285640	34712526	80.19	34712238	288	100.00	0.00



Resolution 6: Approval of the annual limit for transactions with BASF Hongkong Limited, a material related party for a period of 5 years with effect from 1st April, 2017.

Resolution required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			Yes.					
Category	Mode of Voting	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/(1) *100	[4]	[5]	[6]=[4]/(2)*100	[7]=[5]/(2) *100
Promoter and Promoter Group	E-Voting	31743220	0	0.00	0	0	0.00	0.00
	Poll	31743220	0	0.00	0	0	0.00	0.00
	Total	31743220	0	0.00	0	0	0.00	0.00
Public - Institutional holders	E-Voting	3800509	2688000	70.73	2688000	0	100.00	0.00
	Poll	3800509	0	0.00	0	0	0.00	0.00
	Total	3800509	2688000	70.73	2688000	0	100.00	0.00
Public-Others	E-Voting	7741911	278209	3.59	277187	1022	99.63	0.37
	Poll	7741911	3000	0.04	2997	3	99.90	0.10
	Total	7741911	281209	3.63	280184	1025	99.64	0.36
Total	E-Voting	43285640	2966209	6.85	2965187	1022	99.97	0.03
	Poll	43285640	3000	0.01	2997	3	99.90	0.10
	Total	43285640	2969209	6.86	2968184	1025	99.97	0.03





We create chemistry

Resolution 7: Special Resolution for keeping Register and Index of Members, copies of Annual Returns and other documents at the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited.

Resolution required: (Ordinary/Special)			Special Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			No.					
Category	Mode of Voting	Total No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=[2]/(1) *100	[4]	[5]	[6]=[4]/(2)*100	[7]=[5]/(2) *100
Promoter and Promoter Group	E-Voting	31743220	31743220	100.00	31743220	0	100.00	0.00
	Poll	31743220	0	0.00	0	0	0.00	0.00
	Total	31743220	31743220	100.00	31743220	0	100.00	0.00
Public - Institutional holders	E-Voting	3800509	2688000	70.73	2688000	0	100.00	0.00
	Poll	3800509	0	0.00	0	0	0.00	0.00
	Total	3800509	2688000	70.73	2688000	0	100.00	0.00
Public-Others	E-Voting	7741911	278775	3.60	278209	566	99.80	0.20
	Poll	7741911	3000	0.04	2997	3	99.90	0.10
	Total	7741911	281775	3.64	281206	569	99.80	0.20
Total	E-Voting	43285640	34709995	80.19	34709429	566	100.00	0.00
	Poll	43285640	3000	0.01	2997	3	99.90	0.10
	Total	43285640	34712995	80.20	34712426	569	100.00	0.00

Handwritten initials/signature



We create chemistry

72nd ANNUAL GENERAL MEETING OF THE COMPANY

1. (a) CIN (b) GLN	L33112MH1943FLC003972 N.A.
2. (a) Name of the Company (b) Registered office address (c) E-mail id	BASF India Limited Plot No. 37, Chandivali Farm Road, Chandivali, Andheri (East) Mumbai 400 072. pradeep.chandan@basf.com
3. Details of the meeting: (i) Day, date, hour of the Annual General Meeting (ii) Venue of the Annual General Meeting: (iii) Whether chairman of the meeting appointed (iv) Number of members attended the meeting (including proxies/authorised representatives) (v) Whether the requisite quorum was present (vi) Particulars with respect to any adjournment of meeting and change in venue (vii) Particulars with respect of postponement of meeting and change in venue; and	Thursday, 11 th August, 2016 at 3:00 p.m. Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021 Yes. 218 Yes. N.A. N.A.

Business transacted at the AGM

The following business / resolutions listed in the notice convening the 72nd Annual General Meeting were transacted by remote e-voting and poll;

Sr. No	Item No.	Result
Ordinary Business		
1.	Adoption of Audited Financial Statements, Directors' Report & Auditors' Report for the financial year ended 31st March, 2016.	Approved by requisite majority
2.	Declaration of Dividend for financial year 2015-2016.	Approved by requisite majority
3.	Re-appointment of Dr. Rainer Diercks (DIN: 01725080) as a Director, who retires by rotation.	Approved by requisite majority
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 st March, 2017.	Approved by requisite majority
Special Business		
5.	Ratification of remuneration payable to Cost Auditor, M/s. R. Nanabhoy & Co. (Firm Registration No. 000010), for the financial year ending 31 st March, 2017.	Approved by requisite majority
6.	Approval of the annual limit for transactions with BASF Hongkong Limited, a material related party for a period of 5 years with effect from 1 st April, 2017.	Approved by requisite majority
7.	Special Resolution for keeping Register and Index of Members, copies of Annual Returns and other documents at the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited.	Approved by requisite majority



Fair summary of proceedings of the Meeting

The Chairman, Dr. Raman Ramachandran, declared that the requisite quorum for a General Meeting as per Article 91(1) read with Section 103(1) of the Companies Act, 2013 was present and called the Meeting to order. He sought the permission of the members to take the Notice dated 3rd May, 2016 as being read and the same was granted. He informed the members present that the necessary documents namely; the registers, representations received from promoters, proxies received and the proxy register were laid on the table and open for inspection by any member of the Company.

He then requested the Company Secretary to read the Auditor's Report and the same was read. The Chairman thereafter made a presentation to the members on the performance and other matters pertaining to the Company.

Thereafter, the Chairman stated that the Company had provided remote e-voting facility under the provisions of Companies Act, 2013, to its members to cast their votes on the resolutions proposed to be passed at this meeting. The date of remote e-voting facility was fixed by the Company from Monday, 8th August, 2016 at 9.00 a.m. to Wednesday, 10th August, 2016 till 5.00 p.m. In order to enable the members present at the meeting in person or in proxy to cast their votes, the Chairman declared a poll to be taken in respect of all the resolutions contained in the AGM Notice.

For the purpose of conducting the ballot process, the Chairman appointed Mr. Taizoon M. Khumri, Practising Company Secretary, who has given his consent, for the meeting.

The Chairman requested the scrutinizer to show the empty ballot box to the members present before beginning the polling process and take custody of the key of the box. The Chairman stated that the ballot papers were already distributed to all the members or proxy holders present at the meeting. He thereafter requested the Company Secretary to carry out the ballot process and read out the poll procedure to all the members. After reading the poll procedure, the Company Secretary informed the members and proxies to deposit the duly completed ballot papers in the ballot box kept on the stage.

The Chairman then put the formal resolution for adoption of Annual Accounts of the Company for the financial year ended 31st March, 2016, the Reports of the Directors' and Auditors' thereon and other reports and documents forming part of the Directors' Report alongwith the annexure thereto for approval of the members. The said resolution was proposed and seconded by the members.

The Chairman then requested the members to come forward with their observations / questions on the Annual Report. The members present at the meeting conveyed their observations / questions which was duly answered by the Chairman. Thereafter the Chairman put each of the resolution nos. 2 to 7 forming part of the Notice, to the members for being proposed and seconded.

After all the members had deposited their ballot papers in the ballot box, the Chairman requested the Scrutinizer to take charge of the ballot box and sign and seal the same. Thereafter, the ballot box was sealed and signed. The Chairman then announced that the results of the Consolidated Report of the remote e-voting and Poll provided by the scrutinizer, will be declared with 48 hours after the conclusion of the Meeting and the same will be posted on the website of the Company www.basf.com/in and also on the website of NSDL www.evoting.nsdl.com. He further mentioned that a copy of the results will be submitted to BSE Limited and The National Stock Exchange of India Limited, where the Company's shares are listed.

The Chairman thanked all the members for their participation and there being no other business, announced formal closure of the 72nd Annual General Meeting. One of the members proposed a vote of thanks to the Chairman. The meeting ended at 5.00 p.m.

