



We create chemistry

BASF India Limited, Mumbai - 400 072, India

September 18, 2017

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

Name of the Company : **BASF INDIA LIMITED**
Security Code No. : **500042**

Dear Sir/Madam,

Re: Analyst Meeting of BASF India Limited.

Further to our letter dated September 15, 2017 on the above-mentioned subject, we enclose herewith the presentation made by the Company to the Analysts at Four Seasons Hotel - Gallery South, Dr. E. Moses Road, Worli, Mumbai - 400 018 at the Analysts' meeting held today.

Kindly treat the above as intimation under Regulation 30 and Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,
For BASF India Limited

Pradeep Chandan
Director – Legal, General Counsel
& Company Secretary

Pankaj Bahl
Manager- Company Secretarial

Encl: a.a.

cc: The Assistant Manager Listing,
The National Stock Exchange of India Ltd
Exchange Plaza, 5th floor
Plot No.C/1, G Block
Bandra – Kurla Complex
Bandra (East), Mumbai – 400 051

Registered Office

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

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CIN - L33112MH1943FLC003972

www.india.basf.com

Strictly confidential

BASF India Limited Analysts' Meeting

18th September 2017

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Disclaimer

- **Scope:**

Only those matters which are in public domain can be subject matter in this meeting for any clarification required

- **Policy:**

As a matter of policy we do not give any prognosis about the future business situation

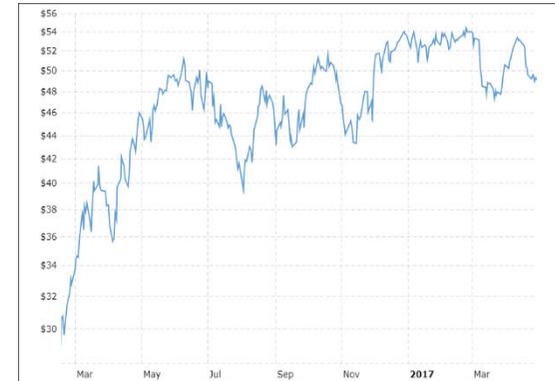
A year of political and economic ambiguity



Source: [LinkedIn](#)



Source: [LittleSteps](#)



Source: [Marcotrends](#)

Brexit and US Elections – Rising trend of Protectionism

Crude Oil pricing – Mostly stable within a band



Source: [Skymet](#)

Normal monsoons



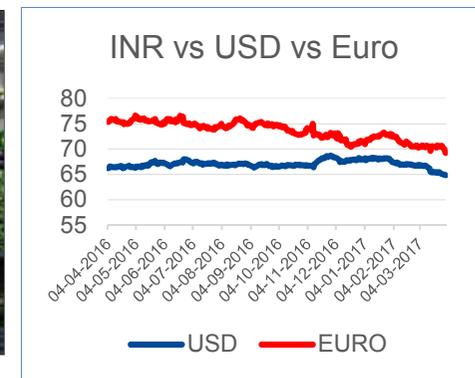
Source: [Zee Business](#)

7th pay commission rolled out



Source: [ET.com](#)

Low consumer price - inflation ratio

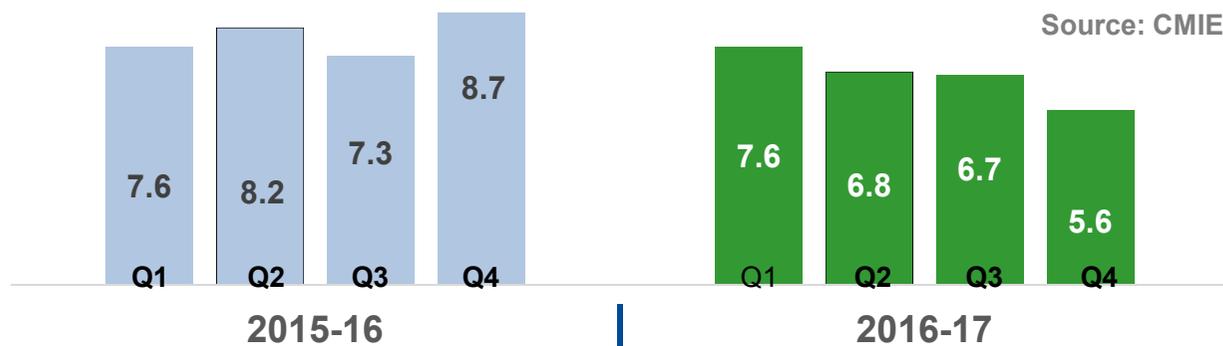


Source: [RBI](#)

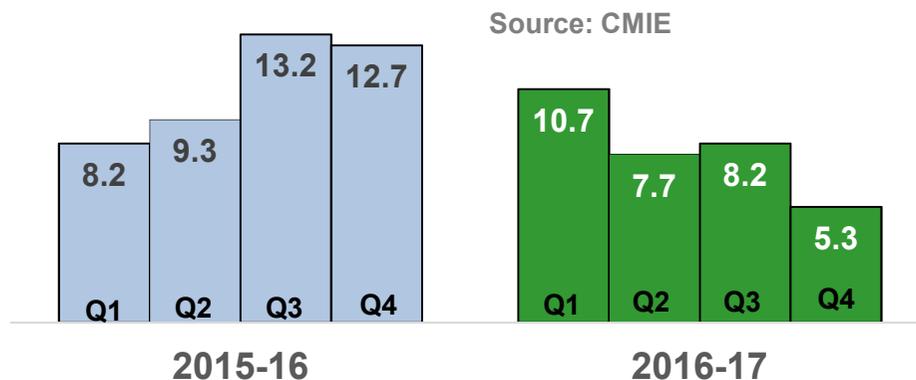
Rupee Strengthened

India: Short term impact due to policy changes and demonetization

GDP Growth - Gross value added (% y-o-y)



Manufacturing growth (%)



Demonetization - Impact

Negative impact on Two wheeler industry, FMCG, construction industry

Manufacturing sector declined; Average capacity utilization @72%

Make in India: making the best of our manufacturing assets



Source: BASF

Kharagpur, West Bengal

- Sixth construction chemicals plant; operational from May16'
- Well-equipped concrete lab delivers tailor-made recipes for entire range of admixtures and accelerators in Eastern India as well as Bhutan



Source: BASF

Innovation Campus, Mumbai

- BASF group's biggest investment in South Asia - Inaugurated on March 3, 2017
- The campus will expand our existing R&D activities in India
- BASF India's Application labs for Dispersion, Pharma, Consumer Care and performance chemicals moved to new campus

Innovation: Crop Diversification with new launches in Agricultural Solutions



Basagran



Adexar[®]
Rice



Seltima[®]



Opera
Wheat



Acrisio, Merivon
Grapes and Apples



Tynzer[™] Corn

- Launched new products for rice crop protection: Basagran, Adexar, Seltima
- New products driving growth in this financial year

Innovation: customized solutions for Indian market received well



MasterSeal and MasterWeld: Sealants & Adhesive range



Stakeholders checking **MasterEase, MasterSeal and Master Seal® Traffic Systems** in Mumbai



Green Flush for Patanjali with EM MSA Solution



Low VOC paint based Acronal® ECO- EDA



Elastomeric paint based on Acronal 7079- EDA



Elastoskin PU foam comfort with customized spray skin cover- PM

® Registered trademark of BASF Group
™ Trademark of BASF Group

Update on Goods & Service tax (GST)

Update on Goods & Service tax (GST)

GST Invoicing on 2nd working day

Collaboration tool for Live clarification on GST

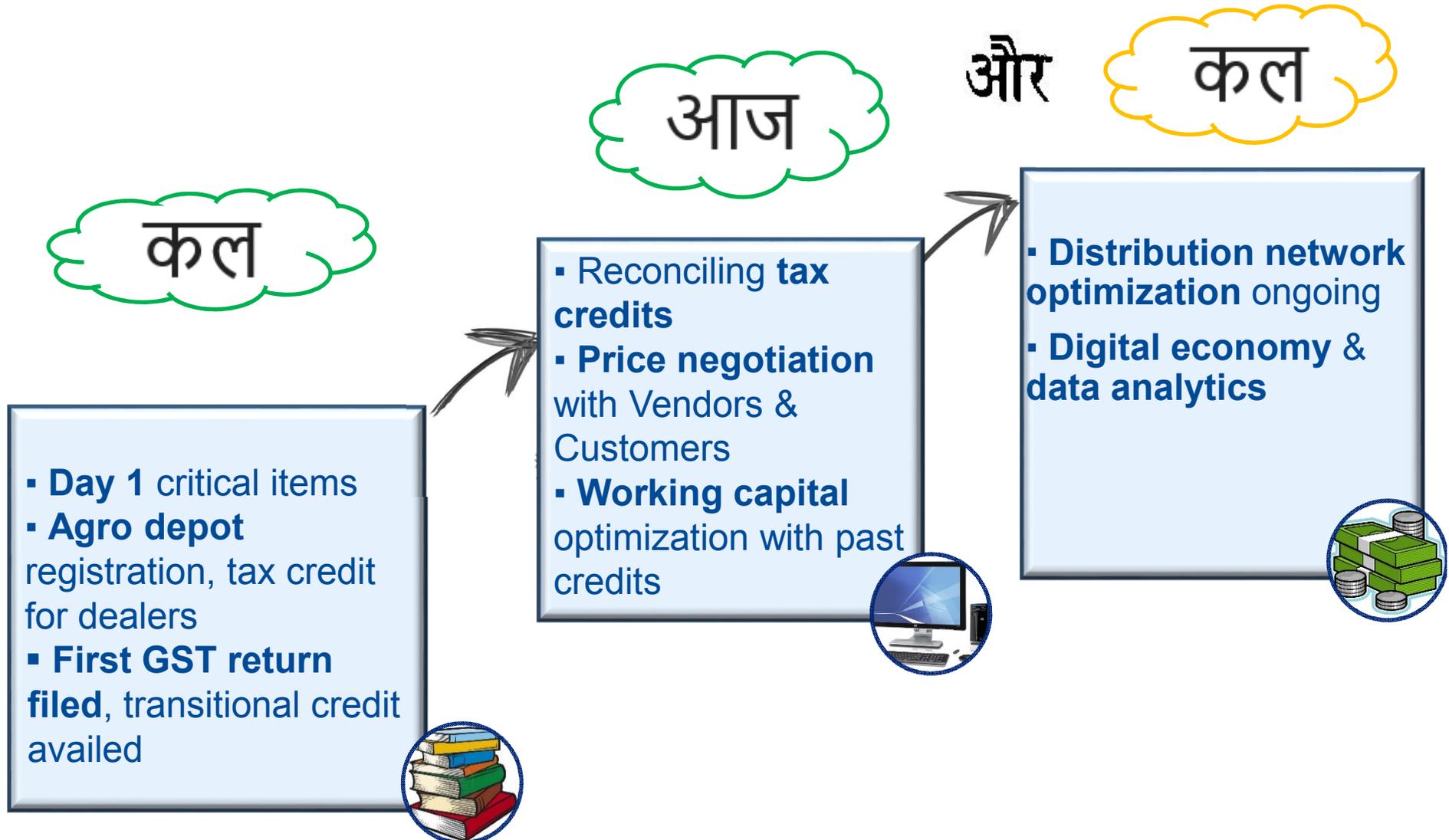
Collaborative Tool
Engaging all Stake-holders and Warriors



49 SAP patches released as late as June

- ★ G/L Account Balances
 - ★ General Ledger -> Account -> Display/Change Line Items
 - ★ List of Vendor Open Items
 - ★ Vendor Balance Display
 - ★ Display Vendor (Accounting)
 - ★ Financial Accounting -> General Ledger -> Document -> Display
 - ★ Financial Accounting -> Accounts Receivable -> Master Records -> Display
 - ★ Financial Accounting -> Accounts Payable -> Master Records -> Display
- SAP Menu
 - Office
 - Cross-Application Components
 - Auto-ID Infrastructure
 - Collaboration Projects
 - Logistics
 - Accounting
 - Human Resources
 - Information Systems
 - Tools
 - WebClient UI Framework

Journey of
"GST"



Recap - Key IND AS impacts

Recap - Key IND AS impacts

Nature of Transaction	IGAAP	IND AS
Sales disclosure	Net of Excise duty disclosure	Gross of excise duty disclosure (excise adjusted in COGS)
Forward contracts	<ul style="list-style-type: none"> • Forwards accounted on “gross” basis • Amortization of premium through P&L over the life of the contract 	<ul style="list-style-type: none"> • Forwards accounted on “net” basis • MTM valuation through P&L
External Commercial Borrowings (Loan & Forward contracts)	<ul style="list-style-type: none"> • Hedge costs capitalized to the asset register (under Para 46A) • Revaluation of Loan & Forward at closing rate off sets each other 	<ul style="list-style-type: none"> • MTM valuation for forward contracts through P&L • Revaluation of External Commercial Borrowings loan at closing rate through P&L
Dividend	<ul style="list-style-type: none"> • Treated as adjusting event 	<ul style="list-style-type: none"> • Treated as non adjusting event

Performance review FY 2016-2017

Key Business Updates

Year ended 31st March 2017

Indian Economy

- Sluggish growth in manufacturing sector
- GDP / GVA: 6.6%* for FY 2016-2017, lower credit off-take & subdued investments
- Long term reforms such as demonetization & GST auger well for the economy

Business highlights

- Sales growth @ 7%, mainly driven by Dahej related divisions & Agro business
- Dahej sales increased significantly because of effective capacity utilisation
- Sales, margin improvement & cost savings driving profitability

Capital management

- Interest savings due to effective working capital management & partial repayment of External Commercial Borrowings loan in PY
- Reduction in short term borrowings of Rs.58 Crs Vs. March 2016

Others

- Mandatory auditors rotation for B S R; Proposed new auditors - PwC
- Divestment of Industrial Coatings Business to Akzo Nobel (Dec 2016)

Income Statement Highlights

Financial Year ended 31st March 2017

Rs Crores



Descriptions	Apr -Mar 2017	Apr -Mar 2016	Δ%
Revenue	5,526	5,157	7%
EBITDA	282	109	>100%
Depreciation	169	163	
EBIT (before excp. Items & tax)	113	(54)	>100%
Interest	142	148	-4%
PBT (before excp. Item & tax)	(29)	(202)	
Exceptional items	17	172	
PBT (after excp. item)	(12)	(30)	
PAT	(14)	(30)	
Earnings Rs per share	(3.3)	(7.0)	
Dividend Rs per share	1.0	1.0	

Growth across major business units

Significant improvement in EBITDA

CY – Divestiture of Industrial Coatings Rs 11 Crs & Apartments sale Rs. 6 Crs

Above are key positions of the Income Statement under Ind AS

Segmental analysis

Year ended 31st March 2017

Agricultural Solutions

Revenue  8%
EBIT  -21%

Revenue

- Normal monsoon driving sales growth
- Business risk mitigation from strategic diversification more visible (rice entry with Seltima & Basagran)



Result

- Selling prices under pressure as competitors clearing old inventory
- Savings in operating expenses partially offsetting margin erosion

Performance Products

Revenue  9%
EBIT  >100%

Revenue

- Growth mainly from Dahej
 - Care Chemicals (Personal & Home Care industry) &
 - Dispersions & Pigments (Paper industry)



Result

- Improved result driven by improved revenue and margins

Segmental analysis

Year ended 31st March 2017

Functional Materials & Solutions

Revenue  8%
EBIT  >100%



Revenue

- Performance Materials: Significant growth due to increased capacity utilisation at Dahej
- Automotive Coatings: Muted growth due to temporary impact of demonetisation
- Construction chemicals: Sluggish growth due to delay in infra projects & liquidity concerns

Results

- Better results driven by Performance materials
- Segment results not comparable due to transfer of assets from another segment w.e.f.01st April 2016

Chemicals

Revenue  14%
EBIT  >100%



Revenue

- Petrochemicals: Overcapacities in China & Middle East impacting indenting business
- Intermediates: Lower feedstock prices, with limited volumes impacted revenue

Result

- Better realization for Monomers due to market shortage
- Segment results not comparable due to transfer of assets to another segment w.e.f. 01st April 2016

Key Balance Sheet No's & Ratios



Key Balance Sheet No's	INR in Crores	
	March 2017	March 2016
Equity	1,102	1,116
Borrowings (LT & ST)	1,277	1,349
Inventory & Trade receivables	2,016	1,854
Trade payables	1,231	1,106
Fixed Assets	1,255	1,344

Key Ratios	March 2017	March 2016
Debt equity ratio (times)	1.2	1.2
Current ratio (times)	1.2	1.3
Acid test ratio (times)	0.6	0.6
Dividend per share (Rs.)	1.0	1.0

Performance review

Q1 June 2017

Income Statement Highlights

Quarter ended 30th June 2017

Rs Crores



Descriptions	Apr – Jun 2017	Apr – Jun 2016	Δ%
Revenue	1,649	1,513	9%
EBITDA	70	83	-16%
Depreciation	39	43	
EBIT (before excp. Items & tax)	31	40	-22%
Interest	30	32	-6%
PBT (before excp. Item & tax)	1	8	
Exceptional items	-	2	
PBT (after excp. item)	1	10	

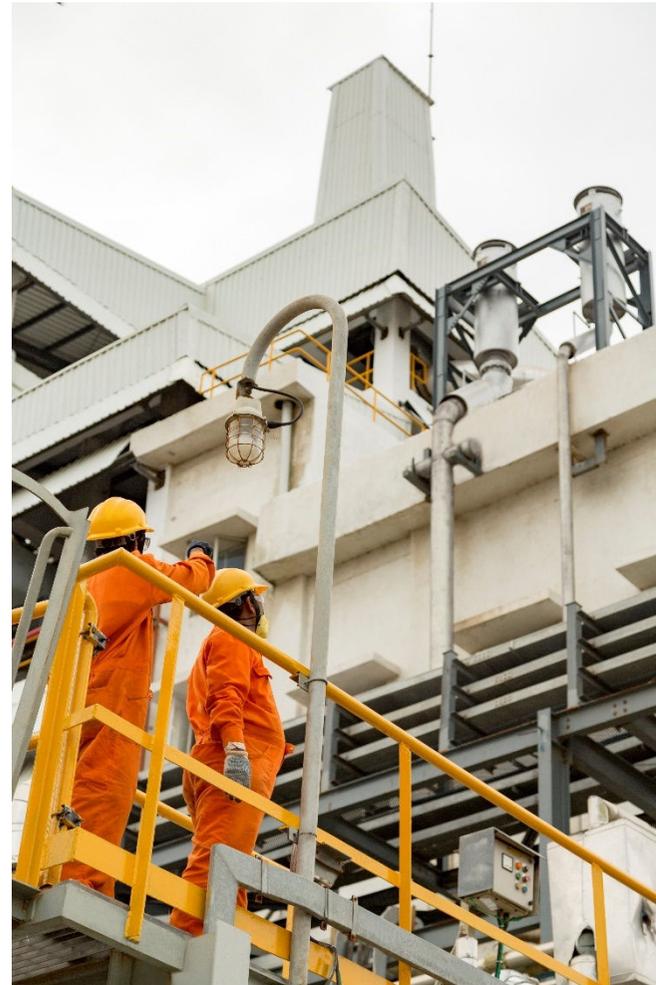
Sales growth majorly from Agro & Performance Materials

Profitability impacted due to margin pressures and certain one-off GST expenditures

Above are key positions of the Income Statement under Ind AS

Summing Up

- Grow above market
- Improve efficiency
- Optimize working capital
- Maximize capacity utilization
- Innovate to meet market demands



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