

**We create chemistry
for a sustainable future**



Annual Report 2016-2017
BASF India Limited



We create chemistry

Co-creating innovative solutions: Viswanath Mahadevan (center) and Vijay Bhuskute (right), from BASF along with a customer from a key construction company, review application results of Ucrete®.



Message from the Chairman & Managing Director

Dear Shareholders,

The world witnessed political and economic volatility in 2016. Amidst this unpredictability, India saw relative political and economic stability, by recording one of the highest Gross Domestic Product (GDP) growth rates in the world and witnessing some impactful long-term reforms like demonetization and GST. However, demonetization slowed activity in cash-dependent sectors. The manufacturing sector was sluggish in 2016 owing to weaker domestic demand and subdued bank credit. All of these developments had an impact on your Company.

In this environment, your Company continued to expand its business. Our sales increased by 7% over the previous year and stood at Rs. 55,257.9 million. On the back of a normal monsoon, our Agricultural Solutions business grew by 8%. Pricing pressure on our flagship crop protection products due to generics eroded margins, which was partly offset by cost saving measures. Performance Products grew 9% with significant improvement in profitability; higher sales of Dispersion and Care Chemicals products from Dahej plant was a key driver. Sales of Functional Materials & Solutions grew by 8% benefiting from the growth of the auto industry. Our Chemicals business suffered from overcapacities in petrochemicals but realized better prices on monomers due to market instability.

Capacity and asset utilization as well as operating margins significantly improved, and we optimized our working capital. We resolved technical issues at the Dahej site and obtained key customer approvals, after successful audits. Our Thane site turned 50, highlighting our long-term focus on safety and sustainability as well as our broad production capabilities. We continued to increase our investment, with the opening of our sixth construction chemicals plant in India, in Kharagpur, to meet the increasing demand for high quality construction chemicals in the Eastern part of India.

Your Company also introduced a host of new products and solutions. The Crop Protection business continued to diversify its portfolio by launching Seltima® and Basagran® for rice crop this year. Your Company further consolidated its position in corn markets by introducing its product Tynzer™ in several new geographies. Our Construction Chemicals division launched MasterSeal® sealants range and MasterWeld® adhesive range for buildings, MasterLife® CI 220, a unique dual mechanism corrosion inhibitor for fresh concrete and MasterProtect® 7000 CR, a state-of-the-art corrosion resistant coating. Our Chemicals Intermediates business diversified its portfolio by introducing products such as N Octyl Pyrrolidone for agro formulations and Ionic liquids (Basionics) for anti-static application across several industries.

As part of our strategic portfolio management, we divested our Industrial Coatings business to AkzoNobel and the Leather Chemicals business to the Stahl Group. Such divestments will help us to focus resources on profitable growth opportunities in the future.

Safety continues to be top priority for your Company, both for our own operations and for our contractors. Among other initiatives, we adopted the Globally Harmonized System (GHS) of classification, in line with our commitment to the highest standards of product stewardship, and labelling. Today, all our product packaging in India uses GHS labels.

Our CSR initiatives continued to focus on WASH (Water, Sanitation and Hygiene) and education. At Dahej, Mangalore and Mumbai, we worked closely with the local communities around our sites, to conduct behavioral change programs, provide piped water and install digital classrooms.

Your Company received recognitions from various customers and stakeholders this year. The Coatings and Fuel & Lubricants teams won many awards from key customers like Ford Motors and Mahindra, for contributing to their success, as suppliers. Our Ankleshwar site won second place in Ankleshwar Industries Association (AIA) Anandapura Trophy for Highest Manufacturing Performance (in terms of turnover) in the large-scale category. Working Mother and AVTAR recognised your Company as one of the 'Best Companies for Women in India'. Your Company was also ranked 2nd out of top 500 companies listed on Bombay Stock Exchange on compliance of secretarial audit norms.

To support the growth of our business, we further strengthened our organizational culture in 2016. One of the core competencies at BASF, embracing diversity, was formalized with the formation of a Diversity + Inclusion team. The launch of new policies like work-from-home and flexi-time helped bring in a more contemporary work culture. Ongoing initiatives like Fit@BASF have helped employees lead a healthier and more active life.

The future holds promise, and I look forward with optimism. India is set to play a leading role in the field of sustainability and has demonstrated this by setting ambitious targets under the Paris Agreement on climate change. Your Company is ideally placed to take advantage of the opportunities that this move will provide. Sustainability and innovation, the twin pillars of sustained, long-term growth, are firmly founded at your Company. We will continue to work to keep our stakeholders connected and engaged, in line with our corporate purpose: to create chemistry for a sustainable future.

With best wishes,

Raman Ramachandran, Ph.D.

Thursday, 28th September, 2017
at 3.00 p.m. at Yashwantrao Chavan
Pratishthan Auditorium, Y. B. Chavan Centre,
General Jagannath Bhosale Marg,
Nariman Point, Mumbai – 400 021.

Agenda

1. Presentation of Financial Statements and the Directors' / Auditors' Report
 2. Declaration of Dividend
 3. Appointment of Director
 4. Appointment of Statutory Auditors
 - 5-9. Special Business
- The Notice of the Meeting is enclosed.

BASF India Limited**Registered Office:**

Plot No. 37, Chandivali Farm Road,
Chandivali, Andheri (East), Mumbai – 400 072.
Telephone : +91 22 28580200 Fax: +91 22 28580299
Website : www.basf.com/in
E-mail ID : investor-grievance-india@basf.com

Corporate Identification Number:

L33112MH1943FLC003972

Works**Maharashtra (Navi Mumbai)**

- (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.

Karnataka (Mangalore)

Bala/Thokur Village, Surathkal-Bajpe Road,
Mangalore Taluka, Dakshina Kannada District,
Karnataka – 575 030.

Gujarat**(1) Ankleshwar**

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.

(2) Dahej

4B, Dahej Industrial Estate, Village Dahej,
Taluka Vagra, District Bharuch, Gujarat – 392 130.

Andhra Pradesh (Nellore)

Plot 1 & 1A, APIIC Industrial Park,
Menakur Village, Block B, Naidupet Mandal,
SPSR Nellore District, Andhra Pradesh.

Himachal Pradesh (Nalagarh)

Khasra No. 87/1, Village: Beer Plassis,
Nalagarh, District: Solan, Himachal Pradesh.

West Bengal (Kharagpur)

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

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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. Andrea Frenzel



Mr. Raimar Jahn



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



Dr. Lakshmi Nadkarni
Alternate Director



Mr. Rajesh Naik
Whole-time Director

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

Mr. Pradeep Chandan

Director – Legal, General Counsel & Company Secretary

Statutory Auditors

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,

Apollo Mills Compound,

N. M. Joshi Marg, Mahalaxmi,

Mumbai – 400 011, India.

Cost Auditors

Messrs R. Nanabhoy & Co.

Cost Accountants

Jer Mansion

70 August Kranti Marg

Mumbai – 400 036.

Advocates & Solicitors

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

(ii) Messrs Dhruve Liladhar & Co.,
61 Free Press House,
215 Free Press Journal Marg,
Nariman Point, Mumbai – 400 021.

Bankers

(i) Citibank N.A.

(ii) Deutsche Bank AG

(iii) The Hongkong and Shanghai Banking Corporation Limited

(iv) HDFC Bank Limited

(v) BNP Paribas

(vi) The Bank of Tokyo and Mitsubishi UFJ Limited

(vii) Credit Agricole CIB

Internal Auditors

Messrs Mahajan & Aibara

Chartered Accountants

1, Chawla House,

62, Wodehouse Road,

Colaba, Mumbai – 400 005.

Secretarial Auditors

HS Associates

206, 2nd Floor,

Tantia Jogani Industrial Estate,

J. R. Boricha Marg, Opp. Lodha Excelus,

Lower Parel (E), Mumbai – 400 011.



Your Company inaugurated a new production plant for concrete admixtures in Kharagpur, West Bengal, in May 2016. This is our sixth construction chemicals plant in India.



Your Company participates in various events that help showcase its innovative technologies and product portfolio. Seen in the picture is Sanjeev Gandhi, Member of the Board of Executive Directors of BASF SE, responsible for the region Asia Pacific, along with Raman Ramachandran, Chairman and Managing Director, BASF India Limited and Head, South Asia, at the India Chem event in Mumbai, in September 2016.



Your Company is one of the founding members of Together for Sustainability (TfS) - a global initiative of leading chemical companies, to enhance sustainability within the supply chain. In the above photos, your Company is seen playing a major part in the first India event of TfS in September 2016.

Directors' Report

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2017.

Financial Results

(Rs. in million)

Description	Year ended 31.3.2017	Year ended 31.3.2016
Revenue from operations (Gross of excise)	55,257.9	51,568.2
Loss before tax and exceptional items	(294.8)	(2,024.8)
Exceptional items	170.1	1,721.1
Loss before tax after exceptional items	(124.7)	(303.7)
Tax	16.6	—
Loss after tax	(141.3)	(303.7)
Dividend	43.3	43.3
Corporate Tax on Dividend	8.8	8.8

Note: The financial results for the year ended 31st March, 2017 are in compliance with the Indian Accounting Standards (IND AS) and accordingly the results for the previous year ended 31st March, 2016 have been restated.

Performance

Revenue from operations (Gross of excise) at Rs. 55,257.9 million, represents an increase of 7% over the previous year. Your Company reported a loss after tax (after exceptional items) of Rs. 141.3 million for the year ended 31st March, 2017 as compared to loss after tax (after exceptional items) of Rs. 303.7 million in the previous year. The recovery is mainly due to effective utilization of the production capacity at the Dahej plant and improved performance of the Functional Materials & Solutions and Performance Products segments.

Although the Agricultural Solutions business recorded modest growth in sales during the year as compared to the previous year, its profitability was impacted due to generic competition resulting in lower realisations.

The Functional Materials & Solutions segment of your Company which comprises of the coatings, construction chemicals, performance materials and process catalysts technologies business recorded good growth in sales and profits as compared to the previous year.

The Performance Products segment, which includes performance chemicals, dispersions & pigments, care chemicals, nutrition & health products and paper chemicals business registered good growth both in terms of sales and margins during the year under review.

The Chemicals segment of your Company comprises of intermediates, petrochemicals & monomers businesses. During the year, the sales of the Chemicals segment were lower as compared to the previous year on account of lower feedstock prices as well as limited volume availability on certain product lines. Moreover, Chemicals segment results are not comparable due to internal transfer of certain manufacturing assets from the Chemicals segment to Functional Materials & Solutions segment during the year.

Export sales stood at Rs. 5,250.7 million during the year under review.

BASF enters India Crop protection market for Rice

In January, 2017, your Company entered the crop protection market for rice in India and would be offering a range of new solutions to boost yields in India by managing rice diseases, weeds and pests. With the launch of products i.e. Seltima®, Adexar® and Basagran®, your Company will provide comprehensive solutions that effectively meet consumers' expectations for healthy, high quality food.

Restructuring of businesses

Sale of Industrial Coatings business to AkzoNobel

Pursuant to the sale of global industrial coatings business by BASF SE, Germany to AkzoNobel, the industrial coatings business of your Company was transferred to Akzo Nobel India Limited with effect from 14th December, 2016. With this divestiture, your Company would continue to emphasize on core automotive OEM & decorative paints business.

Divestment of Leather Chemicals business

In March, 2017, BASF SE, Germany and Stahl Group announced the sale of BASF's leather chemicals business to the Stahl Group. Consequently, your Company's leather chemicals business will be transferred to Stahl Group, subject to receipt of requisite approvals. The transaction is expected to close in fourth quarter of 2017. Under the arrangement, your Company would supply leather chemical products from its manufacturing facilities to Stahl Group under mid to long-term supply agreements. Presently, the leather chemicals business forms part of the Performance Products segment of the Company.

Dividend

In view of the improvement in the operational and financial performance of your Company during the year, your Directors have recommended to maintain a dividend of Re. 1/- per equity share of Rs. 10/- each (i.e. 10%) for the financial year ended 31st March, 2017, subject to the approval of the members at the 73rd Annual General Meeting of the Company to be held on 28th September, 2017. The dividend will absorb Rs. 43.3 million and the dividend distribution tax to be borne by the Company would amount to Rs. 8.8 million. The amount towards payment of dividend and dividend distribution tax will be distributed from the General Reserve, in compliance with the provisions of the Companies Act, 2013.

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the top 500 listed entities based on market capitalization are required to formulate Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at <http://on.basf.com/dividend-policy>

Change in the Registrar & Share Transfer Agent

During the year, your Company appointed TSR Darashaw Limited (SEBI Registration No. INR000004009) having its registered office at 6-10, H. M. Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011, as the new Registrar and Share Transfer Agent of the Company in place of Sharepro Services (India) Private Limited with effect from 15th June, 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. Narendranath 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.

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

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. 1.34 million as direct expenditure for projects & programs and Rs. 0.09 million on overheads aggregating to Rs. 1.43 million in the financial year 2016-2017, details of which are provided in **Annexure I** of this Report.

Finance & Accounts

Your Company continued to optimise bank borrowings during the year by focusing on cash flows and working capital management. Your Company availed of alternative funding options such as Commercial Papers, Trade Financing etc., to ensure efficiency in its borrowing costs.

Your Company follows a prudent financing policy and aims to maintain optimum financial gearing at all times. Your Company's debt equity ratio was 1.2 as at 31st March, 2017.

Capital Expenditure

Capital expenditure incurred during the year aggregated to Rs. 834.4 million.

Credit Rating

The credit rating awarded to the Company by CRISIL on its long term & short term debt programs is 'AAA/ Negative/ A1+'.

Fixed Deposits

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

Management Discussion and Analysis Report

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

Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance and has complied with the Corporate Governance requirements as per SEBI (Listing 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.

Business Responsibility Report

Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, provides that the Annual Report of the top 500 listed entities based on market capitalization, should include a Business Responsibility Report ("BRR").

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

The BRR for the financial year 2016-17 has also been hosted on the Company's website, which can be accessed at www.basf.com/in

Vigil Mechanism

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

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, 2017 and of the loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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

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

Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Andrea Frenzel retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

During the year, Dr. Rainer Diercks and Mr. Gops Pillay resigned from the Board of your Company with effect from the close of business hours as on 31st March, 2017. Your Directors place on record their sincere appreciation of the invaluable contributions made by Dr. Rainer Diercks and Mr. Gops Pillay in the growth and performance of the Company.

Mr. Raimar Jahn was appointed as Director of your Company in place of Dr. Rainer Diercks with effect from 1st April, 2017 in terms of Article 134 of the Articles of Association and the provisions of Section 161 of the Companies Act, 2013. Further, Mr. Narendranath J. Baliga resigned as Alternate Director to Dr. Andrea Frenzel with effect from the close of business hours on 31st March, 2017 and was appointed as Alternate Director to Mr. Raimar Jahn with effect from 1st April, 2017.

Mr. Rajesh Naik ceased to act as an Alternate Director to Dr. Rainer Diercks with effect from the close of business hours on 31st March, 2017 and was appointed as a Whole-time Director of your Company for a period of 2 years from 1st April, 2017 to 31st March, 2019.

Dr. Lakshmi Nadkarni was appointed as an Alternate Director to Dr. Andrea Frenzel with effect from 1st April, 2017.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are provided on page no. 53 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. 50 in the Corporate Governance Report, forming part of this Annual Report.

Policy on Directors' appointment and remuneration

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

Auditors

The term of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors of the Company is upto the conclusion of the 73rd Annual General Meeting to be held on 28th September, 2017. As per the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, they shall not be eligible for re-appointment.

Based on the recommendation of the Audit Committee, the Board of Directors of your Company at its meeting held on 10th November, 2016 have recommended to the Shareholders, the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016) as the new Statutory Auditors of your Company for a period of 5 years from the conclusion of the 73rd Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting till the expiry of their term). M/s. Price Waterhouse Chartered Accountants LLP have confirmed to the Company that their appointment, if made at the 73rd 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 M/s. H. S. Associates, Practising Company Secretaries, Mumbai (C.P. 1483), to conduct the Secretarial Audit of the Company for the financial year 2016-17 and to furnish the report to the Board. The Secretarial Audit Report dated 4th May, 2017 forms part of this Report as **Annexure IV**.

Auditors' Report & Secretarial Audit Report

There are no qualifications/reservations/emphasis of matter placed by the Statutory Auditors and the Secretarial Auditors in their respective Reports for the financial year ended 31st March, 2017.

Cost Audit

The Board of Directors, in pursuance of 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 2017-18. 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 by Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules framed thereunder, the composition of the Audit Committee is in line with the provisions of the Companies Act, 2013, details of which are provided on page nos. 48 and 49 of the Corporate Governance Report, forming part of this Annual Report.

Related Party Transactions

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

All related party transactions are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for 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/related-party>

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