



BASF INDIA LIMITED

We create chemistry

Registered Office: The Capital, 'A' Wing, 1204-C, 12th Floor,
Plot No. C-70, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051
CIN: L33112MH1943FLC003972, Website: www.basf.com/in, Tel: +91 22 62785600

POSTAL BALLOT NOTICE

To,
The Member(s),

NOTICE is hereby given to the Members of BASF India Limited (hereinafter referred to as the "**Company**") pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**"), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Ministry of Corporate Affairs ("**MCA**") General Circular nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020 and 10/2021 dated 8th April 2020, 13th April 2020, 15th June 2020, 28th September 2020, 31st December 2020 and 23rd June 2021, respectively (collectively referred to as "**MCA Circulars**") and subject to other applicable laws and regulations, that the Resolutions appended below are proposed to be passed by the Members by way of Postal Ballot through remote e-voting.

In view of the COVID-19 pandemic, the MCA has *vide* the above referred MCA Circulars advised the companies to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, by way of postal ballot through remote e-voting mechanism in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting requiring physical presence of members at a common venue. MCA has clarified that the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable *mutatis mutandis* for Companies that are required to provide e-voting facility under the Act while they are transacting any business(es) by way of Postal Ballot up to 31st December 2021.

In compliance with the said MCA Circulars, notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Physical copy of notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the Members for this Postal Ballot and Members are required to communicate their assent or dissent through the remote e-voting system only.

Members may note that the notice will also be available on the Company's website, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited, respectively and website of National Securities Depository Ltd (NSDL).

The Explanatory Statement pursuant to Section 102 and other applicable provisions of the Act, pertaining to the resolutions setting out the material facts and the reasons thereof are annexed hereto.

In compliance with the provisions of Section 108 of the said Act read with Rules 20 and 22 of the above referred Rules as amended and Regulation 44 of the SEBI Listing Regulations and the MCA Circulars, the Company is providing e-voting to its members to cast their vote on the resolutions proposed in the Notice of Postal Ballot. For this purpose, the Company has engaged the services of NSDL to provide the e-voting facility to the Members.

Members desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions under the Section 'Voting through Electronic Means' in this Notice of Postal Ballot.

The Board of Directors of the Company at their meeting held on 2nd November 2021 have appointed Mr. Hemant Shetye, Practicing Company Secretary, HS Associates, 206, 2nd Floor, Tantia & Jogani Industrial Estate, J.R. Boricha Marg, Opposite Lodha Excelus, Lower Parel (East), Mumbai 400011, having Membership No. FCS-2827 & Certificate of Practice No. 1483, as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the remote e-voting. The result shall be announced on or before Tuesday, 21st December 2021. The said results will be intimated to the Stock Exchanges where the shares of the Company are listed and displayed on the Company's website www.basf.com/in and also on the website of NSDL.

As required by Rule 20 and 22 of the above referred Rules read with the MCA Circulars and the SEBI Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one Marathi daily newspaper circulating in Mumbai (in vernacular language, i.e. Marathi).

ITEM OF SPECIAL BUSINESS

Item No. 1: Appointment of Dr. Carola Richter (DIN: 0009197435) as a Director of the Company

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

“RESOLVED THAT Dr. Carola Richter (DIN: 0009197435), who was appointed as a Director of the Company from 6th August 2021 under Section 161(4) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing as per the provisions of Section 160 of the Companies Act, 2013 from a member intimating his intention to propose Dr. Carola Richter as a candidate for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

Item No. 2: Re-appointment of Mr. Rajesh Naik (DIN: 06935998) as a Whole-time Director of the Company for a period of five consecutive years from 1st April 2022 to 31st March 2027.

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), statutory modification(s) or re-enactment thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh Naik (DIN: 06935998) as a Whole-time Director of the Company and to his receiving remuneration, benefits and amenities as a Whole-time Director for a term of five consecutive years from 1st April 2022 to 31st March 2027, liable to retire by rotation, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Rajesh Naik;

RESOLVED FURTHER THAT based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company be and are hereby authorised to vary the terms and conditions of appointment, including the remuneration payable to Mr. Rajesh Naik, provided, however, that the remuneration payable to Mr. Rajesh Naik shall be in accordance with the provisions specified in Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time;

RESOLVED FURTHER THAT where, in any financial year, during the period 1st April 2022 to 31st March 2025, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Rajesh Naik as specified in the draft Agreement referred to above, based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to obtaining necessary approvals, as may be required in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time. In that event, the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove:

- (a) Contribution to provident fund, superannuation fund / allowance or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) Encashment of leave at the end of the tenure;

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

By Order of the Board of Directors
For BASF India Limited

Pradeep Chandan
*Director-Legal, General Counsel (South Asia) &
Company Secretary*

Registered Office:

The Capital, 'A' wing, 1204-C,
12th Floor, Plot No. C-70, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051
CIN: L33112MH1943FLC003972

Dated: 2nd November 2021

NOTES:

1. The Postal Ballot Notice is being sent to those Members whose name appears in the Company's Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on Friday, 12th November 2021.
2. Members whose names appear in the Company's Register of Members / List of Beneficial Owners as on the close of business hours on Friday, 12th November 2021 will be considered for the purpose of e-voting. The voting rights of Members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the close of business hours on Friday, 12th November 2021. A person who is not a Member as on Friday, 12th November 2021 should treat this Notice for information purposes only.
3. Corporate Members are entitled to appoint their authorised representatives to vote through e-voting on their behalf, pursuant to the provisions of Section 113 of the Companies Act, 2013.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted is annexed hereto and forms part of this Notice.
5. The documents referred to in the Notice are available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of announcement of results of postal ballot. Members seeking to inspect such documents can send an email to **investor-grievance-india@basf.com** or **pankaj.bahl@basf.com**.
6. Every client ID no./folio no. will have one vote, irrespective of number of joint holders.
7. Members holding shares in physical form, who desire to take part in the Green Initiative of the Company, are requested to register their e-mail addresses with the Company by filling up the 'E-communication Registration' Form, which is available on the website of the Company **www.basf.com/in** and send the said form to TSR Darashaw Consultants Private Limited ("TSR Darashaw" and / or "Registrar and Share Transfer Agent") duly signed by the first named Member as per the specimen signature recorded with the Company/ Registrar and Share Transfer Agent. On registration, all the communications will be sent to the e-mail address of the member registered with the Company. Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participant.
8. Members are requested to notify any change in their communication address or bank mandate to: (a) their respective Depository Participants in case of shares held in electronic form; or (b) the Company's Registrar & Share Transfer Agent, TSR Darashaw Consultants Private Limited (hereinafter referred as "**TSR Darashaw**") at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400 083, in case of shares held in physical form.

9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
10. As per Regulation 40 of the SEBI Listing Regulations, securities of the listed companies can only be transferred in demat form with effect from 1st April 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or TSR Darashaw for assistance in this regard.
11. Members may please note that SEBI has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases: (i) Deletion of name of the deceased member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

Further, the Members are requested to kindly note that as per SEBI circular bearing no SEBI/HO/MIRSSD_RTAMB/PCIR/2021/655 dated 3rd November 2021, it is mandatory for Members holding shares in physical form to register their PAN, KYC details, Bank Particulars and Nomination against their folio no. PAN is also required to be linked to Aadhar No. by the Members to be considered as Valid PAN.

Members are requested to provide hard copy of the following self attested documents to TSR Darashaw for registration against their respective folio(s):

Identity Proof: Copy of PAN card/ Aadhar Card

Address Proof: Copy of Aadhar Card/ Passport/ client Master List/ utility Bill not over 3 months old

Bank Details: Copy of the cancelled cheque stating the name of the Member as account holder

Contact Details: Mobile no., email id

Nomination: Please provide Form SH13 duly filled and signed to TSR Darashaw.

In absence of any of the above information registered against your folio no., your folio no. will be frozen for any updation/ dividend payment in direction with the aforesaid Circular.

12. The Postal Ballot Notice is uploaded on the website of the Company, i.e., www.basf.com/in and on the website of NSDL, i.e., www.evoting.nsdl.com.
13. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
14. The e-voting period commences on Friday, 19th November 2021 (9.00 a.m. IST) and ends on Saturday, 18th December 2021 (5.00 p.m. IST).
15. The resolution, if passed by the requisite majority shall be deemed to have been passed on Saturday, 18th December 2021 i.e., the last date specified for receipt of votes through the remote e-voting process.
16. In order to increase the efficiency of the e-voting process, SEBI vide its circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020, had decided to enable e-voting to all the demat account holders by way of a single login credential through their demat accounts/ websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Therefore, to support the above initiative undertaken by SEBI, Members are requested to intimate/ update changes, if any, pertaining to their email address & mobile numbers with the respective Depositories/Depository Participants.

Members holding shares in physical form and who want to avail the above initiatives of SEBI are requested to convert their physical holdings into Demat form. Members can contact the Company or TSR Darashaw for any assistance in this regard.

INSTRUCTIONS FOR REMOTE E-VOTING

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual Members holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	<p>I. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>II. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>III. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>IV. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  App Store  Google Play</div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

Type of Members	Login Method
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **<https://www.evoting.nsdl.com/>** either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **<https://eservices.nsdl.com/>** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 118740 then user ID is 118740001***

5. Password details for Members other than Individual Members are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those Members whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

- I. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
- II. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
- III. Now you are ready for e-Voting as the Voting page opens.
- IV. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- V. Upon confirmation, the message “Vote cast successfully” will be displayed.
- VI. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- VII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **investor-grievance-india@basf.com**
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **investor-grievance-india@basf.com**. If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting.
3. Alternatively Members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.

General Guidelines for Members

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. in favour of authorised signatories who are authorized to vote, to the Scrutinizer by e-mail to **hs@hsassociates.net** with a copy marked to **evoting@nsdl.co.in**.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on **www.evoting.nsdl.com** to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800 1020 990 /1800 224 430 or send a request at **evoting@nsdl.co.in**, or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013 at the designated e-mail address: **evoting@nsdl.co.in** or on toll free no.: 1800 1020 990 /1800 224 430 who will also address grievances connected with voting by electronic means.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013.

The following explanatory statement sets out all material facts relating to the special business mentioned in this notice:

Item No. 1

The Board of Directors of the Company at their meeting held on 6th August 2021, based on the recommendation of the Nomination & Remuneration Committee, appointed Dr. Carola Richter (DIN: 0009197435) as a Director of the Company with effect from 6th August 2021, in the casual vacancy caused by the resignation of Mr. Dirk Bremm.

Dr. Carola Richter, aged 48 years, has received her PhD in Physics from Heidelberg University, Germany. She joined BASF SE, Germany as Consultant, Management Consulting division in 2003 and has been with BASF for more than 17 years. She has handled various Regional & Global leadership responsibilities in Hong Kong and Germany. Her leadership experience cuts across multiple operating divisions, functions like Coatings, Performance Chemicals, Business Management Acrylics & Superabsorbents, Global Business Management Hygiene, Global Marketing Technology & Supply Chain – Dispersions & Pigments, Economic Evaluations. Prior to joining BASF SE, she was the Strategy Consultant at McKinsey & Company, Frankfurt, Germany.

In terms of the provisions of Section 161(4) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017, if the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles of Association of the Company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting of the Company.

Further, in accordance with the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, effective 1st January 2022, the Company is required to ensure that the approval of the Members of the Company is sought for the appointment of a Director at the next General Meeting or within a period of three months from the date of appointment, whichever is earlier.

The Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member, signifying his intention to propose the candidature of Dr. Carola Richter for the office of Director, liable to retire by rotation.

Dr. Carola Richter does not hold any shares in the Company by herself or for any other person on a beneficial basis. She does not hold any other Directorships/Committee positions in any other Company in India. Further, she has not been a Director on the Board of any other Listed Entity in India during the past 3 years. She is not related to any other Director of the Company. She will not be receiving any remuneration from the Company.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company recommended her appointment as Director of the Company, liable to retire by rotation, as an Ordinary Resolution as set out at Item No. 1 of this Notice, before the Members for their approval.

Dr. Carola Richter is not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such authority.

Except Dr. Carola Richter and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Ordinary Resolution set out at Item No. 1 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Director seeking appointment/ re-appointment.

Item No. 2

The Members of the Company, by way of Postal Ballot, had on 26th March 2019 approved the appointment and terms of remuneration of Mr. Rajesh Naik as a Whole-time Director of the Company for the period of three years from 1st April 2019 to 31st March 2022.

The Board of Directors of the Company at their meeting held on 2nd November 2021, based on the recommendation of the Nomination & Remuneration Committee, have re-appointed Mr. Rajesh Naik as a Whole-time Director of the

Company for a period of five consecutive years from 1st April 2022 to 31st March 2027, subject to the approval of the Members of the Company, upon the terms, conditions and stipulations contained detailed below.

The essential terms and conditions of his re-appointment and remuneration payable are as under:

- i. Mr. Rajesh Naik shall carry out such functions and duties as may be entrusted to him by the Managing Director of the Company from time to time.
- ii. Period of Agreement: Five consecutive years from 1st April 2022 to 31st March 2027.
- iii. Remuneration: The remuneration payable to Mr. Rajesh Naik by way of salary, performance linked incentive, perquisites and any other allowances shall be determined by the Board from time to time based on the recommendation of the Nomination & Remuneration Committee and shall be in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time.

The remuneration payable to Mr. Rajesh Naik as determined by the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and the approval of the Members, is as under:

- a) Basic Salary not exceeding Rs. 2.25 crore per annum, the current basic salary with effect from 1st April 2021 being Rs. 6,47,151/- per month.
- b) In addition to remuneration payable under (a) above, Mr. Rajesh Naik is entitled to perquisites including furnished/ unfurnished accommodation/ house rent allowance in lieu thereof, superannuation allowance, contribution to National Pension Scheme, medical insurance for self and family, club fees, personal accident insurance, medical insurance, group term insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

The monetary value of the perquisites aforesaid not exceeding Rs. 1.5 crore per annum.

- c) Performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1 crore per annum.

The performance linked incentive is based on the Company's performance, BASF Group's Return on Capital Employed and Mr. Rajesh Naik's performance against pre-agreed targets for the respective calendar year. The Performance linked incentive is paid at actuals in April every year proportionately apportioned for 9 months (April – December) & the provisions created in the books of accounts proportionately for 3 months (January – March) based on the Target Performance linked incentive for the respective calendar year.

- d) Company's contribution to provident fund and superannuation fund / superannuation allowance, benefits under the Company's pension scheme will not be included in the computation of the ceiling on perquisites stated in iii(b) above to the extent these singly or put together are not taxable under the Income-tax Act, 1961. Gratuity and encashment of un-availed leave as per the Rules of the Company paid to the Whole-time Director at the time of retirement/cessation of service shall also not be included in the aforesaid perquisite limits. Costs and expenses incurred by the Company in connection with joining/ transfer/retirement and long service award as per the Rules of the Company paid to Director will not be included in the computation of the ceiling on perquisites. The Company shall provide car for the Whole-time Director and the expenses connected therewith will be borne by the Company. These perquisites will also not be included in the computation of the ceiling on perquisites. For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules 1962, wherever applicable. In the absence of any such Rule perquisites shall be evaluated at actual cost.
- e) Where in any financial year during the period 1st April 2022 to 31st March 2025, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Rajesh Naik as specified in the Agreement, based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to obtaining necessary approvals, as may be required in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time.

In that event the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove;

- ✓ Contribution to provident fund, superannuation fund / superannuation allowance or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- ✓ Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
- ✓ Encashment of leave at the end of the tenure;

- f) The total remuneration payable to Mr. Rajesh Naik by way of salary, performance linked incentive, perquisites and any other allowances, contribution to provident fund, superannuation fund / superannuation allowance and benefits under the Company's pension scheme shall be as per the limits prescribed under Sections 197, 198 and Schedule V of the Companies Act, 2013.
- g) Pursuant to the provisions of the Companies (Amendment) Act, 2017, the approval of the Central Government is not required in the event of:
- Payment of managerial remuneration exceeding 11% of the net profits;
 - Payment of remuneration to managerial person in the event of losses or inadequacy of profits.

iv. Other Terms:

- a) Mr. Rajesh Naik shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of Company's business.
- b) Mr. Rajesh Naik shall be entitled to housing loan as per rules of the Company and if permitted under the Companies Act, 2013.
- c) Mr. Rajesh Naik shall be entitled to fully paid leave as per the rules of the Company.
- d) Mr. Rajesh Naik shall not directly or indirectly engage himself in any business or occupation other than business of the Company.
- e) Mr. Rajesh Naik shall observe the secrecy obligations with regard to the business and operations of the Company.
- f) The appointment may be terminated by either party by giving to the other 6 months' notice in writing.
- g) The appointment also sets out the mutual rights and obligations of the Company and Mr. Rajesh Naik.

In compliance with the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013, the Special Resolution in terms as set out at Item No. 2 of this Notice is now being placed before the Members for their approval.

A copy of the draft Agreement to be executed between the Company and Mr. Rajesh Naik will be available for electronic inspection without any fee by the Members of the Company on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto the date of announcement of results of this postal ballot.

ADDITIONAL INFORMATION:

Statement containing additional information as per Category B(iv) of Part II of Section II of Schedule V of the Companies Act, 2013 for Item No. 2 of this Notice:

1. General Information:

- (i) Nature of Industry – Manufacturing and Sale of Chemicals and Chemical Products.
- (ii) Date of commencement of commercial production – Existing Company, commercial production commenced in 1943.

- (iii) Financial performance based on given indicators:

(Rs. in crore)

Particulars	2020-21	2019-20*	2018-19
Revenues from Operations	9558.3	7594.5	6025.6
Profit before Tax	839.9	9.9	71.8
Profit after Tax	552.6	22.8	81.7
Dividend on Equity%	100%	30%	50%

*The results for the financial year ended 31st March 2020, include results of erstwhile BASF Performance Polyamides India Private Limited ('BPPIPL') from 1st February 2020 (i.e., the common control acquisition date) and are therefore not strictly comparable.

- (iv) Foreign investments or collaborations, if any: BASF SE along with its Group Companies holds 73.33% of the share capital of the Company. The Company has entered into agreements with BASF SE, its Parent Company for sourcing technical know-how and proprietary technical information and support on an ongoing basis.

2. Information about the Appointee:

- (i) Background Details – Mr. Rajesh Naik, aged 52 years, is a Chemical Engineer from MS University, Vadodara. Mr. Naik joined BASF on 7th April 2014 and has valuable experience of over 25 years and had worked with Companies like Asian Paints, El Dupont India Pvt. Ltd., etc. Prior to joining BASF, Mr. Naik was working as Vice-President-Marketing with English Indian Clay Ltd. (EICL) based at Bangalore. Mr. Rajesh Naik is Head Manufacturing & Whole-time Director of the Company since 1st April 2019 and also Occupier under the Factories Act, 1948 for all production sites of the Company. Mr. Rajesh Naik is a member of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company. Mr. Rajesh Naik does not hold any Directorship/ Committee positions in any other Company in India. Further, he was not a Director on the Board of any other listed entity during the last 3 years. He is not related to any other Director in the Company.

Having regard to his qualifications, experience and association with the Company, the Board of Directors of the Company considers that it will be in the best interest of the Company to re-appoint Mr. Rajesh Naik as a Whole-time Director of the Company for a period of 5 years from 1st April 2022 to 31st March 2027.

- (ii) Past Remuneration – The aggregate remuneration paid to Mr. Rajesh Naik for the last three financial years is as under:

FY 2018-19 Rs. 1.45 crore

FY 2019-20 Rs. 1.62 crore

FY 2020-21 Rs. 1.56 crore

- (iii) Recognition or Awards – N.A.

- (iv) Job Profile and suitability –

During the term of his office as Whole-time Director, Mr. Rajesh Naik shall exercise and perform all such powers and duties as the Managing Director of the Company shall determine.

- (v) Remuneration proposed: The remuneration proposed is detailed in the resolution as well in the explanatory statement.

- (vi) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person: Taking into consideration the size of the Company and the individual profile of Mr. Rajesh Naik and the industry benchmarks, the maximum limit of remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level positions in other Companies in the industry.

- (vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any – Mr. Rajesh Naik has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Whole-time Director of the Company.

(viii) OTHER INFORMATION:

- (a) Reason for expected losses or inadequacy of profits: Not Applicable
- (b) Steps taken or proposed to be taken for improvement: Not Applicable
- (c) Expected increase in productivity and profit in measurable terms: Not Applicable

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the passing of the resolution set out at Item No. 2 of this Notice as a Special Resolution.

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

Mr. Rajesh Naik is not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such authority.

Except Mr. Rajesh Naik and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Special Resolution set out at Item No. 2 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/ re-appointment.

By Order of the Board of Directors
For BASF India Limited

Pradeep Chandan
*Director-Legal, General Counsel (South Asia) &
Company Secretary*

Registered Office:

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CIN: L33112MH1943FLC003972

Dated: 2nd November 2021