



We create chemistry

Annual Report 2022-2023

BASF India Limited

Navigating towards
sustainable growth





Message from the Managing Director

Dear shareholder,

I am honored to address you as the new Managing Director of your Company, BASF India Limited. I assume this role with great enthusiasm and a deep sense of responsibility. Having been part of BASF Group for 23 years, I am well acquainted with the core values, strategic priorities, and the immense potential that lies within our Company. Building on the strong foundation laid by my predecessors, I am eager to lead your Company together with our dedicated team of professionals as we continue to navigate towards sustainable and profitable growth. I thank you, my team and the Board of Directors for the support and confidence entrusted in me.

Since moving into this role, I have extensively engaged with our employees, visited our production sites, and met key customers and stakeholders across the country. I am impressed by all the interactions so far and am confident that together, we will navigate the future with resilience, overcoming obstacles and seizing opportunities to continue to deliver sustainable results.

The fiscal year 22-23 was influenced by major events. The ongoing war in Ukraine has significantly compromised the global geopolitical stability and macroeconomy. The resulting energy crisis in Europe contributed to inflationary pressures in many countries, and rising interest rates further dampened demand development. Meanwhile China, the largest chemical market, maintained a strict zero-Covid policy resulting in sustained lockdowns throughout most part of the fiscal year. The slowdown in the ongoing global consumer demand became increasingly visible from the second half of 2022, also against the backdrop of a receding pent-up demand post the pandemic.

India was not completely isolated from these events, albeit the local economy maintained an impressive robustness overall. Your Company showed resilience despite macroeconomic uncertainties and our sales increased by 4.2% to Rs. 136,447.7 million. You may also be pleased to note that your Company ended the year with zero-debt achievement. Our balanced portfolio enabled us to capture opportunities with strong profit contributions from our Agricultural Solutions, Nutrition & Care and Surface Technologies segments partially offsetting heavy margin pressures in our Chemicals and Materials segments. At the same time, we maintained a stable working capital and delivered a solid 21.5% return on capital employed (ROCE). Your Company launched new innovations such as Exponus[®], a revolutionary insecticide for farmers in the fruits and vegetable segment, which achieved extraordinary sales in record time. We continued to expand our production capabilities, i.e., with a new production line at Dahej for polymer dispersions and expansion of engineering plastics capacity at Panoli. To also cater to the Indian market, your Company launched “Dynago[®]” range of tropical coolants designed specifically for Indian weather conditions.

Your Company maintained a solid safety track record with zero high severity incidents. While it continues to drive its digitalization initiatives across the sites with a focus on optimizing operations, it also remains devoted towards its sustainability goals, for example, by implementing a power purchase agreement for hybrid solar power at Dahej and Mangalore sites. We also remained steadfast in our commitment to corporate social responsibility and promote diversity as well as inclusion within our workforce.

Considering the financial performance of the Company, the Board of Directors have recommended a dividend of 80% i.e. Rs. 8/- per equity share (previous year Rs. 6/- per equity share) for the fiscal year ended 31st March, 2023.

Looking ahead our focus is to sustain the volume growth momentum despite the overall globally prolonged demand contraction. We will maintain proximity to our customers, optimize asset utilization, and continue to exercise prudent control over working capital and expenses. At the same time, we shall not lose sight of our long-term strategic imperatives and continue to drive our sustainability and digitalization roadmaps, fortify our talent pipeline and promote diversity and inclusion at all levels of our organization. Our commitment to preserve safe and efficient operations will continue to be fundamental to enable sustained success.

I would like to express my gratitude to our talented employees, as well as our customers, partners, and stakeholders for their continued collaboration. Finally, I thank the Board of Directors and you all, our dear shareholders, for your trust and support.

Let us continue to create chemistry for a sustainable future!

Warm regards,

Alexander Gerding
Managing Director

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Friday, 4 th August, 2023 at 3.00 p.m. through Video Conferencing/Other Audio Visual Means.	
Agenda	
1. Presentation of Audited Financial Statements and the Directors'/Auditors' Reports thereon.	2
2. Declaration of Dividend.	4
3. Re-appointment of Director.	58
4-7. Special Business: Notice of the Meeting is attached.	68
BASF India Limited	
Registered Office: The Capital, 'A' Wing, 1204-C 12 th Floor, Plot No. C-70, 'G'-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. Telephone : +91 6278 5600, 6724 3700 / 6724 3800 Website : www.basf.com/in E-mail ID : investor-grievance-india@basf.com	2
Corporate Identification Number: L33112MH1943FLC003972	4
Manufacturing Sites: <u>Maharashtra (Navi Mumbai)</u> Plot No. 12, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400 705.	58
<u>Karnataka (Mangalore)</u> Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka – 575 030.	68
<u>Gujarat (Dahej)</u> 4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat – 392 130.	87
<u>Gujarat (Panoli)</u> Village Umarwada, Survey No 432/1+2, Taluka Ankleshwar, Gujarat – 393 001 India.	98
Offices: Bangalore, Chennai, Chandigarh, Delhi, Hyderabad, Indore, Kolkata, Lucknow and Pune	99
Registrar & Share Transfer Agent: TSR Consultants Private Limited Unit : BASF India Limited, C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083. Tel. No.: +91 22 8108118484 Fax No.: +91 22 66568494 Email : csg-unit@tcplindia.co.in	100
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Board of Directors & Key Managerial Personnel



Mr. Pradip P. Shah
Chairman



Mr. Alexander Gerding
Managing Director



Dr. Ramkumar Dhruva



Dr. Carola Richter



Mr. R. A. Shah



Mrs. Shyamala Gopinath



Mr. Arun Bewoor



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



Mr. Anil Choudhary
Manufacturing Head &
Whole-time Director



Mr. Manohar Kamath
Company Secretary

Management Committee

Mr. Alexander Gerding
Mr. Narendranath J. Baliga
Mr. Anil Choudhary
Mr. Manohar Kamath

Statutory Auditors

Messrs Price Waterhouse Chartered Accountants LLP
252, Veer Savarkar Marg,
Shivaji Park, Dadar (West),
Mumbai – 400 028.

Cost Auditors

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

Internal Auditors

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

Bankers

- (i) Citibank N.A.
- (ii) Deutsche Bank AG
- (iii) BNP Paribas
- (iv) Credit Agricole CIB
- (v) Bank of America
- (vi) HDFC Bank Limited
- (vii) Mizuho Bank

Secretarial Auditors

Messrs HSPN & Associates, LLP
206, 2nd Floor,
Tantia Jogani Industrial Estate,
J. R. Boricha Marg, Opp. Lodha Excelus,
Lower Parel (E), Mumbai – 400 011.

Advocates & Solicitors

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

Director - Legal, General Counsel (India) & Company Secretary

Mr. Manohar Kamath



Dr. Carola Richter, President of BASF Asia-Pacific (excluding Greater China), hosted a networking dinner to introduce Alexander Gerding, Managing Director of BASF India Limited to stakeholders, key customers and members of industries and associations.



At the 16th Annual India Chemical Industry Outlook Conference & Exhibition, Alexander Gerding, Managing Director, spoke on BASF's global commitments and efforts towards sustainability in India.

Directors' Report

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2023.

Financial Results

(Rs. in million)

Description	Year ended 31.3.2023	Year ended 31.3.2022
Revenue from operations	136,447.7	130,997.3
Profit before exceptional items and tax	5,280.9	7,473.6
Exceptional items	153.1	125.6
Profit before tax	5,434.0	7,599.2
Tax expense / (credit)	1,405.1	1,650.8
Profit after tax	4,028.9	5,948.4
Dividend	346.3	259.7

Performance

Despite stabilization of demand and softening of the market prices, the revenue from operations at Rs. 136,447.7 million, represents an increase of 4.2% over the previous year. Your Company reported a Profit Before Tax (before exceptional items) of Rs. 5,280.9 million for the year ended 31st March, 2023 as compared to Rs. 7,473.6 million in the previous year.

The Agricultural Solutions business of your Company registered good growth in revenues during the year under review as compared to the previous year. The growth in the Agricultural Solutions business was led by latest innovations viz. Exponus[®] in the insecticides segment, Priaxor[®] in the fungicides segment, Vesnit[®] and Tynzer[®] in the herbicides segment. The improved profitability of the Agricultural Solutions business was mainly on account of better price realisation coupled with higher volumes and lower input costs.

The Industrial Solutions segment of your Company comprising of the Dispersions, Resins, Additives & Performance Chemicals businesses, registered flat revenue growth during the period under review. The revenue of the Dispersions business was slightly higher as compared to the previous year. In case of the Performance Chemicals business, there were higher revenues from the sale of lubricants & automotive fluids to key customers due to better price realisation. The margins of the Industrial Solutions segment were impacted mainly on account of higher fixed costs and lower sales prices.

The Materials segment of your Company comprising of the Performance Materials & Monomers businesses registered modest growth in revenue during the year under review as compared to the previous year. Although the Performance Materials business of the Company registered strong volume growth across segments like Transportation, Appliances, Footwear, margins were mainly impacted due to lower price realisation. The Monomers business of your Company registered lower volumes due to reduced demand on account of market sentiments. The profitability of the Materials Segment was significantly impacted due to decline in volumes and increased input costs.

The Surface Technologies segment of your Company comprising of the Coatings & Catalysts businesses registered good growth in sales due to strong volumes and increased prices. The margins of the Surface Technologies segment improved significantly during the year under review as compared to the previous year due to better price realisation.

The Nutrition & Care segment of your Company comprises of the Care Chemicals and Nutrition & Health businesses. The Care Chemicals business of your Company registered higher sales during the year under review as compared to the previous year driven mainly by the increased selling prices. However, the margins of the Care Chemicals business were impacted due to high feed stock prices and changes in the product mix. The Nutrition & Health business of the Company registered good growth and margins due to increased selling prices and higher price realisation.

During the year under review, the revenues & margins of the Chemicals segment of your Company comprising of the Petrochemicals & Intermediates businesses was impacted mainly due to lower volumes and higher input costs.

Export sales stood at Rs. 3,072.3 million during the year under review.

Divestiture of Kaolin Minerals Business

During the previous financial year 2021-22, your Company was informed by BASF SE, Germany (Ultimate Holding Company) about the global divestiture of Kaolin Minerals Business to KaMin LLC / CADAM S.A. (KaMin), a global performance minerals company headquartered in Macon, Georgia, United States.

On 30th September 2022, your Company was informed by BASF SE, Germany that BASF had successfully completed the divestiture of its Kaolin Minerals business to KaMin LLC after fulfilment of the necessary conditions.

Transfer to Reserves

The Company has not transferred any amount to the Reserves for the financial year ended 31st March, 2023.

Share Capital

During the year under review, there has been no change in the share capital of the Company. The authorised share capital of the Company, as on 31st March, 2023 is Rs. 715,597,150/-, which is divided into 71,559,715 equity shares of Rs. 10/- each., whereas the issued share capital of the Company comprises of 43,285,640 equity shares of Rs. 10/- each aggregating to Rs. 432,856,400/-.

Removal of Master Builders Solutions Deutschland GmbH (formerly known as BASF Construction Solutions GmbH) name from the list of Promoter Group Shareholders of the Company

During the previous financial year 2021-22, your Company had received a request from Master Builders Solutions Deutschland GmbH (formerly known as BASF Construction Solutions GmbH) holding NIL equity shares in the Company to remove their name from the list of Promoter Group Shareholders of the Company.

Accordingly, the Board of Directors of your Company, at its Meeting held on 30th March, 2022 had approved their request for removal of their name from the list of Promoter Group Shareholders of the Company and necessary applications were filed with BSE Ltd and National Stock Exchange of India Ltd.

On 22nd February, 2023, your Company has received approval from BSE Ltd and National Stock Exchange of India Limited for removal of the name of Master Builders Solutions Deutschland GmbH (formerly known as BASF Construction Solutions GmbH) from the list of Promoter Group Shareholders, pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dividend

The Board of Directors of your Company have recommended a Dividend of Rs. 8/- per equity share i.e., 80% for the financial year ended 31st March, 2023. The Dividend would be paid, subject to the approval of the Members at the forthcoming Annual General Meeting on 4th August, 2023.

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at <https://bit.ly/basfdividenddistributionpolicy>.

Changes in Directors

Mr. Narayan Krishnamohan resigned as the Managing Director of the Company, with effect from the close of business hours on 31st December, 2022 to pursue his interest and opportunity outside BASF. The Board of Directors of your Company place on record its sincere appreciation for the valuable contributions made by Mr. Narayan Krishnamohan during his tenure as the Managing Director of the Company.

The Board of Directors of the Company at its Meeting held on 22nd November, 2022 appointed Mr. Alexander Gerding as the Managing Director of the Company for a term of 5 years, effective 1st January, 2023, subject to the approval of the Members of the Company and the Ministry of Corporate Affairs (Central Government), as may be required. Mr. Alexander Gerding has also been appointed as the Chairman of the Risk Management Committee and Member of the Stakeholders' Relationship Committee, effective 1st January, 2023, in place of Mr. Narayan Krishnamohan.

Mr. Alexander Gerding was born in Bremen, Germany in 1979. He joined BASF in 2000 in a dual study program and obtained his Master of Business Administration at UNCG, North Carolina, United States, in 2005. He has been with BASF for more than 22 years, having handled various leadership responsibilities in Germany, United States and Argentina among other countries. At the time of his appointment, Mr. Alexander Gerding was the Vice President-Business Management for Agricultural Solutions EMEA East. Mr. Alexander Gerding has valuable experience of 20 years in the Agricultural Solutions business.

Mr. Rajesh Naik resigned as the Manufacturing Head & Whole-time Director of the Company, with effect from the close of business hours on 31st December, 2022, to pursue a regional role within BASF. The Board of Directors of your Company place on record its sincere appreciation for the valuable contributions made by Mr. Rajesh Naik during his tenure as the Manufacturing Head & Whole-time Director of the Company.

The Board of Directors of the Company at its Meeting held on 22nd November, 2022 appointed Mr. Anil Choudhary as the Manufacturing Head & Whole-time Director of the Company for a term of 5 years, effective 1st January, 2023, subject to the approval of the Members of the Company. Mr. Anil Choudhary has also been appointed as a Member of Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, effective 1st January, 2023, in place of Mr. Rajesh Naik.

Mr. Anil Choudhary has completed his Bachelors' in Mechanical Engineering and Post-Graduation in Marketing Management. He has been with BASF since 2004 and has held various leadership positions in BASF. He was earlier the Managing Director of BASF Catalysts India Private Limited. At the time of his appointment, Mr. Anil Choudhary was the Business Director of the Performance Materials business of the Company. Effective 1st January 2023, Mr. Anil Choudhary is responsible for the Materials, Industrial Solutions & Surface Technologies Business Segments of the Company. He is also responsible for all the manufacturing sites of the Company and has been appointed as an Occupier under the Factories Act, 1948 and the person responsible under the Legal Metrology Act, 2009.

The Members' approval for the appointment of Mr. Alexander Gerding as the Managing Director and Mr. Anil Choudhary as the Manufacturing Head & Whole-time Director of the Company for a term of 5 years, respectively, effective 1st January, 2023 was obtained by way of Postal Ballot on 30th December, 2022.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 10th May, 2023, have recommended the re-appointment of Mrs. Shyamala Gopinath as Independent Director of the Company for a second term of five years from 23rd January 2024 to 22nd January 2029, subject to the approval of the Members of the Company, pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Dr. Carola Richter being eligible, offers herself for re-appointment as Director of the Company at the 79th Annual General Meeting of the Company to be held on 4th August, 2023.

As required under the SEBI Listing Regulations, the details of the Director(s) seeking re-appointment at the ensuing Annual General Meeting are provided on page no. 79 the Corporate Governance Report, forming part of this Annual Report.

Finance & Accounts

Your Company continued to optimize borrowing during the year by focusing on cash flows from operations and working capital management. Your Company had NIL borrowings as at the end of financial year 2022-2023.

Your Company continued to focus on managing cash efficiently and ensured that it had adequate credit lines from Company's bankers. Your Company's debt equity ratio was Nil as at 31st March, 2023.

Capital Expenditure

Capital expenditure incurred during the year aggregated to Rs. 968.9 million.

Credit Rating

During the year, CRISIL Ltd re-affirmed the credit rating of 'CRISIL AAA/Stable' for the long term debt programme of your Company. The ratings on the Fixed Deposits and Commercial Paper have been re-affirmed at 'FAAA/Stable' and 'CRISIL A1+', respectively.

Further, India Ratings and Research Private Limited has also maintained a credit rating of 'IND A1+' for Commercial Paper Programme of Rs. 7,500 million of your Company.

Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations & carry lower credit risk.

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 the SEBI Listing Regulations, the Management Discussion and Analysis Report is appended to this Annual 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 the SEBI Listing Regulations.

A separate report on Corporate Governance as stipulated under the SEBI Listing Regulations along with a Certificate of Compliance from the Statutory Auditors, forms part of this Annual Report.

Corporate Social Responsibility

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

Mr. Arun Bewoor, Mr. R. A. Shah, Independent Non-Executive Directors and Mr. Anil Choudhary, Manufacturing Head & Whole-time Director (effective 1st January, 2023) are presently the members of the CSR Committee.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary of the Company acts as the Secretary of the CSR Committee, effective 1st March, 2022.

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

During the year under review, two meetings of the CSR Committee were held on 3rd August, 2022 and 31st January, 2023 respectively to review and recommend to the Board of Directors, the CSR activities to be undertaken by the Company during the financial year 2022-2023.

Your Company was required to spend an amount of Rs. 86.0 million (Gross Amount) during the financial year 2022-2023 out of which an amount of Rs. 1.7 million was set-off i.e., excess amount spent towards CSR activities during the previous financial year 2021-2022. The net amount required to be spent / allocated towards CSR projects / activities during the financial year 2022-23 was Rs. 84.3 million.

The details of the ongoing CSR projects initiated by the Company mainly in the areas of Education, Water, Hygiene and Sanitation, are provided in **Annexure I** of this Report.

Business Responsibility & Sustainability Report

Regulation 34(2) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalization, should mandatorily include a Business Responsibility & Sustainability Report ("**BRSR**") from financial year 2022-23 onwards.

Although the top 1000 listed entities were mandatorily required to publish BRSR from financial year 2022-23 onwards, your Company had published the said Report on a voluntary basis during the financial year 2021-2022.

In line with the SEBI listing requirements, your Company has included BRSR as part of this Report for the financial year 2022-23, as **Annexure II**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRSR for the financial year 2022-2023 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 Whistle Blower Policy 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: <https://bit.ly/basfwhistleblowerpolicy>.

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, 2023 and of the profit 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**.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, your Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Directors, Key Managerial Personnel, 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 is explained in the Corporate Governance Report, forming part of this Annual Report.

The Board of Directors of your Company expressed satisfaction about the transparency of disclosures, maintenance of higher governance standards and updation of the Independent Directors on key topics impacting the Company.

Policy on Directors' appointment and remuneration

The policy on Directors' appointment and remuneration including determination of 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: <https://bit.ly/basfnrc>

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai, have been re-appointed as Statutory Auditors of the Company for a further period of 5 years i.e., from the conclusion of the Annual General Meeting of the Company held on 3rd August, 2022 upto the conclusion of the Annual General Meeting to be held in the calendar year 2027. They have confirmed to the Company that they are not disqualified from continuing to act as Statutory Auditors of the Company.

Further, the provision with respect to annual ratification of appointment of Statutory Auditors has been removed by the Companies Amendment Act, 2017 and also from Companies (Audit and Auditors) Rules, 2014.

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. HSPN & Associates, LLP, Practising Company Secretaries, Mumbai (C.P. 1483), to conduct the Secretarial Audit of the Company for the financial year 2022-2023 and to furnish their report to the Board. The Secretarial Audit Report dated 10th May, 2023 forms part of this Report as **Annexure IV**.

Qualifications/Reservations in the Auditors' Report & Secretarial Audit Report

There are no qualifications/reservations placed by the Statutory Auditors and the Secretarial Auditor in their respective Reports for the financial year ended 31st March, 2023.

Compliance with Secretarial Standards

Your Company has duly complied with the applicable Secretarial Standards ('SS') issued by the Institute of Company Secretaries of India relating to Meetings of the Board and its Committees ('SS1') and General Meetings ('SS2'), respectively, during the year under review.

Reporting of Frauds by Auditors

During the year under review, there have been no instances of fraud committed against the Company by its officers or employees, which were required to be reported to the Audit Committee / Board of Directors of the Company, by the Statutory Auditors or the Secretarial Auditor under Section 143(12) of the Companies Act, 2013.

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 2023-2024. The Cost Auditors have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as the Cost Auditors of the Company.

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 and the SEBI Listing Regulations, details of which are provided 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 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 transactions, which are repetitive in nature. 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: <https://bit.ly/basfrptpolicy>. The Company has updated the policy on Related Party Transactions in line with the recent provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Your Directors draw the attention of the Members to Note No. 49 of the Financial Statements, which sets out related party disclosures under the Indian Accounting Standards (IND AS).

Further, the disclosures as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, form part of this Report, as **Annexure V**.

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

During the financial year 2022-2023, your Company has placed Inter-Corporate Deposits with the following BASF Group Companies: -

- i) BASF Chemicals India Private Limited – Rs. 450 million (outstanding Nil as on 31st March 2023)
- ii) BASF Catalysts India Private Limited – Rs. 1,500 million (outstanding Rs. 1,500.9 million as on 31st March 2023)

Your Directors draw the attention of the Members to Note No. 49 of the Financial Statements, which sets out the disclosures under the Indian Accounting Standards (IND AS).

Weblink of Annual Return

The Annual Return of the Company for the financial year ended 31st March, 2023 in Form MGT-7 is available on the Company's website and can be updated for FY 22-23 at: <https://bit.ly/basfannualreturn22-23>

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 as amended, forms part of this Report as **Annexure VI**. 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 the Members of the Company. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at manohar.kamath@basf.com and / or at the Registered Office address of the Company.

Prevention of Sexual Harassment at the 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 employees at all levels. Providing a safe and congenial work environment for all employees is an integral part of the Company's Code of Conduct.

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, your Company has adopted a Policy for Prevention of Sexual Harassment at Workplace and has constituted an Internal Committee (IC). The names of the IC Members are displayed on the notice board in each office and manufacturing site. All employees as well as contract staff and trainees are covered by this policy. Allegations of sexual harassment reported are expeditiously and discreetly investigated and disciplinary action, if required, is taken in accordance with the policy.

There was no complaint of sexual harassment received during the financial year 2022-2023.

Training programs on prevention of sexual harassment at the workplace are also conducted at regular intervals. During the year under report, your Company conducted awareness programmes on the policy for its employees. Your Company had also rolled out an e-learning module to sensitize & create awareness amongst the employees of the Company on prevention of sexual harassment.

Risk Management

Your Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and undertakes periodical review of the same to ensure that the risks are identified and 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. The Board also reviewed the implications of the recent geo-political crisis and the effects associated thereof on 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 the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Additional details on Internal Financial Controls and their adequacy are provided in the Management Discussion and Analysis Report, forming part of this Annual Report.

Significant and material orders passed by Regulators or Courts

Certain litigations pending with Regulators or Courts have been disclosed as Contingent Liabilities in Note no. 39 of the Notes to the financial statements for the financial year ended 31st March, 2023. There are no significant and 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

While the COVID-19 pandemic has been left behind, the global crisis has escalated due to the ongoing geo-political crisis. Upon evaluation, 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

Six (6) Board Meetings were held during the financial year 2022-2023 on the following dates:

- | | |
|-------------------------------------|-------------------------------------|
| (1) 9 th May, 2022 | (2) 3 rd August, 2022 |
| (3) 10 th November, 2022 | (4) 22 nd November, 2022 |
| (5) 31 st January, 2023 | (6) 27 th March, 2023 |

Declaration of Independence

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

Other Disclosures

- The Company has not issued any shares with differential voting rights/ sweat equity shares.
- There was no revision in the Financial Statements for the financial year ended 31st March, 2022.
- There has been no change in the nature of business of the Company as on the date of this report.
- There are no proceedings filed against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year 2022-2023. Your Company has initiated action against few customers under the Insolvency and Bankruptcy Code, 2016.

Employee Relations

Your Directors place on record their sincere appreciation of the contribution made by the employees at all levels to the growth of the Company. Industrial Relations at all our manufacturing sites remained cordial.

Acknowledgments

The Board of Directors take this opportunity to thank BASF SE, Germany and all other stakeholders including 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
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

ALEXANDER GERDING
Managing Director
(DIN: 09797186)

Mumbai

Dated : 10th May, 2023

Annual Report on CSR activities

1. Brief outline of the CSR Policy of the Company.

In line with the CSR Policy and Schedule VII of the Companies Act, 2013, the CSR Committee has outlined the activities to be undertaken by the Company. Key focus areas, as identified by the Company for community initiatives were Water, Sanitation and Hygiene (WASH) and Education around its manufacturing sites.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1	Mr. Arun Bewoor	Independent Director	2	2
2	Mr. R. A. Shah	Independent Director	2	2
3	Mr. Rajesh Naik (until 31 st December 2022)	Manufacturing Head & Whole-time Director	2	1
4	Mr. Anil Choudhary (Effective 1 st January 2023)	Manufacturing Head & Whole-time Director	2	1

3. Provide the web-link where composition of the CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

The CSR Policy of the Company is available on the Company's website and can be accessed at <https://bit.ly/basfcsrpolity>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – **Not Applicable**5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – **Rs. 1.7 million**6. Average net profit of the Company as per Section 135(5). – **Rs. 4,300 million**7. (a) Two percent of average net profit of the Company as per Section 135(5) – **Rs. 86.0 million**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – **Nil**

(c) Amount required to be set off for the financial year – **Rs. 1.7 million**

Total CSR obligation for the financial year (7a+7b- 7c). – **Rs. 84.3 million**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
20.83 million	63.47 million	25/04/2023	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs. Million).	Amount spent in the current financial year (in Rs. Million).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Million).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Installation of Smart classrooms in schools to promote digitalization in education*	Promotion of Education	Yes	Maharashtra Gujarat, Karnataka	Thane, Bharuch, Mangalore	3 years	11.20	8.75	2.45	Yes	—	—
2	Sponsor the development of games based on chemistry with Pune Knowledge Cluster. (Gamification Project)	Promotion of Education	Yes	Maharashtra, Gujarat, Karnataka	Thane, Bharuch, Mangalore	3 years	17.00	—	17.00	No	The Inter-University Centre for Astronomy and Astrophysics	CSR00011169
3	Kid's Lab (Organize Kids lab for under privileged community kids and make kids understand and learn Chemistry in fun way. Make ambassadors for promotion of chemistry and allied STEM sciences	Promotion of Education	Different parts of India	Delhi, Maharashtra Karnataka, Tamil Nadu, Gujarat	Delhi, Mumbai, Bangalore, Chennai, Pune, Mangalore and Bharuch and Dahej	3 years	15.00	2.00	13.00	Yes	—	—
4	Climate change Project (Plotting District Level Models for Climate Change Risk Mitigation: A youth centered strategy)	Protection of Environment	To be identified (Assessment ongoing)	Maharashtra Gujarat	Maharashtra Gujarat	3 years	7.50	0.50	7.00	No	Global Compact Network	CSR00006252
5	Supply of benches for 2 Schools	Promotion of Education	Yes	Maharashtra	Thane	3 years	—	—	—	—	—	—
6	Water, Sanitation and Hygiene facilities for school(s)	Water, Sanitation and Hygiene	Yes	Maharashtra	Thane	3 years	6.00	2.80	3.20	Yes	—	—
7	Water, Sanitation and Hygiene facilities for Traffic Police Staff	Water, Sanitation and Hygiene	Yes	Maharashtra	Thane	3 years	—	—	—	—	—	—
8	2 Sanitation facilities & Hygiene awareness at Schools	Water, Sanitation and Hygiene	Yes	Karnataka	Mangalore	2 years	2.50	0.30	2.20	No	CENTER FOR HEALTH AND DEVELOPMENT	CSR00000782
9	Project Clean Stream- WASH project	Water, Sanitation and Hygiene	Yes	Gujarat	Bharuch	2 years	11.20	0.60	10.60	Yes	—	—
10	Projects with Bharuch authority	Water, Sanitation and Hygiene	Yes	Gujarat	Bharuch	2 years	12.50	5.05	7.45	No	Bharuch Citizen Council Trust	CSR00007048
	Projects with Sulabh	Water, Sanitation and Hygiene	Yes	Gujarat	Bharuch	2 years	—	—	—	No	Sulabh Sanitation Mission	CSR00000348
11	Impact and Need Assessment**	—	Yes	Maharashtra, Gujarat, Karnataka	Thane, Bharuch, Mangalore	2 years	1.40	0.83	0.57	Yes	—	—
	Total						84.30	20.83	63.47			

* Amount spent includes the administrative cost of Rs. 1.2 million incurred during the financial year 2022-2023.

** Amount spent includes GST of Rs. 0.22 million

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Nil
 - (d) Amount spent on Administrative Overheads – Rs. 1.20 million
 - (e) Amount spent on Impact Assessment, if applicable – Nil
 - (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 20.83 million
 - (g) Excess amount for set-off, if any – Nil
9. (a) Details of unspent amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in a financial year for ongoing projects of the preceding financial year(s): **Not Applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**
11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): **Not Applicable**

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.

ARUN BEWOOR
Chairman, CSR Committee
 (DIN: 00024276)

ALEXANDER GERDING
Managing Director
 (DIN: 09797186)

Mumbai
 Dated : 10th May, 2023



Your Company has signed an agreement with Next Education to install 36 digital classrooms in 14 municipal schools located near its sites in Navi Mumbai, Mangalore and Dahej. Seen here is a demonstration by a teacher during the inauguration of the first digital classroom in Navi Mumbai.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars/ Activities	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L33112MH1943FLC003972
2.	Name of the Listed Entity	BASF India Limited
3.	Year of incorporation	1943
4.	Registered office address	The Capital, 'A' Wing, 1204-C, 12 th Floor, Plot No. C-70, 'G'-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
5.	Corporate address	Plot No. 12, TTC Industrial Area, Thane Belapur Road, MIDC, Turbhe, Navi Mumbai – 400 705
6.	E-mail	investor-grievance-india@basf.com
7.	Website	www.basf.com/in
8.	Telephone	+ 91 22 62785600 / 67243700 / 67243800
9.	Financial year for which reporting is being done	1 st April, 2022 to 31 st March, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and The National Stock Exchange of India Ltd
11.	Paid-up Capital	43,285,640 Equity Shares of Rs. 10 each aggregating to Rs. 432.9 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary manohar.kamath@basf.com + 91 22 62384024
13.	Reporting boundary	As the Company does not have any subsidiary, the Business Responsibility & Sustainability Report has been prepared on standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Polyurethanes Systems	20131	13%
2	Dispersions	–	9%
3	Aroma Ingredients	–	6%
4	Ultramid Engineering Plastics	20131	5%
5	Fungicides	20211	5%
6	Herbicides	20211	4%
7	Oleo Surfactants & Alcohols	–	4%
8	Acrylics	–	4%
9	Amines	–	4%
10	Insecticides	20211	3%
11	Automotive OEM Coatings	20224	3%
12	MDI & Precursors	–	3%
13	Pharma Ingredients & Services	–	3%

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
14	Home Care, I&I and Ind. Formulators	-	3%
15	Alcohols and Solvents	-	2%
16	Acids and Polyalcohols	-	2%
17	Performance and Formulation Additives	-	2%
18	Chemical Catalysts	-	2%
19	Personal Care Specialties	-	2%
20	Microcellular Polyurethanes	-	2%
21	Acetylenics and Carbonyl Derivatives	-	2%
22	Antioxidants and Process stabilizers	-	2%
23	TDI & Precursors	-	1%
24	Vitamins & Carotenoids	-	1%
25	Butanediol and Derivatives	-	1%
26	Resins	-	1%
27	Ultradur	-	1%
28	Light Stab. and Other Plastic Additives	-	1%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing & Trading of Chemicals & Chemical Products	Chapter 20	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	14	18
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	37

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports was 2.25% of the total turnover of the Company for the financial year ended 31st March, 2023.

c. A brief on types of customers

As chemicals are a starting point for almost all industries, the products manufactured by the Company are used in agriculture, automotive, pharmaceuticals, construction, consumer durables, consumer care, paints and other varied end industries. The Company's customer portfolio numbers more than 5000 customers, ranging from major global customers and small and mid-sized companies to end-consumers like farmers.

IV. Employees

18. Details as at the end of Financial Year: i.e., 2022-2023

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1219	1092	90%	127	10%
2.	Other than Permanent (E)	1838	1781	97%	57	3%
3.	Total employees (D + E)	3057	2873	94%	184	6%
WORKERS						
4.	Permanent (F)	144	142	99%	2	1%
5.	Other than Permanent (G)	1094	1043	95%	51	5%
6.	Total workers (F + G)	1238	1185	96%	53	4%

b. Differently abled Employees and workers: -

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	Nil	Nil	NA	Nil	NA
2.	Other than Permanent (E)	Nil	Nil	NA	Nil	NA
3.	Total differently abled employees (D + E)	Nil	Nil	NA	Nil	NA
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Nil	Nil	NA	Nil	NA
5.	Other than permanent (G)	Nil	Nil	NA	Nil	NA
6.	Total differently abled workers (F + G)	Nil	Nil	NA	Nil	NA

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (including Alternate Director)	9	2	22%
Key Management Personnel	4	Nil	-

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8%	12%	9%	10%	13%	10%	25%	15%	24%
Permanent Workers	4%	0	4%	2%	-	2%	12%	-	12%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	BASF SE, Germany	Ultimate Holding Company	52.75%	No
2.	BASF Schweiz AG	Group Company	20.58%	No

Note: - The Company does not have any Subsidiary, Associate and / or Joint Venture Companies as on 31st March, 2023.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in Rs.) FY 22-23 Rs. 136,447.7 million

(iii) Net worth (in Rs.) As on 31st March, 2023: Rs. 27,011.8 million

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Investors (other than shareholders)	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Shareholders	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Employees and workers	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Customers	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Value Chain Partners	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Other (please specify)	-	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format: -

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Import restrictions like Anti-Dumping Duty & Safeguard duties	Risk	It will be increasingly difficult to import	Shortlist potential products and monitor pricing	Negative
2.	Registration of Products notified under Bureau of Indian Standards	Risk	It will not be possible to import without registration	Prepare for the registration of these products in advance and be part of the product specification committee	Negative
3.	Climate goals by the country and customers	Opportunity	New opportunities in new markets	Not Applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Key policies are formulated at BASF Group level in Germany. The policies are then adopted & implemented by the Company in line with the local legislations & corporate guidelines. Policies/guidelines required under local laws are approved by the Board and signed by the relevant senior management personnel, including the Managing Director.								
c. Web Link of the Policies, if available	The Company's CSR Policy is available at https://bit.ly/basfcsrpolicy . Other policies are available on the Company's internal network and also on the Company's website www.basf.com/in .								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, wherever required.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Most of the principles are covered by our Code of Conduct which is in line with national and international standards and practices such as Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organisation (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Further, the Company has also obtained ISO 14001 certification (Environment Management Certificate) for all its Manufacturing Sites.								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Protecting the climate is of central importance for BASF globally. By 2030, BASF wants to reduce its absolute CO2 emissions by 25% as compared with 2018. By 2050, BASF aims to achieve net zero greenhouse gas emissions from its production sites and energy purchases.</p> <p>Further, BASF globally focuses on promoting diversity, inclusive leadership and continuous learning. Accordingly, BASF wants to increase the proportion of women in leadership positions with disciplinary responsibility to 30% by 2030.</p>	
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	
Governance, leadership and oversight		
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.</p> <p>The Company strives to adhere to the highest standards of integrity and behaviour and compliance with the law and internal policies through its compliance systems. The Company has zero tolerance for corruption and violation of the principles of fair competition. The Company has adopted BASF's Code of Conduct, which details the minimum applicable ethical and responsible business practices for its employees. Both new and existing suppliers are selected and evaluated not only based on economic criteria, but also on environmental, social and corporate governance standards. The Company's Supplier Code of Conduct is founded on internationally recognized guidelines, such as the principles of the United Nations' Global Compact, the International Labour Organization (ILO) conventions and the topics of the Responsible Care® Initiative. The Code of Conduct, inter alia, covers compliance with human rights, labour & social standards, anti-discrimination, conflict of interest and anti-corruption policies in addition to protecting the environment, health and safety.</p>		
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Alexander Gerding, Managing Director (effective 1st January 2023)</p> <p>Tel No. + 91 22 67127600</p> <p>alexander.gerding@basf.com</p>	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>The Company has a Committee for Corporate Social Responsibility. For other policies, the Company has put in place an internal framework/ Committees to monitor their implementation from time to time.</p>	
10. Details of review of NGRBCs by the Company:		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	The Board of Directors of the Company review the sustainability initiatives of the Company on an annual basis.	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has been compliant with the statutory requirements and there have been no instances of non-compliances of NGRBCs.	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2
	P 3	P 4
	P 5	P 6
	P 7	P 8
	P 9	
	The Company's policies / guidelines and procedures are audited by the Company's Internal as well as the BASF Group's Auditors.	

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Ethical Compliance	100%
Key Managerial Personnel	1	Standards including	100%
Employees other than BoD and KMPs	56	Company's Code of	89%
Workers	5	Conduct	49%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Not Applicable	Nil	Not Applicable	Not Applicable
Settlement	Nil	Not Applicable	Nil	Not Applicable	Not Applicable
Compounding fee	Nil	Not Applicable	Nil	Not Applicable	Not Applicable

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Not Applicable	Not Applicable	Not Applicable
Punishment	Nil	Not Applicable	Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy?

Yes, the Company has anti-corruption / anti-bribery policy as a part of its Code of Conduct.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
Key Managerial Personnel	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not Applicable	Nil	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Not Applicable	Nil	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
- **Not Applicable**

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

BASF pursues a holistic sustainability approach that covers the entire value chain i.e., starting with our suppliers covering our own activities and extending to our customers. BASF has formulated commitments for its conduct along the value chain and underpinned these with corresponding targets and measures.

The Company has conducted 4 awareness programmes on its Code of Conduct, which includes various topics i.e., anti-corruption, trade control, competition law, protection of human rights, information protection, etc. for its Service Providers during the financial year 2022-2023. The Company has adopted "Train the Trainer" concept whereby the Company creates awareness on Human Rights amongst its Service Providers who in turn create awareness on such topics amongst their employees / colleagues.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?

BASF's Code of Conduct lays down the foundation for responsible conduct and trust based relationships with its stakeholders. Under BASF's Code of Conduct, personal relationships and interests of employees should never affect the Company's business activities or influence their decision-making. The employees including Senior Management and Board Members, are required to disclose situation where a potential conflict between private and professional may arise.

The Company has put in place a Policy for managing conflict of interest at the Board & Senior Management level. Further, the Company obtains annual Conflict of Interest declaration from the Board, Senior Management and all other employees of the Company

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-2023	FY 2021-2022	Details of improvements in environmental and social impacts
R&D	-	9.5%	Process development in bio diesel manufacturing, savings of resources in textile processing etc.
Capex	11.06%	20.6%	Safe work environment, emergency preparedness, installation of monitoring systems, renewable energy (solar panels), reduction of electricity consumption, etc.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company has put in place necessary procedures viz., sustainability assessments and periodical audits of Suppliers for sustainable sourcing.

The Company had conducted EHS (Environment, Health and Safety) audits for several years. Currently, the Company is focusing on TfS (Together for Sustainability) assessments and audits conducted by third party. Through these audits, it is ensured that the supplier implements and follows sustainability practices (Environmental, Safety and Governance Guidelines – ESG Guidelines). The Company provides recommendations to Suppliers, wherever improvements are needed and monitors their implementation.

- b. If yes, what percentage of inputs were sourced sustainably?

The Company has sourced approximately 66% of its raw materials sustainably (Previous Year: Approximately 40% of the raw materials were sourced sustainably).

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company's manufacturing sites possess Consents to Operate and authorisation under the Hazardous Waste Management Rules. Under these Rules / Regulations, the Company has declared all its waste, including plastic packaging. All the wastes generated are handed over to State Pollution Control Board authorised waste disposal service providers. This ensures that the waste is properly disposed of. As a part of our Responsible Care® initiative, plastic containers are shredded and given to the processors for recycling. Further, the Company also intends to buy plastic packaging from registered vendors and would be seeking confirmation from such vendors regarding fulfilment of their obligations under Extended Producer Responsibility.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Company is registered with the Central Pollution Control Board as Brand Owner under the Plastic Waste Management Rules for its Agricultural Solutions products and some of the other products, which are in the B2C Segment and is discharging the Extended Producer Responsibility. Further, the Company is in the process of registering itself as an Importer under the Plastic Waste Management Rules, upon submission of relevant data.

Further, each of the Company's manufacturing sites possess Consents to Operate and Hazardous Waste authorization issued by the relevant State Pollution Control Board. The plastic waste generated at the Company's manufacturing sites is disposed as per the directions for disposal of Hazardous Waste issued by the State Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details –

Life Cycle Perspective / Assessments are conducted for the Products by BASF globally. Eco-Efficiency Analysis is carried out by BASF globally and the Company manufactures products at its manufacturing sites which are aligned with BASF global strategy. The purpose of such Eco-Efficiency Analysis is to harmonize economy and ecology. This involves carrying out an overall study of alternative solutions to include a total cost determination and the calculation of ecological impact over the entire life cycle.

The Eco-Efficiency Analysis follows ISO 14040:2006 and 14044:2006 for environmental life cycle assessments. The assessment of life cycle costs and aggregation to an overall Eco-Efficiency is based on ISO 14045:2012

BASF's global digital solutions enables calculation of the carbon footprint of approximately 45,000 products – from raw materials extraction to the factory gate (“cradle-to-gate”). This creates transparency around the carbon intensity of our products and at the same time provides important starting points for reducing greenhouse gas emissions along our value chains.

Further, the Company is in the process discussing with some of its key customers on conducting a Life Cycle Assessment of the Product through the value chain and is providing the requisite data on Product Carbon Footprint of its products to its customers on the basis of cradle-to-gate concept.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. – **Not Applicable**
3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). **NIL**
4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: **NIL**
5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1092	1092	100%	1092	100%	NA	NA	1092	100%	NA	NA
Female	127	127	100%	127	100%	127	100%	NA	NA	NA	NA
Total	1219	1219	100%	1219	100%	127	100%	1092	100%	NA	NA
Other than Permanent employees											
Male	1781	1781	100%	1781	100%	NA	NA	13	1%	NA	NA
Female	57	57	100%	57	100%	57	100%	NA	NA	NA	NA
Total	1838	1838	100%	1838	100%	57	100%	13	1%	NA	NA

b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	142	142	100%	142	100%	NA	NA	142	100%	NA	NA
Female	2	2	100%	2	100%	2	100%	NA	NA	NA	NA
Total	144	144	100%	144	100%	2	100%	142	100%	NA	NA
Other than Permanent workers											
Male	1103	419	38%	1103	100%	NA	NA	419	38%	NA	NA
Female	51	11	22%	51	100%	51	100%	NA	NA	NA	NA
Total	1154	430	37%	1154	100%	51	100%	419	38%	NA	NA

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund	100%	100%	Yes	100%	100%	Yes
Gratuity*	100%	100%	Yes	100%	100%	Yes
Employees State Insurance	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Others – please specify	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* The Gratuity contributions are deposited with the Company's Trust Funds.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company's Registered Office at Bandra-Kurla Complex and Corporate offices at Navi Mumbai i.e. Turbhe and Juinagar are accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company provides persons with disabilities with equal opportunities.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Permanent male employees		Permanent male workers	
Return to work rate	Retention rate	Return to work rate	Retention rate
100%	96%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

	Yes/No
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1219	-	-	1170	-	-
- Male	1092	-	-	1051	-	-
- Female	127	-	-	119	-	-
Total Permanent Workers	144	121	84%	157	124	79%
- Male	142	121	85%	155	124	80%
- Female	2	-	-	2	-	-

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1092	535	49%	1092	100%	1051	584	56%	1046	99%
Female	127	27	21%	127	100%	119	69	58%	96	81%
Total	1219	562	46%	1219	100%	1170	653	56%	1142	98%
Workers										
Male	142	142	100%	142	100%	155	155	100%	95	61%
Female	2	2	100%	0	0	2	1	50%	-	-
Total	144	144	100%	142	99%	157	156	99%	95	61%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1092	1092	100%	1051	1051	100%
Female	127	127	100%	119	119	100%
Total	1219	1219	100%	1170	1170	100%
Workers						
Male	142	142	100%	155	155	100%
Female	2	2	100%	2	2	100%
Total	144	144	100%	157	157	100%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? **Yes, the Company has implemented occupational health & safety management system as defined and required by Responsible Care Management System, which is implemented across the organization.**

Responsible Care (RC) is the global initiative of the chemical industry, designed to continuously improve the EHS performance of chemical companies. At BASF, the guiding principle of Responsible Care® is embodied in its business strategy. It defines BASF's basic policy of being an environmentally conscious, energy efficient as well as a health and safety oriented global company. These principles are specified in requirements and goals, enabling the continuous improvement of the EHS performance and business practices.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Leadership in all areas of the BASF organization is required to create a culture of making Environment, Health and Safety (EHS) a priority and communicate it as a priority, reinforce awareness of it and act as a role model.

EHS performance is reported regularly at all levels of the BASF organization to enable an effective management review for the adequacy and effectiveness of the EHS Management Systems. Improvement needs are identified and adequately addressed.

As a responsible enterprise, BASF is determined in defining standards of state-of-the-art principles and methods of occupational safety to provide a safe and healthy working environment for all who work within BASF's area of responsibility, no matter whether they are employees, contractor staff or guests.

Hazard identification is a process of recognizing that a hazard exists and defining its characteristics followed by a process of evaluating the risk arising from a hazard, taking into account the adequacy of any existing controls, and deciding whether or not the risk is acceptable (OHSAS 18001). For all routine tasks and workplaces, a systematic set up is established which includes a risk classification of "low", "medium" or "high" for the dedicated work task/workplace. In order to analyze what might harm people and to take reasonable actions to prevent them from exposure, the following process is followed:

- Hazard identification
- Hazard analysis
- Risk assessment
- Documentation of existing and new control measures
- Verifying the implementation of new control measures

The work permit process sets the minimum requirements and responsibilities to assess the hazards and control the risks of non-routine work activities conducted in a defined location, during a specific time period. A work permit is required for any non-routine work activity where a hazard identification and risk assessment and a standard operating procedure is not available, such as: Nonroutine work activities within maintenance, testing, turnarounds, construction and demolition, Nonroutine work activities involving special hazard(s), including, but not limited to: confined space, hot work, line cutting, line breaking, excavation work, unprotected work at heights and special lifts etc.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. **Yes, the Company's culture is built around the concept of LOOK OUT, SPEAK UP, LEAD ON and JOIN IN. This essentially means that each individual is expected to look for unsafe conditions and unsafe acts at workplace and thereafter report them. Everyone is expected to set examples with safe behaviours. All the manufacturing sites have Work Safety Committee with equal participation of workmen and management, wherein the workmen can suggest safety improvement measures.**

Employees are regularly informed of the EHS performance and are encouraged to actively raise concerns or seek consultation in relevant EHS matters and to contribute to continuously improving the Company's EHS performance. The Company has a safety culture development process to drive behavioral change. Safety culture building is essentially defined through SAFETY CHAMPION behaviours namely LEAD ON, LOOK OUT, SPEAK OUT and JOIN IN:

- Lead on needs visible leadership. Management demonstrates credible and visible commitment to safety. They set a good example, make safety a priority value and ensure clarity in all matters relating to safety.

- Look out means each of us is responsible. We behave in a safe manner and are responsible for our own safety and the safety of others. We comply with the applicable rules and regulations, act in a risk-conscious manner, respond to hazards and learn from mistakes.
- Speak out creates open dialog. Management and employees speak openly about safety within a climate of trust across the organization. We promote learning processes, respecting knowledge and experience.
- Join in involves everyone. Employees are involved in all safety-related processes, and they actively contribute with their knowledge and experience. This involvement is enforced by our management.

During the Global Safety Days 2022, the Company promoted the theme “Think safety, act safely” and distributed a home/travel first aid kit to its employees to further highlight its commitment to safety.

Respecting the promotion of diversity at the workplace, the Company encourages the appointment of female employees at workplace. The Company has implemented Reproductive Health Policy for its female workforce wherein a female employee is moved out to an office job during pregnancy and lactation.

Further, the Company also strives to keep its policies abreast with the evolving needs of its employees. Accordingly, the Company has recently rolled out the new Sabbatical Leave Policy and revised / updated Parental Leave Policy, Education Assistance Policy and Long Service Award Policy.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company’s manufacturing sites and corporate office are provided with Occupational Health Centres. Occupational Health Physician is also available for consultation. Employees are covered under group medical insurance where in non-occupational medical and healthcare services are availed. Employees are also provided with a facility of self and family counselling, if required, through a program called Employee Assistance Program.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.11	-
	Workers	0	3.44
Total recordable work-related injuries	Employees	-	-
	Workers	1	1
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented Responsible Care® Management System to ensure compliance of EHS standards across the organization. A well-defined and documented Hazard Identification and Risk assessment is practiced for routine activities and non-routine activities with a detailed Permit to Work system. Accident Incident Management System is in place and as per the system employees are expected to report all accidents, incidents, near miss and even unsafe conditions/unsafe acts at workplace. All such cases are investigated and preventive/corrective actions are implemented. Training of all categories of employees is an essential element of our safety system. Best practices like Risk assessment, Workplace exposure measurement, regular medical checkups, accident/incident reporting etc., along with process safety practices like Safety Health and Environment reviews and Pre Safety Start up Reviews (PSSR) always keep our employees safe and healthy at the workplace. Adequate emergency preparedness is also put in place to mitigate any unforeseen eventualities.

Under Responsible Care, several best practices are defined and implemented to ensure that a safe work environment is always maintained, namely:

- Contractor Safety Management
- Trainings and Evaluation system
- Permit to work system
- Hazard Identification and Risk assessment

- Accident/Incident management system
- Process safety SHE reviews/HAZOP
- Management of change practices
- Emergency response system

Acting responsibly according to the guidelines of Responsible Care is a long-term investment for the Company to continuously improve our environmental, health and safety performance and to monitor this progress. Regular environmental, health and safety audits at all its manufacturing sites helps the Company to accomplish this objective.

Responsible Care audits are a key tool in the effort to make the Company's manufacturing sites and plants even safer. The SHE performance is evaluated against the potential hazard. These audits are conducted at periodic intervals. Experts in safety, environment, and occupational medicine monitor all our manufacturing sites and plants. Using clearly defined criteria, audits help to track how the Company's standards are implemented. Safety and environmental audits and occupational health audits are conducted separately at all manufacturing sites. The results of these audits are then tallied, giving a standardized and comprehensive performance profile for every site.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The Company has defined assessment requirement under Environment, Health and Safety practices. Working conditions inspection is a part of the defined practice. Moreover, the working conditions are required to be assessed by Occupational Health Physician at least once in a year. In addition to internal assessments, statutory assessments by various authorities also takes place from time to time.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

As there were no significant risks or concerns arising from the assessment of health & safety practices and working conditions, no corrective action was taken or necessitated to address any safety related incidents

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). The Company has extended term life insurance to its employees and workers in the event of death. The Company has a family support policy for the deceased employees including unionized employees with one time allowance of INR 25,000/- and a monthly financial support of INR 50,000/- for a period of 6 months from the death of the employee.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. The Company has put in place requisite processes to monitor that the statutory dues have been appropriately deducted & deposited by its Contractors.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Not Applicable	Not Applicable
Workers	Nil	Nil	Not Applicable	Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **The Company does not provide such assistance programs.**

5. Details on assessment of value chain partners:

In case of contract manufacturing, the Company's Responsible Care Management System (RCMS) is also applied to the manufacturing activities performed by such contract manufacturers. It ensures that all operations by such contract manufacturers / value chain partners comply with Environment, Health & Safety standards of the Company.

The Company conducts periodic Contract Manufacturing Audits on health and safety aspects. Compliance with the Company's environmental, health and safety requirements and legal requirements is also periodically verified. The overall audit process is carried out by the Responsible Care® Audit Units.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

As there were no significant risks or concerns arising from the assessment of health & safety practices and working conditions at such contract manufacturers, no corrective action was taken or necessitated to address safety related incidents.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies marginalized and disadvantaged groups through need assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company engages with students from low socio-economic backgrounds to provide quality education, and women and communities who are deprived of adequate water, hygiene and sanitation facilities.

The Company has also entered into a Memorandum of Understanding with Global Compact Network for "Piloting District Level Models for Climate Change Risk Mitigation: A youth centred strategy". A six-month pilot will be carried out in 6 aspirational Districts (namely Dohad, Narmada, Gadchiroli, Nandurbar, Osmanabad and Washim) to map and access existing challenges and youth engagement.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalized Group (Yes / No)	Channels of Communication	Frequency of engagement	Purpose & scope of engagement
Customers	No	Newsletters, Email, SMS, Advertisements, Website, Social Media platforms	Monthly and for critical topics on real time basis.	Collaboration and co-creation (event based engagements)

Stakeholder Group	Whether identified as vulnerable & marginalized Group (Yes / No)	Channels of Communication	Frequency of engagement	Purpose & scope of engagement
Employees	No	Townhalls, Emails, Video messages, Internal Communication platforms, Intranet, Notice Board	Real time as may be required. Quarterly townhalls are also conducted for regular sharing of information.	Creating a high performance organization, updating on employee safety, business performance and key initiatives from the Company.
Shareholders, Local Stock Exchange	No	Email, Newspapers, Advertisement, Annual General Meeting, Postal Ballot, Website	Half-Yearly presentations to Analysts / Fund Managers. Timely dissemination of material information to the Stock Exchanges.	Business (financial) performance & environmental initiatives of the Company.
Suppliers	No	Email, SMS, Advertisement, Website	As and when required.	To ensure that the quality raw materials & services are procured at competitive prices.
Communities around our Manufacturing Sites	Yes	Community Meetings, Events, Advertisements, School/ Local functions, Whatsapp, Social Media	Annual presentations by Manufacturing sites.	Community Development Initiatives and dissemination of Safety information.
Industry Associations	No	Meetings, Events, Advertisements, Social Media, Email	As and when required.	Business & environmental performance of the Company & regulatory issues.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The communities around our manufacturing sites are assessed and identified for support and intervention. Need assessment surveys are conducted, based on which topics for support are identified. Every year, the CSR activities, their implementation schedule and their impact is presented to the Board of Directors of the Company for their deliberation & feedback.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. For example, the Company's manufacturing site at Dahej, Gujarat has a Community Advisory Panel for stakeholder consultation. Similarly, under a CSR Project facilitated by the Principal Scientific Advisor's Office (Government of India) "Gamification of Chemistry education" i.e., for developing games, which will form part of a National repository, the Company has conducted in-depth consultations with schools and teachers to develop games, which will make complex chemistry topics easier to teach and learn.

3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.

Few instances of engagements / actions taken to address concerns of vulnerable / marginalized stakeholders group are as follows: -

- Supply of benches and toilet facility for 2 schools around Company's Thane manufacturing site.
- Hygiene awareness programs are being conducted at schools near Company's Mangalore manufacturing site.
- Renovation of existing toilets near Company's Dahej manufacturing site.

Further, the Company has also conducted need assessment/ survey near the Company's Thane manufacturing site to understand the needs of the marginalized groups, based on which topics for support will be identified.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of / employees workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
Employees						
Permanent	1219	1080	89%	1170	545	47%
Other than permanent*	1838	-	-	1786	-	-
Total Employees	3057	1080	35%	2956	545	18%
Workers						
Permanent	144	70	49%	157	6	4%
Other than permanent*	1154	-	-	1003	-	-
Total Workers	1298	70	5%	1160	6	0.51%

* In addition, the Company has conducted 4 awareness programmes on its Code of Conduct, which includes protection of human rights for its Contractors & Service Providers during the financial year 2022-2023. The Company has adopted "Train the Trainer" concept whereby the Company creates awareness on Human Rights amongst its Service Providers who, in turn, create awareness on this topic amongst their employees / colleagues.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1092	-	-	1092	100%	1051	-	-	1051	100%
Female	127	-	-	127	100%	119	-	-	119	100%
Other Permanent										
Male	1781	-	-	1781	100%	1700	-	-	1700	100%
Female	57	-	-	57	100%	86	-	-	86	100%
Workers										
Permanent										
Male	142	-	-	142	100%	155	-	-	155	100%
Female	2	-	-	2	100%	2	-	-	2	100%
Other than Permanent										
Male	1103	-	-	1103	100%	975	-	-	975	100%
Female	51	-	-	51	100%	28	-	-	28	100%

3. Details of remuneration/salary/wages (per annum), in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	-	-	-	-
Key Managerial Personnel	4	24,734,616	-	-
Employees other than BoD and KMP	1088	1,588,632	127	1,978,092
Workers	142	663,582	2	346,152

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **Yes**
5. Describe the internal mechanisms in place to redress grievances related to human rights issues. – **The Company has put in place Compliance Management System (Navex – Ethics Point, which is a 3rd party web-based compliance tool <https://secure.ethicspoint.com/>) to report complaints / grievances related to violation of BASF's Code of Conduct including grievances related to human rights issues.**
6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The 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 employees at all levels. Providing a safe and congenial work environment for all employees is an integral part of the Company's Code of Conduct. In order to prevent adverse consequences to the complainants, the Company prohibits victimization of the complainants in any form and also facilitates the filing of such complaints anonymously.

The Company has put a governance structure in place to address complaints related to discrimination or harassment of any kind. The Code of Conduct of the Company guides its employees. There is an Internal Committee constituted by the Company to address complaints relating to sexual harassment.

8. Do human rights requirements form part of your business agreements and contracts?

The Company acknowledges its responsibility to respect internationally recognized human rights. BASF is a founding member of the U.N. Global Compact and a member of the Global Business Initiative on Human Rights (GBI)

BASF has embedded its responsibility towards human rights into its Code of Conduct and set this out in BASF Policy Statement on Human Rights. BASF also requires its Value Chain Partners to act in accordance with its Code of Conduct and Policy Statement on Human Rights. BASF is committed to complying with international labor and social standards.

In line with the global requirements, the Company has included compliance with human rights requirements as a part of its standard terms and conditions of its Purchase Order, Agreements / Contracts entered into with the Suppliers and also as a part of its Supplier Code of Conduct.

The Company considers human rights due diligence as an important, all-encompassing task that it can only perform by working together with its value chain partners.

In order to strengthen due diligence in the supply chain, the Company has also enhanced and refined a range of measures, including supplier risk analysis as well as preventive measures such as the systematic business partner due diligence for new suppliers, Supplier Code of Conduct, and the requirements to be embedded in suppliers' contracts.

The Company expects its suppliers to enforce its standards at their suppliers and subcontractors, too. Furthermore, the rights of third-party workers in high-risk countries is also proposed to be protected in the future through additional due diligence steps. These include risk-based controls and measures that promote transparency and awareness of human rights issues.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	–

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. – **Not Applicable**

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints. – **Not Applicable** as there have been no grievances / complaints of human rights violation received by the Company.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company has actively adopted initiatives such as Together for Sustainability (TfS) and Responsible Care®, which promote sustainability in the supply chain. The measures and criteria for monitoring and respecting human rights are integrated into supplier assessment processes and monitoring systems for environmental protection, safety and security, health protection and product stewardship.

They are also part of the evaluation of investment, acquisition and divestiture projects, assessments along the entire product life cycle, and systems to monitor labor and social standards. In addition, aspects of human rights topics are part of the qualification requirements for security personnel and are incorporated into standard agreements with contractors.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company's offices at Navi Mumbai are accessible to differently abled visitors, in line with the requirements under the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

- Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Values in MWH)	FY 2021-22 (Values in MWH)
Total electricity consumption (A)	35961.38	49841.1
Total fuel consumption (B)	10349.37	85443.61
Energy consumption through other sources (C)	737184	NA
Total energy consumption (A+B+C)	783494	135284.71
Energy intensity per rupee of turnover (<i>Total energy consumption/ turnover in rupees</i>)	0.0574kwh	0.00103kwh
Energy intensity (<i>optional</i>) – the relevant metric may be selected by the entity		-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

As part of ISO 14001, production plants are required to undertake annual targets to reduce emissions, reduce consumption of resources and improve efficiency of production process as a commitment to sustainable development.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

- Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	358119	NA
(ii) Groundwater	0	NA
(iii) Third party water	333860	727919
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	691979	727919
Total volume of water consumption (in kilolitres)	691979	727919
Water intensity per rupee of turnover (<i>Water consumed / turnover</i>)	0.00507lt	0.00557lt
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company's manufacturing site at Panoli, Gujarat is a Zero Liquid Discharge Site.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Kg	8147.88	8267.71
SOx	Kg	10948.1	10507.17
Particulate matter (PM)	Kg	10072.92	10711.27
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)	Kg	81823	74460.06
Hazardous air pollutants (HAP)		-	-
Others – HFC (refrigerant)	Kg	358	1137.88

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	19814.27	15132.06
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	31587.5	35694.34
Total Scope 1 and Scope 2 emissions per rupee of turnover	kg	0.000231	0.000388
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

6. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Globally BASF is setting itself even more ambitious goals on its journey to climate neutrality and aims to achieve net zero emissions by 2050. Based on the most recent progress in developing low-emission and CO2-free technologies, the Company is also significantly raising its medium-term 2030 target for reduction in greenhouse gas emissions worldwide by 25% as compared with 2018 levels.

Through the Responsible Care Management System, which is practiced across all functions, BASF commits to the following Responsible Care® guiding principles:

- Enable a corporate leadership culture that proactively supports safe chemicals management.
- Safeguard people and the environment by continuously improving our environmental, health and safety performance, facility security, and the safety of our products.
- Strengthen Chemical Management Systems around the globe.
- Work with business partners to promote safe chemicals management within their own operations.
- Engage with stakeholders, respond to their concerns and communicate openly on our performance and products.
- Contribute to sustainability through development of innovative technologies and other solutions to societal challenges.

More than 80% of the power used at the Company's Mangalore Site is solar power sourced from grid. Reduced CO2 emissions aggregated to approx. 10,000 TPA. Biofuel is used to generate around 90% of Mangalore site steam requirement. Furnace oil fired boiler is used only during the annual inspection and breakdown maintenance of bio boiler. This alternate fuel generates 3000 T of less CO2 as compared to conventional fuel. 100% of the sludge generated at wastewater treatment plant is used as co fuel in cement manufacture, which otherwise would have been incinerated, thereby reducing greenhouse gas emissions by around 400 tons/year.

At the Company's Dahej manufacturing site, initial phase of roof top solar panel installation work was completed during FY 2022-23. Dahej site has executed Power Purchase agreement for hybrid (Solar+Wind) power and this arrangement will take the power sourced from renewable energy to 44%. The steam condensate is used for heat recovery and water recycle. The off gas from process plant is incinerated in the Thermal oxidizer to protect the environment. The Waste heat recovery boiler (Process Plant-EM) is under installation to reduce the steam consumption & reduce Scope-1 emission.

At the heart of the long-term transition towards net zero CO2 emissions by 2050 is the use of new technologies, which will replace fossil fuels such as natural gas with electricity from renewable sources. Most of these technologies are being pioneered by BASF in collaboration with partners and are currently in a pilot stage. Broad scaleup of these technologies will only be fully realizable after 2030. In order to accelerate the avoidance of CO2 emissions prior to that date, the Company continues to systematically implement continuous improvement processes for existing production plants.

In addition, the Company will progressively switch to renewable sources to meet its electricity requirements. the Company's innovative products are also helping to protect the climate. The Company has used sustainable raw materials in many processes for a long time now and has a continuous program of research into new applications.

Further, a collaborative effort of companies, governmental and non-governmental organizations as well as civil society is necessary to address the global challenge of mismanaged plastic waste. BASF globally has joined a consortium of 30 global companies as a co-founding member to form the Alliance to End Plastic Waste. The members have committed with the goal of developing, deploying and bringing to scale solutions that will minimize and manage plastic waste and promote post-use solutions. These can be re-cycling, re-use and re-purposing of plastic to keep it out of the environment.

7. Provide details related to waste management by the entity, in the following format:

<i>Parameter</i>	<i>FY 2022-23</i>	<i>FY 2021-22</i>
Total Waste generated (in metric tonnes)		
Plastic waste (A)*	0	0
E-waste (B)	5.49	6.97
Bio-medical waste (C)	0.03	1.8745
Construction and demolition waste (D)	0	0
Battery waste (E)	8.61	1.31
Radioactive waste (F)	0	0
Other Hazardous waste. Category 33.1,35.3,33.2,5.1,35.3 (G)	3240.85	3162.33
Other Non-hazardous waste generated (H). Paper packaging, wooden packing materials, wooden pallets planks, non-hazardous process lumps. (Break-up by composition i.e. by materials relevant to the sector)	1413.6	1221.15
Total (A+B+C+D+E+F+G+H)	4668.58	4393.63
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled 33.1	739.33	2201.46
(i) Recycled 5.1	0	5.61
(i) Recycled 33.3	0	19.212
(ii) Re-used (used oil) 5.1	5.33	4.69
(iii) Other recovery operations 35.3	0	573.6
(iii) Other recovery operations (20.2,26.1,35.2 & 35.3) (Pre-processing/Co-Processing)	2784.64	578.84
Total	3529.30	3383.412

* The Company's manufacturing sites do not dispose anything as plastic waste. As plastic materials are contaminated with chemicals, the said waste are disposed as per the categories mentioned in Hazardous waste Authorisation.

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration 21.1	29.22	30.31
Incineration 20.2	159.73	34.64
(i) Incineration (20.2 & 26.1)	98.74	192.57
Incineration 33.2	0	209.6
Total	287.69	467.12

Parameter (in metric tonnes)	FY 2022-23	FY 2021-22
Incineration (Category not mentioned in GPCB Consent (Mineral Dust/Wastewater))	213.46	43.22
(ii) Landfilling 35.3	423.31	2.94
(ii) Landfilling (35.2, 35.3 & 36.2)	422.24	495.04
(iii) Other disposal operations	0	0
Total	1059.01	541.2

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

8. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All the Company's manufacturing sites manage their wastes in a legally compliant and sustainable way. All the waste is handled as required by Consent to Operate / Hazardous Waste authorization. The external waste handling facility is inspected regularly to check the adequacy of safety and environment practices. The manufacturing sites adopt the strategy of "Reduce, Reuse, Recycle, Recover and Dispose" by optimizing and modifying the process from time to time. Continuous improvements in manufacturing process and technology are the key to reduce the generation of hazardous waste at all our manufacturing sites. Substitution with less hazardous chemicals also contribute positively. High calorific value waste is sent for incineration or co-processing for use as co-fuel.

At Mangalore site, the sludge generated during wastewater treatment is used as co-fuel in cement manufacture thereby eliminating incineration and subsequent landfill of ash. Conversion to bulk storage of chemicals reduced the generation of hazardous packing materials (drums). The toxic metallic containers are crushed and disposed. Cleaned plastic IBCs are used for product packing. This contributes to around 35% of total IBC used in the dispersions plant for domestic use. This activity considerably reduces the plastic waste generation and disposal.

The polymer sludge and spent organic waste from Dahej site is processed at a preprocessor facility before it is used in cement industry. Switching over the packing of our product from drums to bulk has reduced the use of electricity for freezing the product drums and reduced electricity consumption for heating the drums at customer's end. In addition, this has reduced the quantity of hazardous waste generation at the customer's end.

Engineering Plastics Plant at Thane site generates polymer waste, which was disposed off as hazardous waste. However, this waste has market value and it is now sold as a byproduct.

9. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Although none of the Company's operations / offices are falling in or around ecologically sensitive areas, your Company has obtained environment clearance for its manufacturing sites at Mangalore and Dahej, as mentioned below: -

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Bala, Surathkal, Mangalore, Karnataka	Manufacturing	Yes
2	Dahej	Manufacturing	Yes

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
3	Navi Mumbai	Manufacturing	The manufacturing site at Navi Mumbai has been operating prior to the requirement of obtaining Environmental Clearances coming into force.
4	Panoli	Manufacturing	Environmental clearances are not required for Company's manufacturing site at Panoli, Gujarat.

10. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any environmental impact assessments during the current financial year.

11. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company has complied with the applicable environmental laws, regulations, guidelines in India viz., Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	17159.72	0
Total fuel consumption (B)	14943.6	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	32103.32	0
From non-renewable sources		
Total electricity consumption (D)	8743.22	44055.1
Total fuel consumption (E)	36674.48	75821.52
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	45417.70	119876.62

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **The Company has not conducted any independent assessment / evaluation by an external agency.**

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
– No treatment	0	0
– With treatment – please specify level of Treatment	0	0
(ii) To Groundwater		
– No treatment	0	0
– With treatment – please specify level of Treatment	0	0

Parameter	FY 2022-23	FY 2021-22
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment (Primary, secondary, and tertiary treatment)	372437	328653
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	23176	18233
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	395613	346886

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

The Company has not conducted any independent assessment / evaluation by an external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

As the Company's manufacturing sites are not situated in areas having water stress, these details are not applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format: The Company does not calculate Scope 3 emissions & its intensity at legal entity level.

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Although the Company does not operate in any of the ecologically sensitive areas, your Company is sensitive to the needs of all its stakeholders. The discharge parameters are independently monitored by an agency appointed by the Ministry of Environment, Forest & Climate Change, Government of India. The report of the monitoring is regularly shared by the agency with all stake holders.

Further, being a Responsible Care Company, waste water is discharged without affecting the environment. The treated water from the waste water plant is disposed off as defined in the Consent to Operate of the respective site. The Company's Panoli manufacturing site is a zero-discharge facility. The treated water from Thane and Dahej site is discharged into the sea through the local collection center.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
1.	Elimination of waste incineration	ETP sludge is sent for co-incineration in cement manufacturing as alternate fuel energy recovery (Pre-processing)	Reduction in greenhouse gas emission by 400 T/Y
2.	Reduction in hazardous waste disposal	Installation of storage tank for Butyl alcohol	Reduction in the generation of Hazardous waste discarded containers – 580 numbers of 180 liters capacity

Sr. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
3.	Rainwater harvesting	Rainwater harvesting is done at two locations of our site	To increase the ground water table. Around 1350KI of water is harvested annually
4.	Ground water monitoring	Monthly ground water quality monitoring done at site	To establish baseline data and to check the ground water quality.
5.	Change to ecofriendly production	Change of product category which has less baking window at automotive customers	Reduction of energy consumption/ Greenhouse gas emissions at customer end
6.	Introduction of eco friendly product manufactured from bio raw materials	Installation of facility for Sovermol production at site using bio-based polyol	Eco friendly products for electric vehicles
7.	Reuse of IBC	Cleaning of RM IBCs to pack finished goods in Dispersosn plant	Reduction in the generation of hazardous waste - discarded containers
8.	Reuse of treated effluent	Quality of treated effluent has been improvised by implementation of tertiary and hence 85 % of treated effluent is being reused for vessel washing, floor washing, gardening, and similar other purposes	Total treated effluent water recycled-10940 m3.in the current year
9.	Measures being taken for energy conservations. About 40% reduction in CO2 emissions has been achieved from Thane Site with base line 2018 this includes due to two plants closure As a base line of 2019 achieved emission reduction of 23%	<ul style="list-style-type: none"> Optimum utilization of cooling tower fan operation in utility department. Single root blower for base resin and finished goods conveying New vapors extraction system for water bath New efficient Venturi scrubber system installation	1. Saving of energy – 5 MWH Reduction in CO2 emission – 17 Mt/A 2. Saving of energy – 124 MWH Reduction in CO2 emission – 89 Mt/A 3. Saving of energy – 147 MWH Reduction in CO2 emission – 107 Mt/A 4. Saving of energy – 48 MWH Reduction in CO2 emission – 35 Mt/A Total CO2 emissions reduction achieved in the year 2022 is 248 Mt
10.	Reduction in generation of Hazardous waste® thane site	Recycling of raw material drums for packing of products	9244 drums of 200 litre capacity reused for year 2022

7. Does the entity have a business continuity and disaster management plan?

The Company has a well-defined crisis management system. The Incident and Crisis Management system of the Company defines organizational structures and provides guidance to the Management to enable the efficient management of incidents or crises, with the objective of minimizing the overall negative impact of a given situation and enabling a return to normalcy in the shortest possible timeframe.

The Incident and Crisis Management system takes care of any event, which has a potential to impact business unit operation and credibility, or which poses economic, environment, safety, health, security, or legal liability or which may or will require significant regional/global level resources to manage.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. **The Company has affiliations with 13 trade and industry chambers / associations.**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chamber/ association	Reach of trade and industry chamber/ association (State/National)
1.	Confederation of Indian Industry	National
2.	Federation of Indian Chambers of Commerce & Industry	National
3.	Global Compact Network, India	National
4.	Bombay Chamber of Commerce & Industry	State
5.	Indian Management Association	National
6.	Indian Chemical Council	National
7.	Emission Control Manufacturer's Association	National
8.	Indo German Chamber of Commerce	National
9.	CropLife India	National
10.	Indian Polyurethane Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.
 - **Not Applicable. As there was no anti-competitive conduct by the Company, no adverse orders were passed by regulatory authorities against the Company.**

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1.	BIS Mandated Standards	through FICCI/CII/ ICC	No	Monthly review by impacted businesses	-
2.	Facilitating environment approvals for the chemical industry	through FICCI/CII/ ICC	No	-	-
3.	Foreign trade agreement with UK/EU	through FICCI/CII/ ICC	No	Monthly review by relevant businesses	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. – **NIL**
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: – **NIL**
3. Describe the mechanisms to receive and redress grievances of the community. – **Not Applicable**
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	15%	17%
Sourced directly from within the district and neighbouring districts	32%	29%

The Company is promoting localization by which imported raw materials are sought to be substituted with locally manufactured raw materials, wherever possible, subject to their meeting required specifications, quality & cost. With this initiative, the Company has been helping local suppliers in the Indian chemical industry to compete in the global market. Also, many of the Company's packaging and service suppliers are in MSME (Micro, Small and Medium Enterprise) category. The number of active MSME vendors associated with the Company has now increased to more than 500 in number.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): **Not Applicable**
2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: -

The Company has undertaken CSR projects / activities in and around its Manufacturing Sites at Navi Mumbai, Dahej, Mangalore and Panoli. Further, as a part of Company's Corporate Social Responsibility initiatives, the Company has entered into a Memorandum of Understanding with Global Compact Network for "Piloting District Level Models for Climate Change Risk Mitigation: A youth centred strategy". A six-month pilot will be carried out in 6 aspirational districts (namely Dohad, Narmada, Gadchiroli, Nandurbar, Osmanabad, Washim) to map and access existing challenges and youth engagement. Based on the pilot report, one district will be selected for project implementation in the second phase.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? **No, the Company does not have a preferential procurement policy.**
 (b) From which marginalized /vulnerable groups do you procure? **Not Applicable**
 (c) What percentage of total procurement (by value) does it constitute? **Not Applicable**
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: – **NIL**
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. – **Not Applicable**
6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted/proposed to be benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Smart Classrooms 36 smart classrooms being provided in schools across Navi Mumbai, Panoli, Mangalore and Dahej manufacturing sites to promote digitalization in education	~ 5000	100%
2.	Gamification i.e., Development of games based on chemistry	~ 5000	100%
3.	Kids Lab Organize Kids lab for under privileged community kids and make kids understand and learn Chemistry in fun way. Plan to engage with more than 3500 kids in 3 years and more virtually.	~ 3500	100%
4.	Climate change Project (Piloting District Level Models for Climate Change Risk Mitigation : A youth centered strategy	To be identified (Assessment ongoing)	
5.	Supply of benches for 2 Schools near Company's Thane manufacturing sites	~ 350	100%
6.	Construction of Toilets for Schools near Company's Thane manufacturing Site	~ 500	100%
7.	Construction of Toilets for Police / Traffic police (Company's Thane Manufacturing Site)	~ 1000	50%

Sr. No.	CSR Project	No. of persons benefitted/proposed to be benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
8.	Sanitation facilities & Hygiene awareness at Schools near Company's manufacturing sites at Mangalore	~ 6250	100%
9.	Water supply project at Company's Panoli manufacturing site	~ 200	100%
10.	Renovation in already existed toilets along with group meetings and community workshop & training, Construction of an Anganwadi toilet, Construction of 4 Seated toilets at health dispensary at Dahej manufacturing site	~ 1300	50%
11.	Liveable Bharuch Driven by District Collector (our participation mainly on Cleanliness, Hygiene)	~ 10000	10%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback. The Company has rolled out NPS (Net Promoter System) to seek feedback and suggestions from customers. The feedback is obtained from the customers on the product quality and services. This feedback is evaluated internally, and appropriate actions are taken in order to meet the customer's expectations.

Further, the Company also has Non-Conformance Management (NCM) system in place to register and address customer complaints. These complaints are handled in a SAP based system, which provides feedback to the customer about the root cause analysis, corrective actions, and measures undertaken by the business to prevent its recurrence.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

- Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

- Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **The Company has a Data Privacy Policy.**
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. – **Not Applicable, as there were no issues or concerns related to advertising, delivery of essential services, cyber security, penalties or actions initiated by regulatory authorities for safety of Company's products.**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Although there is no central platform for accessing information about all the products and services of the Company, each business unit has developed its own platform where information related to their products is available. For e.g. information about the Company's Agricultural Solutions business can be accessed at Website: <http://crop-protection.basf.in/en> AgGenie App: <https://basf.link/AgGenie>. Similarly, other business units of the Company have also independently developed their platforms, depending upon their requirements, where information on these products is available.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company's Agricultural Solutions business has dedicated 'Suraksha Hamesha' meetings focused exclusively on promoting responsible use of crop protection products and usage of personal protection measures. During such meetings, there is emphasis on important stewardship topics viz. safe handling, usage, storage, and disposal of crop protection products. Usage of personal protection equipment is also emphasized in all interactions with the farmers. The Company also provides Sanrakshan Kits to its channel partners for further distribution and sale to farmers.

The Company has also adopted digital initiatives via Facebook, Digital Meetings, YouTube, AgGenie app, SMS & WhatsApp to create awareness about safe farming practices. The Company has also developed an easy to understand, language neutral animation movie showcasing 9 steps of responsible use of crop protection products, which has been actively promoted on digital platforms and has reached more than 97 lakh stakeholders in the farming community.

Similarly, a material safety and data sheet is provided to the buyer of each product of the Company informing them about the safe and responsible use of the product.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. The Company communicates with its customers through various media viz., emails, personal meetings, audio-visual means, etc., to inform customers of any such disruptions / discontinuation of essential services.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company adheres to all applicable laws and regulations on product labelling. Apart from the mandatory declarations, additional declarations relating to the safe handling & use of the products are made on the labels.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact
- b. Percentage of data breaches involving personally identifiable information of customers

There were no instances of data breaches.

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

ALEXANDER GERDING
Managing Director
(DIN: 09797186)

Mumbai

Dated : 10th May, 2023

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

Your Company's focus on Energy Management, Operational Excellence, Plant Reliability improvement continued during the year under report. Your Company continued its policy of giving priority to energy conservation measures including regular review of energy generation, distribution, consumption and effective control on utilization of energy in its manufacturing sites at Navi Mumbai (Maharashtra), Mangalore (Karnataka), Dahej and Panoli (Gujarat).

During the year under report, the following energy saving measures were implemented at the Company's manufacturing sites:

- Single Roots blower for base resin & finished goods conveying.
- New vapour extraction system for water bath.
- New efficient Ventury scrubber system.
- Installation of Solar Water system.
- Replacement of Air Conditioners (HCFC replaced).
- Replacement of old chiller by energy efficient air-cooled scroll chiller.
- Replacement of the existing off gas thermal oxidizer with a safer and more efficient one.
- Replacement of pumps for energy savings.
- Installation of energy efficient motors.
- Initiation of installation of CO2 flooding system at some HT (High Tension) electrical installations based on risks and need.
- Purchase of electricity from Open Access at cheaper rate.
- Installation of solar lights in boundary area.
- Application of Auto Voltage Regulator instead of Conventional Transformer used for lighting.
- Re-designing of cooling tower pump by trimming impeller for reduced energy consumption.
- Decentralized compressed air system to reduce energy losses & also save electrical energy.
- Replacing steam boilers with hot water system thereby saving considerable amount of energy & fuel requirement.
- Avoiding double handling of finished goods in the process of dispatch, reducing considerable fuel consumption.
- Increased re-use of treated effluent water done to reduce fresh water consumption.
- VFD (Variable Frequency Drive) for Bio-aerator agitator to optimize the energy consumption based on the dissolved oxygen level of Bio-aerator.
- Replacement of energy efficient ice compressor and ice making equipment for flake ice plant.
- Replacement of old motors with IE3 energy efficient motors in phased manner.
- Generation of steam using biomass instead of furnace oil resulted in lesser cost and lower carbon dioxide generation.
- Effective running of existing process water pumps using PID (Proportional Integral Derivative) controller.
- New 1800KW DG set installation resulted in cost savings as compared to old DG sets.
- Replacement of Sodium vapor /CFL bulbs with energy efficient LED lights at various locations inside the plants.
- Purchase of solar power from external solar plant and power trading resulted in reduction of electricity cost.

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

- Initiating employee engagement program to identify & develop energy saving measures and operational excellence.
- Monthly resource conservation meeting to optimize plant consumption.
- Carrying out steam & energy audit.
- Creating awareness on energy conservation among employees.
- Optimizing utility energy consumption in the plant through resource conservation.

- Change in operational philosophy.
- Reduction in energy consumption of chillers by descaling.
- Automation of central utility air compressors.
- Re-cycling of waste-water (Reverse Osmosis reject) and cooling tower blow down water.
- Replacement of process water pump with hydropneumatics system intended as an energy saving measure.
- Timer bases system to be implemented for high energy consuming blowers & also for lighting system in Plant & Warehouse.

Requisite data in respect of Energy Consumption is given below:

	Current Year 1.4.2022 to 31.3.2023	Previous Year 1.4.2021 to 31.3.2022
Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (in '000 kwh)	58,390.79	52,713.64
Total amount (Rs. in million)	531.45	416.43
Rate per unit (Rs.)	9.10	7.90
(b) Own generation		
Through diesel generator		
Units (in '000 kwh)	702.02	510.53
Units per litre of oil	37.25	11.41
Cost per unit (Rs.)	143.20	127.36
2. Coal (specify quality and where used)		
Qty. (tonnes)	N.A.	N.A.
Total cost	N.A.	N.A.
3. Furnace Oil/Fuel		
Qty. (k. litre)	420.71	306.84
Total Amount (Rs. in million)	21.59	12.35
Average rate (Rs./litre)	51.31	40.25
4. Natural Gas		
Qty (KNCM)	6,188.81	5,851.7
Total cost	424.52	300.82
Average rate	68.60	51.41

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 the businesses through innovation and undertook multifold research activities including:

- Further upgradation and improvement of safety instruments / aspects.
- Basic research in enhancing quality of life with sustainable solutions.
- Introduction of new products in existing production lines.
- Development of new products / formulations including water based dye solutions.
- Development of new analytical methods.
- Testing of new research compounds and formulations in greenhouse & fields for efficacy and safety against economically important agricultural pests and diseases.

Work on Global Research projects include:

- Collaborative research with BASF SE and its Group Companies in the areas of Performance Chemicals, Intermediates, Agrochemicals, and other organic materials.

- New organic chemical intermediates for specific applications.
- UV absorbers.
- Isolation of potential pesticides from natural sources.

Your Company's Coatings Technology Center is based at the Mangalore manufacturing site. The facility was established in 2011 and is active in the area of automotive Coatings. The major focus of the R&D is to develop new Coating technologies for BASF having global scope for implementation. This includes automotive coatings layers like:

1. Electrocoat
2. Primer
3. Basecoat
4. Clearcoat

The R&D efforts are generally focused towards enhancing coating durability in terms of surface hardness, surface appearance, stone impact, integrity of all the coatings layers (intercoat adhesion), including applicability, sustainability and rheology profile, uniqueness in terms of coloristic properties etc. Major focus is on Development of Low bake Technology, High Solids 3 wet Technology for appearance improvement.

The lab is also engaged in R&D of key raw materials for coatings like:

1. Resins (complex and reactive polymeric architects)
2. Pigments qualification for New Color trends
3. Nano materials for scratch resistance
4. Additives
5. Crater Detection test methods

Your Company has a Pharma laboratory at its Navi Mumbai site which provides support to customer driven local innovation topics and also various global projects. This laboratory has been instrumental in launching new innovative products during the year under report. The technical and R&D team has been able to provide hands-on experience on various functionality and dosage forms using various excipients. This laboratory is also actively involved in conducting various workshops and training programs to educate & update potential customers on emerging technologies.

Your Company's Agricultural Research Station at Pune is recognized by Department of Scientific and Industrial Research, Ministry of Science and Technology. Testing of innovative research compounds is done in the green house and fields for understanding the efficacy and safety against economically important pests, weeds, and diseases. Baseline monitoring and resistance monitoring tests are carried out for newly introduced insecticides under controlled laboratory conditions enabling the business to take the right decisions for new product introduction in the market. Drone based applications of BASF's commercial insecticide and fungicide were carried out against important pests to understand the efficacy and benefits of drone-based application as compared to the traditional application methods at the research station farms. Additionally, UV studies were carried out by spraying research compounds under UV tunnel cultivation while comparing to open field cultivation to understand the photocatalytic degradation of certain new compounds.

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

In its endeavor to create chemistry for a sustainable future for the benefit of customers, the R&D Centre developed new products during the year. Some of these new products were introduced in the market. Production processes have been improved with respect to their safety, efficiency, quality, quantity and sustainability.

The Pharma laboratory team together with reputed Institutes have created awareness and encouraged technologies, which help in improving the bio availability of the drugs and deliver solutions for life threatening diseases, such as retroviral, diabetes and cardiovascular diseases.

3. Expenditure on R&D (net): Rs. 36.7 million

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

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

- New Organic Chemical Intermediates for various applications.
- Process Development and scale-up.
- Agricultural Solutions.
- 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, Germany.

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:

The Company has entered into agreements with BASF SE and / or its Group Companies for sourcing the technical know-how in the following businesses:

- a) Performance Materials and Care Chemicals.
- b) Construction Products and Coatings.

Your Company has an excellent relationship with BASF SE, Germany and other BASF Group Companies and receives valuable technical information and support on an ongoing basis. As a result, the Company has introduced a range of new products in different business segments.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings during the year: Rs. 3,072.3 million.

Foreign exchange expenditure during the year: Rs. 3,187.6 million.

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

ALEXANDER GERDING
Managing Director
(DIN:09797186)

Mumbai

Dated : 10th May, 2023



Rajesh Naik, Operations Director of BASF Asia-Pacific (excluding Greater China), spoke at the 7th International Sustainability Conclave organized by FICCI on mainstreaming sustainability in resource intensive sectors and India's Sustainability Development Goals.

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED 31ST MARCH 2023

[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 LIMITED

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 Company's books, papers, minute book, 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 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extend, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") the applicable and effective Amendments and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 2018 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, The National Stock Exchange of India Limited.
- VI. The Management has identified and confirmed the Sector Specific Laws as applicable to the Company being in Chemical Sector as given in Annexure – 1.

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

- i) Secretarial Standards 1 and 2 as issued and revised by The Institute of Company Secretaries of India with effect from 1st October 2017.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and made effective from time to time.

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

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place in the Composition of the Board of Directors and Key Managerial Personnel are as under;

- (i) Mr. Narayan Krishnamohan (DIN: 08350849) resigned as a Managing Director of the Company, with effect from the close of business hours on 31st December, 2022.
- (ii) Mr. Rajesh Naik (DIN: 06935998) resigned as a Whole-time Director of the Company, with effect from the close of business hours on 31st December, 2022.
- (iii) Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its Meeting held on 22nd November, 2022 appointed Mr. Alexander Gerding (DIN: 09797186) as a Managing Director of the Company for a term of 5 years, effective 1st January, 2023, subject to the approval of the Members of the Company and the Ministry of Corporate Affairs (Central Government).
- (iv) Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its Meeting held on 22nd November, 2022 appointed Mr. Anil Choudhary (DIN: 07733817) as a Whole-time Director of the Company for a term of 5 years, effective 1st January, 2023, subject to the approval of the shareholders of the Company.
- (v) The Members of the Company vide Postal Ballot dated 30th December, 2022 accorded their approval for appointment including remuneration of Mr. Alexander Gerding (DIN: 09797186) as a Managing Director and Mr. Anil Choudhary (DIN: 07733817) as a Whole-time Director of the Company for a term of 5 years, respectively, effective 1st January, 2023.

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:

1. The Annual General Meeting of the Company for the financial year ended 31st March, 2022 was held on 03rd August, 2022 through Video Conferencing /Other Audio-Visual means pursuant to relevant MCA and SEBI circulars.
2. The Company has declared and paid dividend of Rs. 6/- per equity share i.e., 60% for the financial year ended 31st March, 2022 at their 78th Annual General Meeting held on 03rd August, 2022 which 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.
3. Dr. Ramkumar Dhruva (DIN: 00223237), Director, who was subject to retire by rotation was re-appointed as Director at the 78th Annual General Meeting of the Company held on 03rd August, 2022.
4. The Company has obtained members' approval at the 78th Annual General Meeting held on 3rd August, 2022, for re-appointment of M/s. Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016) as the Statutory Auditors of the Company for a further period of 5 (five) consecutive years, to hold office from the conclusion of 78th Annual General Meeting held on 3rd August, 2022 till the conclusion of the Annual General Meeting of the Company to be held in the year 2027.
5. The Company has obtained members' approval for payment of remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No: 000010) as Cost Auditors for the financial year ended 31st March 2023, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 at their Annual General Meeting held on 03rd August, 2022.
6. The Company pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 & such other Rules as may be applicable to the Company and in terms of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s) or re-enactment thereof) and the Company's Related Party Transaction Policy (as amended from time to time) has obtained members' approval for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individually or taken together or series of transactions or otherwise), for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months) with Material Related Parties.

Further, during the period under review, the Company has submitted Related Party Disclosures as per Regulation 23(9) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 for the half year ended 31st March, 2022 on 2nd June, 2022 and for the half year ended 30th September 2022 on 22nd November, 2022.

7. The Company has transferred an amount of Rs. 8,93,436/- (Rupees Eight Lakh Ninety-Three Thousand Four Hundred and Thirty-Six) and corresponding 7080 (Seven Thousand Eighty) Equity shares to IEPF Authority for the financial year 2014-2015 pursuant to section 124(5) of the Companies Act, 2013 read with the applicable rules made thereunder.
8. The Company has obtained members' approval through Postal Ballot Process vide Scrutinizers Report dated 16th May, 2022 for increase in limit of maximum performance linked incentives (short-term and long-term incentives) payable to Mr. Narayan Krishnamohan, (DIN: 08350849) Managing Director of the Company, until the close of business hours on 31st December, 2022 and Mr. Narendranath J. Baliga, (DIN: 07005484), Chief Financial Officer and Alternate Director of the Company.
9. The Company has obtained members' approval by way of Postal Ballot on 30th December, 2022 for payment of ex-gratia of an amount of Rs. 4.32 crore (Rupees Four Crore Thirty-Two Lakhs Only) subject to tax as applicable, to Mr. Narayan Krishnamohan (DIN: 08350849), Managing Director of the Company until 31st December, 2022
10. During the period under review, the Company has filed e-form MR-2 on 6th January, 2023 with the Ministry of Corporate Affairs (Central Government), for seeking approval for the appointment of Mr. Alexander Gerding (DIN: 09797186) as the Managing Director of the Company for a term of 5 years, effective 1st January, 2023.
11. The Company has received approval from BSE Ltd and National Stock Exchange of India Limited on 22nd February 2023, for removal of the name of Master Builders Solutions Deutschland GmbH (formerly known as BASF Construction Solutions GmbH) from the list of Promoter Group Shareholders, pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12. Pursuant to Standard Operating Process on Structural Digital Data Base (SDD) issued by BSE Limited and National Stock Exchange of India Limited, an onsite inspection of Structural Digital Data Base (SDD) Software maintained by the Company, was carried out by National Stock Exchange of India Limited on Monday, January 30, 2023.
13. The Company was required to spend an amount of Rs. 86.0 million (Gross Amount) during the financial year 2022-2023, out of which an amount of Rs. 1.7 million was set-off i.e., excess amount spent towards CSR activities during the previous financial year 2021-2022. The net amount required to be spent / allocated towards CSR projects / activities during the financial year 2022-23 was Rs. 84.3 million. Further, the Company spent an amount of Rs. 20.83 million towards CSR activities and transferred Rs. 63.47 million to unspent CSR account on 26th April, 2023.
14. The title deeds of immovable properties, as disclosed for fixed assets in the financial statements for the financial year ended 31st March 2023, are held in the name of the Company, except for the following:
 - (i) Leasehold land held at one of the Company's manufacturing location at Mangalore Karnataka (Gross Block – Rs. 48.3 million and Net Block – Rs. Nil), for which the Company is in the process of complying with terms of lease cum sale agreement and basis completion thereof, would execute the final sale agreement to obtain the right of ownership thereon;
15. As on financial year ended 31st March, 2023 in respect of certain direct and indirect tax and other litigations (comprising various claims filed by other parties not acknowledged as debt), the Company held provisions of Rs. 472.8 million and disclosed contingent liabilities (to the extent not provided for) of Rs. 2014.0 million. The management's assessment is supported by advice from independent tax and legal consultants, wherever considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position.

Place : Mumbai

Date: 10/05/2023

ICSI UDIN: F002827E000281127

PEER REVIEW NO: 2507/2022

For HSPN & ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

This report is to be read with our letter of even date which is annexed as **Annexure – 2** and forms an integral part of this report.

Annexure – 1

SECTOR SPECIFIC LAWS AS APPLICABLE TO THE COMPANY BEING IN CHEMICAL INDUSTRY

1. Water (Prevention and Control of Pollution) Act, 1974 & Air (Prevention and Control of Pollution) Acts 1981;
2. Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986
3. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
4. Indian Boilers Act, 1923
5. Chemical Weapons Convention Act, 2000
6. The Narcotics Drugs and Psychotropic Substances Act, 1985
7. The Explosives Act, 1884
8. The Inflammable Substances Act, 1952
9. Insecticides Act, 1968 and Rules, 1971
10. Legal Metrology (Packaged Commodities) Rules, 2011
11. Fertilizer (Control) Order, 1985
12. Solvent Raffinate & Slop (Licensing) Order, 2007
13. Drugs and Cosmetics Act, 1940
14. GIDC/MIDC and KIADB Act and Rules.

Place: Mumbai

Date: 10/05/2023

ICSI UDIN: F002827E000281127

PEER REVIEW NO: 2507/2022

For HSPN & ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

Annexure – 2

To,
The Members,
BASF INDIA LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date: 10/05/2023
ICSI UDIN: F002827E000281127
PEER REVIEW NO: 2507/2022

For HSPN & ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

FORM NO. AOC – 2

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not on Arm's length basis:

There were no contracts or arrangements or transactions of the Company during the financial year ended 31st March, 2023, which were not on arm's length basis.

2. Details of material contracts or arrangements or transactions on arms' length basis:

Name(s) of the related party & nature of relationship	Nature of contract / arrangement / transaction	Duration of contract / arrangement / transaction	Salient terms of the contracts / arrangements / transactions	Amount (Rs. in million)
BASF SE, Parent Company	(a) Sale and / or purchase of goods. (b) Availing or rendering of services. (c) Royalty	On-going transactions	As per Inter Company Transfer Pricing (ICTP) Guidelines	8,445
BASF Hong Kong Limited, Affiliate Company	(a) Sale and / or purchase of goods. (b) Availing or rendering of services.			36,522

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

ALEXANDER GERDING
Managing Director
(DIN:09797186)

Mumbai
Dated : 10th May, 2023

Annexure VI

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 AS AMENDED.

1. The ratio of the remuneration (paid/payable) of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023: (Amount in Rupees)

Sr. No.	Name of Director	Remuneration	Median Remuneration of Employees	Ratio
1.	[^] Mr. Alexander Gerding (Managing Director effective 1 st January 2023)	2,05,88,085	14,85,180	13.86
2.	[^] Mr. Narendranath J. Baliga (Chief Financial Officer & Alternate Director)	2,64,72,465	14,85,180	17.82
3.	[^] Mr. Anil Choudhary (Manufacturing Head & Whole-time Director effective 1 st January 2023)	60,35,136	14,85,180	4.06
4.	[§] Mr. Narayan Krishnamohan (Managing Director until 31 st December 2022)	4,61,03,870	14,85,180	31.04
5.	Mr. Rajesh Naik (Manufacturing Head & Whole-time Director until 31 st December 2022)	1,57,00,158	14,85,180	10.57

@ Salary & Benefits includes Salary, Benefits, Perquisites & Allowances, Provident Fund and Superannuation but excluding provision for contribution to Gratuity Fund, Group Insurance, long service awards and any benefits under Performance Share Plan ('Long Term Incentive') of BASF SE, Parent Company.

Performance Linked Incentive (Short Term Incentive) is based on Company's financial performance, BASF Group's Return on Capital Employed and individual achievements against pre-agreed targets. The aggregate remuneration paid / payable to the above-mentioned Directors for the financial year 2022-23 includes Performance Linked Incentive (Short Term Incentive) proportionately apportioned for 9 months (April 2022 – December 2022) & the provisions created in the books of accounts proportionately for 3 months (January 2023 – March 2023) based on the Target Short Term Incentive for the calendar year 2022.

* Mr. Narendranath J. Baliga had been appointed as Chief Financial Officer & Alternate Director. Being in the whole-time employment of the Company, he is deemed to be Whole-time Director of the Company.

[^] The Ultimate Holding Company ('BASF SE') offers Performance Share Plan ('Long Term Incentive') for Senior Executives of BASF Group. Mr. Alexander Gerding, Mr. Narendranath J. Baliga and Mr. Anil Choudhary are eligible for this program. The long-term incentive of Rs. 18,76,902 and Rs. 62,08,360 has been accrued by the Company for the current year for Mr. Narendranath J. Baliga and Mr. Narayan Krishnamohan (Managing Director until 31st December 2022) respectively. This amount does not form part of the aforesaid remuneration and there is no cash outflow by the Company for the financial year 2022-23.

[§] Mr. Narayan Krishnamohan was paid an amount of Rs. 43.2 million, subject to tax as applicable, as ex-gratia for the valuable contribution rendered by him during his tenure as the Managing Director of the Company based on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors and the shareholders of the Company.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2022-2023 (compared to the financial year 2020-2021):

Sr. No.	Name	Designation	Percentage increase in remuneration
1.	Mr. Alexander Gerding	Managing Director effective 1 st January 2023	Not Applicable
2.	Mr. Narendranath J. Baliga	Chief Financial Officer & Alternate Director	9.25
3.	Mr. Anil Choudhary	Manufacturing Head & Whole-time Director effective 1 st January 2023	Not Applicable
4.	Mr. Narayan Krishnamohan	Managing Director until 31 st December 2022	10.74
5.	Mr. Rajesh Naik	Manufacturing Head & Whole-time Director until 31 st December 2022	8.57
6.	Mr. Manohar Kamath	Director – Legal, General Counsel (India) & Company Secretary	19.00

3. Percentage increase in the median remuneration of employees (other than Managerial Personnel) in the financial year 2022-2023 is 5.25%.
4. The number of permanent employees on the rolls of the Company as on 31st March, 2023 are 1363.

5. **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 11.89% and for other employees is 5.25%.

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 the Company's financial performance, BASF Group's Return on Capital Employed and individual performance against pre-agreed targets.

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

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

7. It is hereby affirmed that the remuneration paid / payable during the year is as per the Remuneration Policy of the Company.

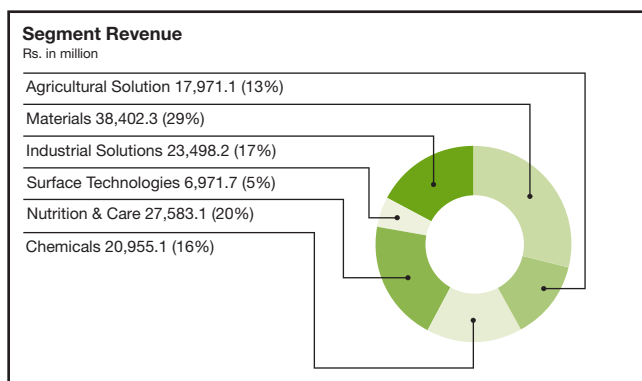
On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
Chairman
(DIN: 00066242)

ALEXANDER GERDING
Managing Director
(DIN: 09797186)

Mumbai
Dated : 10th May, 2023

Management Discussion and Analysis Report



Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine and its effects, climate change and the lingering COVID-19 pandemic all weigh heavily on the outlook. IMF forecasts global growth to slow from 3.4 percent in 2022 to 2.8 percent in 2023 before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023*. However, with the recent relaxations of COVID-19 restrictions in China and the unleashing of the pent-up demand, there is an expectation of faster-than-expected recovery in the global economy in a gradual manner.

India's GDP is projected to grow around 6 percent this year**, though the ongoing Russia & Ukraine war, financial bank crisis in US, and the elevating fuel & food prices may also cast some clouds in 2023 for India. India's GDP growth might fall short of 6 percent as higher interest rates and global economic slowdown weigh on investment and exports. Agriculture is projected to grow by 3.5 percent in 2022-23 as compared to 3 percent in the previous year. The industry sector is projected to witness modest growth of 4.1 percent in F.Y. 2022-23 relative to 10.3 percent in F.Y. 2021-22. The services sector is set to rebound with y-o-y growth of 9.1 percent in F.Y. 2022-23 over 8.4 percent in 2021-22. Positives for India are the lowering of the unemployment rate to 6.4 percent, the lowest in the last 5 years, easing of inflation to ~5.5 percent in 2023-2024*** and lower energy import cost. Despite the fears of recession in some parts of the global economy, India remains a largely domestic economy, which provides strength to growth.

* IMF April 2023. <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

** RBI 6.5%; IMF 5.9%; WB 6.3%; ADB 6.7% and OECD 5.9%

*** World Economic Situation and Prospects 2023 report India a 'bright spot' in world economy right now: Top UN economist Hamid Rashid | The Financial Express



Your Company launched Exponus®, a powerful, quick & versatile tool for controlling variety of insect pests and overcome resistance to prevailing chemistries. Exponus® is registered for use on various largely cultivated crops to control critical insect pests such as caterpillars & thrips.

AGRICULTURAL SOLUTIONS

Your Company's Agricultural Solutions business innovates, manufactures, and sells products required for Crop Protection such as insecticides, herbicides, fungicides, seed treatment solutions and plant growth regulators.

This business registered good growth during F.Y. 2022-23 as compared to F.Y. 2021-22. Growth was led by introduction of innovation products; Exponus® in Insecticides segment, Priaxor® in fungicides segment, Vesnit® and Tynzer® in the herbicides segment.

During the year, the Agricultural Solutions business of your Company launched its novel Insecticide Exponus® which delivers powerful, quick, and versatile control of the toughest insect pests like Caterpillars and Thrips. Exponus® provides more effective and long duration protection in a wide variety of crops such as Soybean, Redgram, Chilli, Tomato, Brinjal and Cabbage and will support the Indian farmers in more effective crop management.

Your Company's Agricultural Solutions business continued to drive its high commitment to farmer safety and stewardship through its dedicated program 'Suraksha Hamesha' in F.Y. 2022-23. Since 2017, Agricultural Solutions business has been extensively using popular digital platforms like Facebook, WhatsApp and YouTube to create awareness about safe farming practices.

In July 2022, the Agricultural Solutions business also organized a national level CME (Continued Medical Education) webinar for Medical Doctors on Principles of Diagnosis, Management and Treatment of Accidental Agrochemical Poisoning in association with esteemed organizations like IMA & NPIC AIIMS, New Delhi.



HySorb® superabsorbents, used in diapers, provide an optimal balance of properties to reduce leakage and keep skin dry and healthy. By absorbing, distributing, and retaining urine, the superabsorbents help maintain a secure diaper fit, allowing for greater comfort and protection.

CHEMICALS

Your Company's Chemicals segment comprises of the Petrochemicals & Intermediates businesses.

The Petrochemicals business of your Company comprises of oxo-alcohols, acrylic acid, acrylic monomers, superabsorbent and specialty plasticizers. These products are used in a variety of end user industries including paints & coatings, adhesives, baby diapers, a wide variety of flexible PVC applications such as artificial leather for automotive upholstery, wires and cables, packaging and as a solvent in the chemical industry. The Petrochemicals business caters largely to non-essential end user industries, and the recovery in demand and sales was slightly on the lower side compared to essential goods. Moreover, the prices of these products were

impacted during the financial year due to severe price competition from Chinese suppliers.

The Intermediates business of your Company caters to industries such as, pharmaceuticals, agrochemicals, coatings, food & feed, flavor & fragrance, surfactants, rubber chemicals, textiles, personal care, adhesives, dyes etc.

During the first half of the calendar year 2022, demand for products across all major sectors, such as pharmaceuticals, agrochemicals, coatings, and food & feed, was strong despite high product prices. In order to meet this demand, industries ran their plants at higher utilization, focusing on domestic and export markets and, also benefiting from eased logistics movements and reduced shipment costs.

Exports during the second half of the calendar year 2022 faced a challenging environment due to a range of macroeconomic factors. Weak demand in the West caused by high inflation impacted industries viz. leather, textile, food & feed & pharma. Zero COVID-19 policy and trade tensions compounded the market instability in China stemming further from a weak Yuan currency and a downturn in the property market. This resulted in a drop in demand and subsequent price crash felt across multiple value chains in China.

The domestic demand decreased significantly due to high crude oil prices, high inflation, and weaker festival demand. This combined with intense competition from China, which had a weak demand, and higher costs from Europe, adversely impacted the competitiveness of your Company's products imported from Europe.

Your Company continued to support customers by leveraging its strong customer relationships and diversified production sites thereby mitigating the difficult business environment and securing majority supply share of our key products. With continued focus on key industries, your Company was able to overcome most of the challenges with proper mitigation measures e.g., by value pricing, diversifying supplies from non-European sites, and improving cash flow through inventory control measures.

Uncertainties in the global market, volatility in raw material costs, oil and energy prices; and supply chain disruptions are some of the challenges, which continue to drive the dynamics of the Intermediates business.



Propionic Acid (PA), a biodegradable organic acid, is used in the preservation of food (such as bread) and feed grain, production of crop protection agents, pharmaceuticals and solvents. Your Company is the leading producer of PA.

MATERIALS



Your Company broke ground on its new Polyurethane Application Development Laboratory in October 2022. To be inaugurated in 2024, the lab will strengthen collaboration with Indian customers from high-growth industries including consumer appliances, construction, footwear, furniture, and transportation.

and CELLASTO® production unit at Dahej Plant. Your Company expanded the Engineering Plastics capacity at Panoli to cater to the growing needs of the Automotive segment.

The Consumer segment witnessed a revival during the financial year 2022-23 post pandemic. Your Company was able to grow the business despite the challenges of supply chain disruptions in footwear and furniture. The appliance business established itself as a strong local supplier which helped gain back some of the key accounts. One of the major highlights during the year was the launch of the e-commerce channel, mypu.basf.com, which has created a new business model for sale of said products in the footwear & furniture industry.

The Construction segment which predominantly supplies polyurethane insulation for cold chain, infra and residential markets, showed improved volumes despite challenging market conditions. Your Company collaborated with customers to supply sandwich panels for cold storages. With the increased focus of the government on reduction of food wastage, your Company was actively involved in promoting and supplying insulations for Cold Chain. The segment faced challenges in the last quarter due to declining market prices.

The Industrial Product segment continued to enhance its presence in conventional segments like electrical and electronics while also making inroads into extrusion applications like tubing, hoses, wire and cable and films with its Thermoplastic Polyurethane range of products. Through its strong channel strategy, the Industrial Product segment has enhanced its ability to penetrate deep into these markets. The Industrial Product segment would also play a key role in emerging businesses like 5G and e-mobility connected infrastructure.

The Specialty business which comprises of multi-application product Ultrason®, and thermal and sound insulating melamine foam Basotect® fared well even in face of supply disruptions while compostable plastic material Ecovio® was impacted due to short supply.

Although the sales of Performance Materials grew well, margins were impacted in the second half due to increase in cost and reduction in prices.

Your Company's Monomers business deals in basic raw materials for polyurethanes, inorganics & polyamides, and its precursors. The financial year 2022-2023 was good for business recovery with volume growth recorded in some business segments such as isocyanates and alcoholates.

The challenges posed by COVID-19, disruptions in supply chain due to scarcity of vessels and delayed import shipments continued coupled with uncertainties due to fluctuating raw material prices and escalations in fuel price of natural gas. The downward price trend continued during the later part of the year as demand slowed and supplies became limited. Despite this, the business continued to have strong engagement with the customers and maintain its position as one of the key suppliers to the market.

Your Company's Materials segment includes the Performance Materials and Monomers businesses.

The Performance Materials business of your Company (Polyurethanes, Engineering Plastics, Specialty Plastics) caters to the requirements of the Consumer, Construction, Industrial Product applications and Transportation Industries.

Despite the third wave of COVID-19 and global semiconductor shortage in the previous year, passenger vehicle production grew by 25.4 percent during the financial year 2022-23. Your Company's product lines that cater to the Interior, Exterior, Powertrain, Chassis and Vehicle Suspension related applications grew due to participation in new launches and winning new business. The business continues to sweat the assets of its Engineering Plastics unit at Thane and Panoli



Lupranat® ZERO is used in the production of MDI boards and rigid polyurethane foam for the thermal insulation of buildings. It is the first greenhouse gas-neutral isocyanate (net-zero emissions, renewable energy).

The MDI (Methylene diphenyl diisocyanate) business grew in volumes over the previous financial year. Strong demand in flexible PU foams, flexible packaging and coating adhesives contributed to the growth of the MDI business. Revival of consumer demand in rigid PU foam applications helped to maintain the sales of TDI (Toluene diisocyanate), despite local availability and over-capacities in Asia. Over-capacities for Isocyanates in Asia continue to be a challenge for this business.

The Inorganics segment of this business was impacted due to force majeure declared by BASF SE at its plant in Germany, for one of the key raw materials for Life Science applications, beginning the third quarter of the financial year 2021-22 and continued to remain so until the first quarter of the year 2022-23.

In the Polyamide and precursors portfolio, the focus continues to remain on barrier films for packaging and mono-filament segment, in which the demand remained sluggish due to the market conditions and downward price trends. The strong synergies with isocyanates business' customer base were well captured and helped to maintain the sales of the precursors.

INDUSTRIAL SOLUTIONS

Your Company's Industrial Solutions segment comprises of Dispersions, Resins, Additives and Performance Chemicals businesses.

The Dispersions business of your Company mainly caters to the needs of paints & coatings, construction and paper industries. The Resins & Additives business caters to the needs of adhesives, automobile, printing & packaging industries.

The key challenges faced by the business were sluggish demand due to high base-effect, extended monsoon and volatility in raw material prices thereby impacting the overall margins. Your Company managed to navigate through these challenges by maintaining continuous interaction with the customers on cost-competitive and innovative product offerings. Your Company also continuously worked on cost optimization



Your Company has begun production of its first bio bio-based polyol, Sovermol®, in Mangalore. This product serves the fast-growing demand for eco-friendly products in New Energy Vehicles (NEV), windmills, flooring and protective industrial coatings.



Under the Valeras™ portfolio, your Company's plastic additives are used in agriculture films. The lifetime of these films can be increased by over 50%, while also extending their service lifetime against increased UV radiation, heat and chemicals used in agriculture.

programs across its supply chain and operations. Your Company successfully commissioned the second dispersions line at its Dahej manufacturing site to cater to the growing future needs of the market.

The innovative products which were launched in architectural coatings business during the financial year 2022-23 were the DPUR paint (Acronal EDGE 7686), which is an efflorescence resistance product and high end primer (Acronal Plus 7090) for interior & exterior segment, which is a strong crosslinking polymer for excellent adhesion. Paper coating introduced high solids binder (Styronal 7926 I) which brings economy in energy & transportation cost. Your Company has also started the production of Sovermol® at its Mangalore site, which serves the fast-growing demand of eco-friendly products for applications in New Energy Vehicles (NEV), windmills, flooring and protective industrial coatings.

The Performance Chemicals business comprises of Plastic Additives, Fuel & Lubricants and Mining Chemicals.

Your Company's Plastic Additives business is categorized into antioxidants and light stabilizers for the plastics industry. Customers are broadly classified into upstream industries such as polymer manufacturers and downstream industries such as master batchers, compounders & converters.



Your Company launched Dynago™ at the Automotive Fluids Channel Partners Meet in January 2023. This range is designed specifically for the Indian market.

fuel additives for maximizing engine performance and Polyisobutylene (PIB) of various molecular weights for different applications. Your Company is a key solution provider to various oil companies as well as automotive OEMs.

Under Components, your Company offers various additives and synthetic base fluids, which are used for formulating various types of lubricants. Key application areas include automotive engine oils meeting BS-VI norms and lubricants used in the metal processing industry.

During the year under review, your Company launched Dynago® range of tropical coolants in India. These products are specifically designed for India and contain sustainable long life corrosion inhibitors.

Your Company's Mining Solutions business is focused on providing sustainable solutions to various mining and mineral processing operations starting from ore extraction till final metal production in the field of various mineral processing areas viz. Coal, Iron ore, Mineral sand, Alumina, Uranium, Zinc, Lead, Copper, Nickel, etc. Your Company continues to focus on Organic Binder for better agglomeration of various ores/ substrates by substituting traditional binders, ultimately improving product quality as well as reducing the carbon footprint.



Your Company's newly expanded Automotive Coatings Application Center is equipped with the latest technology like high precision climate-controlled spray booth and electrostatic rotary bell applicators, and an advanced quick connection system for electrostatic applications. Diane Langer (middle), Director of Automotive OEM Coatings Technology (Americas) paid a visit to the Coating Technology Center in Mangalore.

Your Company continues to grow in the market with the expansion of capacities of major polymer producers as well as increase in demand from packaging, automotive, agriculture, electronics & renewable solar energy sector.

Your Company's Plastic Additives business continues to focus on value-added products to customers to further enhance sales. Your Company's major focus is on sustainability by offering innovative solutions under the brand Irgacycle™ to address imminent needs of plastic recycling industry & thus contributing towards the "Circular Economy".

The Fuel and Lubricant Solutions business is categorized into Formulations and Components.

Under Formulations, your Company offers finished products such as coolants for latest generation engines, brake fluids for meeting highest safety norms,



Your Company markets synthetic organic binders under the Alcotac® brand name. Alcotac® organic binders have been successfully applied in the industry for more than 30 years for agglomerating a wide variety of mineral substrates, including iron ore.

SURFACE TECHNOLOGIES

Your Company's Surface Technologies segment comprises of Catalysts and Coatings Solutions businesses.

The Process Catalysts business caters to the refining, petrochemicals and downstream base and fine chemical industries. During the year, there was a rising demand across all refineries and petrochemical industries leading to increased capacity utilization across the industry. Although the impacts on shipments, especially from the US created challenges in fulfillment of customer orders, there was an increasing demand from new monomer purification projects and sulfuric acid in those industries.

The Automotive Coatings business caters to innovative solutions that improve the appearance and quality of cars. Your Company's "Beyond Paints" range of sustainable products & solutions cater to these needs and has been serving major global and Indian automotive players. During 2022, the Indian automotive market scaled up in global rankings leading to high demand for Coatings which your Company could address very well. Amidst supply chain bottlenecks and raw material

uncertainties, the Company delivered the best customer experience to make our customers successful. Anticipating a long-term growth of Indian automotive market, your Company has invested in a state-of-the-art Application Center in 2022 at Mangalore, which enables customer-oriented R&D activities coupled with accurate simulation of OEM paint shops. With major OEMs preparing to launch SUVs and EVs, your Company sees a trend towards premiumization of cars. India is also emerging as a key export hub for many top automotive players. All these indicators point towards an optimistic outlook and with the strategic balance of portfolio mix, digitalization and price management, your Company's Automotive Coatings division is prepared to tap into this growth.



Your Company launched Probiolift™, a first cosmetic ingredient with live probiotics which help make the skin appear fuller and improves the appearance of forehead wrinkles.



Your Company's Nutrition & Health has brought Velberry™, a new, fresh and fruity-sweet fragrance, into the market. Velberry™ is the first substance developed jointly by BASF and its innovation ecosystem partners for the broad market.

NUTRITION & CARE

Your Company's Nutrition & Care Segment comprises of Care Chemicals, Nutrition and Health Care businesses.

The Care Chemicals business provides solutions to customers in personal care, home care & institutional cleaning and industrial formulation segments (viz: textile, leather, agrochemicals, metal surface cleaning etc.). This business witnessed a stable growth in home care, personal cleansing & hygiene and surface cleaning markets. Good opportunities in the textile solutions market as well as the growth in the agrochemical and emerging industries segments further leveraged the growth of this business. The Personal Care and Standard Oleo Surfactants business was stable during the year and was able to sustain its position in the market. The business witnessed strong headwinds from highly volatile feedstock prices, which was effectively managed through

localization, portfolio mix, customer mix and price management. The business continued its customer centric approach through various measures of digitalization, cluster and customer workshops thereby building a sustainable sales pipeline.

The Nutrition & Health Segment of your Company offers a comprehensive range of products across Nutrition (Human & Animal Nutrition), Pharma Solutions and Aroma Ingredients.

The Human Nutrition business aims to be the most credible food & health ingredient supplier with its broad range of synthetic and natural Vitamins & Carotenoids. Demand for high quality Vitamins remained steady during the last financial year. The Human Nutrition business continues to grow steadily due to increasing awareness of preventive health, immunity, and better lifestyle. Your Company also partnered with key stakeholders in the Food Fortification Initiative of the Government of India by supplying high quality Vitamins.

The Animal Nutrition business supplies vitamins and innovative feed additive solutions for livestock, aquaculture and companion animals. Demand for animal nutrition products remained impacted due to the economic downturn and high inflation. High production cost of chicken, egg & milk, led consumers to be more sensitive.

The Pharma solutions team specializes in functional excipients and select Active Pharma Ingredients (API) for the pharmaceutical industry. During the financial year 2022-23, your Company worked with some of the leading pharmaceutical companies to develop new formulations and supplied some critical excipients for the manufacture of several formulations, including those for the treatment of COVID-19. Two new excipients were launched in the market. Your Company invested in a technical services laboratory to support local pharmaceutical companies.

The Aroma Ingredients business offers a product portfolio in diverse product lines, to enable our customers develop new fragrance and flavor (F&F) applications that eventually find their way into the fast-moving consumer goods (FMCG). The business witnessed increased consumption of the entire product portfolio across FMCG applications as the COVID-19 pandemic situation eased throughout the country. Innovative product launches will continue to generate distinct value for the F&F industry in the coming years.

TECHNICAL MANAGEMENT

Your Company had smooth and streamlined manufacturing operations across all sites and plants during F.Y. 2022-23 with excellent safety, productivity, and quality track record. Efficient emergency handling, robust change management, and strong preventive measures ensured that manufacturing operations remained un-interrupted during F.Y. 2022-23.

During the year, your Company continued to enhance manufacturing capacities and capabilities across its manufacturing sites. Additional dispersions production line was made operational in Q2 2022 which almost doubled the manufacturing capacity at Dahej site. New product AqaCell Hyde 6299 for decorative paints was introduced in the Dispersions plant at Mangalore site. Multi-purpose Plant at Mangalore site also started producing new Auxiliary product for paints and coating applications. Capacity at Panoli site was enhanced with replacement of existing extrusion line with most advanced high-capacity new extrusion line. During the year, your Company has also renovated Automotive Coatings Application laboratory with advanced features and capabilities to support automotive OEMs. Safety continued to be our priority during these trying times and your Company is proud to report 'No loss time injuries' during the execution of these projects.

Your Company continued to enhance and upgrade infrastructure capabilities across sites in F.Y. 2022-23. Mangalore site installed the new 22m³/hour DM plant. The site also replaced the underground fire hydrant lines with a new line laid above the ground to avoid water leakages and enhance fire safety. Dahej site initiated & completed the Impressed Current Cathodic Protection (ICCP) for Underground Utility service like cooling water supply & return line to prevent external corrosion. Installation of advanced CCTV system to improve operations monitoring, upgradation of fire hydrant system and enhanced fire & smoke detection systems were undertaken at Company's Thane site. Similarly, Panoli site enhanced its utilities capabilities such as electricity power, water chiller and compressed air.

Digitalization drive continues at all our sites. Your Company has finalized the digitalization road map for Dahej site. IT infrastructure enhancement project execution is ongoing and work is expected to be completed in F.Y. 2023-24. Meanwhile, work on augmented reality, which provides a platform for paperless plant field logging and paperless safe work permits has been initiated. Similar exercise for Digitalization Road map and IT Infrastructure enhancement is under preparation at the Mangalore site. Digitization of Raw material charging in the process plant has enabled precise material addition and error proofing that has helped to further improve production efficiency at the Thane site.

Your Company remains focused on sustainable manufacturing practices and multiple small energy saving projects are important steps in this direction. Phase I and Phase II of Solar panel projects have been completed at Dahej site. Power purchase agreement for hybrid power supply (Solar & Wind) has been executed in respect of Dahej site which will help reduce the carbon footprint of the site. Your Dahej site has partnered with Gujarat Industrial Development Corporation (GIDC), Dahej, for the desalination project which processes sea water to provide industrial water as part of Sustainable Water Management. Waste heat recovery steam boiler project initiated at Dahej site will recover the heat from the process to produce low pressure steam effecting savings in natural gas consumption. Adoption of advanced and modern methods of wastewater treatment at Thane site together with rainwater harvesting measures have enabled substantial reduction in freshwater consumption & conservation of precious natural resources. Your Company continues to use biofuel for the boiler at Mangalore site, practice rainwater harvesting, promote tree plantation and carry out community service in and around its manufacturing sites.

Your Company implemented several measures to ensure high plant reliability by adopting appropriate maintenance practices and management systems. Focused Preventive Maintenance, Spare parts management, implementation of tools such FMEA (Failure Mode & Effect Analysis) and RCM (Reliability Centered Maintenance) helped your Company's manufacturing sites achieve improved reliability and efficiency.

Your Company's Manufacturing sites continue to be certified in various combinations based on business need for ISO 9001, ISO 14001, ISO 50001, IATF 16949, EFCI GMP & RSPO certifications. In line with the Company's purpose, your Company continues to promote and practice Responsible Care® together with the Indian Chemical Council (ICC).



Your Company recently completed and expanded capacity of its Engineering Plastics Compounding Plant in Panoli, Gujarat. Seen here are the local leaders and team at the successful launch of the project.

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 authorization matrix form the core of the internal control systems. The efficiency and effectiveness of the internal control systems over financial reporting has been performed by the management through evaluation, documentation, testing and reporting of the relevant processes and controls.

Our internal control systems are also supplemented by an extensive program of internal audit by an independent firm of Chartered Accountants. Internal audits are conducted regularly and their summary as well as recommendations are placed before the Audit Committee/ Board of Directors of the Company. The Audit Committee reviews the internal financial control systems on an ongoing basis. Some of the Key Financial Ratios for the financial year 2022-2023 are provided hereunder for your reference:

Key Financial Ratios:

Key Ratios		2022-23	2021-22	Change %
Trade Receivables Turnover (times)	(Revenue from Operations / Average Trade Receivables)	5.5	5.6	-2.0%
Inventory Turnover (times)	(Cost of goods sold / Average Inventory)	5.5	6.2	-12.0%
Interest Coverage Ratio	(Earnings Before Interest Tax & Depreciation before exceptional items / Finance cost)	52.1	53.5	-3%
Current Ratio	(Current assets / Current liabilities)	1.5	1.4	8%
Debt Equity Ratio	(Total Debt [Long term borrowings + Short term borrowings + Current maturities of long term debts] / Total Equity)	NA	NA	NA
Operating Profit Margin (%)*	(Earnings Before Interest & Tax before exceptional items / Revenue from Operations)	4.0%	5.8%	-32.0%
Net Profit Margin (%)*	(Profit after tax / Revenue from Operations)	3.0%	4.5%	-35.0%
Return on Net Worth (%)*	(Profit After Tax (PAT) / Average Total Equity)	16.0%	28.9%	-45.0%

* Lower profits in current year.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company continues its dedicated endeavor to attract, onboard, develop, motivate, and retain high performing employees to ensure business success. Your Company believes that its people are the strongest asset and consequently focuses on building a robust leadership resource pool by effective hiring practices, building and developing talent by training and skilling employees, motivating and nurturing talent by implementing and adopting measures for rewarding, differentiating and recognizing employees for high performance.

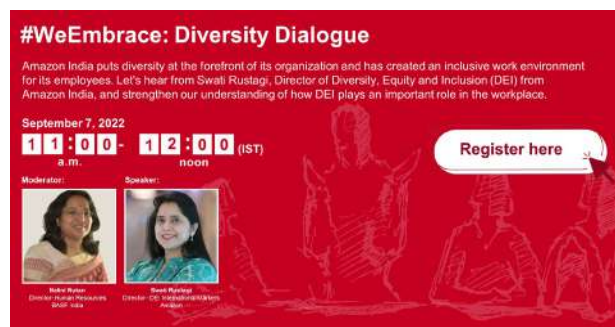


Your Company joined in the International Women's Day celebration across all sites and offices with the theme #EmbraceEquity, focusing on the topic of gender equity and the importance of creating an inclusive world.

Diversity and Inclusion is one of our key focus areas to build our organization for the future. Your Company consistently works towards creating and enabling an inclusive workplace, which places a premium on achieving excellence through diversity and equity. To achieve its outcomes in this area, your Company continues to invest in building infrastructure at its manufacturing sites, revamped and created policies which are inclusive and has integrated multiple best practices to make your Company and its work environment diversity friendly and truly inclusive.

Employee wellbeing has always been at the core of our organization. After the pandemic, your Company continues to emphasize on business growth and people development. In keeping with both the goals, your Company has brought in many policy changes, including facilitating a culture of autonomy and accountability by individual business units, a hybrid working pattern in keeping with the new age practices, deploying safety and health measures both at offices and at factories. Your Company continues to focus on workers education and wellness programs and upskilling employees for the future.

Your Company's employee strength stood at 1363 people as on 31st March, 2023.



In celebration of Diversity and Inclusion week, Your Company organized an internal webinar with an external speaker, Swati Rustagi, Director of Diversity, Equity and Inclusion from Amazon India, to share insights on the importance and benefits of an inclusive work environment.

CORPORATE COMMUNICATIONS

Your Company's Corporate Communications team works with various business and service units, enabling them to communicate effectively with stakeholders across various platforms. Strong partnership with Corporate Advocacy teams on several key business topics with the Government of India and various associations continued to create strong positioning, along with visibility for your Company's products and solutions.



Your Company partnered with ET Auto to promote automotive solutions in the country. Seen here is the EV Conclave, where Dr. Ji-Yong Shin, Head of Technical Sales for Battery Materials in Asia Pacific, had the opportunity to dive deeper into BASF's active commitment to enhancing the efficiency for cathode active materials, which makes battery cells for electric vehicles more powerful, reliable and affordable.



Your Company received a Badge of Honor from the Government Industrial Training Institute (ITI Belapur) in recognition of the CSR efforts in Thane during the pandemic period, which included support for frontline workers like police, local community, and schools by providing sanitization kits.

Your Company shared insights and built awareness for its solutions that help create sustainable chemistry through strategic alliances with media houses and industry bodies like the Economic Times, ICC, CII, and FICCI. During the financial year 2022-23, your Company's leadership team engaged with customers and industry through various forums like PlastIndia, ICC Industry Outlook Conclave, India Refining Summit, Economic Times-Festival of Manufacturing, with emphasis on innovative solutions that enabled your Company to collaborate with customers for continued success.

AWARDS AND RECOGNITION

Your Company was honored by the Economic Times Best Manufacturing plants event 2022 for implementing best practices at its manufacturing sites. Similarly, your Company was recognized as one of the "Most Preferred Workplaces in Manufacturing 2022-23" by Marksmen Daily. This award demonstrates the continuous commitment to create a workplace environment that not only encourages talent development, but is safe, diverse and inclusive. Dun & Bradstreet, a leading knowledge provider acknowledged your Company as one of the top performers in the Indian chemicals sector. Moreover, your Company's focused initiatives towards promoting better gender diversity as well as enhancing inclusion led to continued recognition from AVTAR Seramount and BCWI - 100 Best Companies for Women in India list for 2022 and it was included in the 100 best hall of fame.

On behalf of the Board of Directors
For BASF India Limited

PRADIP P. SHAH
(Chairman)
(DIN: 00066242)

ALEXANDER GERDING
(Managing Director)
(DIN: 09797186)

Mumbai

Dated: 10th May, 2023



Your Company emphasizes on safety, talent development, diversity and inclusion to provide employees with a conducive working environment. Your Company received various awards in recognition of its efforts to promote employees wellbeing & inclusivity.



Throughout the year, the legal team had conducted several training sessions to ensure employees are sensitized about your Company's Code of Conduct which includes training on prevention of sexual harassment at the workplace.

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 (SEBI Listing Regulations) as amended.

1. COMPANY'S PHILOSOPHY ON 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, guides its philosophy.

The commitment to good Corporate Governance is embodied in our values:

- Creative
- Open
- Responsible
- Entrepreneurial

The value "Responsible" indicates that the Company acts responsibly as an integral part of society by adhering to high compliance and environmental standards.

The Company through its purpose "We create chemistry for a sustainable future" 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

The Company is fully compliant with the Corporate Governance norms with respect to the constitution of the Board of Directors. The Company has a diversified Board which represents an optimum mix of professionalism, knowledge, gender and experience.

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

(i) EXECUTIVE & ALTERNATE DIRECTORS***

Name	Date of Initial Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Companies [^]	No. of Memberships/ Chairmanships in Committees of other Companies
Mr. Alexander Gerding*	1 st January, 2023	Managing Director	6	2	NIL	NIL
Mr. Narendranath J. Baliga ^{\$} Alternate Director to Dr. Carola Richter	1 st January, 2015	Chief Financial Officer	6	6	NIL	NIL
Mr. Anil Choudhary**	1 st January, 2023	Manufacturing Head & Whole-time Director	6	2	NIL	NIL
Mr. Narayan Krishnamohan** (until 31 st December, 2022)	1 st April, 2019	Managing Director	6	4	NIL	NIL
Mr. Rajesh Naik** (until 31 st December, 2022)	1 st April, 2019	Manufacturing Head & Whole-time Director	6	4	NIL	NIL

*** Executive Directors & Alternate Director do not hold any Directorships in other Listed & Public Companies.

* Mr. Alexander Gerding was appointed as the Managing Director of the Company at the Board meeting held on 22nd November, 2022, effective 1st January, 2023.

** Mr. Narayan Krishnamohan resigned as Managing Director of the Company to pursue his interest and opportunity outside BASF. Mr. Rajesh Naik resigned as Manufacturing Head & Whole-time Director at the Board meeting held on 22nd November, 2022, effective 31st December, 2022. He continues in a regional role with BASF.

Mr. Anil Choudhary was appointed as Manufacturing Head and Whole-time Director effective 1st January, 2023. Mr. Anil Choudhary is also designated as the Occupier under the Factories Act, 1948 for the manufacturing sites of the Company effective 1st January, 2023.

[^] Excludes Directorships/Memberships in Private Limited Companies, Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013.

^{\$} As Dr. Carola Richter attended the Board Meetings during the financial year 2022-2023 through video conferencing / audio-visual means, Mr. Narendranath J. Baliga attended the Board Meetings in his capacity as Chief Financial Officer. By virtue of being in whole-time employment of the Company, Mr. Narendranath J. Baliga is also deemed to be Whole-time Director of the Company.

(ii) NON-EXECUTIVE DIRECTORS

Name	Date of Initial Appointment	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Companies*	No. of Memberships/ Chairmanships in Committees
Dr. Ramkumar Dhruva	10 th August, 2018	6	5	NIL	NIL
Dr. Carola Richter	6 th August, 2021	6	6	NIL	NIL

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

(iii) **INDEPENDENT DIRECTORS**

Name	Date of Initial Appointment	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Listed Companies*	No. of Memberships/ Chairmanships in Committees of other Companies**
Mr. Pradip P. Shah, Chairman	31 st January, 2000	6	6	6	Membership – 4 Chairmanship – 3
Mr. R. A. Shah	24 th April, 1968	6	6	1	Membership – Nil Chairmanship – Nil
Mr. Arun Bewoor	19 th January, 2010	6	6	1	Membership – 4 Chairmanship – Nil
Mrs. Shyamala Gopinath	23 rd January, 2019	6	6	4	Membership – 1 Chairmanship – 3

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

** Includes only Chairmanship/Membership in Audit Committee and Stakeholders' Relationship Committee of Public Companies.

Directorships of Independent Directors in other Listed Companies:

a. Presently, Mr. Pradip P. Shah is on the Board of the following other Listed Entities:

Sr. No.	Name of the Company	Category of Directorship
1	Sonata Software Limited	Independent Director
2	Bajaj Auto Limited	Independent Director
3	Kansai Nerolac Paints Limited	Independent Director
4	KSB Limited (Formerly known as KSB Pumps Limited)	Independent Director
5	Pfizer Limited	Independent Director
6	Bajaj Holdings & Investment Limited	Independent Director

b. Presently, Mr. R. A. Shah is on the Board of the following other Listed Entities:

Sr. No.	Name of the Company	Category of Directorship
1	Atul Limited	Non-Executive Non-Independent Director

c. Presently, Mr. Arun Bewoor is on the Board of the following other Listed Entity:

Sr. No.	Name of the Company	Category of Directorship
1	Agro Tech Foods Limited	Independent Director

d. Presently, Mrs. Shyamala Gopinath is on the Board of the following other Listed Entities:

Sr. No.	Name of the Company	Category of Directorship
1	CRISIL Limited	Independent Director
2	Colgate-Palmolive (India) Limited	Independent Director
3	Tata Elxsi Limited	Independent Director
4	CMS Info Systems Limited	Non-Executive Non-Independent Director

As per the declarations / disclosures received from Mr. Pradip P. Shah, Mr. R. A. Shah, Mr. Arun Bewoor and Mrs. Shyamala Gopinath, 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. Pradip P. Shah, Mr. R. A. Shah and Mr. Arun Bewoor were re-appointed as Independent Directors of the Company to hold office for a term of 5 consecutive years from 1st April, 2019 to 31st March, 2024 and they are not liable to retire by rotation. Mrs. Shyamala Gopinath was appointed as an Independent Director of the Company for a term of 5 consecutive years from 23rd January, 2019 to 22nd January, 2024 and she is not liable to retire by rotation. Further, Mrs. Shyamala Gopinath is proposed to be re-appointed as an Independent Director of the Company for the second term of five years, effective 23rd January, 2024, subject to the approval of the Members of the Company at the ensuing Annual General Meeting of the Company to be held on 4th August, 2023.

The Independent Directors of the Company have furnished requisite disclosures along with a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations as amended. In the opinion of the Board of Directors, the Independent Directors of the Company fulfil the conditions specified in the Companies Act, 2013 & Rules framed thereunder, and the SEBI Listing Regulations as amended, and they are independent of management.

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

The Company also has a familiarization programme for its Independent Directors, which is available at:

<https://bit.ly/basfindependentdirectorfamiliarisationpolicy> and <https://bit.ly/Familiarizationprogramme2022-23>

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

Six Board Meetings were held during the financial year 2022-2023 on the following dates:

- | | | |
|-------------------------------------|------------------------------------|-------------------------------------|
| (1) 9 th May, 2022 | (2) 3 rd August, 2022 | (3) 10 th November, 2022 |
| (4) 22 nd November, 2022 | (5) 31 st January, 2023 | (6) 27 th March, 2023 |

The Board/ Committee meetings are generally 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 meetings. However, in case of urgent business expediency, the Board's approval is taken by passing resolutions by circulation, as provided under the Companies Act, 2013, which are noted and confirmed at the next Board Meeting. The notice and the agenda of Board Meetings along with the relevant documents and explanatory notes wherever required, are provided well in advance to all the Directors to enable them to discharge their responsibilities effectively and take informed decisions.

B. Pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

Mr. Pradip P. Shah, Mr. R. A. Shah, Mr. Arun Bewoor and Mrs. Shyamala Gopinath, Independent Directors of the Company do not have any material pecuniary relationship with the Company other than the sitting fees and commission paid / payable to them. Details of the sitting fees and commission paid / payable are given at table no. (b) on page 76 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. R. A. Shah has confirmed that the transactions between the Company and M/s. Crawford Bayley & Co., do not exceed 10% of the gross receipts of M/s. Crawford Bayley & Co.

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

Dr. Ramkumar Dhruva & Dr. Carola Richter, Non-Executive Directors were not paid any remuneration or commission by the Company during the financial year 2022-2023. They do not hold any equity shares or 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.

D. Skills/ Expertise and Competence of the Board of Directors of the Company along with the names of the Directors who have such skills / expertise and competence.

The Board of Directors of the Company has the following skills / expertise and competencies in the context of the businesses in which it operates:

Skills/Expertise/Competence	Name of the Director
Knowledge of the Chemical sector and the related value chains.	1) Dr. Ramkumar Dhruva 2) Dr. Carola Richter 3) Mr. Alexander Gerding (effective 1 st January, 2023) 4) Mr. Narayan Krishnamohan (until 31 st December, 2022)
Knowledge of finance, accounting, financial reporting.	1) Mr. Pradip P. Shah 2) Mrs. Shyamala Gopinath 3) Mr. Narendranath J. Baliga
Specialist knowledge and experience in law, corporate governance & compliance.	1) Mr. R. A. Shah 2) Mr. Pradip P. Shah 3) Mrs. Shyamala Gopinath
Knowledge and experience in Marketing.	1) Mr. Arun Bewoor
Expertise in technical management i.e. Manufacturing Sites.	1) Mr. Anil Choudhary (effective 1 st January, 2023) 2) Mr. Rajesh Naik (until 31 st December, 2022)

3. AUDIT COMMITTEE

The Board of Directors of the Company constituted an Audit Committee on 1st March, 2001. The Chairperson of the Audit Committee, Mrs. Shyamala Gopinath is an Independent Director. During the financial year 2022-2023, Four Audit Committee Meetings were held on 9th May, 2022, 3rd August, 2022, 10th November, 2022 and 31st January, 2023, respectively.

The present composition of the Audit Committee and the profile of the Audit Committee members is provided hereunder:

Name	Date of appointment	No. of Meetings during FY 2022-2023	
		Held	Attended
Mrs. Shyamala Gopinath, Chairperson	1 st April, 2019	4	4
Mr. R. A. Shah, Member	1 st March, 2001	4	4
Mr. Pradip P. Shah, Member	1 st March, 2001	4	4
Mr. Arun Bewoor, Member	19 th January, 2010	4	4

Mrs. Shyamala Gopinath, ex-Deputy Governor of the Reserve Bank of India (RBI) for seven years and member of the RBI's Board of Directors, has guided and influenced national policies in diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. She was also an Independent part-time Non-Executive Chairperson of HDFC Bank Limited. Presently, she is the Chairperson of CMS Info Systems Limited and also an Independent Director on the Board of several listed entities.

Mr. R. A. Shah is a Solicitor and a Senior Partner of M/s. Crawford Bayley & Co., a reputed firm of Advocates & Solicitors in Mumbai. He has specialized in a broad spectrum of Corporate Laws with special focus on Foreign Investments, Joint Ventures, Technology and License Agreements, Intellectual Property Rights, Mergers & Acquisitions, Industrial Licensing, Anti-Trust and Competition Law.

Mr. Pradip P. Shah is a Chartered Accountant and holds MBA degree from Harvard University. He is also a Cost Accountant. He has served on several expert committees of State and Central Governments and was a Director on the Regional Board of the Reserve Bank of India.

Mr. Arun Bewoor holds a Bachelor's degree in Science from Pune University. He has also done his Advance Management Education from IIM, Ahmedabad and 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 Regulations as amended.

Mr. Narendranath J. Baliga, Chief Financial Officer of the Company was present at all the meetings of the Audit Committee as a Permanent Invitee.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary was present at all the meetings of the Audit Committee held during the financial year 2022-23 as a Secretary 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 Regulations as amended and Section 177 of the Companies Act, 2013.

The minutes of the meetings of the Audit Committee are noted at the Board Meetings. The Chairperson of the Audit Committee, Mrs. Shyamala Gopinath was present at the 78th Annual General Meeting held on 3rd August, 2022.

Statutory Auditors, Internal Auditors and Cost Auditors are invited to the Meetings, as required.

The key terms of reference of the Audit Committee (stipulated by the Board) are as under:

- 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.
- Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors and 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/results 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, 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.
 - Modified opinion(s) in draft audit report.
 - d. Review with the Management, the performance of Statutory and Internal Auditors and adequacy of internal control systems.
 - e. Review and monitor Auditors' Independence, 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 the 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;
 - Management letters / letters on internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to 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 & Remuneration Committee on 29th July, 2013. The Chairman of the Nomination & Remuneration Committee, Mr. R. A. Shah, is an Independent Director. Three meetings of the Nomination & Remuneration Committee were held during the financial year 2022-2023 i.e., 9th May, 2022, 22nd November, 2022 and 27th March, 2023.

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

Name	Date of appointment	No. of Meetings during FY 2022-2023	
		Held	Attended
Mr. R. A. Shah, Chairman	29 th July, 2013	3	3
Mr. Pradip P. Shah, Member	29 th July, 2013	3	3
Mrs. Shyamala Gopinath, Member	1 st April, 2019	3	3

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary was present at all the meetings of the Nomination & Remuneration Committee held during the financial year 2022-2023 as a Secretary of the Nomination & Remuneration Committee.

The minutes of the previous meeting of the Nomination & Remuneration Committee are noted at each Board Meeting. The Chairman of the Nomination & Remuneration Committee, Mr. R. A. Shah, was present at the 78th Annual General Meeting held on 3rd August, 2022.

The key terms of reference of the Nomination & Remuneration Committee (stipulated by the Board) are as under:

- 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.
- Formulate criteria for evaluation of the performance of Independent Directors and the Board.
- Devise a policy on Board diversity.
- 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.
- Extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors.
- Recommend to the Board, the remuneration payable to Senior Management.

- **Performance Evaluation Criteria for Independent Directors**

The Nomination & Remuneration Committee has formulated the criteria for evaluation of Independent Directors and 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 Directors and Committees of the Board.

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

An annual evaluation of the Board is conducted to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria, which are in line with the Company's policy. Performance is measured against commitments and best-in-class benchmarks. Plans for orderly succession of the Senior Management are also in place.

As required under Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on 27th March, 2023 to evaluate the performance of the Chairman, Non-Independent Directors and the Board, Committees 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.

The Board of Directors of the Company expressed satisfaction about the transparency of disclosures and higher governance standard followed by the Company.

- **Remuneration of Independent Directors**

The remuneration to be paid to the Independent Directors is decided by the Board based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the shareholders of the Company. The remuneration cannot exceed 1% of the net profit of the Company for each financial year calculated as per the provisions of the Companies Act, 2013. In addition to sitting fees, as approved by the Board, for attending the meetings of the Board and/or Committee thereof, commission is also payable to the Independent Directors for the financial year 2022-2023. Reference may be made to table (b) on page 76 for details of sitting fees and commission paid / payable to Independent Directors for the financial year ended 31st March, 2023.

- **Directors & Officers Insurance (D&O Insurance)**

In line with the requirements of Regulation 25 (10) of the SEBI Listing Regulations, the Company has in place D&O Insurance for all its Directors & Senior Management for such quantum and risk as determined by the Company.

- **Criteria for payment of sitting fees & commission to Independent Directors**

The criteria for payment of sitting fees & commission to Independent Directors is based on:

- Company's operations.
- Number of Board & Committee Meetings attended during the financial year.
- Time devoted towards the affairs of the Company.
- Performance of the Company during the financial year.

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

Remuneration to the Managing Director and 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 shall be in accordance with the limits laid down under Section 197 and Schedule V of the Companies Act, 2013.

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 approval of the Nomination & Remuneration Committee, Board and subject to the approval of the shareholders and such other approvals, as may be required, in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013.

During the financial year 2022-2023, the payment of remuneration to the Managerial Personnel was in accordance with the relevant provisions laid down under the Companies Act, 2013.

The Company does not have an Employee Stock Options Scheme for its Directors and employees.

Details of remuneration payable to all the Directors for the financial year 2022-2023 are as under:

(a) MANAGING/ WHOLE-TIME/ ALTERNATE DIRECTORS

(Amount in Rupees per annum)

Remuneration	Mr. Alexander Gerding [^]	Mr. Narendranath J. Baliga* [^]	Mr. Anil Choudhary	Mr. Narayan Krishnamohan**	Mr. Rajesh Naik
Date of Appointment/ Cessation during the year	Effective 1 st January, 2023		Effective 1 st January, 2023	Until 31 st December, 2022	Until 31 st December, 2022
Salary & Perquisites and Allowances [@]	1,79,70,333	2,08,76,817	49,25,199	2,87,64,207	1,25,28,477
Performance Linked Incentive (Short Term Incentive) [#]	26,17,752	55,95,648	11,09,937	1,38,04,950	31,71,701
Leave Encashment	—	—	—	35,34,713	—
Total	2,05,88,085	2,64,72,465	60,35,316	4,61,03,870	1,57,00,178

[@] Salary & Benefits includes Salary, Benefits, Perquisites & Allowances, Provident Fund and Superannuation but excluding provision for contribution to Gratuity Fund, Group Insurance, long service awards and any benefits under Performance Share Plan ('Long Term Incentive') of BASF SE, Parent Company.

[#] Performance Linked Incentive (Short Term Incentive) is based on Company's financial performance, BASF Group's Return on Capital Employed and individual achievements against pre-agreed targets. The aggregate remuneration paid / payable to the above mentioned Directors for the financial year 2022-23 includes Performance Linked Incentive (Short Term Incentive) proportionately apportioned for 9 months (April, 2022 – December, 2022) & the provisions created in the books of accounts proportionately for 3 months (January, 2023 – March, 2023) based on the Target Short Term Incentive for the calendar year 2022.

* Mr. Narendranath J. Baliga had been appointed as Chief Financial Officer & Alternate Director. Being in the whole-time employment of the Company, he is deemed to be Whole-time Director of the Company.

** Mr. Narayan Krishnamohan was paid an amount of Rs. 43.2 million, subject to tax as applicable, as ex-gratia for the valuable contribution rendered by him during his tenure as the Managing Director of the Company based on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors and the shareholders of the Company.

^ The Ultimate Holding Company ('BASF SE') offers Performance Share Plan ('Long Term Incentive') for Senior Executives of BASF Group. Mr. Alexander Gerding, Mr. Narendranath J. Baliga and Mr. Anil Choudhary are eligible for this program. The long-term incentive of Rs. 18,76,902 and Rs. 62,08,360 has been accrued by the Company for the current year for Mr. Narendranath J. Baliga and Mr. Narayan Krishnamohan respectively (Managing Director until 31st December, 2022). This amount does not form part of the aforesaid remuneration and there is no cash outflow by the Company for the financial year 2022-23.

(b) INDEPENDENT DIRECTORS

The Board of Directors of the Company had approved the payment of sitting fees to the Independent Non-Executive Directors for attending the Board and/or other Committee meetings. In addition to sitting fees, commission is also due and payable to Independent Directors of the Company for the financial year ended 31st March, 2023.

The details of the sitting fees paid and commission due and payable to them during the financial year ended 31st March, 2023 are as follows:

(Amount in Rupees)				
Particulars	Mr. R. A. Shah	Mr. Pradip P. Shah	Mr. Arun Bewoor	Mrs. Shyamala Gopinath
Sitting Fees	14,50,000	13,75,000	14,50,000	14,50,000
Commission*	12,50,000	15,00,000	12,50,000	12,50,000
Total	27,00,000	28,75,000	27,00,000	27,00,000

* approved by the Board of Directors of the Company at its meeting held on 10th May, 2023.

(c) No remuneration was paid to the Non-Executive Foreign Directors during the financial year 2022-2023.

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.

During the financial year 2022-23, Mr. Alexander Gerding and Mr. Anil Choudhary were appointed as Members of the Stakeholders' Relationship Committee, effective 1st January, 2023 in place of Mr. Narayan Krishnamohan and Mr. Rajesh Naik, who ceased to be Directors of the Company effective 31st December, 2022.

During the financial year 2022-23, one meeting of the Stakeholders' Relationship Committee was held on 10th November, 2022. The Minutes of the meeting of the Stakeholders' Relationship Committee were noted at the subsequent Board Meeting. The Chairman of the Stakeholders' Relationship Committee, Mr. Arun Bewoor was present at the 78th Annual General Meeting held on 3rd August, 2022.

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

Name	Date of appointment	No. of Meetings during FY 2022-2023	
		Held	Attended
Mr. Arun Bewoor, Chairman	19 th January, 2010	1	1
Mrs. Shyamala Gopinath, Member	1 st April, 2019	1	1
Mr. Alexander Gerding, Member*	1 st January, 2023	1	-
Mr. Anil Choudhary, Member*	1 st January, 2023	1	-
Mr. Narayan Krishnamohan (until 31 st December, 2022)**	1 st April, 2019	1	1
Mr. Rajesh Naik (until 31 st December, 2022)**	15 th May, 2017	1	1

* Mr. Alexander Gerding and Mr. Anil Choudhary was appointed as the Member of the Stakeholder's Relationship Committee at the Board meeting held on 22nd November, 2022, effective 1st January, 2023.

** Mr. Narayan Krishnamohan and Mr. Rajesh Naik ceased to be the Members of the Stakeholder's Relationship Committee effective 31st December, 2022

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary attended the Stakeholders' Relationship Committee Meeting held on 10th November, 2022 as a Secretary of the Stakeholders Relationship Committee.

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified in Part D of Schedule II of the SEBI Listing Regulations as amended. The Committee looks into redressal of shareholders' and investors' complaints/ grievances. The Committee also looks into complaints concerning transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates etc. The Committee also reviews measures taken for effective exercise of voting rights by shareholders. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants and annual reports by the shareholders of the Company.

All matters related to shares vis-à-vis transfers, deletions, transmissions, dematerialization and rematerialization of shares, etc. have been duly attended to by the Company within the prescribed timelines during the financial year 2022-23.

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

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary
 BASF India Limited
 The Capital, 'A' Wing, 1204-C,
 12th Floor, Plot No. C-70, 'G' Block, Bandra-Kurla Complex,
 Bandra (East), Mumbai-400051.
 Tel: +91 22 62785600/ 67243700/ 67243800
 E-mail ID: investor-grievance-india@basf.com ; Website: www.basf.com/in

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

Particulars	Number of Complaints			
	As on 1 st April, 2022	Received during the financial year	Cleared/attended during the financial year	Pending as on 31 st March, 2023
Non-receipt of dividend warrants	Nil	Nil	Nil	Nil
Non-receipt of share certificates after transfer, deletion of name, transmission, consolidation of folios & share certificates, correction of name etc.	Nil	Nil	Nil	Nil
SEBI Complaints Redressal System (SCORES) and Stock Exchanges (BSE/NSE)	Nil	17	17	Nil
Total	Nil	17	17	Nil

There were no investor grievances which remained unattended/pending for resolution for more than 30 days. Requests for share transfers and dematerialization received during the financial year have been processed within the time limit prescribed under the SEBI Listing Regulations.

6. RISK MANAGEMENT COMMITTEE

Securities and Exchange Board of India (SEBI) vide its notification dated 7th September, 2021 had amended the SEBI Listing Regulations to require the top 1000 listed entities based on market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee comprising of majority of the members of the Board of Directors of the Company with effect from 7th September, 2021.

In view of the above, the Board of Directors of the Company at their Board Meeting held on 28th March, 2019 constituted the Risk Management Committee of the Company with effect from 1st April, 2019.

During the financial year 2022-23, Mr. Alexander Gerding was appointed as the Chairman of the Risk Management Committee, effective 1st January, 2023 in place of Mr. Narayan Krishnamohan, who ceased to be Director of the Company effective 31st December, 2022.

During the financial year 2022-23, Two meetings of the Risk Management Committee were held on 3rd August, 2022 and 27th January, 2023. The Minutes of the meeting of the Risk Management Committee were noted at the subsequent Board Meeting. The earlier Chairman of the Risk Management Committee i.e., Mr. Narayan Krishnamohan was present at the 78th Annual General Meeting held on 3rd August, 2022.

The present composition of the Risk Management Committee is as under:

Name	Date of appointment	No. of Meetings during FY 2022-2023	
		Held	Attended
Mr. Alexander Gerding, Chairman *	1 st January, 2023	2	1*
Mr. Pradip P. Shah, Member	1 st April, 2019	2	2
Mr. Arun Bewoor, Member	1 st April, 2019	2	2
Mrs. Shyamala Gopinath, Member	1 st April, 2019	2	2
Mr. Narendranath J. Baliga, Chief Financial Officer	1 st April, 2019	2	2
Mr. Narayan Krishnamohan (Chairman until 31 st December, 2022) **	1 st April, 2019	2	1**

* Mr. Alexander Gerding was appointed as the Chairman of the Risk Management Committee at the Board meeting held on 22nd November, 2022, effective 1st January, 2023.

** Mr. Narayan Krishnamohan resigned as Managing Director of the Company at the Board meeting held on 22nd November, 2022, effective 31st December, 2022 and accordingly ceased to be the Chairman of the Risk Management Committee.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary of the Company attended Risk Management Committee Meetings held during the financial year 2022-23 as a Secretary of the Risk Management Committee.

The terms of reference of the Risk Management Committee are as follows:

- Monitor and review Risk Management Plan as approved by the Board.
- Review and recommend Risk Assessment Report and Risk Management Report for approval of the Board.
- Ensure that appropriate system of risk management is in place.
- Oversee recent developments in the Company and periodic updating of Company's Enterprise Risk Management Program for assessing, monitoring and mitigating the risks.
- Annually review the adequacy of the Company's resources to perform its risk management responsibilities and achieve objectives.
- Carry out such responsibilities as may be assigned by the Board from time to time.

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(8) and Part B of Schedule II of the SEBI Listing Regulations for the financial year ended 31st March, 2023 was placed before the Board at its meeting held on 10th May, 2023 and the same is also annexed to this Report.

7. ANNUAL GENERAL MEETINGS

(a) For the years 2020, 2021 and 2022, your Company's Annual General Meeting were held through Video Conferencing / Other Audio-Visual means. The Meetings were held on the following dates:

1. 3rd August, 2022 at 3.00 p.m.
2. 6th August, 2021 at 3.00 p.m.
3. 6th August, 2020 at 3.00 p.m.

No Special Resolutions were passed at the 76th and 78th Annual General Meeting held on 6th August, 2020 and 3rd August, 2022 respectively. However, a Special Resolution was passed at the 77th Annual General Meeting of the Company held on 6th August, 2021 in respect of the following matter and the resolution was approved with the requisite majority.

77 th AGM: 6 th August, 2021
1. Revision in the existing limits of maximum remuneration payable to Mr. Narayan Krishnamohan (DIN: 08350849), Ex-Managing Director of the Company for a period of three years effective 1 st April, 2021.

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 and Regulation 44 of the SEBI Listing Regulations as amended, the Company had extended remote e-Voting facility to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 78th Annual General Meeting held on 3rd August, 2022. On the day of the Annual General Meeting, the Company also provided e-Voting facility and the resolutions were passed with the requisite majority.

During the Financial Year 2022-23, the following Special Resolutions were passed by way of Postal Ballot on 14th May, 2022 and 30th December, 2022 respectively. Mr. Hemant Shetye, Practicing Company Secretary and Designated Partner of M/s HSPN & Associates LLP was appointed as the Scrutinizer by the Board of Directors of the Company to conduct the said Postal Ballot(s).

a) **Special Resolutions passed on 14th May, 2022:**

- Increase in the limit of maximum performance linked incentives (short-term and long-term incentives) payable to Mr. Narayan Krishnamohan, Ex-Managing Director of the Company.
- Increase in the limit of maximum performance linked incentives (short-term and long-term incentives) payable to Mr. Narendranath J. Baliga, Chief Financial Officer & Alternate Director of the Company.

b) **Special Resolutions passed on 30th December, 2022:**

- Appointment of Mr. Alexander Gerding (DIN: 09797186) as the Managing Director of the Company for a period of 5 (five) consecutive years from 1st January, 2023 to 31st December, 2027 and to fix his remuneration.
- Appointment of Mr. Anil Choudhary (DIN: 07733817) as the Whole-time Director of the Company for a period of 5 (five) consecutive years from 1st January, 2023 to 31st December, 2027 and to fix his remuneration.
- Payment of ex-gratia to Mr. Narayan Krishnamohan (DIN: 08350849), Ex-Managing Director of the Company until 31st December, 2022.

(b) **Attendance of Directors at 78th AGM during the last financial year:**

All the Directors of the Company were present at the last AGM held on 3rd August, 2022.

8. DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT

Brief resume of the Directors seeking re-appointment are as under:

a) Dr. Carola Richter: -

Dr. Carola Richter is presently 50 years of age. She received her PhD in Physics at Heidelberg University. In the year of 2000, she started her professional career as a Strategy Consultant at McKinsey & Company, Germany. In 2003, she was appointed as Consultant and Management Consulting at BASF AG, Germany and in 2005 was appointed as the Senior Manager of Asia Pacific, Coatings, Performance Chemicals at BASF East Asia Regional Headquarters Ltd., Hong Kong.

She was appointed as a Director in Business Management Acrylics & Superabsorbents Europe division of BASF SE in 2008. In 2009, she took over as Vice President, Global Business Management Hygiene, BASF SE, Germany. In 2011, she served as Senior Vice President, BASF East Asia Regional Headquarters Ltd., Hong Kong and in 2015 as Senior Vice President, Economic Evaluations, BASF SE, Germany. Since 2019, she is the President of Regional Divisions South & East Asia, ASEAN & ANZ countries based in Singapore. Dr. Carola Richter does not hold any shares of the Company. She does not hold any Directorship/ Committee positions in any other public company in India and is not related to any other Directors of the Company.

b) Mrs. Shyamala Gopinath: -

Mrs. Shyamala Gopinath is presently 73 years of age. She holds a Master's Degree in Commerce and is a Certified Associate of Indian Institute of Bankers (CAIIB). She is the Independent Director of the Company since 23rd January, 2019. She is also the Chairperson of Company's Audit Committee and Member of Company's Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Risk Management Committee.

As Deputy Governor of the Reserve Bank of India (RBI) for seven years and member of the RBI's Board of Directors, she guided and influenced national policies in diverse areas of financial sector regulation and supervision, the development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. She has served on several Committees while with RBI. During 2001 to 2003, she worked as senior financial sector expert in the then Monetary Affairs and Exchange Department of the International Monetary Fund (Financial Institutions Division). She served as Chairperson Advisory Board on Bank, Commercial and Financial Frauds for two years from 2012 to 2014. She was also the Chairperson of the Board of Corporate Bonds and Securitization Advisory Committee of Securities & Exchange Board of India. She also served as a part-time Non-Executive Chairperson of HDFC Bank Limited. She is an Independent Director on few other companies including not for profit entities. In the past 3 years, Mrs. Shyamala Gopinath resigned from the Board of the following Companies:

Name of the Company	Date of Resignation
HDFC Bank Ltd	01/01/2021
NDDB Dairy Services	10/11/2020
Macrotech Developers Limited	16/03/2020

9. DISCLOSURES

(a) The Company does not have any subsidiary as of 31st March, 2023.

The Company's policy on material subsidiary is available on Company's website www.basf.com/in under the Investor Relations Section and can be accessed at <https://bit.ly/BILMSPolicy>

(b) The Company has formulated a policy for dealing with 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 the Board of Directors of the Company. The Register of Contracts containing the transactions in which Directors are interested is being placed before the Board for its approval at every Board Meeting. Transactions with Related Parties as per requirements of IND-AS are disclosed in Note No. 49 to the Financial Statements 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, Securities and Exchange Board of India (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 also provides adequate safeguards against victimization of Employee(s)/ Director(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 Regulations.

- (f) Risk Management: The Company has a mechanism in place to inform the Board about the 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) Credit Rating: CRISIL Ltd has reaffirmed credit rating of 'CRISIL AAA' and assigned a 'Stable' outlook for long term debt programme. The ratings on the Fixed Deposits and Commercial Paper have been reaffirmed at 'FAAA/Stable' and 'CRISIL A1+', respectively.
Further, India Ratings and Research Private Limited has also maintained a credit rating of 'IND A1+' for Commercial Paper Programme of Rs. 7,500 million. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations & carry lower credit risk.
- (i) The Management Discussion & Analysis Report forms part of this Annual Report.
- (j) 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 Regulations as amended.
- (k) The Corporate Governance Report of the Company for the financial year ended 31st March, 2023 is in compliance with the SEBI Listing Regulations. The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.
- (l) The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the SEBI Listing Regulations is as follows:
- i. The Board: Mr. Pradip P. Shah, Independent Director is the Non-Executive Chairman of the Company with effect from 1st April, 2019;
 - ii. Shareholder Rights: Half-yearly and other quarterly results are published in newspapers and also uploaded on Company's website www.basf.com/in;
 - iii. Modified opinion(s) in audit report: The Company has a regime of un-qualified financial statements. Auditors have not raised any qualification on the financial statements;
 - iv. Separate posts of Chairperson and Managing Director:
 - Mr. Pradip P. Shah, Independent Director has been appointed as the Non-Executive Chairman of the Company with effect from 1st April, 2019.
 - Mr. Alexander Gerding has been appointed as Managing Director of the Company with effect 1st January, 2023 for a term of 5 consecutive years.
 - v. Reporting of Internal Auditor: M/s Mahajan & Aibara, Chartered Accountants, Mumbai, Internal Auditors of the Company report to the Audit Committee.
- (m) Mr. Hemant Shetye, Practicing Company Secretary and Designated Partner of M/s HSPN & Associates LLP, has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said Certificate is annexed hereto as **Annexure-1**.
- (n) The total aggregate fees paid / payable to M/s. Price Waterhouse Chartered Accountants LLP (including all its network entities / firms) during the financial year 2022-23 is Rs. 19,200,000/-.
- (o) Prevention of Sexual Harassment at the Workplace: Details are provided on page no. 10 of this Annual Report.
- (p) The Board of Directors of the Company have accepted all recommendations received from its committees. None of the recommendations have been rejected by the Board of Directors of the Company.

10. MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communication through dissemination of information on the web-portal of the Stock Exchanges, News Releases, Annual Reports and by placing relevant information on its website.

- The Quarterly, Half-yearly and Annual Financial Results of the Company are published in widely circulating national and local newspapers such as 'Business Standard' (in English) and 'Mumbai Lakshadeep' (in Marathi).
- The Company's Financial Results / official news releases and other important Investor related information are periodically displayed and updated on the Company's website, viz., www.basf.com/in in the 'Investor Relations' section.
- The details of the Analysts / Fund Managers' Meetings together with the presentations on the performance of the Company, if any, along with the audio-video recording and its transcript is uploaded on the web-portals of the Stock Exchanges i.e., BSE Ltd and The National Stock Exchange of India Limited. The same is also uploaded on the Company's website i.e., www.basf.com/in in the Investor Relations Section.

11. GENERAL SHAREHOLDERS INFORMATION

- (a) The Annual General Meeting of the Company will be held on Friday, 4th August, 2023 at 3.00 p.m. through video conferencing / other audio-visual means.
- (b) The Company's financial year begins on 1st April and ends on 31st March.
- | | | |
|----------------------------------|---|--|
| Financial Calendar — (tentative) | Results for quarter ending 30 th June, 2023 | 5 th week of July, 2023 |
| | Annual General Meeting | 4 th August, 2023 |
| | Results for quarter ending 30 th September, 2023 | 2 nd week of November, 2023 |
| | Results for quarter ending 31 st December, 2023 | 4 th week of January, 2024 |
| | Results for the year ending 31 st March, 2024 | 1 st /2 nd week of May, 2024 |
- (c) Period of book closure: Saturday, 22nd July, 2023 to Friday, 28th July, 2023 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend.
- (d) Dividend payment date: On or after 8th August, 2023.
- (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)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400051

The Company has paid the annual listing fees for the financial year 2023-2024 to both the Stock Exchanges.

- (f) Stock Code : 500042
 SYMBOL : BASF
 Demat ISIN No. (NSDL & CDSL) : INE373A01013

- (g) Market Price Data:

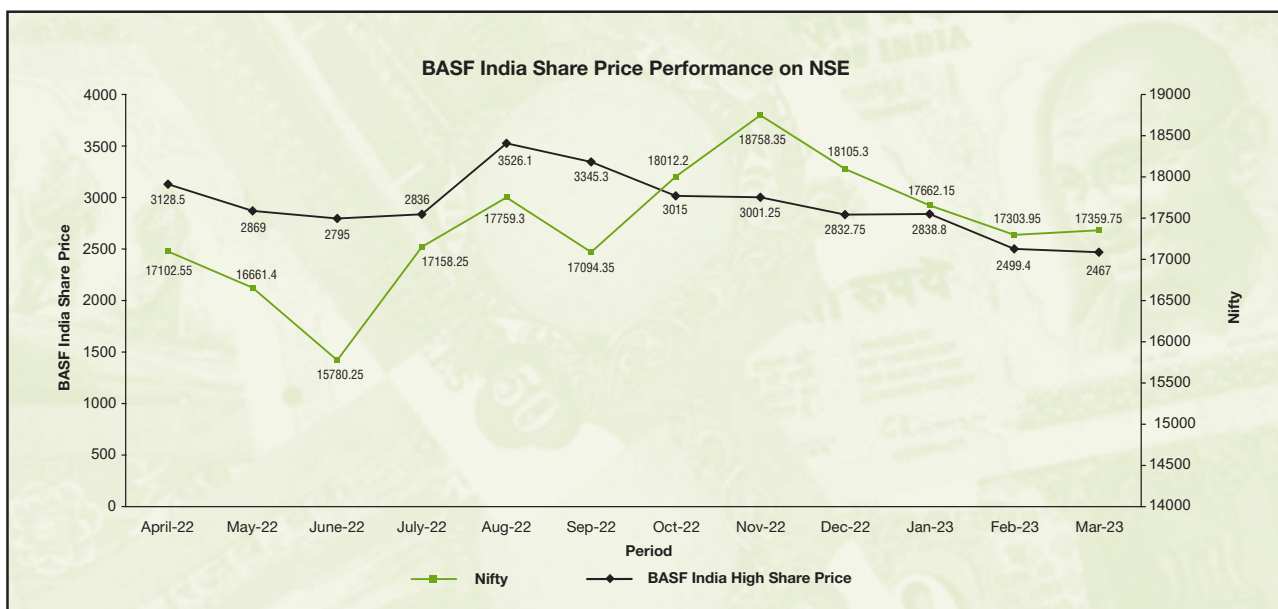
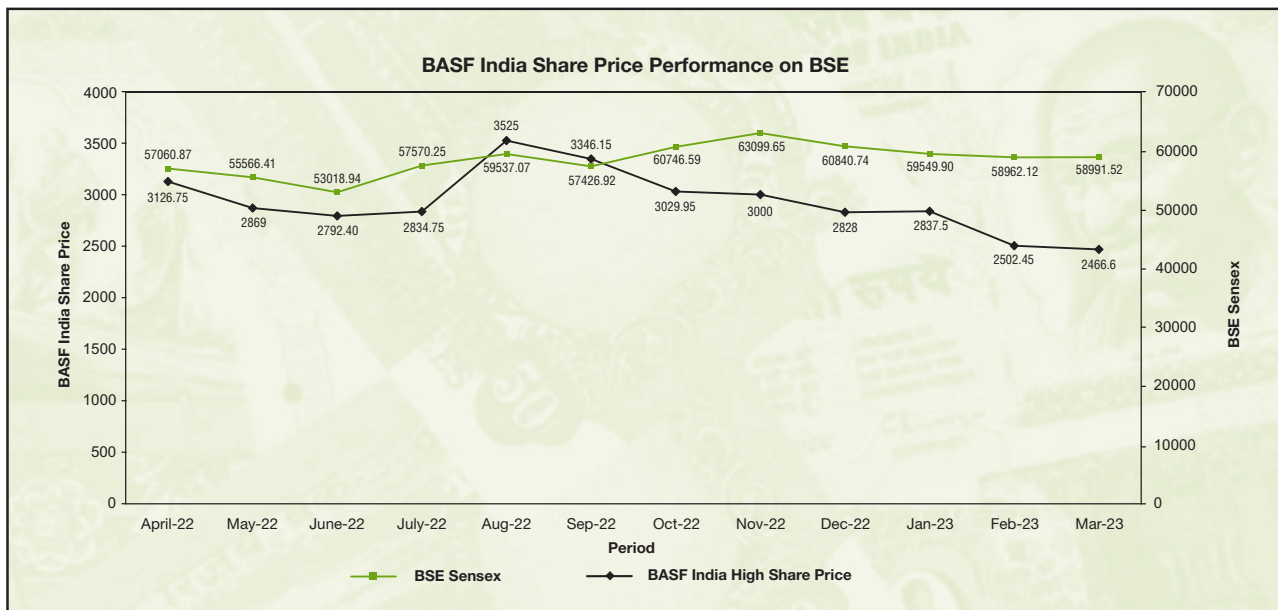
High/low market price of the Company's equity shares traded on BSE Ltd. and The National Stock Exchange of India Limited during each month in the last financial year ended on 31st March, 2023 is furnished below along with a graph indicating the performance of Company's share price in comparison with BSE SENSEX and NIFTY:

SHARE PRICES (HIGH/LOW) OF BASF INDIA LIMITED FOR THE PERIOD APRIL, 2022 TO MARCH, 2023

(Share prices in Rs.)

BSE			NSE		
MONTH	HIGH (DATE)	LOW (DATE)	MONTH	HIGH (DATE)	LOW (DATE)
April	3,126.75 (01/04/2022)	2,650.00 (28/04/2022)	April	3,128.50 (01/04/2022)	2,650.20 (28/04/2022)
May	2,869.00 (09/05/2022)	2,352.00 (25/05/2022)	May	2,869.00 (10/05/2022)	2,351.00 (25/05/2022)
June	2,792.40 (02/06/2022)	2,330.70 (20/06/2022)	June	2,795.00 (02/06/2022)	2,371.00 (20/06/2022)
July	2,834.75 (13/07/2022)	2,587.15 (06/07/2022)	July	2,836.00 (13/07/2022)	2,587.00 (06/07/2022)
August	3,525.00 (25/08/2022)	2,695.65 (01/08/2022)	August	3,526.10 (25/08/2022)	2,695.20 (01/08/2022)
September	3,346.15 (01/09/2022)	2,782.05 (26/09/2022)	September	3,345.30 (01/09/2022)	2,781.25 (26/09/2022)
October	3,029.95 (04/10/2022)	2,750.00 (28/10/2022)	October	3,015.00 (04/10/2022)	2,750.00 (28/10/2022)
November	3,000.00 (01/11/2022)	2,590.8 (17/11/2022)	November	3,001.25 (01/11/2022)	2,590.00 (17/11/2022)
December	2,828.00 (30/12/2022)	2,641.05 (02/12/2022)	December	2,832.75 (30/12/2022)	2,639.95 (02/12/2022)
January	2,837.5 (02/01/2023)	2,400.00 (31/01/2023)	January	2,838.80 (02/01/2023)	2,399.95 (31/01/2023)
February	2,502.45 (02/02/2023)	2,195.00 (15/02/2023)	February	2,499.40 (02/02/2023)	2,193.00 (15/02/2023)
March	2,466.6 (09/03/2023)	2,222.75 (28/03/2023)	March	2,467.00 (09/03/2023)	2,218.55 (20/03/2023)

MONTHLY HIGH-LOW BASF SHARE PRICE/ BSE SENSEX & NSE NIFTY FROM APRIL, 2022 TO MARCH, 2023



(h) Registrar & Share Transfer Agent: TSR Consultants Private Limited

TSR Consultants Private Limited
 Unit: BASF India Limited
 C-101, 1st Floor, 247 Park,
 Lal Bahadur Shastri Marg,
 Vikhroli (West), Mumbai – 400 083.
 Tel. No.: +91 8108118484
 Fax No.: +91-22-66568494
 Email : csg-unit@tcplindia.co.in
 Website: <https://www.tcplindia.co.in>

The details of contact person of TSR Consultants Private Limited is as follows:

Name	Phone No.	Fax No.
Ms. Kshama Ghole/ Ms. Mary George	+91 8108118484	022 - 66568494

(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 Company 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 shareholding of the Company as on 31st March, 2023 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-500	54,339	96.39	2,630,559	6.08
501-1000	1,054	1.87	794,843	1.84
1001-2000	520	0.92	745,136	1.72
2001-3000	171	0.30	425,616	0.98
3001-4000	70	0.12	245,184	0.57
4001-5000	61	0.11	279,181	0.65
5001-10000	82	0.15	572,126	1.32
10001 and above	76	0.14	37,592,995	86.84
Total	56,373	100.00	43,285,640	100.00

(k) The shareholding pattern of the Company as on 31st March, 2023 was as follows:

Category	No. of shares	% of total capital
Foreign Promoters	31,743,220	73.33
Directors and relatives of Directors	80	0.00
NRIs, FIIs and FPIs & Foreign Nationals	1,565,563	3.62
Mutual Funds & Financial Institutions	1,180,255	2.73
State Government	30	0.00
Insurance Companies	1,558,327	3.60
Nationalized, Foreign and other Banks	4,274	0.01
Domestic Corporate Bodies / Trusts / Clearing Members / LLPs / NBFCs	1,299,209	3.00
Resident Individual Investors	5,786,968	13.37
Investor Education & Protection Fund	147,714	0.34
Total	43,285,640	100.00

(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, 2023, 42,961,223 equity shares, representing 99.25% 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 as on 31st March, 2023:

Dahej, Gujarat	Panoli, Gujarat
4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat – 392130.	Village Umarwada, Survey No 432/1+2, Taluka Ankleshwar, Gujarat – 393001, India
Navi Mumbai, Maharashtra	
Plot No. 12, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400705, Maharashtra.	
Mangalore, Karnataka	
Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka – 575030.	

(o) Address for shares related correspondence with the Company:
 Mr. Pankaj Bahl, Manager – Company Secretarial
 The Capital, 'A' Wing, 1204-C,
 12th Floor, Plot No. C-70, 'G' Block,
 Bandra-Kurla Complex,
 Bandra (East), Mumbai – 400051
 Tel: +91 22-62785600/ 67243700/ 67243800
 Email: pankaj.bahl@basf.com

(p) Top Ten Shareholders of the Company as on 31st March, 2023:

Sr. No.	Name of the Shareholder(s)	No. of shares	% of the total capital
1.	BASF SE	22,835,320	52.75
2.	BASF SCHWEIZ AG	8,907,900	20.58
3.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	798,173	1.84
4.	PLUTUS WEALTH MANAGEMENT LLP	750,000	1.73
5.	GENERAL INSURANCE CORPORATION OF INDIA	561,991	1.30
6.	TATA MUTUAL FUND – TATA HYBRID EQUITY FUND	418,127	0.97
7.	TATA MUTUAL FUND – TATA SMALL CAP FUND	482,153	1.11
8.	ATUL LIMITED	261,396	0.60
9.	TATA LARGE & MID-CAP FUND	247,628	0.57
10.	TATA INDIAN OPPORTUNITIES FUND	160,000	0.37

(q) Closing Share Price: Rs. 2,399.40 per share on BSE Limited as on 10th May, 2023

12. DISCLOSURES IN RESPECT OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT':

During the financial year 2022-2023, the Company has placed Inter-Corporate Deposits with the following BASF Group Companies: -

- i) BASF Chemicals India Private Limited – Rs. 450 million (outstanding Nil as on 31st March, 2023)
- ii) BASF Catalysts India Private Limited – Rs. 1,500 million (outstanding Rs. 1,500.9 million as on 31st March, 2023)

13. CODE OF CONDUCT

The Company has framed a 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: <https://bit.ly/basfcodeofconductpolicy>

All the Board Members and Senior Management Personnel have complied with the Code of Conduct.

14. 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
 For BASF India Limited

PRADIP P. SHAH
 Chairman
 (DIN: 00066242)

ALEXANDER GERDING
 Managing Director
 (DIN: 09797186)

Mumbai
 Dated: 10th May, 2023

ANNEXURE-1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BASF INDIA LIMITED having CIN L33112MH1943FLC003972 and having registered office at The Capital, A Wing, 1204-C, 12th Floor, Plot No. C-70 'G' Block, Bandra Kurla Complex, Bandra (East) Mumbai- 400051 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Pradip Panalal Shah	00066242	31/01/2000
2.	Mr. Alexander Gerding	09797186	01/01/2023
3.	Dr. Ramkumar Dhruva	00223237	10/08/2018
4.	Dr. Carola Richter	09197435	06/08/2021
5.	Mr. Rajendra Ambalal Shah	00009851	24/04/1968
6.	Mr. Arun Madhav Bewoor	00024276	19/01/2010
7.	Mrs. Shyamala Gopinath	02362921	23/01/2019
8.	Mr. Narendranath J. Baliga	07005484	21/07/2019
9.	Mr. Anil Choudhary	07733817	01/01/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For HSPN & ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

Place: Mumbai
Date: 10.05.2023
ICSI UDIN: F002827E000281041
PEER REVIEW NO: 2507 /2022

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

May 10, 2023

The Board of Directors
BASF India Limited
The Capital, 'A' Wing, 1204-C,
12th Floor, Plot No. C-70, 'G'- Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051.

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:

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 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.
- 3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 4) 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.
- 5) We have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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

Mumbai
Dated: 10th May, 2023

ALEXANDER GERDING
Managing Director
(DIN: 09797186)

NARENDRANATH J. BALIGA
Chief Financial Officer
(DIN: 07005484)

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of BASF India Limited

We have examined the compliance of conditions of Corporate Governance by BASF India Limited, for the year ended March 31, 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and 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 the SEBI Listing Regulations, 2015.

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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN Number: 23048125BGWQTQ9960

Place: Mumbai
Dated: 10th May, 2023

Independent Auditor's Report to the Members of BASF India Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of BASF India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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 March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of Contingent liabilities and Provisions against litigations (Refer Note 17, 39 and 45 to the financial statements)</p> <p>The company undergoes assessment proceedings from time to time with direct and indirect tax authorities and litigations with certain other parties. As at March 31, 2023, in respect of certain direct and indirect tax and other litigations (comprising various claims filed by other parties not acknowledged as debt), the company carries provisions of Rs. 472.8 million and has disclosed contingent liability of Rs. 2,014.0 million.</p> <p>There is a significant level of management judgement involved in estimating the possible outflow of economic resources and the level of provisioning and/or the disclosures required in the financial statements. The management's assessment is supported by advice from independent tax and legal consultants, where considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position.</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these tax and litigation matters and application of judgement in the interpretation of related laws.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the process and controls designed and implemented by the management around assessment of tax and other litigations including testing of operating effectiveness of the relevant controls; • Enquired with the relevant company personnel including the Company's tax and regulatory department heads to obtain a complete list of matters under litigation; • Obtaining details of the litigation matters, inspecting the supporting evidence and critically assessing management's evaluation through enquiry with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources; • Understanding the current status of the tax assessments and other litigations; • Reading recent orders and/or communication received from the tax authorities and with certain other parties, and management's responses to such communication; • Where relevant, reading the independent tax/legal advice obtained by management and evaluating the grounds presented therein; • Evaluating independence, objectivity and competence of the management's tax/legal consultants; • Obtaining direct written confirmations from the Company's legal/tax consultants to confirm the facts and circumstances and assessment of the likely outcome; • Together with the auditor's tax experts, assessing the management's evaluation of the likelihood of the outcomes of the litigations and potential financial exposure; and • Evaluating the appropriateness of the presentation and adequacy of disclosures in the financial statements. <p>Based on the above procedures performed, we did not identify any material exceptions to management's assessment of provisions and contingent liabilities.</p>

Independent Auditor's Report

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Business responsibility and sustainability reporting format, report on corporate governance and management discussion and analysis report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.
7. 'In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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 (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows 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.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (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 (as amended), 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 17, 39 and 45 to the financial statements;
 - ii. The Company has long-term contracts as at March 31, 2023 for which there were no material foreseeable losses and did not have any long-term derivative contract as at March 31, 2023
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

Independent Auditor's Report

- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
15. 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.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN: 23048125BGWQTK8897

Place: Mumbai
Date : May 10, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of BASF India Limited on the financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of BASF India Limited ("the Company") as of March 31, 2023 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

2. 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 ("the Guidance Note") 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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.

Annexure A to Independent Auditors' Report

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN: 23048125BGWQTK8897

Place: Mumbai
Date : May 10, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of BASF India Limited on the financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 1 and 13 to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Land at Mangalore Location	48.3	Karnataka Industrial Areas Development Board	No	October 21, 2014	The Company has initiated the process for execution of the Sale Deed with Karnataka Industrial Areas Development Board, and submission of the necessary documents.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has granted unsecured loans to employees and placed inter-corporate deposits with two companies. The aggregate amount granted during the year to employees and companies is Rs. 0.5 million and Rs. 1,950 million respectively and the balance outstanding at the Balance Sheet date with respect to such loans and inter-corporate deposits is Rs. 0.9 million and Rs. 1,500 million respectively. The Company has not made any investments, granted secured loans/advances in nature of loans, or stood guarantee, or provided security to any parties.
- (b) In respect of the aforesaid loans and inter-corporate deposits, the terms and conditions under which such loans and inter-corporate deposits were granted are not prejudicial to the Company's interest.

Annexure B to Independent Auditors' Report

- (c) In respect of the aforesaid loans and inter-corporate deposits, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable. The Company has not charged any interest on loans to employees as per the Company's policy.
 - (d) In respect of the aforesaid loans/inter-corporate deposits/advances in nature of loans, there is no amount which is overdue for more than ninety days.
 - (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
 - (f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans granted. The Company has not made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including income tax, provident fund, goods and service tax professional tax, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax, provident fund and employees state insurance which have not been deposited on account of any dispute. Refer **Appendix I** for particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2023 which have not been deposited on account of dispute
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

Annexure B to Independent Auditors' Report

- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 36 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on

Annexure B to Independent Auditors' Report

the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

- xx. (a) In respect of other than ongoing projects, as at Balance Sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also refer Note 46 to the financial statements)
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number 048125
UDIN: 23048125BGWQTK8897

Place : Mumbai
Date : May 10, 2023

Appendix I

Referred to in paragraph vii(b) of our Annexure B to the Independent Auditors' Report of even date to the members of BASF India Limited on the Financial Statements for the year ended March 31, 2023

Sr. No.	Name of the Statute	Nature of Dues	Amount of demand after netting-off amount paid under protest	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
			(Rs. in millions)			
1.	The Income Tax Act, 1961	Income Tax liability (including interest and penalty, as applicable)	911.6	92.8	Assessments Years 2002-03, 2004-05, 2007-08, 2013-14 and 2016-17 to 2018-19	Appellate Authority - up to Commissioner's level
			87.0	110.8	Assessment Years 2009-10 and 2010-11	Income Tax Appellate Tribunal
			0.2	—	Assessment Year 2006-07	High Court
	Sub Total		998.8	203.6		
2.	The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax and Value Added Tax liability (including interest and penalty, as applicable)	173.3	75.0	Financial Years 2002-03, 2005-06 to 2011-12 and 2013-14 to 2016-17	Appellate Authority - up to Commissioner's level
			93.1	67.8	Financial Years 1993-94, 1994-1995, 2004-05 and 2006-07 to 2017-18	Sales Tax Appellate Tribunal
			13.6	29.1	Financial Year 2013-2014 to 2014-2015	High Court
	Sub Total		280.0	171.9		
3.	The Finance Act, 1994	Service Tax Liability (including interest and penalty, as applicable)	37.7	0.7	Financial Years 2006-07 to 2009-10 and 2015-16 to 2017-18	Appellate Authority - up to Commissioner's level
			993.3	62.7	Financial Years 2004-05 to 2015-16	Custom, Excise and Service Tax Appellate Tribunal
	Sub Total		1,031.0	63.4		
4.	The Customs Tariff Act, 1975	Customs Duty (including interest and penalty, as applicable)	43.6	—	Financial Year 2007-08	Supreme Court of India
			1.2	1.1	Financial Year 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			1.2	—	Financial Year 2019-20	Appellate Authority - up to Commissioner's level
	Sub Total		46.0	1.1		
5.	The Central Excise Act, 1944	Excise duty Liability (including interest and penalty, as applicable)	17.6	1.1	Financial Years 2007-2008 and 2011-12 to 2016-17	Appellate Authority - up to Commissioner's level
			2.0	0.1	Financial Years 1981 - 1982 and 2012-2013	Custom, Excise and Service Tax Appellate Tribunal
			6.3	—	Financial Year 2011-12	High Court
	Sub Total		25.9	1.2		
Total			2,381.7	441.2		

Balance Sheet as at March 31, 2023

Rs. in million

	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	1 A	6,839.9	6,378.2
Right-of-use assets	1 B	1,057.6	1,193.8
Capital work-in-progress	1 C	187.7	1,001.0
Intangible assets	1 D	31.4	57.6
Financial assets			
(i) Loans	2	0.6	0.6
(ii) Other financial assets	3	149.4	141.7
Deferred tax assets (net)	4	394.9	338.2
Income tax assets (net)	5	1,896.0	1,755.4
Other non-current assets	6	466.2	546.7
Total non-current assets		11,023.7	11,413.2
Current assets			
Inventories	7	22,172.2	19,426.2
Financial assets			
(i) Trade receivables	8	23,445.3	26,213.1
(ii) Cash and cash equivalents	9	3,665.9	1,256.0
(iii) Bank balances other than cash and cash equivalents	9	6.0	6.2
(iv) Loans	10	1,500.3	0.6
(v) Other financial assets	11	756.7	365.2
Other current assets	12	3,076.2	2,404.7
Assets classified as held for sale	13	—	14.1
Total current assets		54,622.6	49,686.1
Total assets		65,646.3	61,099.3
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	432.9	432.9
Other equity	15	26,578.9	22,927.9
Total equity		27,011.8	23,360.8
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	41	610.6	747.1
(ii) Other financial liabilities	16	153.3	196.5
Provisions	17	757.6	451.7
Total non-current liabilities		1,521.5	1,395.3
Current liabilities			
Financial liabilities			
(i) Lease liabilities	41	447.9	468.1
(ii) Trade payables	18		
(a) Outstanding dues to Micro Enterprises and Small Enterprises		297.4	480.9
(b) Outstanding dues to creditors other than Micro Enterprises and Small Enterprises		33,432.2	32,676.2
(iii) Other financial liabilities	19	994.2	1,005.8
Provisions	20	485.7	759.4
Current tax liabilities	21	—	—
Other current liabilities	22	1,455.6	952.8
Total current liabilities		37,113.0	36,343.2
Total liabilities		38,634.5	37,738.5
Total equity and liabilities		65,646.3	61,099.3

Significant accounting policies

1

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

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place : Mumbai
Date : May 10, 2023

For and on behalf of Board of Directors of

BASF India Limited
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Alexander Gerding
Managing Director
DIN : 09797186

Manohar Kamath
Company Secretary
ACS No: 19749

Place : Mumbai
Date : May 10, 2023

Anil Choudhary DIN: 07733817
R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Shyamala Gopinath DIN: 02362921
Directors

Statement of Profit and Loss for the year ended March 31, 2023

Rs. in million

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations (Refer Notes 50)			
Sale of products		1,35,187.9	1,29,695.7
Sale of services		1,096.3	1,126.6
Other operating revenues		163.5	175.0
		1,36,447.7	1,30,997.3
Other income	23	374.4	240.0
Total Income		1,36,822.1	1,31,237.3
Expenses			
Cost of materials consumed	24	47,116.4	38,726.7
Purchase of stock-in-trade		69,592.1	72,655.8
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(1,940.1)	(2,783.2)
Employee benefit expenses	26	3,921.1	3,806.5
Finance costs	27	139.1	174.7
Depreciation and amortisation expenses	28	1,820.8	1,705.7
Other expenses	29	10,891.8	9,477.5
Total Expenses		1,31,541.2	1,23,763.7
Profit before exceptional item and tax		5,280.9	7,473.6
Exceptional items	43	153.1	125.6
Profit before tax		5,434.0	7,599.2
Tax expense/ (credit):	30		
Current tax		1,436.0	1,932.3
Deferred tax		(56.7)	(121.3)
Income tax for previous periods		25.8	(160.2)
		1,405.1	1,650.8
Profit for the year		4,028.9	5,948.4
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Gain/ (Loss) on remeasurement of post employment benefit plan		(170.1)	(23.7)
Income tax relating to these items		42.8	6.0
Other comprehensive income for the year, net of tax		(127.3)	(17.7)
Total comprehensive income for the year		3,901.6	5,930.7
Weighted average number of equity shares outstanding during the year		43,284,958	43,284,958
Basic and diluted earnings per share (in Rs.)		93.1	137.4
Face value per share (in Rs.)		10.0	10.0

Significant accounting policies

1

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

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place : Mumbai
Date : May 10, 2023

For and on behalf of Board of Directors of

BASF India Limited
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Alexander Gerding
Managing Director
DIN : 09797186

Manohar Kamath
Company Secretary
ACS No: 19749

Place : Mumbai
Date : May 10, 2023

Anil Choudhary DIN: 07733817

R. A. Shah DIN: 00009851

Arun Bewoor DIN: 00024276

Shyamala Gopinath
Directors DIN: 02362921

Statement of Cash Flows for the year ended March 31, 2023

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	5,434.0	7,599.2
Adjustments for:		
Exceptional items	(153.1)	(125.6)
Depreciation/ amortisation	1,820.8	1,705.7
Interest cost	139.1	171.6
Effects from fair valuation of derivatives on borrowings (net)	—	3.1
Profit on sale of property plant and equipment (net)	(123.1)	(57.9)
Interest income	(135.0)	(37.9)
Interest on income tax refunds	(16.2)	(34.3)
Unrealised loss/ (gain) on derivative transactions (net)	(21.5)	28.9
Unrealised loss/ (gain) on foreign exchange (net)	(105.9)	(328.4)
Share based payments	9.1	1.5
Provision for loss allowance on trade receivables (net)	6.9	305.0
Operating cash flow before working capital changes	6,855.1	9,230.9
Adjustments for changes in working capital:		
(Increase)/ Decrease in trade receivables	2,762.1	(5,892.5)
(Increase)/ Decrease in other financial assets (including loans)	(411.0)	69.0
(Increase)/ Decrease in other current and non-current assets	(666.9)	(49.3)
(Increase)/ Decrease in inventories	(2,746.0)	(4,062.3)
Increase/ (Decrease) in other financial liabilities	15.6	567.5
Increase/ (Decrease) in long term provisions	236.8	(125.6)
Increase/ (Decrease) in trade payables	676.9	6,719.0
Increase/ (Decrease) in other current and non-current liabilities	502.8	(643.2)
Increase/ (Decrease) in short-term provisions	(374.7)	32.2
Cash generated from operations	6,850.7	5,845.7
Income taxes paid (net)	(1,543.5)	(2,546.4)
Net cash generated from operating activities	5,307.2	3,299.3
B. Cash flow from investing activities:		
Acquisition of property plant and equipment (net of capital creditors and including capital advances)	(916.3)	(1,302.2)
Realisation on sale of property, plant and equipment and residential properties	291.4	65.2
Interest received	134.5	38.0
Inter Corporate deposits given (Refer Note 49)	(1,950.0)	—
Inter Corporate deposits repaid (Refer Note 49)	450.0	—
Net cash (used in) investing activities	(1,990.4)	(1,199.0)

Statement of Cash Flows for the year ended March 31, 2023 (Continued)

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
C. Cash flow from financing activities		
Inter Corporate deposits/ External commercial borrowings repaid (Refer note 49)	—	(1,495.1)
Dividend paid	(259.5)	(432.0)
Interest paid	(64.9)	(113.9)
Payment of lease liabilities	(582.5)	(529.3)
Net cash (used in) financing activities	(906.9)	(2,570.3)
Net (decrease) / increase in cash and cash equivalents	2,409.9	(470.0)
Cash and cash equivalents at the beginning of the financial year	1,256.0	1,726.0
Cash and cash equivalents at the end of the financial year	3,665.9	1,256.0

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Opening cash and cash equivalents		
Cheques on hand	—	—
Balances with banks:		
— In current accounts	236.0	526.0
Deposits with original maturity of less than three months	1,020.0	1,200.0
	1,256.0	1,726.0
Closing cash and cash equivalents		
Balances with banks:		
— In current accounts	159.1	236.0
Deposits with original maturity of less than three months	3,506.8	1,020.0
(Refer Note 9 for cash and cash equivalents)	3,665.9	1,256.0

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
- Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

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

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place : Mumbai
Date : May 10, 2023

For and on behalf of Board of Directors of

BASF India Limited
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Alexander Gerding
Managing Director
DIN : 09797186

Manohar Kamath
Company Secretary
ACS No: 19749

Place : Mumbai
Date : May 10, 2023

Anil Choudhary DIN: 07733817
R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Shyamala Gopinath DIN: 02362921
Directors

Statement of Changes in Equity as at March 31, 2023

Rs. in million

	Notes	Total
A. Equity share capital		
As at March 31, 2021		432.9
Changes in equity share capital	14	—
As at March 31, 2022		432.9
Changes in equity share capital	14	—
As at March 31, 2023		432.9

Rs. in million

	Reserves and Surplus						Capital Reserve	Total
	Share options outstanding account	Securities premium	Amalgamation reserve	General reserve	Retained earnings			
B. Other equity (Refer Note 15)								
Balance at April 1, 2021	43.6	2,203.2	371.7	10,046.9	7,620.6	(2,857.4)	17,428.6	
Profit for the year	—	—	—	—	5,948.4	—	5,948.4	
Other comprehensive income:								
– Remeasurement of the net defined benefit asset/liability, net of tax effect	—	—	—	—	(17.7)	—	(17.7)	
Total	43.6	2,203.2	371.7	10,046.9	13,551.3	(2,857.4)	23,359.3	
Transactions with owners in their capacity as owners:								
– Dividends	—	—	—	—	(432.9)	—	(432.9)	
– Employee stock option expense	1.5	—	—	—	—	—	1.5	
Balance at March 31, 2022	45.1	2,203.2	371.7	10,046.9	13,118.4	(2,857.4)	22,927.9	
Balance at April 1, 2022	45.1	2,203.2	371.7	10,046.9	13,118.4	(2,857.4)	22,927.9	
Profit for the year	—	—	—	—	4,028.9	—	4,028.9	
Other comprehensive income:								
– Remeasurement of the net defined benefit asset/liability, net of tax effect	—	—	—	—	(127.3)	—	(127.3)	
Total	45.1	2,203.2	371.7	10,046.9	17,020.0	(2,857.4)	26,829.5	
Transactions with owners in their capacity as owners:								
– Dividends	—	—	—	—	(259.7)	—	(259.7)	
– Employee stock option expense	9.1	—	—	—	—	—	9.1	
Balance at March 31, 2023	54.2	2,203.2	371.7	10,046.9	16,760.3	(2,857.4)	26,578.9	

For significant accounting policies, refer Note 1.

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

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place : Mumbai
Date : May 10, 2023

For and on behalf of Board of Directors of

BASF India Limited
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Alexander Gerding
Managing Director
DIN : 09797186

Manohar Kamath
Company Secretary
ACS No: 19749

Place : Mumbai
Date : May 10, 2023

Anil Choudhary DIN: 07733817
R. A. Shah DIN: 00009851
Arun Bewoor DIN: 00024276
Shyamala Gopinath
Directors DIN: 02362921

Notes to the Financial Statements for the year ended March 31, 2023

Background of the Company

BASF India Limited (the 'Company') is a public limited Company domiciled in India with its registered office located in Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's portfolio consists of six segments: Agricultural Solutions, Materials, Industrial solutions, Surface Technologies, Nutrition & Care and Chemicals.

1. Significant Accounting Policies

a. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions and amendments of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise indicated.

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 Act. The Company has identified twelve months as its operating cycle.

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

(ii) Basis of measurement

The financial statements have been prepared on an accrual basis and on a historical cost basis, except for the following items:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value,
- assets held for sale – measured at carrying amount or fair value less cost to sale whichever is low,
- Net defined benefit (asset)/liability – Fair value of plan assets less present value of defined benefit obligations; and
- share-based payments measured at fair value on grant date with no subsequent adjustment to the payments recognised.

b. Use of estimates and judgements

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.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a. Measurement of defined benefit obligations – Note 47
- b. Measurement and likelihood of occurrence of provisions and contingencies - Note 39, 45 and 1(l)
- c. Measurement of useful lives for property, plant and equipment & intangible assets and impairment – Note 1(d), 1(e) and 1(i)
- d. Loss allowance on trade receivables and other financial assets – Note 37(iv)
- e. Determination of lease terms and incremental borrowing rate – Note 41 and Note 1(p)

c. Revenue Recognition

According to Ind AS 115, revenue is measured at the amount of transaction price that is allocated to the performance obligation. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied

The performance obligations arising from sale of products with Company's customers are satisfied at a point in time. Payment terms are generally agreed upon individually with customers.

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

c. Revenue Recognition (Continued)

Sales of products are recognised when control of the products has transferred based on the agreed terms. Sales are net of returns, trade discounts, rebates, sales tax and goods and service tax (GST), as applicable.

Sale of services includes indent commission and revenue from technical and service charges to group and other companies based on terms of the respective agreement. Revenue from sale of services are recognised as and when the services are provided.

The Company evaluates the arrangement with customers/ suppliers whether it is acting as a principal or an agent of the customers/ suppliers, considering underlying substance and terms and conditions of the arrangements. Accordingly, revenue is accounted either on gross or net basis based on the fulfillment of criteria of principal or agency.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in Ind AS 115 have been applied and accordingly:

- The Company does not adjust the promised amount of consideration for the effects of a significant financing component
- The Company recognises the incremental costs of obtaining a contract as an expense when incurred
- No information on remaining performance obligations as of March 31, 2023 that have an expected original term of one year or less was reported.

As part of the adoption of Ind AS 115, contract liabilities are disclosed in the Balance Sheet. A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

The Company operates Customer incentive programs where direct/ indirect customers accumulate points for purchases made of the Company's products, which entitle them for rewards in form of gift cards equal to the value of such points. A contract liability for the award points is recognised at the time of sale.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised using the effective interest rate method. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

d. Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items such as stores, spare parts and stand by equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the item. Any gain or loss arising on disposal or retirement of item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the item and is recognized in the statement of profit and loss.

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

d. Property, plant and equipment (Continued)

Depreciation

Depreciation on property plant and equipment is calculated on a straight-line basis considering the following useful lives estimated by the Management based on technical evaluation or those prescribed under Schedule II of the Act:

Assets Category	Useful life
Buildings	10-33 years
Plant and machinery	5-20 years
Computers	4 years
Vehicles	4 years
Furniture and fixtures	5-10 years
Office equipment	5 years

Property, Plant and Equipment 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.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Leasehold land and Leasehold Improvements are amortised over the period of lease or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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. Computer software is amortized over a period of four years and other intangible assets are amortized over a period of 2 to 4 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of non-financial assets

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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). 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.

f. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

f. Borrowings (Continued)

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.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

g. Inventories

Inventories including raw materials, packing materials, work-in-progress, stores and spares, traded and finished goods are valued at cost or estimated net realisable value, whichever is lower. The costs are determined on weighted average basis and includes expenditure incurred in acquiring inventories, production of conversion costs and other costs incurred in bringing them to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Goods and service tax (GST) is excluded from valuation of finished goods. Net realisable value is estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis.

h. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting and are based on monitoring of operating results by the Chief Operating Decision Maker, separately for making decision about resource allocation and performance assessment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

i. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

j. Financial Instruments

Financial asset

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

For subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

j. Financial instruments (Continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost when they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest. The amortised cost of a financial asset is also adjusted for impairment loss, if any.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value minus, in case of financial liabilities not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial liabilities.

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost, any difference between the initial carrying value and the redemption value is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using effective interest method.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts in the normal course of business and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since its initial recognition. Note 38 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognized in statement of profit and loss.

Derecognition of financial assets and financial liabilities

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. The difference between the carrying amount and the financial liability extinguished and the new liability with modified terms is recognized in the Statement of Profit and Loss.

Measurement of fair values

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

j. Financial instruments (Continued)

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (level 3 inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

k. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

l. Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for restructuring are recognized by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessary and entailed by the restructuring and not associated with the ongoing activities of the Company.

Provisions are measured based on the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, unless the possibility of outflow of resources embodying economic benefits are remote.

When some or all of the economic benefits required to settle, a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

n. Foreign Currency

Transactions in foreign currencies are translated in to currency of the primary economic environment in the which the entity operates (the 'functional currency' of the Company) using 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

o. Employee Benefits

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.

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

o. Employee Benefits (Continued)

Post Employment Employee Benefits

The Company's contributions to defined contribution plans such as Superannuation Fund (administered through BASF India Limited Superannuation Fund Trust), Employee State Insurance and Labour Welfare Fund are recognized as expense in the Statement of Profit and Loss on an accrual basis. The Company does not have any further obligation beyond this contribution.

The 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. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling if any (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is recognised immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Provident Fund (upto August 31, 2022)

Eligible employees receive benefits from a provident fund which is a defined benefit 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. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations.

Provident Fund (effective September 1, 2022)

Eligible employees receive benefits from a provident fund which is a defined 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 pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Other Long Term Employee Benefits

The 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. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination Benefits

Compensation paid to employees under Voluntary Retirement Scheme/Severance payments are recognised as an expense in the Statement of Profit and Loss when employees accept the scheme/payments.

Share based payments

The Ultimate Holding Company ('BASF SE') offers Share Price based compensation program (Long term incentive program - 'LTI') for senior executives of BASF group. Participation in this program is voluntary.

LTI plans mentioned above are offered by BASF SE and the cost of such plans is not recharged to the Company. However, the Company recognises these share based payment transactions of BASF SE in accordance with the requirement of paragraph 43 A and 43 B of Ind AS 102 - Share Based Payments. As required under para 43B of Ind AS 102, since the Company receives the services of the employees to whom the options have been granted by BASF SE and the Company has no obligation to settle these options, the Company accounts for these services as an equity settled share based payment transaction.

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

p. Leases

As a Lessee

As a lessee, the Company generally recognises for all leases a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

As a general rule, the Company separates non-lease components, such as services from lease payments. Lease liabilities are measured at the present value of the remaining lease payments, taking into account the incremental borrowing rate.

Lease payments are discounted using the interest rate implicit in the lease contracts if that rate can be determined from the lease contracts. If the discount rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a risk free rate of interest which is adjusted for lease term, country risk and currency risk.

For leases previously classified as finance leases the Company recognised the carrying amount of the lease asset immediately before transition as the carrying amount of the right-of-use asset at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date. There was no impact of transition on value of lease assets. Further there were no lease liabilities existing on date of transition.

A right-of-use asset is generally recognized at the same amount as the lease liability. After capitalization at commencement date, whereby the right-of-use asset is measured at cost, the right-of-use asset is generally depreciated over the lease term using the straight-line method. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

A number of leases include extension and termination options. Extension and termination options are taken into account on recognition of the lease liability only if the Company is reasonably certain that these options will be exercised in the future. Estimates and expectations which are asserted at the commencement date of the lease liability and the right-of-use asset and pertain to future payments not yet determined on the date of provision are assessed continuously during the lease term. If subsequently improved or changed knowledge influences the expected payment profile over time, the lease liability is remeasured. Any amount on account of re-measurement of lease liabilities is adjusted to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the income statement.

Initial direct costs are excluded for the measurement of right-of-use assets at the date of initial application. The Company exercises the exemption for lease arrangements with a maximum term of 12 months (short-term leases) and low-value assets. Payments associated with such short-term leases and low-value assets are recognised as an expense in Statement of Profit and Loss. Variable lease payments that depend on usage and / or other variable conditions are recognised in the Statement of Profit and Loss in the period in which the conditions that trigger those payments occur.

q. 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 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

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 temporary differences, being the difference between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized to the extent that it probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable

Notes to the Financial Statements for the year ended March 31, 2023

1. Significant Accounting Policies (Continued)

q. Taxation (Continued)

profit may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and these relate to income taxes levied by the same tax authorities and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

Current tax assets and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on net a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

r. 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.

s. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

t. Derivative financial instruments

The Company enters majorly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship. Derivative assets and derivative liabilities are presented on gross basis in the Balance Sheet.

u. Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

v. Exceptional items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

w. New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

x. New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

Notes to the Financial Statements as at March 31, 2023

1(A). Property, plant and equipment

(Refer Note 32)

Rs. in million

Particulars	Gross Block			Depreciation / Amortisation				Net Block	
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023
Freehold land	54.4	–	–	54.4	–	–	–	–	54.4
Buildings [Refer Note (a) below]	3,044.8	403.5	5.7	3,442.6	898.5	147.7	2.2	1,044.0	2,398.6
Plant & machinery and Computers	11,242.0	1,320.3	84.3	12,478.0	7,209.5	1,099.0	74.5	8,234.0	4,244.0
Furniture and fixtures	278.3	22.0	9.3	291.0	205.1	22.0	9.3	217.8	73.2
Vehicles	115.9	27.2	9.5	133.6	90.7	13.6	9.5	94.8	38.8
Office equipment	263.4	8.4	4.1	267.7	216.8	23.7	3.7	236.8	30.9
Total	14,998.8	1,781.4	112.9	16,667.3	8,620.6	1,306.0	99.2	9,827.4	6,839.9

1(B). Right-of-use assets

(Refer Notes 41)

Rs. in million

Particulars	Gross Block			Depreciation / Amortisation				Net Block	
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023
Right-of-use land	212.5	1.4	21.5	192.4	39.8	5.0	21.5	23.3	169.1
Right-of-use Buildings	921.1	177.0	361.9	736.2	526.6	191.7	354.4	363.9	372.3
Right-of-use Plant & machinery and Computers	1,042.1	147.4	70.9	1,118.6	501.3	242.5	63.3	680.5	438.1
Right-of-use Vehicles	198.7	40.9	44.0	195.6	112.9	48.6	44.0	117.5	78.1
Total	2,374.4	366.7	498.3	2,242.8	1,180.6	487.8	483.2	1,185.2	1,057.6

1(C). Capital work-in-progress

(Refer Note 33)

Rs. in million

Particulars	As at April 1, 2022	Additions	Amounts Capitalised	As at March 31, 2023
Capital work-in-progress	1,001.0	968.9	1,782.2	187.7

1(D). Intangible assets

Rs. in million

Particulars	Gross Block			Amortisation				Net Block	
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023
Other intangible assets	8.0	–	–	8.0	1.5	0.4	–	1.9	6.1
Software	170.6	0.8	–	171.4	119.5	26.6	–	146.1	25.3
Total	178.6	0.8	–	179.4	121.0	27.0	–	148.0	31.4

Note:

- a) Includes gross block of Rs. 8.3 million and net block Rs. 2.0 million for which LIC Housing Finance Ltd. (LICHFL) has claimed a charge on the apartment building, which is disputed. The Company is in process of settling ongoing litigation with LICHFL for which the suit is pending at Karnataka High Court and basis settlement thereof, the Company will have clear title to the property.

Notes to the Financial Statements as at March 31, 2023

1(A). Property, plant and equipment

(Refer Note 32)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at March 31, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022	
Freehold land	27.5	26.9	–	54.4	–	–	–	–	54.4	
Buildings [Refer Note (a) below]	2,963.6	90.8	9.6	3,044.8	769.0	139.0	9.5	898.5	2,146.3	
Plant & machinery and Computers	10,657.1	672.6	87.7	11,242.0	6,286.1	1,004.1	80.7	7,209.5	4,032.5	
Furniture and fixtures	276.0	4.6	2.3	278.3	183.6	23.7	2.2	205.1	73.2	
Vehicles	118.7	18.2	21.0	115.9	99.7	11.9	20.9	90.7	25.2	
Office equipment	257.8	10.8	5.2	263.4	193.7	28.3	5.2	216.8	46.6	
Total	14,300.7	823.9	125.8	14,998.8	7,532.1	1,207.0	118.5	8,620.6	6,378.2	

1(B). Right-of-use assets

(Refer Notes 41)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at March 31, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022	
Right-of-use land	205.6	6.9	–	212.5	33.8	6.0	–	39.8	172.7	
Right-of-use Buildings	782.1	163.2	24.2	921.1	361.9	187.3	22.6	526.6	394.5	
Right-of-use Plant & machinery and Computers	998.1	112.1	68.1	1,042.1	337.0	232.4	68.1	501.3	540.8	
Right-of-use Vehicles	163.7	42.7	7.7	198.7	74.9	45.7	7.7	112.9	85.8	
Total	2,149.5	324.9	100.0	2,374.4	807.6	471.4	98.4	1,180.6	1,193.8	

1(C). Capital work-in-progress

(Refer Note 33)

Rs. in million

Particulars	As at March 31, 2021	Additions	Amounts Capitalised	As at March 31, 2022
Capital work-in-progress	532.9	1,316.4	848.3	1,001.0

1(D). Intangible assets

Rs. in million

Particulars	Gross Block				Amortisation				Net Block	
	As at March 31, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022	
Other intangible assets	8.0	–	–	8.0	1.1	0.4	–	1.5	6.5	
Software	146.8	24.4	0.6	170.6	93.2	26.9	0.6	119.5	51.1	
Total	154.8	24.4	0.6	178.6	94.3	27.3	0.6	121.0	57.6	

Notes:

- a) Includes gross block of Rs. 8.3 million and net block Rs. 2.3 million for which LIC Housing Finance Ltd. (LICHFL) has claimed a charge on the apartment building, which is disputed. The Company is in process of settling ongoing litigation with LICHFL for which the suit is pending at Karnataka High Court and basis settlement thereof, the Company will have clear title to the property.

2. Loans (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Loan to employees	0.6	0.6
	0.6	0.6

Notes to the Financial Statements as at March 31, 2023

3. Other financial assets (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Security deposits	165.1	157.4
	165.1	157.4
Less: Loss allowance on Security deposits	15.7	15.7
	149.4	141.7

4. Deferred tax assets (net)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Temporary differences on account of:		
Loss allowance on trade receivables	175.7	176.3
Payment towards Voluntary Retirement Scheme	3.2	20.7
Compensation towards Realignment of Service units	—	7.2
MTM revaluation	—	19.5
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	326.9	244.0
Total deferred tax assets	505.8	467.7
Deferred tax liabilities		
Temporary differences on account of:		
MTM revaluation	(10.7)	—
Carrying value of property plant and equipment	(100.2)	(129.5)
Total deferred tax liabilities	(110.9)	(129.5)
Deferred tax assets (net)	394.9	338.2

5. Income tax assets (net)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Opening balance	1,755.4	1,380.7
Add: Taxes paid (net)	1,543.4	2,092.2
Add: Interest receivable on income tax refund	16.2	34.3
Less: Tax Provision (created)/ reversed for current year	(1,393.2)	(1,926.3)
Add: Tax Provision (created)/ reversed for earlier years (including interest)	(25.8)	174.5
Closing balance	1,896.0	1,755.4

6. Other non-current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Capital advances	10.0	85.9
Other Advances:		
– Prepayments	9.6	10.3
– Amount recoverable from tax authorities	446.6	450.5
	466.2	546.7

Notes to the Financial Statements as at March 31, 2023

7. Inventories

(Valued at lower of cost and net realisable value)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Raw materials	6,063.6	5,265.3
Finished goods	5,171.4	4,049.8
Stock-in-trade	10,352.6	9,587.6
Work-in-progress	64.2	10.7
Others		
Packing materials	173.7	261.9
Stores and spares	346.7	250.9
	22,172.2	19,426.2
Goods in transit (included above)		
Raw materials	2,487.0	2,087.2
Stock-in-trade	4,738.1	5,557.9
Finished goods	588.5	13.9

Amounts recognised in Statement of Profit and Loss

Write down of inventories to net realisable value amounted to Rs. 365.6 million (Previous year: write back of Rs. 106.7 million). These were recognised in the Statement of Profit and Loss during the year under the heads 'cost of materials consumed' and 'Changes in inventories of finished goods, stock-in-trade and work-in-progress'.

8. Trade receivables

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Considered good:		
Secured	25.3	35.0
Unsecured	23,420.0	26,178.1
	23,445.3	26,213.1
Credit impaired	697.9	700.3
	24,143.2	26,913.4
Less : Loss allowance on trade receivables	697.9	700.3
	23,445.3	26,213.1
<i>Of the above, dues from companies where directors are interested</i>	37.9	54.7

For Trade receivables from related parties, refer Note 49.

For aging of Trade receivables, refer Note 34.

9. Cash and bank balances

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cheques on hand	—	—
Balances with banks:		
– In current accounts	159.1	236.0
Deposits with original maturity of less than three months	3,506.8	1,020.0
	3,665.9	1,256.0
Bank balances other than cash and cash equivalents		
– In unpaid dividend account	5.7	5.9
– Deposits with original maturity of more than three months but less than twelve months	0.3	0.3
	6.0	6.2
	3,671.9	1,262.2
Of the above		
Earmarked bank balances (unpaid dividend account)	5.7	5.9

Notes to the Financial Statements as at March 31, 2023

10. Loans (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Loan to employees	0.3	0.6
Inter Corporate Deposits given (Refer Note 49)	1,500.0	—
	1,500.3	0.6

Inter Corporate Deposit is given to fellow subsidiary; BASF Catalysts India Private Limited @ 7.45% interest rate; repayable by June 2023 for working capital requirement.

The maximum outstanding during the year is Rs 1,500.0 million.

11. Other financial assets (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Derivatives with positive fair values	38.9	51.7
Derivatives pending settlement	290.6	—
Security deposits	21.4	38.5
Refund receivable from government authorities	304.7	232.2
Interest accrued on Bank deposits	0.6	0.1
Interest accrued on ICD to related parties	0.9	—
Others receivable including related parties	99.6	42.7
	756.7	365.2

12. Other current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Prepayments	145.9	114.3
Advances to vendors	451.1	129.6
Balances with government authorities	2,475.2	2,158.5
Advances to employees	4.0	2.3
	3,076.2	2,404.7

13. Assets classified as held for sale

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Assets held for sale	—	14.1
	—	14.1
Asset held for sale includes following:		
Non core assets (residential apartments)	—	—
Land for biotechnology research	—	14.1
	—	14.1
Fair value measurement:		
Non core assets (residential apartments)	137.4	354.0
Land for biotechnology research	—	14.1
	137.4	368.1

Notes:

- (i) The Company intends to dispose off non core residential apartment as it no longer intends to utilise this asset. A search for a buyer is underway. The Company expects the fair value less cost to sell to be higher than carrying amount.

Notes to the Financial Statements as at March 31, 2023

14. Share capital

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Authorised (Refer Note (i) below):		
71,559,715 (Previous Year 71,559,715) Equity Shares of Rs.10/- each	715.6	715.6
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 year

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	As at March 31, 2023	As at March 31, 2022
BASF Societas Europea	Ultimate Holding Company	22,835,320	22,835,320
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	8,907,900

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

Name of Shareholder	Relationship	As at March 31, 2023		As at March 31, 2022	
		Number	Percentage	Number	Percentage
BASF Societas Europea	Ultimate Holding Company	22,835,320	52.75%	22,835,320	52.75%
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

None

Notes to the Financial Statements as at March 31, 2023

14. Share capital (Continued)

f. Details of shareholding of promoters:

Name of the promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2023	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2022
BASF Societas Europea	22,835,320	52.75%	—	22,835,320	52.75%	—
BASF Schweiz AG	8,907,900	20.58%	—	8,907,900	20.58%	—
Total	31,743,220	73.33%	—	31,743,220	73.33%	—

15. Other equity

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Securities premium	2,203.2	2,203.2
Amalgamation reserve	371.7	371.7
Share options outstanding account	54.2	45.1
General reserve	10,046.9	10,046.9
Retained earnings	16,760.3	13,118.4
Capital reserve	(2,857.4)	(2,857.4)
	26,578.9	22,927.9

(a) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

Rs. in million

Securities premium	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	2,203.2	2,203.2
Balance at end of the year	2,203.2	2,203.2

(b) Amalgamation reserve

Amalgamation reserve is used to record difference between the share capital of the amalgamating companies. It is utilised in accordance with the provisions of the Act.

Rs. in million

Amalgamation reserve	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	371.7	371.7
Balance at end of the year	371.7	371.7

(c) Share options outstanding account

Share Options Outstanding Account is used to account for effects from employee stock option expense.

Rs. in million

Share options outstanding account	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	45.1	43.6
Add: Employee stock option expense (net of reversals) (Refer Note 47)	9.1	1.5
Balance at end of the year	54.2	45.1

Notes to the Financial Statements as at March 31, 2023

15. Other equity (Continued)

(d) General reserve

General reserves are the retained earnings of the Company which are kept aside out of the profits to meet future (known or unknown) obligations.

Rs. in million

General reserve	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	10,046.9	10,046.9
Balance at end of the year	10,046.9	10,046.9

(e) Retained earnings

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	13,118.4	7,620.6
Add: Profit for the year	4,028.9	5,948.4
Items of other comprehensive income/(loss):		
Add/ (Less): Remeasurement of the net defined benefit asset/ liability, net of tax effect	(127.3)	(17.7)
Appropriations:		
Less: Dividend (Refer Note 38(b))	(259.7)	(432.9)
Balance at end of the year	16,760.3	13,118.4

(f) Capital reserve

The excess of carrying value of investments in erstwhile Basf Performance Polyamides India Private Limited over net value of assets, liabilities and reserves has been debited to Capital Reserve.

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	(2,857.4)	(2,857.4)
Balance at end of the year	(2,857.4)	(2,857.4)

16. Other financial liabilities (non-current)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Deposits from customers	37.2	47.2
Accrual for employee benefits	98.1	149.3
Accrual for CSR Unspent Balance (Refer Note 46)	18.0	—
	153.3	196.5

17. Provisions (non-current)

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 47)		
– Long service award	43.6	22.1
– Gratuity	241.2	—
Other provisions (Refer Note 45)	472.8	429.6
	757.6	451.7

Notes to the Financial Statements as at March 31, 2023

18. Trade payables

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises (Refer Note 42)	297.4	480.9
Others	33,432.2	32,676.2
	33,729.6	33,157.1

For payables to related parties, refer Note 49.

For aging of Trade payables, refer Note 35.

19. Other financial liabilities (current)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Unpaid dividends*	5.7	5.9
Capital creditors	46.6	82.5
Derivatives with negative fair values	126.9	161.2
Accrual for employee benefits	769.5	756.2
Accrual for CSR Unspent Balance (Refer Note 46)	45.5	—
	994.2	1,005.8

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

20. Provisions (current)

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 47)		
– Compensated absences	480.0	482.2
– Long service award	5.7	3.5
– Gratuity	—	104.2
– Provident Fund	—	140.8
– Compensation towards realignment of global business service units (Refer Note 43)	—	28.7
	485.7	759.4

21. Current tax liabilities

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Opening balance	—	454.2
Less: Taxes paid	—	454.2
	—	—

22. Other current liabilities

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Advances received from customers	748.5	299.5
Accrual for customer incentive schemes (Refer Note 50)	403.2	374.0
Statutory dues payable	303.9	279.3
	1,455.6	952.8

Notes to the Financial Statements for the year ended March 31, 2023

23. Other income

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	135.0	37.9
Interest on income tax refunds	16.2	34.3
Profit on sale of property plant and equipment (net)	123.1	57.9
Miscellaneous income	100.1	109.9
	374.4	240.0

24. Cost of materials consumed

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials:		
Stock at the beginning of the year	5,265.3	4,146.1
Add: Purchases	46,900.3	38,913.8
Less: Stock at the end of the year	(6,063.6)	(5,265.3)
Cost of raw materials consumed	46,102.0	37,794.6
Packing materials consumed	1,014.4	932.1
	47,116.4	38,726.7

25. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock at the end of the year:		
Finished goods	5,171.4	4,049.8
Stock-in-trade	10,352.6	9,587.6
Work-in-progress	64.2	10.7
Sub-total	15,588.2	13,648.1
Stock at the beginning of the year:		
Finished goods	(4,049.8)	(3,188.3)
Stock-in-trade	(9,587.6)	(7,649.6)
Work-in-progress	(10.7)	(27.0)
Sub-total	(13,648.1)	(10,864.9)
	(1,940.1)	(2,783.2)

26. Employee benefit expenses

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	3,451.4	3,372.0
Contribution to provident and other funds (Refer Note 47)	277.1	277.3
Share based payments (Refer Note 47)	9.1	1.5
Gratuity (Refer Note 47)	67.9	65.5
Staff welfare expense	115.6	90.2
	3,921.1	3,806.5

Notes to the Financial Statements for the year ended March 31, 2023

27. Finance costs

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	55.2	100.7
Add: Exchange differences regarded as an adjustment to borrowing costs	—	(22.6)
Total interest cost	55.2	78.1
Effects from fair valuation of derivatives on borrowings	—	3.1
Interest on lease liabilities	74.2	84.5
Interest- others	9.7	9.0
	139.1	174.7

28. Depreciation and amortisation expenses

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Property, plant and equipment	1,306.0	1,207.0
Depreciation of Right-of-use assets	487.8	471.4
Amortisation of intangible assets	27.0	27.3
	1,820.8	1,705.7

29. Other expenses

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Freight and handling charges	2,439.8	2,237.6
Power and fuel	1,102.0	827.8
Professional charges (Refer Note 31)	1,619.2	1,629.9
Communication/system expenses	1,089.8	990.2
Foreign exchange loss (net)	748.0	509.2
[Includes net gain Rs. 21.5 million (Previous Year: net loss of Rs. 28.9 million) on fair valuation of trade derivatives]		
Sales promotion expenses	935.7	680.3
Travelling	277.7	145.6
Subcontracting charges	376.8	339.1
Rent (Refer Note 41)	83.0	47.6
Royalty	669.1	554.6
Consumption of stores and spare parts	164.0	158.0
Service fees	44.0	36.0
Repairs – Machinery	114.2	83.6
– Buildings	132.4	67.7
– Others	99.8	144.3
Insurance	250.6	204.3
Rates and taxes	148.9	57.9
Bad debts written-off	9.3	4.6
Less: Utilisation of loss allowance on trade receivables	(9.3)	(4.6)
	—	—
Loss allowance on trade receivables (net)	6.9	305.0
Corporate Social Responsibility expenses (Refer Note 46)	86.0	29.0
Miscellaneous expenses	503.9	429.8
	10,891.8	9,477.5

Notes to the Financial Statements for the year ended March 31, 2023

30. Tax expense

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Income tax expense		
Current tax		
Current tax	1,436.0	1,932.3
Income tax for previous periods	25.8	(160.2)
Income tax impact on items included in Other comprehensive income	(42.8)	(6.0)
Total current tax expense	1,419.0	1,766.1
Deferred tax (including tax on Other comprehensive income)		
(i) (Increase)/Decrease in deferred tax assets:		
Loss allowance on trade receivables	0.6	(75.6)
Payment towards Voluntary Retirement Scheme	17.5	17.4
Compensation towards Realignment of Service units	7.2	47.0
MTM revaluation	—	(19.5)
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	(82.9)	(15.6)
	(57.6)	(46.3)
(ii) (Increase)/(Decrease) in deferred tax liabilities		
MTM revaluation	30.2	—
Carrying value of property plant and equipment	(29.3)	(75.0)
	0.9	(75.0)
Total deferred tax (credit)/ expense [(i)+(ii)]	(56.7)	(121.3)
Total tax (credit)/ expense	1,362.3	1,644.8
Income tax impact on items included in Other comprehensive income		
Total income tax (credit)/ expense		
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before income tax expense	5,434.0	7,599.2
Other comprehensive income (before tax)	(170.1)	(23.7)
Total	5,263.9	7,575.5
Income tax rate	25.17%	25.17%
Tax on income	1,324.9	1,906.8
Tax effect of items in reconciliations		
Income tax for previous periods	25.8	(160.2)
Impact of derivatives	—	(117.8)
Impact of Corporate Social Responsibility expenses and others	11.6	16.0
Total tax expense	1,362.3	1,644.8

Notes to the Financial Statements for the year ended March 31, 2023

31. Payment to auditors

Professional charges in Note 29 includes payment to auditors as follows:

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors	19.2	15.9
For reimbursement of expenses	1.3	1.2
Total	20.5	17.1

32. Title deeds of Immovable Properties not held in the name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as on March 31, 2023 (Rs. in million)	Gross carrying value as on March 31, 2022 (Rs. in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold Land held at Mangalore location	48.3	48.3	Karnataka Industrial Areas Development Board	No	October 21, 2014	The Company has initiated the process for execution of the Sale Deed with Karnataka Industrial Areas Development Board, and submission of the necessary documents.

33. Aging of Capital work-in-progress (CWIP)

(a) Aging of CWIP:

Rs. in million

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	182.5	5.2	—	—	187.7
	<i>642.7</i>	<i>263.6</i>	<i>88.6</i>	<i>6.1</i>	<i>1,001.0</i>
Total	182.5	5.2	—	—	187.7
	<i>642.7</i>	<i>263.6</i>	<i>88.6</i>	<i>6.1</i>	<i>1,001.0</i>

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

There were no temporarily suspended projects as on Balance Sheet date of current year as well as previous year.

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Rs. in million

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
i) Capacity Expansion for Dispersions Plant	—	—	—	—	—
	<i>785.0</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>785.0</i>
ii) Routine Small Capex	49.0	—	—	—	49.0
	<i>121.8</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>121.8</i>
Total	49.0	—	—	—	49.0
	<i>906.8</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>906.8</i>

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

Notes to the Financial Statements for the year ended March 31, 2023

34. Aging of Trade Receivables

Rs. in million

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	21,522.4 <i>23,513.1</i>	1,864.7 <i>2,627.9</i>	29.9 <i>22.3</i>	4.1 <i>39.4</i>	13.6 <i>0.5</i>	10.6 <i>9.9</i>	23,445.3 <i>26,213.1</i>
Credit impaired	110.8 <i>118.4</i>	19.1 <i>31.2</i>	30.7 <i>16.4</i>	4.2 <i>18.0</i>	11.3 <i>26.9</i>	66.5 <i>43.4</i>	242.6 <i>254.3</i>
Disputed Trade Receivables							
Credit impaired	— —	0.1 <i>2.9</i>	2.8 <i>254.0</i>	266.8 <i>115.0</i>	114.7 <i>16.3</i>	70.9 <i>57.8</i>	455.3 <i>446.0</i>
Total	21,633.2 <i>23,631.5</i>	1,883.9 <i>2,662.0</i>	63.4 <i>292.7</i>	275.1 <i>172.4</i>	139.6 <i>43.7</i>	148.0 <i>111.1</i>	24,143.2 <i>26,913.4</i>

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

35. Aging of Trade Payables

Rs. in million

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
Micro enterprises and small enterprises	12.9 <i>73.2</i>	247.3 <i>371.2</i>	36.8 <i>35.5</i>	0.4 <i>0.8</i>	— <i>0.1</i>	— <i>0.1</i>	297.4 <i>480.9</i>
Others	1,680.1 <i>1,773.2</i>	27,014.4 <i>24,990.6</i>	4,052.0 <i>5,416.0</i>	555.1 <i>467.0</i>	114.4 <i>20.1</i>	16.2 <i>9.2</i>	33,432.2 <i>32,676.1</i>
Disputed Trade Payables							
Micro enterprises and small enterprises	— —	— —	— —	— —	— —	— —	— —
Others	— —	— —	— —	— —*	— —*	— <i>0.1</i>	— <i>0.1</i>
Total	1,693.0 <i>1,846.4</i>	27,261.7 <i>25,361.8</i>	4,088.8 <i>5,451.5</i>	555.5 <i>467.8</i>	114.4 <i>20.2</i>	16.2 <i>9.4</i>	33,729.6 <i>33,157.1</i>

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

* Amounts are below rounding off norm.

Notes to the Financial Statements for the year ended March 31, 2023

36. Financial Ratios

Ratio	Numerator	Denominator	Current year ended March 31, 2023	Previous year ended March 31, 2022	% variance	Reason for variance (wherever % variance is > 25%)
Current Ratio (times)	Current Assets	Current Liabilities	1.5	1.4	8%	
Return on Equity (net worth) (%)	Profit After Tax (PAT)	Average Total Equity	16.0%	28.9%	-45%	Decreased on account of lower profits for the year
Inventory Turnover Ratio (times)	Cost of goods sold [Refer Note (i) below]	Average Inventory	5.5	6.2	-12%	
Trade Receivables Turnover Ratio (times)	Revenue from Operations	Average Trade Receivables	5.5	5.6	-2%	
Trade Payables Turnover Ratio (times)	Total Purchases [Refer Note (ii) below]	Average Trade Payables	3.5	3.7	-7%	
Net Capital Turnover Ratio (times)	Revenue from Operations	Average working capital (Current assets - Current liabilities)	8.8	12.0	-26%	Working capital managed effectively despite increased operations
Net Profit Ratio (%)	Profit After Tax (PAT)	Revenue from Operations	3.0%	4.5%	-35%	Decreased on account of lower profits for the year
Return on Capital Employed (%)	Earnings Before Interest & Tax before exceptional items	Average Capital Employed (Shareholder's Equity + borrowings)	21.5%	35.8%	-40%	Decreased on account of lower profits for the year
Operating Profit Margin (%)	Earnings Before Interest & Tax (EBIT) before exceptional items	Revenue from Operations	4.0%	5.8%	-32%	Decreased on account of lower profits for the year
Interest Coverage Ratio (times)	Earnings Before Interest Tax & Depreciation (EBITDA) before exceptional items	Finance cost	52.1	53.5	-3%	

Notes:

- (i) Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress.
- (ii) Total purchases = Purchase of Raw Materials (as disclosed in Note 24) + Purchase of stock-in-trade.
- (iii) Average balances are derived by taking average of Opening balance and closing balance.

37. Fair value measurement

Financial instruments

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Indian accounting standard 113 - 'Fair value measurement'.

Explanation of each

Level 1: Determination of the fair value based on quoted, unadjusted prices on active markets.

Level 2: Determination of fair value based on parameters for which directly or indirectly quoted prices on active market are available.

Level 3: Determination of fair value based on parameters for which there is no observable market data.

Fair values for financial assets and liabilities (other than those disclosed below) approximates the carrying amount. All other financial assets and financial liabilities are carried at amortised costs.

Rs. in million

	Fair value hierarchy	Valuation category and technique	As at March 31, 2023	As at March 31, 2022
Financial assets				
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	38.9	51.7
Financial liabilities				
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	126.9	161.2

There are no reclassification between different levels during the year.

Notes to the Financial Statements for the year ended March 31, 2023

37. Fair value measurement (Continued)

Risk exposure:

(i) Foreign currency risk

The Company is exposed to foreign-currency risks during the normal course of business. These risks are hedged through a determined strategy employing derivative instruments. Hedging is only employed for underlying items from the operating business. The risks from the underlying transactions and the derivatives are constantly monitored. Where the derivatives have a positive value, the Company is exposed to credit risks from the derivative transactions in the event of nonperformance of the other party. To minimise the default risk on derivatives with the positive market values, transactions are exclusively conducted with credit worthy banks and partners and are subject to predefined credit limits. The contracting and execution of derivative financial instruments for hedging purposes are conducted according to internal guidelines and subject to strict control mechanism.

The sensitivity analysis is conducted by simulating a 10% appreciation/ depreciation of the functional currency against respective other currencies.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Trade payable		
USD	28,254.0	27,270.9
EUR	34.4	427.6
Capital Creditors		
USD	0.6	2.5
EUR	10.8	1.2
CHF	—	6.2
Trade receivables		
USD	723.1	1,093.1
EUR	54.5	572.8
Cash and cash equivalents (EEFC account)		
USD	0.3	7.7

	As at March 31, 2023	As at March 31, 2022
Forward contracts		
USD	25,939.7	24,294.8

	As at March 31, 2023	As at March 31, 2022
Net exposure (after forward contracts)		
USD	1,591.6	1,877.8
EUR	(9.3)	(144.0)
CHF	—	6.2

(b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates by 10%* arises mainly from foreign currency denominated financial instruments. Impact of sensitivity on net exposure for major currency balances is as follows:

Rs. in million

Currency	As at March 31, 2023		As at March 31, 2022	
	Increase in exchange rate	Decrease in exchange rate	Increase in exchange rate	Decrease in exchange rate
USD	159.2	(159.2)	187.8	(187.8)
EUR	(0.9)	0.9	(14.4)	14.4

* Holding all other variables constant.

(ii) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. To hedge interest rate risk, mix of variable and fixed instruments is judiciously applied for financing the Company's requirements.

Notes to the Financial Statements for the year ended March 31, 2023

37. Fair value measurement (Continued)

(iii) Liquidity risk

The Company recognises any risk from cash flow fluctuations as a part of liquidity planning. The Company has access to sufficient liquidity from unutilised credit lines from banks and ongoing commercial paper programme.

(a) Financing arrangements

The Company has access to undrawn borrowing facilities from banks for Rs. 9,188 million (Previous Year: Rs. 8,408 million) as on March 31, 2023. The Company also has unused Commercial Papers limit of Rs. 7,500 million (Previous Year: Rs. 7,500 million).

(b) Maturities of financial liabilities

The interest and principal payments as well as other payments for derivative financial instruments are relevant for the presentation of the maturities of the contractual cash flows from financial liabilities. Derivatives are included using their net cash flow, provided they have a negative fair value and therefore represent a liability. Derivatives with positive fair values are assets and are therefore not considered. Trade accounts payable are generally interest-free and due within one year. Therefore, the carrying amount of trade accounts payable equals the sum of future cash flows. Contractual maturities of lease liabilities are disclosed on an undiscounted basis.

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2023	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non-derivatives					
Trade payables	33,729.6	—	—	—	33,729.6
Lease liabilities	501.6	342.5	201.4	140.2	1,185.7
Other financial liabilities	867.3	153.3	—	—	1,020.6
Total non-derivative liabilities	35,098.5	495.8	201.4	140.2	35,935.9
Derivatives					
Derivatives with negative fair values	126.9	—	—	—	126.9
Total derivative liabilities	126.9	—	—	—	126.9

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2022	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non-derivatives					
Trade payables	33,157.1	—	—	—	33,157.1
Lease liabilities	531.7	344.3	233.7	273.9	1,383.6
Other financial liabilities	844.6	196.5	—	—	1,041.1
Total non-derivative liabilities	34,533.4	540.8	233.7	273.9	35,581.8
Derivatives					
Derivatives with negative fair values	161.2	—	—	—	161.2
Total derivative liabilities	161.2	—	—	—	161.2

(iv) Credit risk

Credit risk arise when counterparties do not fulfil their contractual obligations. The Company regularly analyses the credit worthiness of relevant customers and grants credit limits on the basis of this analysis. Due to the diversified customer structure of the Company, there is no significant concentration of default risk. The company uses simplified approach for trade receivables whereby the loss allowance is measured at an amount equal to the lifetime expected credit losses. The carrying amount of all receivables subject to expected credit loss and default risk represents the maximum default risk for the Company. The expected credit losses are calculated taking into consideration the credit rating of the customer, probability of default for various different credit ratings.

Accordingly expected credit loss is recognised under two stages as follows :

Stage 2 - Loss allowance at an amount equivalent lifetime expected credit losses at the reporting date

Stage 3 - Loss allowance on account of credit impaired at the reporting date

Notes to the Financial Statements for the year ended March 31, 2023

37. Fair value measurement (Continued)

(iv) Credit risk (Continued)

Loans to related parties

The company considers the probability of default upon initial recognition of loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a counterparty is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Cash and bank balances

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Security deposits and other receivables

The Company periodically monitors the recoverability and credit risks of its security deposits and other receivables. The Company evaluates 12 month expected credit losses of all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

Accordingly, financial assets other than trade receivables are subject to the impairment requirements of Ind AS 109 and the identified impairment loss was immaterial.

(a) Provision for expected credit loss:

- For trade receivables under life time expected credit loss model (simplified approach)

Year ended March 31, 2023

Rs. in million

Ageing	Stage 2	Stage 3	Total
Gross carrying amount	23,566.6	576.6	24,143.2
Expected loss rate	0.5%	100.0%	
Expected credit losses (loss allowance provision)	121.3	576.6	697.9
Carrying amount of trade receivable (net of impairment)	23,445.3	—	23,445.3

Year ended March 31, 2022

Rs. in million

Ageing	Stage 2	Stage 3	Total
Gross carrying amount	26,341.9	571.5	26,913.4
Expected loss rate	0.5%	100.0%	
Expected credit losses (loss allowance provision)	128.8	571.5	700.3
Carrying amount of trade receivable (net of impairment)	26,213.1	—	26,213.1

- For other financial assets - High quality assets, negligible credit risk (under 12 months expected credit loss)

Rs. in million

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
March 31, 2023	6,094.6	0.3%	15.7	6,078.9
March 31, 2022	1,786.0	0.9%	15.7	1,770.3

Notes to the Financial Statements for the year ended March 31, 2023

37. Fair value measurement (Continued)

(iv) Credit risk (Continued)

(b) Reconciliation of loss allowance provision for Trade Receivables

Rs. in million

Loss allowance on March 31, 2021	399.9
Less: Utilisation towards bad debts	(4.6)
Add: Changes in loss allowance	305.0
Loss allowance on March 31, 2022	700.3
Less: Utilisation towards bad debts	(9.3)
Add: Changes in loss allowance	6.9
Loss allowance on March 31, 2023	697.9

Significant estimates and judgements

Impairment of financial assets

The impairment provision for the financial assets disclosed above are based on credit ratings, assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

38. Capital management

(a) Risk management

The aim of capital structure management is to maintain the financial flexibility needed to further develop the Company's business portfolio and take advantage of strategic opportunities. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital.

The Company's capital structure is managed using equity and debt ratios as a part of the Company's financial planning.

Generally a mix of commercial paper programme, inter corporate deposits, overdraft facilities and bank loans are used for short term financing while group external commercial borrowings are used for financing long term requirements.

The goal is to optimise the Company's capital cost financing conditions.

The Company monitors capital on the basis of the following ratio:

1. Equity ratio - Total equity divided by Total assets

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Total equity	27,011.8	23,360.8
Total assets	65,646.3	61,099.3
Equity ratio	41.1%	38.2%

(b) Dividends

Rs. in million

	As at March 31, 2023	As at March 31, 2022
(i) Equity shares		
Dividend for the year ended March 31, 2022 of Rs. 6 (March 31, 2021 of Rs. 10) per fully paid share	259.7	432.9
Proposed dividend		
(ii) Dividend not recognised at the end of reporting year		
In addition to the above dividends, since year end, the Board of Directors have recommended the payment of a dividend of Rs. 8 for the year ended March 31, 2023 (Previous year: Rs. 6) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	346.3	259.7

Notes to the Financial Statements for the year ended March 31, 2023

39. Contingent liabilities

Rs. in million

Nature	As at March 31, 2023	As at March 31, 2022
Contingent liabilities (excluding interest & penalties)		
a) Claims against the Company not acknowledged as debts	31.0	29.0
In respect of which the Company has counterclaim	—	—
b) Demand for taxes and duties in respect of which the Company has preferred appeals with appropriate authorities		
a. Income tax	1,955.3	1,955.3
b. Customs, Excise, Service tax and Sales tax (refer Note (i) below)	27.7	3,223.7
Total	2,014.0	5,208.0

Note:

- (i) The Commercial Tax Department (CTD) of Karnataka had issued demand notices initially for the periods April 2006 to March 2010 by treating the stock transfers from Company's Mangalore Plant to various depots in other states as Interstate sales liable to tax under Central Sales Tax Act. Appeals were made by the Company before the Hon'ble Karnataka Appellate Tribunal (KAT) and Central Sales Tax Appellate Authority (CSTAA), however CTD's view was upheld therein. Consequently, the CTD reissued revised demand notices for the above period and also issued fresh demand notices for the period April 2010 to June 2017, aggregating to Rs. 7,560.6 million (including interest and penalty till date). However, a stay on recovery of these demands had been granted by KAT for the period 2006-07 to 2016-17.

The Company had also challenged the Order of CSTAA by filing a Writ Petition before the Hon'ble Karnataka High Court in September 2019. The Hon'ble Karnataka High Court vide Order dated October 14, 2022, has allowed the Writ Petition filed by the Company and has quashed the Order passed by the CSTAA by holding that the movement of goods between states as merely 'Stock Transfers'.

The above order is consistent with the Company's stand to not consider these stock transfers as interstate sales and hence, no provision was considered necessary in the books. Accordingly contingent liability has been reduced by Rs 3,196.5 million.

40. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for Rs. 232.2 million (Previous Year Rs. 348.0 million).

41. Leases

The Company has adopted modified retrospective approach as per para C8 (c) (ii) of Ind AS 116 – Leases. The Company leases warehouses, vehicles, office facilities, storage tanks, equipments etc.

The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average incremental borrowing rate used to discount the gross lease liability additions during the current year & previous year was 4 to 9%.

a) Amounts recognised in the Statement of Profit and Loss:

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Depreciation charge on Right-of-use assets (Refer Notes 1(B) and 28)	487.8	471.4
(ii) Interest expense for lease liabilities (Refer Note 27)	74.2	84.5
(iii) Rent expense (Refer Note 29):		
– Expenses for variable lease payments not included in lease liabilities	4.5	5.2
– Expenses for short-term leases and others	78.5	42.4
Total	83.0	47.6

Notes to the Financial Statements for the year ended March 31, 2023

41. Leases (Continued)

b) Other disclosures:

(i) Lease liabilities:

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	610.6	747.1
Current lease liabilities	447.9	468.1
Total lease liabilities	1,058.5	1,215.2

For maturity profile of Lease liabilities, refer Note 37(iii)(b)

- (ii) Additions to the right-of-use assets and carrying values of right-of-use assets as at end of reporting period are disclosed in Note 1(B).

c) Net debt Reconciliation

Net debt Reconciliation	As at March 31, 2023		As at March 31, 2022	
	Cash and Cash Equivalents	Liabilities from financing activities (Refer Note below)	Cash and Cash Equivalents	Liabilities from financing activities (Refer Note below)
Opening Net debt	1,256.0	—	1,726.0	1,521.9
Cash inflow (net)	2,409.9	—	(470.0)	—
Interest expense	—	64.9	—	87.1
Inter Corporate deposits/ External commercial borrowings repaid (Refer note 49)	—	—	—	(1,495.1)
Interest Paid	—	(64.9)	—	(113.9)
Closing Net debt (I)	3,665.9	—	1,256.0	—
Opening lease liabilities	—	1,215.2	—	1,336.7
Interest on leases liabilities	—	74.2	—	84.5
Change in lease liabilities during the year (net of deletions/ transfers)	—	351.6	—	323.3
Repayment of lease liabilities	—	(582.5)	—	(529.3)
Closing lease liabilities (II)	—	1,058.5	—	1,215.2
Total closing Net debt (I+II)	3,665.9	1,058.5	1,256.0	1,215.2

Notes to the Financial Statements for the year ended March 31, 2023

42. 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 Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities:

Rs. in million

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act as at the end of the year.		
– Principal amount	284.5	440.1
– Interest amount	1.3	0.3
The interest paid / settled by the buyer in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payments made beyond the appointed date during each account year		
– Principal amount	582.7	545.7
– Interest amount	36.3	23.0
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.	7.1	4.3
The amount of interest accrued and remaining unpaid at the end of each accounting year.	8.4	4.6
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 micro, small and medium enterprise.	12.9	40.8

43. Exceptional items

Rs. in million

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit on sale of its non-core assets (i.e. residential properties)	153.1	–
Provision reversed for employee compensation towards realignment of global business service units (refer note (i) below)	–	125.6
Total	153.1	125.6

- (i) The Company had announced realignment of its business service units, which aims at bundling of services and resources including implementation of a wide-ranging digitalization initiatives thereby simplifying processes and utilizing digital solutions. Considering the aforesaid, the Company had recognised provision aggregating Rs. 215.2 million during the year ended March 31, 2021 as employees compensation towards realignment of business service units. The Company re-assessed the provision in previous year and accordingly, had reversed provision aggregating Rs. 125.6 million during the previous year ended March 31, 2022.

44. Offsetting financial assets and financial liabilities

Rs. in million

	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in balance sheet
	(Financial Assets - Trade Receivables)	(Financial Liabilities - Rebates/ Discounts)*	(Net Financial Assets - Trade Receivables)
March 31, 2023	24,934.5	1,489.2	23,445.3
Total	24,934.5	1,489.2	23,445.3
March 31, 2022	27,509.0	1,295.9	26,213.1
Total	27,509.0	1,295.9	26,213.1

* Amounts set off under "Not due" aging bucket in Note 34.

Notes to the Financial Statements for the year ended March 31, 2023

44. Offsetting financial assets and financial liabilities (Continued)

Trade receivables

The Company gives rebates/ discounts for certain business units. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment of credit notes towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

45. Other provisions

Rs. in million

	As at March 31, 2023	As at March 31, 2022
At the commencement of the year	429.6	402.3
Add: Provisions made during the year (net)	51.7	27.5
Less: Utilisation during the year	8.5	0.2
At the end of the year	472.8	429.6

Other provisions represents provisions for certain income tax, indirect taxes and other legal matters, the outflow of which would depend on settlement/ conclusion of these matters with the relevant authorities or cessation of the respective events.

46. 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. 86.0 million** (Previous Year: Rs. 29.0 million)

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

Rs. in million

Amount spent during the year on:	For the year ended March 31, 2023	For the year ended March 31, 2022
1) Construction/Acquisition of any assets	—	—
2) For purposes other than (1) above:		
– Promoting sanitation and making available safe drinking water	5.0	—
– Promoting education facilities & rural infrastructure	14.6	0.4
– Covid-19 Support & other healthcare support	—	30.3
– Administration Expenses	1.2	—
	20.8	30.7

(c) Details of excess CSR expenditure under Section 135(5) of the Act:

Rs. in million

	Amount required to be spent during the year	Amount spent during the year	Amount b/f from previous year*	Funds towards Ongoing Projects deposited to CSR unspent bank account#/ excess spent as at year end (carried forward to next year*)
For the year ended March 31, 2023	86.0	20.8	1.7	63.5#
For the year ended March 31, 2022	29.0	30.7	—	1.7*

* Included in 'Prepayments' under Note 12 in previous year

Subsequently deposited to CSR unspent bank account as on April 25, 2023

Notes to the Financial Statements for the year ended March 31, 2023

47. Employee Benefits

(a) Defined contribution plans:

The Company's contribution to defined contribution funds comprising of Superannuation fund, Provident fund, Employees' State Insurance Schemes and National Pension System (NPS) scheme amounting to Rs. 85.1 million (Previous Year Rs. 101.0 million) (net of recoveries) has been charged to the Statement of Profit and Loss.

Further effective September 1, 2022 provident fund contribution due to transition to Employees' Provident Fund Organisation (EPFO) from own managed trust amounting to Rs 103.2 million has been charged to the Statement of Profit and Loss.

(b) Defined benefit plans:

(i) Gratuity

Gratuity is payable to all eligible employees of the Company on retirement, 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.

Rs. in million

	Gratuity Funded	
	As at March 31, 2023	As at March 31, 2022
I) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	809.2	705.6
Benefits paid from plan	(101.8)	(66.0)
Current service cost	60.1	61.8
Interest cost	53.8	44.8
Actuarial gain/loss recognised in other comprehensive income		
– Changes in financial assumptions	(40.3)	(6.3)
– Changes of experience adjustments	72.2	69.3
Balance at the end of the year	853.2	809.2
II) Reconciliation of present value of plan assets		
Balance at the beginning of the year	705.0	531.2
Contributions paid into plan	–	174.4
Benefits paid	(101.8)	(66.0)
Return on plan assets (excluding interest income)	(37.2)	24.3
Interest income	46.0	41.1
Balance at the end of the year	612.0	705.0
Net liability (I-II)	241.2	104.2
III) Expenses recognised in the Statement of Profit and Loss		
Current service cost	60.1	61.8
Interest cost	53.8	44.8
Interest income	(46.0)	(41.1)
Expenses recognised in the Statement of Profit and Loss	67.9	65.5
IV) Remeasurements recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation	31.9	63.0
Return on plan assets excluding interest income	37.2	(24.3)
	69.1	38.7

Notes to the Financial Statements for the year ended March 31, 2023

47. Employee Benefits (Continued)

(b) Defined benefit plans: (Continued)

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 :-

	As at March 31, 2023	As at March 31, 2022
Government of India securities	25%	22%
State government securities	22%	33%
Public Sector Unit bonds	28%	25%
Private sector bonds	0%	2%
Fixed deposit and others	15%	10%
Special deposit scheme	4%	3%
Mutual funds	6%	5%
Total	100%	100%

The assumptions used for actuarial valuation are as follows:-

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.58%	6.78%
Expected salary increase rate	6% - 8% p.a.	6% - 8% p.a.
Attrition Rate	2% - 9% p.a.	2% - 9% p.a.
In-service mortality rates	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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 into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Rs. in million

Expected total benefit payments	As at March 31, 2023	As at March 31, 2022
Year 1	95.0	78.2
Year 2	95.4	91.0
Year 3	74.7	78.5
Year 4	79.1	64.8
Year 5	87.5	64.7
Next 5 years	301.6	275.5

Sensitivity analysis – defined benefit obligation end of period:

Rs. in million

	As at March 31, 2023	As at March 31, 2022
Discount rate +100 basis points	802.2	758.8
Discount rate -100 basis points	910.3	865.7
Salary Increase Rate +1%	905.4	860.6
Salary Increase Rate -1%	805.6	762.4
Attrition Rate +1%	851.6	805.1
Attrition Rate -1%	855.1	813.7

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The method and type of assumptions used in preparing the sensitivity analysis for current year are in line with previous year.

The contribution expected to be made by the Company during the financial year 2023-24 is Rs. Nil (Previous Year Rs. 104.2 million).

Notes to the Financial Statements for the year ended March 31, 2023

47. Employee Benefits (Continued)

(b) Defined benefit plans: (Continued)

(ii) Provident Fund

Eligible employees receive benefits from a provident fund administered through the Company managed BASF India Limited Provident Fund Trust ('the Trust'). During the year, the Company filed an application for surrender of exemption granted from the EPF Scheme, 1952 w.e.f August 31, 2022. The surrender application was filed with Regional Provident Fund Commissioner (RPFC) Bandra. The applications were accepted by the RPFC effective September 1, 2022. As a process of transfer of activities to RPFC, all the investments held by the trust were liquidated and the liabilities as on September 1, 2022 were transferred to the EPFO. A deficit funding of Rs. 241.8 million was made by the Company during the year prior to surrender of the trust.

The details of transfer of fund to EPFO is as below:

Rs. in million

	As at August 31, 2022
Total Contribution Liability	3,518.9
Realisation on sale of Trust investments	3,277.1
Deficit of plan obligation over plan assets	241.8
Net liability funded by the Company	241.8
Less: Opening Provision as on April 1, 2022	140.8
Net Charge for the year 2022-23	101.0

The details of fund and plan assets positions as at previous year end is given below:

	As at March 31, 2022
Plan assets as year end, at fair value	3,437.5
Present value of benefit obligation at year end	3,532.0
Deficit of plan obligation over plan assets	94.5
Cost of shortfall in interest rate guarantee	46.3
Net liability	140.8
Assumptions used in determining the present value obligation to the interest rate guarantee under the Deterministic Approach:	
Discount rate	4.56%
Average remaining tenure of the investment portfolio	1 year
Expected guaranteed interest rate	8.1%

During the year ended March 31, 2023, amount recognised in the Statement of Profit and Loss for the Company's contribution to Employee provident fund (net of recoveries, if any) is Rs. 88.8 million (Previous year Rs. 176.3 million) prior to transfer to EPFO.

Risk exposure

The fund assets for Gratuity are maintained by BASF trust fund, a legally independent funded plan, which is financed by contribution of employees and the employer as well as the return on plan asset.

Following risk-mitigating strategies are adopted for the Funds:

Being managed passively, the debt segments of the portfolios are predominantly exposed to Credit Risk and Reinvestment Risk. These risks are managed in the following manner:

Reinvestment risk: Reinvestment risk is minimized by spreading maturities of debt investments across various years. Here a balance is struck between minimizing reinvestment risk and maximizing yield given the term structure of interest rates, issuance pattern of debt instruments and their liquidity.

Owing to the investment regulation, the Funds have also invested in Equity Mutual Funds which are exposed to Market Risk.

Market risk: Market risk is minimized by (a) ensuring that schemes selected for investment have high-ranking by independent agencies (b) large-cap orientation and (c) have a track record of superior downside management. Further, volatilities in returns of these schemes are minimized by staggering deployment in the schemes across months which bring in cost-averaging. Performance of the schemes is monitored on a monthly basis. Corrective action, if required, is recommended for schemes that underperform their peers and the benchmark consistently.

Notes to the Financial Statements for the year ended March 31, 2023

47. Employee Benefits (Continued)

(b) Defined benefit plans: (Continued)

Credit risk: Credit risk is minimized by spreading exposure to multiple debt issuers, i.e. by not allowing exposure to an individual debt issuer to exceed by 5%-10% (depending on the issuer type) of the total portfolio at any time. Further, investments are made only in high grade bonds. Rating migrations in the instruments held in the portfolios are tracked regularly and are reported to the Trustees in case of downgrades. Corrective action on downgrades is suggested, if deemed necessary.

(c) Share-based payments (Long Term Incentive):

The Ultimate Holding Company ('BASF SE') offers following two types of Share Price based compensation program for senior executives of BASF group. Participation in these programs is voluntary.

(i) BASF Option Program ('BOP'):

The option program starts every year on July 1. After the two-year vesting period, the options can be exercised for a period of four years. Options that have not been exercised by the end of the exercise period of the respective program are forfeited, without any subsequent payment obligations towards the bearer. BOP was offered for the last time in 2020. All option rights granted during the BOP program years remain valid until the end of their respective exercise periods.

The model used in the valuation of the option plans are based on the arbitrage-free valuation model according to Black-Scholes. The fair values of the options are determined using the binomial model.

(ii) 'Strive!' – Performance Share Units (PSUs):

Since 2020, a new Long term incentive program, known as Strive!, is established in the form of a performance share plan. The new plan is based on achievement of strategic targets and takes into account BASF SE's share price and dividend performance (total shareholder return) over a four-year period.

A Strive! plan includes a four-year performance period with a fixed disbursement date. A target amount is determined at the beginning of a new Strive! plan for every participant. This target amount is converted into a preliminary number of virtual performance share units (PSUs) by dividing it by the average BASF share price. The number of PSUs that are ultimately paid out at the end of the performance period depends on the achievement of the strategic targets.

Since the Company receives the services of the employees to whom the options have been granted by BASF SE and the Company has no obligation to settle these options, the Company has recognized both the above plans as equity settled share based payment transactions in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments. Charge for the year and related assumptions are summarised in below tables:

BASF Option Program ('BOP'):

		For the year ended March 31, 2023	For the year ended March 31, 2022
Charge / (Credit) included in employee benefit expense (net of reversals) (Refer Note 26)	Rs. in million	3.9	(3.2)
Options outstanding at the beginning of the year	Nos	24,156.0	26,402.0
Options granted during the year	Nos	—	—
Options forfeited, exercised or expired during the year	Nos	(1,611.0)	(2,246.0)
Outstanding at the end of the year	Nos	22,545.0	24,156.0

Notes to the Financial Statements for the year ended March 31, 2023

47. Employee Benefits (Continued)

(c) Share-based payments (Long Term Incentive): (Continued)

'Strive!' – Performance Share Units (PSUs):

		For the year ended March 31, 2023	For the year ended March 31, 2022
Charge included in employee benefit expense (Refer Note 26)	Rs. in million	5.2	4.7
PSUs outstanding at the beginning of the year	Nos	3,327.0	1,552.0
PSUs granted during the year	Nos	682.0	1,775.0
PSUs forfeited, exercised or expired during the year	Nos	—	—
Outstanding at the end of the year	Nos	4,009.0	3,327.0
Fair value of options and parameters used for valuation		As at December 31, 2022	As at December 31, 2021
Fair value / PSU	Euro	36.0	78.6
Weighted target achievement	%	83.3	158.3
Base price of BASF SE's shares	Euro	61.8	57.2

(d) Other long term employee benefits:

(i) Long service awards:

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

(ii) Compensated absences:

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

For compensated absences, the amount of the provision of **Rs. 480.0 million** (Previous Year: Rs. 482.2 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Leave obligations not expected to be settled within the next 12 months is **Rs. 420.9 million** (Previous Year: Rs. 423.6 million).

48. Operating Segments

The Company has following business segments for reporting purpose. The divisions are allocated to the segments based on their business models.

Details of type of products included in each segment:

- Agricultural Solution - The Agricultural Solutions segment consists of the Crop Protection division. Agricultural Solution is seasonal in nature
- Materials - The Materials segment comprises Performance Materials divisions, the Monomers divisions and Polyamides business of BASF Performance Polyamides India Private Limited ('BPPIPL') merged with the Company
- Industrial Solutions - The Industrial Solutions segment consists of the Dispersions & Pigments divisions and Performance Chemicals divisions
- Surface Technologies - The Surface Technologies segment comprises of Catalysts and Coatings divisions
- Nutrition & Care - The Nutrition & Care segment consists of the Care Chemicals and Nutrition & Health divisions
- Chemicals - The Chemicals segment consists of the Petrochemicals and Intermediates divisions
- Others - Others includes activities that are not allocated to any of the continued operating divisions. These includes remaining activities after divestiture of leather and textile chemicals business, paper wet-end and water chemicals business, technical and service charges other than those specifically identifiable to above segments.

Un-allocable Corporate Assets mainly includes Current tax assets (net), Deferred tax assets (net), Cash and cash equivalents, Inter corporate deposit and other un-allocable assets.

Notes to the Financial Statements for the year ended March 31, 2023

48. Operating Segments (Continued)

Un-allocable Corporate Liabilities mainly includes Current tax liabilities (net) and other un-allocable liabilities.

(a) Business Segments

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

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
Segment revenue	17,971.1	38,402.3	23,498.2	6,971.7	27,583.1	20,955.1	1,066.2	—	136,447.7
	15,386.9	35,277.7	22,943.0	5,777.8	24,796.7	25,701.1	1,114.1	—	130,997.3
Less : Inter-segment revenue	—	—	—	—	—	—	—	—	—
Sales/Revenue from operations	17,971.1	38,402.3	23,498.2	6,971.7	27,583.1	20,955.1	1,066.2	—	136,447.7
	15,386.9	35,277.7	22,943.0	5,777.8	24,796.7	25,701.1	1,114.1	—	130,997.3
Segment result	2,314.8	584.3	1,321.5	132.8	1,038.1	397.3	56.7	—	5,845.5
	1,065.1	3,700.0	1,597.5	(310.3)	717.5	1,106.1	129.2	—	8,005.1
Finance costs								139.1	139.1
								174.7	174.7
Interest income								151.2	151.2
								72.2	72.2
Other un-allocable expenditure (net of un-allocable income)								576.7	576.7
								429.0	429.0
Profit/(Loss) before tax and exceptional item									5,280.9
									7,473.6
Exceptional item gain/(loss) (net) (Refer note 43)	—	—	—	—	—	—	153.1	—	153.1
	—	—	—	—	—	—	125.6	—	125.6
Tax									1,405.1
									1,650.8
Profit/(Loss) after tax									4,028.9
									5,948.4

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
OTHER INFORMATION									
Segment assets	10,833.5	17,805.9	10,224.7	3,774.3	9,769.5	4,808.3	967.2	7,462.9	65,646.3
	9,332.3	17,261.4	9,786.2	3,373.7	9,869.9	6,875.9	1,244.4	3,355.5	61,099.3
Segment liabilities	4,962.5	11,935.3	6,282.9	2,038.6	7,603.3	5,568.4	237.7	5.8	38,634.5
	4,656.8	10,898.8	6,583.2	1,790.1	6,988.7	6,693.2	121.5	6.2	37,738.5
Capital expenditure	36.9	293.5	435.1	129.3	64.2	5.8	4.1	—	968.9
	31.4	144.0	803.2	274.2	55.2	5.4	3.0	—	1,316.4
Depreciation and amortisation	202.0	615.1	473.8	128.3	340.4	59.9	1.3	—	1,820.8
	185.6	615.9	403.2	106.9	341.8	51.1	1.2	—	1,705.7
Non-cash charges – Loss allowance on trade receivables	30.5	(9.9)	(6.9)	2.6	(4.2)	(6.8)	1.6	—	6.9
	25.6	12.8	5.0	2.0	259.6	—	—	—	305.0

(b) Geographic Segments

Rs. in million

	Domestic	Exports	Total
Revenues	133,375.4	3,072.3	136,447.7
	127,775.8	3,221.5	130,997.3
Non-current assets (excluding financial instruments & deferred/ income tax asset)	8,582.8	—	8,582.8
	9,177.3	—	9,177.3

Note:

Revenue from major customer:

The Company is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenue from transactions with any single external customers.

Notes to the Financial Statements for the year ended March 31, 2023

49. Related Party Disclosure

a) Parties where control exists

BASF Societas Europaea ('SE')	Ultimate holding company
BASF Schweiz AG	Party where control exists

b) Other related parties with whom transactions have taken place during the year or balances outstanding at the year end

Parties under common control

BASF Advanced Chemicals Co. Ltd.	BASF Metals Ltd.
BASF Agricultural Solutions Seed US LLC	BASF Mexicana S.A. DE C.V.
BASF Agro B.V. Arnhem (NL)	BASF Nederland B.V.
BASF Agrochemical Products B.V.	BASF Pakistan (Pvt.) Limited
BASF Antwerpen N.V.	BASF Paper Chemicals (Huizhou) Co. Ltd.
BASF Asia-Pacific Service Centre Sdn .Bhd.	BASF Paper Chemicals (Jiangsu) Co., Ltd.
BASF Australia Ltd.	BASF Performance Polyamides Korea Co. Ltd.
BASF Bangladesh Ltd	BASF Petronas Chemicals Sdn. Bhd.
BASF Belgium Coordination Center	BASF Philippines INC
BASF Care Chemicals (Shanghai) Co. Ltd.	BASF Plant Science Company GmbH
BASF Catalysts Germany GmbH	BASF PLC
BASF Catalysts India Private Limited	BASF Poliuretanos Ltda.
BASF Catalysts (Shanghai) Co.Ltd.	BASF Polyurethane Specialties (China) Co., Ltd.
BASF Chemicals Co.,Ltd.	BASF Polyurethanes (China) Co.Ltd
BASF Chemicals India Private Limited	BASF Polyurethanes (Chongqing) Co., Ltd
BASF Chile SA	BASF Polyurethanes GmbH
BASF (China) Company Ltd.	BASF S.A.
BASF Coatings GmbH	BASF Saudi Arabia Limited Company
BASF Coatings (Guangdong) Co. Ltd.	BASF Schwarzheide GmbH
BASF Colors & Effects GmbH	BASF Services Europe GmbH
BASF Colors & Effects USA LLC	BASF Shanghai Coatings Co. Ltd.
BASF Colors and Effects India Pvt. Ltd. (upto 30.6.2021)	BASF Shanshan Battery Materials Co.
BASF Company Ltd.	BASF South East Asia Pte. Ltd.
BASF Corporation	BASF Specialty Chemicals (Nanjing) Co. Ltd.
BASF Crop Protection (Jiangsu) Co. Ltd.	BASF Taiwan Ltd.
BASF Digital Farming GmbH	BASF (Thai) Limited
BASF Digital Solutions GmbH (earlier known as BASF Business Services GmbH)	BASF - YPC Company Limited
BASF East Asia Regional Headquarters Ltd.	Chemetall India Private Limited
BASF Engineering Plastics(Shanghai) Co., Ltd.	Cognis IP Management GmbH
BASF Espanola S.L.	Construction Research & Technology GmbH (upto 30.09.2020)
BASF FZE	HTE GmbH
BASF France S.A.S.	Master Builders Solutions India Private Limited (upto 30.09.2020)
BASF Hong Kong Ltd.	Nunhems India Private Limited
BASF Integrated Site (Guangdong) Co. Ltd.	OOO BASF
BASF IP Licensing GmbH	P.T. BASF Distribution Indonesia
BASF Ireland Limited	P.T. BASF Indonesia
BASF Italia S.p.A.	Shanghai BASF Polyurethane Co. Ltd.
BASF Japan Ltd.	Solenis Chemicals India Private Limited (upto 09.11.2021)
BASF Lanka (Private) Limited	Techpolymers IND E Comercio Ltda (upto 28.02.2021)
BASF (Malaysia) Sdn. Bhd.	Thai Ethoxylate Co., Ltd.

Notes to the Financial Statements for the year ended March 31, 2023

49. Related Party Disclosure (Continued)

- c) **Post employment benefit plans**
 BASF India Ltd. Provident Fund
 BASF India Ltd. Employees Gratuity Fund
 BASF India Ltd. Superannuation Fund Trust
- d) **Key management personnel**
 Mr. Pradip P. Shah (Chairman and Independent Director)
 Mr. Alexander Gerding (Managing Director) (w.e.f 01.01.2023)*
 Mr. Narayan Krishnamohan (Managing Director) (till 31.12.2022)
 Mr. Narendranath J. Baliga (Chief Financial Officer and Alternate Director)
 Mr. Rajesh Naik (Manufacturing Head and Whole time Director) (till 31.12.2022)
 Mr. Anil Choudhary (Whole time Director) (w.e.f 01.01.2023)
 Mr. Pradeep Chandan (Company Secretary and Alternate Director) (till 28.02.2022)
 Mr. Manohar Kamath (Company Secretary) (w.e.f. 01.03.2022)
 Mr. Arun Bewoor (Independent Director)
 Mr. R. A. Shah (Independent Director)
 Mrs. Shyamala Gopinath (Independent Director)
 Mr. Dirk Bremm (Non-executive director) (till 05.08.2021)
 Dr. Ramkumar Dhruva (Non-executive director)
 Dr. Carola Richter (Non-Executive Director) (w.e.f. 06.08.2021)

* The Company has filed an application with the Central Government within the prescribed timeline seeking approval for appointment of Mr. Alexander Gerding as the Managing Director of the Company effective January 1, 2023 as he was a resident outside India for a period of 12 months prior to the date of his appointment and the said approval is awaited.

- e) **Details of transactions with parties where control exists/ under common control for the year ended March 31, 2023**

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sale of Goods						
BASF SE	4.2	—	—	—	4.2	—
BASF Hong Kong Ltd.	—	—	816.6	665.0	816.6	665.0
Solenis Chemicals India Private Limited	—	—	—	170.6	—	170.6
OOO BASF	—	—	33.6	170.9	33.6	170.9
Others	—	—	309.9	314.7	309.9	314.7
Sub-Total	4.2	—	1,160.1	1,321.2	1,164.3	1,321.2
Services Rendered (including reimbursements)						
BASF SE	464.2	726.1	—	—	464.2	726.1
BASF Hong Kong Ltd.	—	—	37.4	38.3	37.4	38.3
BASF Corporation	—	—	214.2	193.4	214.2	193.4
BASF Chemicals India Private Limited	—	—	181.5	145.0	181.5	145.0
Others	—	—	316.2	405.1	316.2	405.1
Sub-Total	464.2	726.1	749.3	781.8	1,213.5	1,507.9
Interest Expense on ECB Loan (including incidental charges)						
BASF Ireland Limited	—	—	—	2.5	—	2.5
Nunhems India Private Limited	—	—	—	—	—	—
Sub-Total	—	—	—	2.5	—	2.5
Interest Income on ICDs given						
BASF Chemicals India Private Limited	—	—	9.3	—	9.3	—
BASF Catalysts India Private Limited	—	—	0.9	—	0.9	—
Sub-Total	—	—	10.2	—	10.2	—
Purchase of Goods/Materials						
BASF SE	7,080.8	8,119.3	—	—	7,080.8	8,119.3
BASF Hong Kong Ltd.	—	—	35,668.0	34,884.3	35,668.0	34,884.3
BASF South East Asia Pte. Ltd.	—	—	10,637.0	8,139.3	10,637.0	8,139.3
BASF Petronas Chemicals Sdn Bhd	—	—	10,464.2	14,934.1	10,464.2	14,934.1
BASF Company Ltd.	—	—	12,286.6	8,855.4	12,286.6	8,855.4
Others	—	—	13,448.6	12,674.7	13,448.6	12,674.7
Sub-Total	7,080.8	8,119.3	82,504.4	79,487.8	89,585.2	87,607.1

Notes to the Financial Statements for the year ended March 31, 2023

49. Related Party Disclosure (Continued)

e) Details of transactions with parties where control exists/ under common control for the year ended March 31, 2023 (Continued)

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Services Received (including reimbursements)						
BASF SE	886.5	1,090.5	—	—	886.5	1,090.5
BASF Asia-Pacific Service Centre Sdn. Bhd.	—	—	644.8	421.7	644.8	421.7
BASF South East Asia Pte. Ltd.	—	—	163.6	92.4	163.6	92.4
BASF Digital Solutions GmbH	—	—	528.9	551.6	528.9	551.6
Others	—	—	225.0	243.5	225.0	243.5
Sub-Total	886.5	1,090.5	1,562.3	1,309.2	2,448.8	2,399.7
Royalty						
BASF SE	9.5	8.5	—	—	9.5	8.5
BASF IP Licencing GmbH	—	—	491.3	395.0	491.3	395.0
BASF Coatings GmbH	—	—	108.1	82.4	108.1	82.4
Cognis IP Management GmbH	—	—	60.3	68.7	60.3	68.7
Sub-Total	9.5	8.5	659.7	546.1	669.2	554.6
Dividend						
BASF SE	137.0	228.4	—	—	137.0	228.4
BASF Schweiz AG	53.4	89.1	—	—	53.4	89.1
Sub-Total	190.4	317.5	—	—	190.4	317.5
ECB Loan repaid during the year including forex loss on settlements						
BASF Ireland Limited	—	—	—	1,495.1	—	1,495.1
Sub-Total	—	—	—	1,495.1	—	1,495.1
ICDs given during the year						
BASF Chemicals India Private Limited	—	—	450.0	—	450.0	—
BASF Catalysts India Private Limited	—	—	1,500.0	—	1,500.0	—
Sub-Total	—	—	1,950.0	—	1,950.0	—
ICDs repayment received during the year						
BASF Chemicals India Private Limited	—	—	450.0	—	450.0	—
Sub-Total	—	—	450.0	—	450.0	—
Purchase of Assets						
BASF Polyurethanes (China) Co Ltd	—	—	—	4.9	—	4.9
BASF Chemicals India Private Limited	—	—	—	2.0	—	2.0
BASF Advanced Chemicals Co. Ltd.	—	—	—	8.7	—	8.7
Sub-Total	—	—	—	15.6	—	15.6
Sale of Assets						
BASF Chemicals India Pvt. Ltd.	—	—	5.5	—	5.5	—
BASF Polyurethanes GmbH	—	—	1.4	—	1.4	—
OOO BASF	—	—	—	1.3	—	1.3
BASF SE*	—	—	—	—	—	—
Sub-Total	—	—	6.9	1.3	6.9	1.3
Purchase of Export Incentive Scripts						
BASF Chemicals India Private Limited	—	—	—	87.7	—	87.7
Sub-Total	—	—	—	87.7	—	87.7

Notes to the Financial Statements for the year ended March 31, 2023

49. Related Party Disclosure (Continued)

e) Details of transactions with parties where control exists/ under common control for the year ended March 31, 2023 (Continued)

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Outstanding Receivables						
BASF SE	153.2	375.9	—	—	153.2	375.9
BASF Italia S.p.A.	—	—	264.8	—	264.8	—
BASF Hong Kong Ltd.	—	—	134.5	128.2	134.5	128.2
BASF Corporation	—	—	57.8	51.2	57.8	51.2
Others	—	—	228.1	299.1	228.1	299.1
Sub-Total	153.2	375.9	685.2	478.5	838.4	854.4
Outstanding Payables						
BASF SE	3,480.1	3,647.9	—	—	3,480.1	3,647.9
BASF Hong Kong Ltd.	—	—	8,598.0	10,364.0	8,598.0	10,364.0
BASF South East Asia Pte. Ltd.	—	—	3,012.5	2,136.0	3,012.5	2,136.0
BASF Petronas Chemicals Sdn Bhd	—	—	1,889.7	2,331.3	1,889.7	2,331.3
BASF Company Ltd.	—	—	3,724.8	2,781.9	3,724.8	2,781.9
Others	—	—	7,743.5	6,275.0	7,743.5	6,275.0
Sub-Total	3,480.1	3,647.9	24,968.5	23,888.2	28,448.6	27,536.1
ECB Loan Outstanding (including interest accrued not due)						
BASF Catalysts India Private Limited	—	—	1,500.9	—	1,500.9	—
Sub-Total	—	—	1,500.9	—	1,500.9	—

* Amount is below rounding off norm.

f) Details of Contributions to post employment benefit plan

Rs. in million

Name of the post employment benefit plan	2022-23	2021-22
BASF India Ltd. Provident Fund	406.1	360.7
BASF India Ltd. Employees Gratuity Fund	—	174.4
BASF India Ltd. Superannuation Fund Trust	35.9	54.4
Total	442.0	589.5

g) Details of transactions with Key Management Personnel

Rs. in million

Particulars	2022-23	2021-22
Short term employee benefits	174.0	158.9
Post-employment benefits	8.5	6.6
Employee share based payments*	8.1	7.7
Total	190.6	173.2

* Key managerial personnel Mr. Narayan Krishnamohan (upto 31.12.2022) and Mr. Narendranath J. Baliga are eligible for share price based payments (Long Term Incentive) of the Ultimate Holding Company for which there is no cash outflow from the Company.

h) Payments to Independent Directors:

Rs. in million

Particulars	2022-23	2021-22
Sitting fees	5.7	5.6
Commission	5.3	5.3
Total	11.0	10.9

i) Terms and conditions:

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.

Notes to the Financial Statements for the year ended March 31, 2023

50. Disclosure under Indian Accounting Standard 115

(a) Deferred revenue:

The Company considers deferred revenue as contract liability as per terms of customer contracts. There was no deferred revenue outstanding as on March 31, 2023 and March 31, 2022.

(b) Contract liability:

- i. Contract liability in respect of amount collected in advance towards satisfaction of performance obligations for goods/ services to customers has been reflected as "Advances received from customers" in Note 22 - Other Current Liabilities.
- ii. The Company operates a customer incentive programme where retail customers accumulate reward points for purchases made which entitle them to incentives. A contract liability for the reward points is recognised at the time of the sale. Contract liability in respect of customer incentive schemes has been adjusted in Revenue and reflected as "Accrual for customer incentive schemes" in Note 22 - Other Current Liabilities.

(c) Reconciliation of Revenue recognised with contract price

Rs. in million

	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Price	139,932.9	134,343.3
Adjustment for: Rebates/ discounts/ customer incentive scheme	(3,485.2)	(3,346.0)
Revenue from operations	136,447.7	130,997.3

51. Relationship with Struck off Companies

a) Struck off companies holding shares of the Company as at year end:

Rs. in million

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
Inventa Investments Pvt. Ltd.*	Shares held by struck off company	—*	—*	Not applicable
Popular Stock & Share Services Ltd.*	Shares held by struck off company	—*	—*	Not applicable

* Value of shares held is below rounding off norm.

b) Struck off companies having transactions during the year:

The company did not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current and previous financial year.

52. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N500016
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership No: 048125

Place : Mumbai
Date : May 10, 2023

For and on behalf of Board of Directors of

BASF India Limited
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah
Chairman
DIN : 00066242

Narendranath J. Baliga
Chief Financial Officer
DIN : 07005484

Alexander Gerding
Managing Director
DIN : 09797186

Manohar Kamath
Company Secretary
ACS No: 19749

Place : Mumbai
Date : May 10, 2023

Anil Choudhary DIN: 07733817

R. A. Shah DIN: 00009851

Arun Bewoor DIN: 00024276

Shyamala Gopinath
Directors DIN: 02362921

BASF India Limited

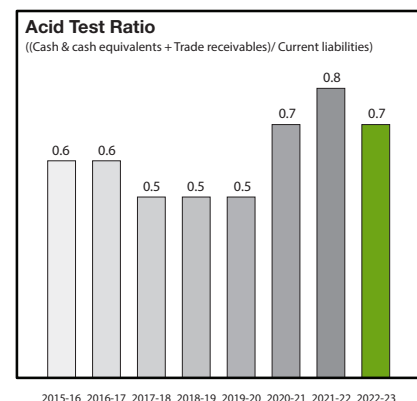
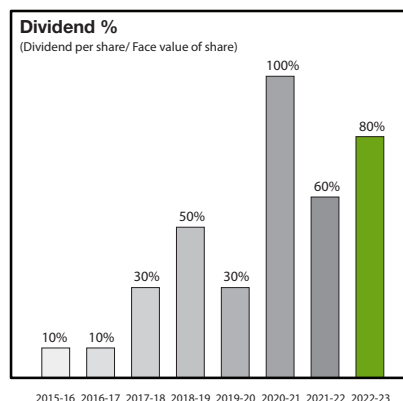
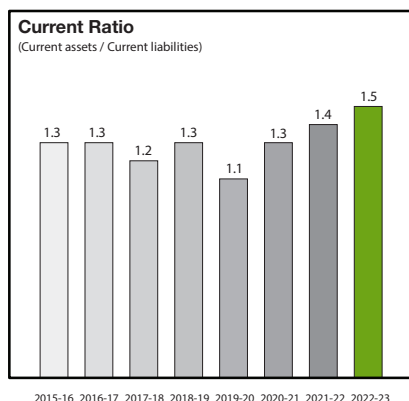
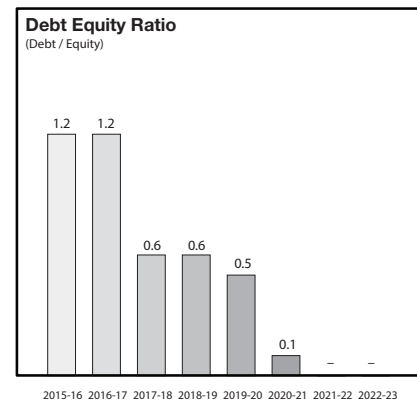
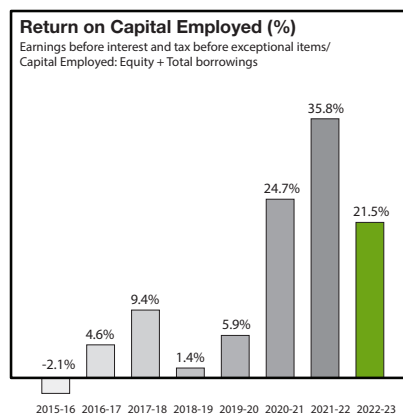
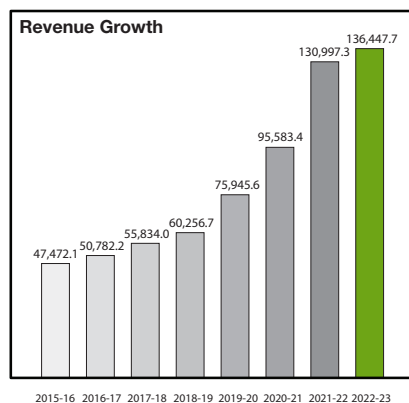
Highlights – At a glance

Rs. in million

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Revenue and Earnings								
Revenue from operations (net of excise duty/GST)	47,472.1	50,782.2	55,834.0	60,256.7	75,945.6	95,583.4	130,997.3	136,447.7
Earnings before interest and tax (EBIT) (before exceptional items)	(544.2)	1,121.6	2,154.2	309.1	1,258.1	4,754.4	7,648.3	5,420.0
Profit/(Loss) before tax (before exceptional items)	(2,024.8)	(294.8)	1,024.6	(542.0)	423.6	4,378.7	7,473.6	5,280.9
Profit/(Loss) after tax	(303.7)	(141.3)	2,465.0	817.2	228.7	5,526.1	5,948.4	4,028.9
Earnings per share (Rs. per share)	(7.0)	(3.3)	56.9	18.9	5.3	127.7	137.4	93.1
Capital expenditure, depreciation and amortisation								
Capital expenditure	1,117.8	834.4	679.4	674.5	743.4	647.4	1,316.4	968.9
Depreciation and amortisation	1,630.9	1,690.3	1,533.9	1,470.9	1,808.6	1,739.2	1,705.7	1,820.8
Number of employees and personnel cost								
Number of employees at year-end	1,904	1,868	1,804	1,673	1,502	1,315	1,327	1,378
Personnel cost	3,275.8	3,219.6	3,514.3	3,764.7	3,625.6	3,449.6	3,806.5	3,921.1
Key Balance Sheet numbers								
Total assets	37,765.6	38,745.5	38,463.6	38,494.8	48,298.9	51,441.1	61,099.3	65,646.3
Borrowings	13,492.2	12,745.5	8,676.9	9,122.1	6,629.5	1,517.7	—	—
Shareholder's equity	11,160.1	11,022.6	13,438.8	14,128.9	12,439.8	17,861.5	23,360.8	27,011.8
Appropriation of profits								
Dividend amount	43.3	43.3	129.9	216.4	129.9	432.9	259.7	346.3
Dividend per share (Rs. per share)	1.0	1.0	3.0	5.0	3.0	10.0	6.0	8.0

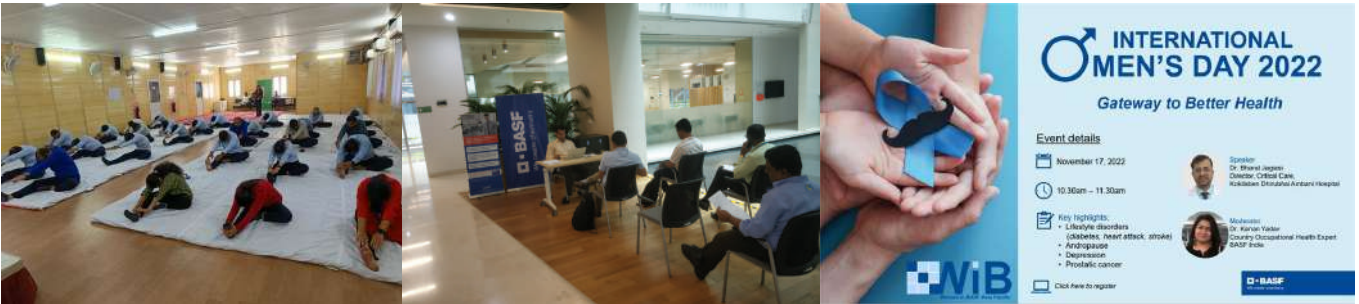
Notes:

- Financial highlights are given only for eight years on account of non-comparability of data due to Ind AS transition w.e.f 1st April 2015.
- Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
- Revenue from operations has been adjusted with excise duty/ GST for relevant periods for coherent comparison.





Your Company employs stringent safety standards that meet the UN Sustainable Development Goal “Responsible Consumption and Production”. Seen in the above images are the various programs that champion safety, including Global Safety Week, and incident and crisis management workshops that happened at various sites.



Prioritizing health and wellness, employees participated in both on ground and online programs, including Yoga Day (left), flu vaccination (middle) and International Men's Day webinar (right) focusing on men's health.



The employees at your Company also organized and participated in sporting events at different locations. Seen here are the Annual Sports Day at the Mangalore Site (left), the Cricket League at Dahej site (middle) and participation in the Indian Oil Corporation Limited Inter-Industry Cricket Tournament 2022-2023 (right), whereby your Company emerged as the 1st runner up.

The climate is changing. So are we.

The greatest challenge of the 21st century is here. So, to protect the climate, we're changing. From reducing our emissions to embracing renewable energy; from supporting the circular economy with recycling innovations to helping consumers reduce their own carbon footprints; the changes are reaching deep into our organization. Our ultimate goal is net zero emissions by 2050.

Find out more at
[basf.com/change](https://www.basf.com/change)

 **BASF**

We create chemistry