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BASF India Limited, Mumbai - 400 051, India

April 30, 2019

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

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

Dear Sir/Madam,

Sub: Audited Financial Results for the financial year ended 31st March, 2019

As per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, we enclose herewith the Audited Financial Results of the Company together with the Audit Report which were approved and taken on record by the Board of Directors of the Company at their meeting held today, i.e. 30th April, 2019. The meeting commenced at 11.30 a.m. and concluded at 2.30 p.m. The results will be published in the newspapers on 1st May, 2019.

We also hereby confirm that the Auditor's Report is with unmodified opinion in respect of the Audited Financial Results of the Company for the year ended 31st March, 2019.

We request you to kindly take note of the above.

Thanking You,

Yours faithfully,
For BASF India Limited

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

Pankaj Bahl
Manager- Company Secretarial

Encl: a.a.

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

Registered Office
BASF India Limited
The Capital
'A' Wing, 1204-C, 12th Floor,
Plot No. C - 70, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051, India

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CIN - L33112MH1943FLC003972

www.basf.com/in

BASF India Limited

Regd. Office : The Capital, 'A' Wing, 1204-C, 12th Floor, Plot No. C-70, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, India, Tel: 022-62785600.
Audited Financial Results for the quarter and year ended March 31, 2019

Rs. in million

	3 months ended 31/03/2019 (Unaudited)	Preceding 3 months ended 31/12/2018 (Unaudited)	Corresponding 3 months ended in the previous year 31/03/2018 (Unaudited)	Year to date figures for current year ended 31/03/2019 (Audited)	Previous year ended 31/03/2018 (Audited)
Revenue from operations (Refer Notes 4 and 5)					
Sales of products	12,581.7	13,515.2	12,862.1	57,986.5	54,994.4
Sales of services	530.1	466.6	483.0	2,001.1	1,795.5
Other operating revenues	68.2	68.1	90.5	269.1	436.9
	13,180.0	14,049.9	13,435.6	60,256.7	57,226.8
Other income	33.1	48.7	108.0	133.4	229.3
Total Income	13,213.1	14,098.6	13,543.6	60,390.1	57,456.1
Expenses:					
Cost of materials consumed	8,093.5	8,033.4	7,036.1	34,780.1	27,438.3
Purchase of Stock-in-Trade	3,061.7	2,829.8	3,326.6	12,682.4	13,521.5
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,257.0)	64.5	(738.2)	(1,596.1)	(414.8)
Excise duty	-	-	-	-	1,392.8
Employee benefit expense	887.5	973.2	869.8	3,764.7	3,514.3
Finance costs (Refer Note 6)	196.1	189.4	268.7	851.1	1,129.6
Depreciation and amortisation expense	355.4	373.3	369.7	1,470.9	1,533.9
Other expenses	2,254.9	2,267.5	1,949.1	8,979.0	8,315.9
Total Expenses	13,592.1	14,731.1	13,081.8	60,932.1	56,431.5
(Loss)/ Profit before exceptional item and tax	(379.0)	(632.5)	461.8	(542.0)	1,024.6
Exceptional items (Refer Note 3)	1,204.9	55.7	190.5	1,260.6	1,585.7
Profit / (Loss) before tax	825.9	(576.8)	652.3	718.6	2,610.3
Tax expense/ (credit): (Refer Note 7)					
- Tax (credit)/ expense for current period	(35.5)	(161.8)	(57.5)	(66.0)	95.4
- Income tax (credit)/ expense for previous periods	(1.3)	(31.3)	49.9	(32.6)	49.9
	(36.8)	(193.1)	(7.6)	(98.6)	145.3
Profit / (Loss) for the period	862.7	(383.7)	659.9	817.2	2,465.0
Other Comprehensive Income					
Items that will not be reclassified to profit or loss:					
Remeasurement (Loss)/ Gain of post employment benefit plans	33.5	(1.3)	17.7	29.1	(7.8)
Income tax credit/ (expense) relating to these items	(6.1)	0.4	(3.8)	(4.8)	1.7
Other Comprehensive Income for the period, net of tax	27.4	(0.9)	13.9	24.3	(6.1)
Total Comprehensive Income for the period	890.1	(384.6)	673.8	841.5	2,458.9
Paid-up Equity Share Capital (Face value of Rs. 10/- each)	432.9	432.9	432.9	432.9	432.9
Reserves (excluding Revaluation Reserves) as shown in the Balance Sheet of previous year				13,696.0	13,005.9
Weighted average number of equity shares outstanding as at period end	43,284,958	43,284,958	43,284,958	43,284,958	43,284,958
Basic and diluted earnings per share after exceptional items (in Rs.) (not annualised)	19.9	(8.9)	15.2	18.9	56.9
Basic and diluted earnings per share before exceptional items (in Rs.) (not annualised)	(9.1)	(9.7)	10.8	(14.2)	22.4
Face value per share (in Rs.)	10.0	10.0	10.0	10.0	10.0

BASF India Limited

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Audited Financial Results for the quarter and year ended March 31, 2019**

Notes:

- The above results for the quarter and year ended March 31, 2019 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on April 30, 2019.
- The Board of Directors at its meeting held on April 30, 2019 recommended payment of Dividend of 50% on equity shares for the financial year ended March 31, 2019.
- Exceptional items includes following:

Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended in the previous year 31/03/2018	Year to date figures for current year ended 31/03/2019	Previous year ended 31/03/2018
Profit on divestiture of paper wet-end and water chemicals business pursuant to global divestment	1,593.6	-	-	1,593.6	-
Profit on transfer of pigments business	-	55.7	-	55.7	-
Profit on sale of its non-core assets (i.e. residential properties)	43.1	-	190.5	43.1	268.6
Compensation towards Voluntary Retirement Scheme for certain permanent workmen at Thane plant (Refer Note 8)	(284.2)	-	-	(284.2)	-
Write down of certain assets due to cessation of certain operations from Thane plant (Refer Note 9)	(147.6)	-	-	(147.6)	-
Profit on divestiture of leather chemicals business pursuant to global divestment	-	-	-	-	1,559.6
Write down of Thermoplastic Polyurethane (TPU) assets, due to cessation of its manufacturing	-	-	-	-	(242.5)
Total	1,204.9	55.7	190.5	1,260.6	1,585.7

- As per Indian Accounting Standard 115/ Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from Operations for the period ended after June 30, 2017 does not include Goods and Service Tax (GST), however Revenue from Operations upto the period ended June 30, 2017 included Excise Duty. Accordingly, the figures are not strictly comparable. The following additional information is being provided to facilitate such understanding:

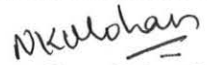
Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended in the previous year 31/03/2018	Year to date figures for current year ended 31/03/2019	Previous year ended 31/03/2018
Revenue from operations	13,180.0	14,049.9	13,435.6	60,256.7	57,226.8
Less: Excise Duty	-	-	-	-	(1,392.8)
Revenue from operations (net of excise duty)	13,180.0	14,049.9	13,435.6	60,256.7	55,834.0

- Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 - 'Revenue from Contracts with Customers' with modified retrospective approach. Adoption of this standard did not have any material impact on the financial results of the Company.
- Finance cost includes interest on income tax, interest and other costs incurred on short and long term borrowings, effects from fair valuation of derivatives relating to financing activities and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.
- Tax expense includes provision for current income tax, tax expense for previous periods, minimum alternate tax and deferred tax charge/ (credit) including minimum alternate tax credit (based on estimated average effective annual income tax rate, considering tax allowances).
- During the quarter and year ended March 31, 2019, the Company has announced Voluntary Retirement Scheme for certain permanent workmen at Thane plant and accordingly compensation aggregating Rs. 284.2 million has been disclosed as an exceptional item.
- During the quarter and year ended March 31, 2019, the Company has written off certain assets aggregating Rs. 147.6 million in respect of certain operations ceased from Thane plant. This has been disclosed as an exceptional item.
- Figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit.
- The statutory auditors have expressed an unqualified audit opinion on annual financial statements for the year ended March 31, 2019. The audit report has been filed with stock exchange and is available on the Company's website.
- Previous period figures have been regrouped/ reclassified, wherever necessary to conform to current period classification.
- For more details on Results, visit the Investor Relations section of the Company's website at www.basf.com/in and/or website of the Stock Exchanges viz., www.bseindia.com and www.nseindia.com.

www.basf.com/in

CIN No.: L33112MH1943FLC003972
Mumbai
April 30, 2019

On behalf of the Board of Directors


Narayan Krishnamohan
Managing Director
DIN : 08350849



(Rs. In million)

	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended in the previous year 31/03/2018	Year ended 31/03/2019	Previous year ended 31/03/2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Segment Revenue (Refer Notes 4 and 5)					
a. Agricultural Solution	1,304.6	1,200.6	1,162.4	9,333.2	8,638.0
b. Materials	3,913.0	3,911.8	4,322.8	16,462.3	16,291.0
c. Industrial Solutions	2,551.7	3,151.8	2,631.5	11,478.8	9,791.5
d. Surface Technologies	2,160.8	1,933.1	2,160.7	8,113.8	7,901.2
e. Nutrition & Care	1,863.0	1,824.6	1,608.5	7,580.8	7,278.7
f. Chemicals	264.2	333.1	351.8	1,450.0	1,729.4
g. Others	1,122.7	1,694.9	1,197.9	5,837.8	5,597.0
Total	13,180.0	14,049.9	13,435.6	60,256.7	57,226.8
Less: Inter - segment revenue	-	-	-	-	-
Total income from operations (net)	13,180.0	14,049.9	13,435.6	60,256.7	57,226.8
2. Segment Results					
Profit/ (Loss) before tax and interest					
a. Agricultural Solution	(131.5)	(98.8)	(44.9)	661.6	534.4
b. Materials	(169.7)	(278.1)	96.3	(860.4)	523.9
c. Industrial Solutions	44.4	150.4	259.4	715.3	540.8
d. Surface Technologies	69.9	(56.9)	281.8	77.7	167.6
e. Nutrition & Care	(47.2)	(122.1)	29.9	(312.2)	(199.1)
f. Chemicals	14.7	27.9	111.7	153.3	418.1
g. Others	91.3	19.4	73.2	182.8	506.1
Total	(128.1)	(358.2)	807.4	618.1	2,491.8
Less: (i) Finance costs (Refer Note 6)	196.1	189.4	268.7	851.1	1,129.6
(ii) Other un-allocable expenditure net off un-allocable other income	54.8	84.9	76.9	309.0	337.6
Total (Loss)/ Profit before tax and exceptional items	(379.0)	(632.5)	461.8	(542.0)	1,024.6
Exceptional items (Refer Note 3)	1,204.9	55.7	190.5	1,260.6	1,585.7
Total Profit/ (Loss) before tax	825.9	(576.8)	652.3	718.6	2,610.3
3. Segment Assets					
a. Agricultural Solution	6,633.7	4,371.1	4,496.0	6,633.7	4,496.0
b. Materials	9,976.1	9,485.7	10,493.8	9,976.1	10,493.8
c. Industrial Solutions	6,435.8	9,550.6	8,746.3	6,435.8	8,746.3
d. Surface Technologies	5,331.4	4,955.4	5,646.6	5,331.4	5,646.6
e. Nutrition & Care	6,051.6	5,631.8	6,106.6	6,051.6	6,106.6
f. Chemicals	658.1	483.4	680.9	658.1	680.9
g. Others	1,436.2	689.4	921.1	1,436.2	921.1
f. Unallocated	1,991.8	1,998.9	1,372.3	1,991.8	1,372.3
Total Segment Assets	38,514.7	37,166.3	38,463.6	38,514.7	38,463.6
4. Segment Liabilities					
a. Agricultural Solution	1,838.1	1,360.1	1,690.5	1,838.1	1,690.5
b. Materials	6,072.2	5,361.8	7,967.1	6,072.2	7,967.1
c. Industrial Solutions	3,952.9	5,150.6	6,092.5	3,952.9	6,092.5
d. Surface Technologies	2,294.3	1,830.0	2,408.5	2,294.3	2,408.5
e. Nutrition & Care	3,345.4	2,938.5	4,101.0	3,345.4	4,101.0
f. Chemicals	298.0	291.2	339.7	298.0	339.7
g. Others	845.4	446.4	549.0	845.4	549.0
f. Unallocated	5,739.5	6,547.2	1,876.5	5,739.5	1,876.5
Total Segment Liabilities	24,385.8	23,925.8	25,024.8	24,385.8	25,024.8
5. Capital Employed (Segment Assets - Segment Liabilities)					
a. Agricultural Solution	4,795.6	3,011.0	2,805.5	4,795.6	2,805.5
b. Materials	3,903.9	4,123.9	2,526.7	3,903.9	2,526.7
c. Industrial Solutions	2,482.9	4,400.0	2,653.8	2,482.9	2,653.8
d. Surface Technologies	3,037.1	3,125.4	3,238.1	3,037.1	3,238.1
e. Nutrition & Care	2,706.2	2,693.3	2,005.6	2,706.2	2,005.6
f. Chemicals	360.1	192.2	341.2	360.1	341.2
g. Others	590.8	243.0	372.1	590.8	372.1
f. Unallocated	(3,747.7)	(4,548.3)	(504.2)	(3,747.7)	(504.2)
Total	14,128.9	13,240.5	13,438.8	14,128.9	13,438.8

The Company has reorganised its segment structure with effect from January 1, 2019. The new segment structure will enable an even more differentiated steering of the business, taking into account market-specific requirements and the competitive environment. It will further increase the transparency of the segment results. Previous period segment figures are regrouped in accordance with revised segment structure.

- 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 and the Monomers divisions
- Industrial Solutions - The Industrial Solutions segment consists of the Dispersions & Pigments divisions and Performance Chemicals divisions
- Surface Technologies - The Surface Technologies segment comprises the Catalysts, Coatings and Construction Chemicals 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. Also includes transactions relating to leather and textile chemicals business, paper wet-end and water chemicals business during the year of respective divestiture.
- Un-allocated assets mainly include advance tax (net of provisions), cash and bank balances and other un-allocable assets.
- Un-allocated liabilities mainly include short term loan and other un-allocable liabilities.
- Previous period figures have been regrouped/ reclassified, wherever necessary to conform to current period classification.

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Balance Sheet as at March 31, 2019

(Rs. in million)

Particulars	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)
ASSETS		
1 Non-current assets		
Property plant and equipment	9,560.8	11,169.2
Capital work-in-progress	422.4	274.8
Intangible assets	9.0	4.3
Financial assets		
(i) Loans	214.0	231.1
Deferred tax assets (net)	639.0	460.2
Income tax assets (net)	1,220.7	966.5
Other non-current asset	347.5	249.9
	12,413.4	13,356.0
2 Current assets		
Inventories	12,126.3	10,191.7
Financial assets		
(i) Trade receivables	10,406.7	10,887.8
(ii) Cash and cash equivalents	127.8	81.0
(iii) Bank balances other than cash and cash equivalents	4.3	5.2
(iv) Loans	52.3	62.8
(v) Other financial assets	744.4	915.7
Other current assets	2,625.4	2,901.1
Assets classified as held for sale	14.1	62.3
	26,101.3	25,107.6
Total assets	38,514.7	38,463.6
EQUITY AND LIABILITIES		
Equity		
Equity share capital	432.9	432.9
Other equity	13,696.0	13,005.9
	14,128.9	13,438.8
1 LIABILITIES		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	3,034.1	3,206.8
(ii) Other financial liabilities	163.5	525.4
Provisions	491.3	530.9
Other non current liabilities	34.3	92.6
	3,723.2	4,355.7
2 Current liabilities		
Financial liabilities		
(i) Borrowings	5,734.8	1,734.3
(ii) Trade payables		
(a) Outstanding dues to Micro Enterprises and Small Enterprises	268.7	144.2
(b) Outstanding dues to creditors other than micro enterprises and small enterprises	12,407.2	12,567.0
(iii) Other financial liabilities	1,510.8	5,227.9
Provisions	362.0	404.7
Current tax liabilities	-	136.2
Other current liabilities	379.1	454.8
	20,662.6	20,669.1
	24,385.8	25,024.8
Total equity and liabilities	38,514.7	38,463.6

Note: Previous year figures have been regrouped and reclassified, wherever necessary to conform to current period classification.

Price Waterhouse Chartered Accountants LLP

Independent Auditors' 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, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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, 2019, 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 Auditors' 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
Assessment of Provisions and Contingent liabilities At March 31, 2019, 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. 469.8 million and disclosed contingent	Our audit procedures included the following: <ul style="list-style-type: none">• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

**Independent Auditors' Report
To the Members of BASF India Limited
Report on the audit of the Financial Statements
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liabilities (to the extent not provided for) of Rs. 1,146.2 million.

Refer to Notes 17, 35 and 41 to the financial statements.

The Company undergoes assessment proceedings from time to time with direct and indirect tax authorities and with certain other parties. There is a high level of judgement required in estimating the level of provisioning and/or the disclosures required. The management's assessment is supported by advice from independent tax consultants and legal consultants, where considered necessary by the management. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and Balance Sheet position.

We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.

- Obtaining details of the related matters, inspecting the supporting evidences and critically assessing management's evaluation through discussions with management on both the likelihood of outcome and the magnitude of potential loss;
- Reading recent orders and/ or communication received from the tax authorities and with certain other parties, and management replies to such communication;
- Where relevant, reading most recent available 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;
- Understanding the current status of the tax assessments/ litigations;
- Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the facts and circumstances and assessment of the likely outcome.
- Together with auditor tax experts, assessed the likelihood of the potential financial exposure;

We did not identify any material exceptions as a result of above procedures relating to management's assessment of provisions and contingent liabilities.



Price Waterhouse Chartered Accountants LLP

**Independent Auditors' Report
To the Members of BASF India Limited
Report on the audit of the Financial Statements
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Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the directors' report, report on corporate governance and management discussion and analysis report but does not include the financial statements and our auditors' 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.



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**Independent Auditors' Report
To the Members of BASF India Limited
Report on the audit of the Financial Statements
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Auditors' 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 auditors' 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.
 - 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 auditors' 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 auditors' 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.



Price Waterhouse Chartered Accountants LLP

**Independent Auditors' Report
To the Members of BASF India Limited
Report on the audit of the Financial Statements
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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 auditors' 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

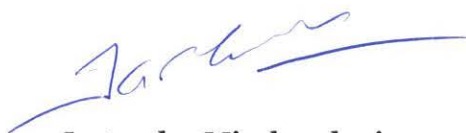


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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 17, 35 and 41 to the financial statements;
- ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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



Jeetendra Mirchandani

Place: Mumbai
Date: April 30, 2019

Partner
Membership Number: 048125

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of BASF India Limited on the financial statements for the year ended

March 31, 2019

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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, 2019 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 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.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (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.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of BASF India Limited on the financial statements for the year ended

March 31, 2019

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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.

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 control 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants



Jeetendra Mirchandani

Partner

Membership Number: 048125

Place: Mumbai

Date: April 30, 2019

Price Waterhouse Chartered Accountants LLP

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 for the year ended

March 31, 2019

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets 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 fixed assets 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 immovable properties, as disclosed in Note 1 on fixed assets to the financial statements, are held in the name of the Company, except in respect of leasehold land held at one of the Company's manufacturing locations (having Gross Block – Rs. 21.4 million and Net Block – Rs. Nil). The Company is in the process of complying with terms of the lease cum sale agreement and basis completion thereof, would execute the final sale agreement to obtain right of ownership thereon.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. 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 material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public 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 generally regular in depositing undisputed statutory dues in respect of income tax and profession tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 35(ii) to the financial statements regarding management's assessment on certain matters relating to provident fund.



Price Waterhouse Chartered Accountants LLP

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 for the year ended March 31, 2019

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax 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, 2019 which have not been deposited on account of a dispute.
- viii. 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 borrowings to any bank as at the Balance Sheet date. The Company neither has any loans or borrowings from financial institutions or Government, nor has it issued any debentures as at the Balance Sheet date, therefore the provisions of Clause 3(viii) of the Order, to that extent, are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year ended March 31, 2019. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are 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 (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

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 for the year ended March 31, 2019

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- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants



Jeetendra Mirchandani

Partner

Membership Number: 048125

Place: Mumbai

Date: April 30, 2019

Price Waterhouse Chartered Accountants LLP

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, 2019

Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
1	The Income Tax Act, 1961	Income Tax liability (including interest and penalty, as applicable)	383.4	Assessments Years 2002-03, 2004-05, 2005-06, 2007-08, 2013-14 and 2014-15	Appellate Authority - up to Commissioner's level
			312.5	Assessment Years 2007-08 to 2012-13	Income Tax Appellate Tribunal
			2.5	Assessment Years 2000-01, 2002-03 and 2006-07	High Court
			Sub Total	698.4	
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)	393.1	Financial Years 2002-03, 2005-06, 2006-07 to 2016-17	Appellate Authority - up to Commissioner's level
			11.8	Financial Years 1993-94, 1994-95, 2004-05, 2006-07, 2009-10 to 2011-12, 2013-14	Sales Tax Appellate Tribunal
			Sub Total	404.9	
3	The Finance Act, 1994	Service Tax Liability (including interest and penalty, as applicable)	3.5	Financial Years 2006-07 to 2010-11	Appellate Authority - up to Commissioner's level
			930.7	Financial Years 2004-05 to 2012-13 to 2015-16	Custom, Excise and Service Tax Appellate Tribunal
			Sub Total	934.2	
4	The Customs Tariff Act, 1975	Customs Duty (including interest and penalty, as applicable)	43.6	Financial Years 2003-04 to 2005-06	Supreme Court
			1.2	Financial Year 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			Sub Total	44.8	
5	The Central Excise Act, 1944	Excise duty Liability (including interest and penalty, as applicable)	20.4	Financial Years 1997-98, 2007-08, 2009-10, 2011-12 to 2014-15	Appellate Authority - up to Commissioner's level
			9.1	Financial Years 1981-82, 2011-12 to 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			Sub Total	29.5	
	Total		2,111.8		

