

## BASF India LIMITED - 77<sup>th</sup> Annual General Meeting (AGM)

6<sup>th</sup> August 2021

- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Good afternoon, ladies and gentlemen, I welcome you to your company's AGM which is being held virtually through video conferencing facility. Now I would like to inform you about some important points for the smooth conduct of this Annual General Meeting. All the shareholders who have joined this meeting have been muted by the host to avoid any disturbances. During the question/answer session the names of the speaker-shareholders will be called out by me and thereafter the host will unmute you so that you can speak. So, speaker-shareholders are requested to ensure their audio and video should be enabled and working properly and if you are unable use the video, you can also speak through the audio mode. So please use earphones or headphones if possible so that you are clearly audible.
- So now I welcome our Chairman, Mr. Pradip Shah, attending this AGM through video conferencing facility from his residence in Mumbai, and request him to preside over the Annual General Meeting and start conducting the meeting. Thank you.
- **Mr. Pradip Shah – Chairman, BASF India Limited:**
- Thank you, Pradeep.
- I have great pleasure in welcoming you all to the 77<sup>th</sup> Annual General Meeting of your Company. I trust you and your family are healthy and safe during this uncertain and unprecedented time of the Covid 19 pandemic. Considering the safety of the shareholders due to Covid 19 pandemic your company's Annual General Meeting is being conducted through video conferencing in compliance with circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. Your Company has taken required steps to enable the shareholders to participate in this meeting and vote on the resolutions set out in the notice of the 77<sup>th</sup> Annual General Meeting. The requisite quorum for this meeting is present and with your permission, I shall commence the proceedings.
- Firstly on behalf of the Board of Directors and Shareholders of the Company, I welcome Dr. Carola Richter, President, South and East Asia, ASEAN and Australia and New Zealand who has been appointed as a Director of your Company today, and is attending this meeting from Germany. Dr. Carola Richter has received her PhD in physics from Heidelberg University, Germany. She joined BASF SE Germany in 2003 from McKinsey and has been with BASF for more than 17 years. She has handled various regional and global leadership responsibilities in Hong Kong and Germany. Her leadership experience cuts across multiple operating divisions, functions like coatings, performance chemicals, business management, acrylics and super absorbents, global business management, hygiene, global marketing technology, supply chain, dispersions and pigments, economic evaluations. She has also visited India both our Mangalore facility as well as the Dahej facility. Let me also inform you that Mr. Dirk Bremm has resigned as a Director of your Company with effect from

August 5, 2021. He was an active participant on our board discussions and the Board places on record its appreciation for the valuable contribution by Mr. Dirk Bremm during his tenure as director of the Company. I also welcome Dr. Ramkumar Dhruva, President, Monomers, who is attending this meeting from Belgium, Brussels. He completed 25 years with BASF yesterday. All the Directors of your Company are present at this AGM. And I will now request all Directors to introduce themselves one by one. Mr. Narayan Krishnamohan.

– **Mr. Narayan Krishnamohan – Managing Director, BASF India Limited:**

– I am Narayan Krishnamohan, Managing Director of the company and attending this meeting from our Innovation Campus at Navi Mumbai. I am also the Chairman of the Risk Management Committee. Thank you.

– **Mr. Pradip Shah – Chairman, BASF India Limited:**

– Thank you. Mr. R.A. Shah. Maybe there is a sound problem we will come back to him later. Mr. Arun Bewoor.

– **Mr. Arun Bewoor – Independent Director, BASF India Limited:**

– I am Arun Bewoor, Independent Director of the Company, attending the meeting from my residence in Mumbai. I am also the Chairman of the Stakeholders Relationship and CSR Committees.

– **Mr. Pradip Shah – Chairman, BASF India Limited:**

– Thank you. Mrs. Shyamala Gopinath.

– **Mrs. Shyamala Gopinath – Independent Director, BASF India Limited:**

– I am Shyamala Gopinath, Independent Director of the company and attending the meeting from my residence at Mumbai. I am Chairperson of the Audit Committee.

– **Mr. Pradip Shah – Chairman, BASF India Limited:**

– Dr. Carola Richter.

– **Dr. Carola Richter – Non-Executive Director, BASF:**

– I am Carola Richter, Non-Executive Director of the Company and I am attending this meeting from Ludwigshafen, Germany, our headquarters.

– **Mr. Pradip Shah – Chairman, BASF India Limited:**

– Thank you. Dr. Ramkumar Dhruva.

– **Dr. Ramkumar Dhruva – Non-Executive Director, BASF India Limited:**

– I am Ramkumar Dhruva, Non-Executive Director of the company attending the board meeting from BASF Brussels, Belgium, thank you.

– **Mr. Pradip Shah – Chairman, BASF India Limited:**

- Thank you. Mr. Narendranath Baliga.
- **Mr. Narendranath Baliga – Chief Financial Officer, BASF India Limited:**
- Good afternoon everyone, I am Narendranath Baliga, Chief Financial Officer of the company. I am attending this meeting from my residence in Mumbai.
- **Mr. Pradip Shah – Chairman, BASF India Limited:**
- Mr. Pradeep Chandan.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) and Company Secretary, BASF India Limited:**
- I am Pradeep Chandan, Director-Legal, General Counsel (South Asia) and Company Secretary of the Company, and I am attending this AGM from our Innovation Campus in Navi Mumbai, thank you.
- **Mr. Pradip Shah – Chairman, BASF India Limited:**
- Thank you. Mr. Rajesh Naik.
- **Mr. Rajesh Naik – Manufacturing Head and Whole-time Director, BASF India Limited:**
- Good afternoon, I am Rajesh Naik, Manufacturing Head and Whole-time Director of your company. I am attending this meeting from the Innovation Campus, Navi Mumbai.
- **Mr. Pradip Shah – Chairman, BASF India Limited:**
- I will just check again, Mr. R. A. Shah, is your system on. Can you introduce yourself?
- **Mr. R.A. Shah – Independent Director, BASF India Limited:**
- I am R.A. Shah, an Independent Director and I reside in Malabar Hill in Bombay,
- **Mr. Pradip Shah – Chairman, BASF India Limited:**
- Thank you Mr. Shah. Thank you everyone. Your company's statutory auditors, internal auditors, secretarial auditors and cost auditors have also joined the meeting through video conferencing. The notice convening the Annual General Meeting and the Annual Report have already been circulated to the shareholders of the company on 8<sup>th</sup> July 2021, and with your permissions I take the notice dated 11<sup>th</sup> May 2021 convening this 77<sup>th</sup> Annual General Meeting as read. The auditor's report does not have any qualifications or observations or comments on the financial statement of the company for the financial year ended March 31<sup>st</sup>, 2021. Hence with your permission I take the same as read. The company has received corporate representations under Section 113 of the Companies Act, 2013, from BASF SE and BASF Schweiz AG representing 73.33% of the paid up equity capital of the company holding 3,17,43,220 equity shares of the company. Since the Annual General Meeting is held virtually, requirement of appointment of proxy is not applicable. The registers maintained under the Companies Act 2013 are available for inspection

electronically. Shareholders may send their request to Mr. Pradeep Chandan, Company Secretary, for inspection of any documents mentioned in the AGM notice.

- I will now invite Mr. Narayan Krishnamohan to make the presentation to the shareholders. I also authorize him to conduct the remaining proceedings of this AGM namely e-voting, appointment of scrutinizer, handling questions and answers, declaration of e-voting results and conclusion of the meeting. Thank you very much. Over to you, Mr. Narayan Krishnamohan.
- **Mr. Narayan Krishnamohan – Managing Director, BASF India Limited:**
- Thank you, sir, thanks for a wonderful start to the meeting. On behalf of my fellow directors also a warm welcome to all our shareholders at our AGM.
- In the course of the next hour or so I will try to give you an overview of what happened in the previous financial year 2020-2021. And towards the end of the presentation would also give a couple of slides showing the results of the first quarter for FY2021-22 which has been just released to the stock exchanges a few moments ago. So before I start the presentation a few forward looking statements cautionary note, as is customary I have to make this statement that only the matters in public domain can be a matter of discussion at this meeting. We do not provide forecast about the future business situation and also do not comment or give guidance on future results or business outlook, just as a note of caution.
- With that, let me start with what happened in the previous year, I mean all of us have gone through a lot in the course of the last year with Covid being a major impact. When I spoke to you last at the AGM exactly a year ago we were in the midst of the first wave, and we were in a lockdown and you can see the first wave, wherein you can see the first bump in the chart where we were registering about a million cases every 8 to 10 days, and then after that came a kind of decline and the industrial activity resumed, our business also started doing quite well in Q3 and Q4. And then we were hit by this immense second wave where the intensity and the geographic spread was so much more than the first wave that we had about a million cases in the country every 3 days, so you can just see the impact that was there on the whole nation. Let's say I am happy to note today that the number of cases being registered was much lower than what it was in April and May when we really struggled as a country. Overall when we look at the country we have over 3 crore people who have recovered and unfortunately I have to say that we had in excess of 400,000 people who lost their lives to this terrible virus.
- Now in the context of vaccinations, I mean we as a country have vaccinated over 47 crore people and about 7.5% of our population has received both doses of the vaccine. Vaccination in our opinion is a good defensive strategy against the illness and the observation is that people who are fully vaccinated though it doesn't you make a 100% immune, it does reduce the intensity of the infection, God forbid if you do still contract the virus. Now in BASF India in our workforce you can see that we had about 500 people who got infected by this virus over the course of the last year, and out of them 492 have recovered and resumed. Unfortunately we had 10 fatalities of which 3 colleagues were our full time employees and we had 7 colleagues who were on contractual rolls of BASF. We did our best to support our

employees during the course of this, even when they did get infected we did our best to get for them medical facilities, the medicines that were required, and unfortunately we still had a few fatalities, truly sad, and there we are supporting the families to deal with the losses and to support them and the children going forward as to how can they continue with their lives despite the loss.

- Now looking a little bit about operations, so what did we do during the course of last year. You would remember at the first quarter, we had a national lockdown, our facilities were largely shutdown and we only had operations which were considered to be essential. However post that with a gradual resumption of activities we were allowed to operate our plants and we are happy for you to know that quarter on quarter we improved our operating rates based on the demand and we made sure that we have safe operations, safe processes, our statistics in the context of our safety and wellbeing of employees are very, very high and we continue to focus on this. We organized vaccination camps for employees as well as their families, also for the contract employees and families on the sites to ensure that they are taken care of. And I am happy to report here that as of date in excess of 80% of our employees are vaccinated with at least one dose, and over 30% have been vaccinated with both doses and based on the time intervals required we would have a situation where by the end of September we would have in excess of 90% of our population fully vaccinated.
- So, on top of making sure that our operations are safe and our employees are taken care and vaccinated, what we also did is we went out and reached out to the local communities around our offices and our sites. At our site in Dahej for example we distributed essential groceries, medical supplies, what we also did was helped set up a mobile acute health care centre in Mumbai along with our fellow peers in the chemical industry. We also donated oxygen cylinders and oxygen plants in the hospital in the neighbourhood of our facilities and we contributed to a large extent in the community surrounding us. What we also did at that point of time if you recollect, many of our young children who go to school, they haven't been to school over a year because their lessons have all been online and they needed support in the context of the hardware. So many of the communities which could not afford the mobile devices in the context of phones or computers, we supported them via donations, over 165 underprivileged children did get that support from us during the course of last year.
- In addition to that we also donated medical equipment to hospitals in and around our sites, in Panoli which is our newly acquired sight from Solvay. We also donated an HRCTC scanner to the Jumbo Covid Centre at Navi Mumbai. And last but not the least we used our chemistry to enhance the generation of medical grade oxygen. If you would recollect during the course of April and May when the country was in desperate need of oxygen, I mean you could see some distressing pictures on television whether it was in Delhi or in some other states where patients were struggling to get oxygen. In that time along with the help of my fellow board members and especially I would like to mention Dr. Carola Richter here who helped us to large extent to get one BASF's products which are called molecular sieves and which are catalysts in the pressure swing adsorption plants to generate oxygen. So we donated a significant portion, almost 70 tons of this material to various hospitals,

overall 145 tons of molecular sieves were supplied to various oxygen generating units at hospitals, at industrial units, some even converting the nitrogen pressure swing units into oxygen units. So we really enabled using our chemistry to supply the much needed medical oxygen thereby saving plenty of lives in the country. And what was interesting in this whole process was, it was one fine Sunday when I got a call from my fellow MD in Tata Chemicals who called me and said, Mohan, we need this support from you and you should be part of this group which will bring in the necessary equipment. And within a matter of 10 days from the call on Sunday till the following Wednesday we managed ship across a 145 tons of this molecular sieves in collaboration with the government of India where we had support from the embassy in Berlin, and the most interesting part of this was there were no commercial airlines available to take this cargo from Germany to India. And with the help of the Indian Air Force we used their C17 Globemasters which were these carrier aircrafts which carried 3 sorties between Frankfurt airport and Mumbai to get these valuable molecular sieves into the country. Why I state this and give it particular importance is for you to understand that BASF as a company contributes to the welfare of the society, welfare of the nation around us and we did this and my staff, not just in India but also in Singapore, in KL and in Germany were working more or less 24/7 along with the air force colleagues and the Ministry of External Affairs to make sure that these materials are delivered at the most urgent basis into the country. I mean I tell you I will give you a simple example, a military aircraft doesn't give you an airway bill and this is just for those enthusiasts on the supply chain. One of the challenges that we had, at least two challenges, one was how do we get the right documentation to get this material into the country in the context of airway bill. And the second challenge was how do you get these things X-rayed and security cleared because we needed to actually send this cargo by road across into France, get it security cleared because that's across the border in Germany and then board it into a military aircraft because it was not normal standard commercial aircraft which would carry goods. So quite a few interesting challenges that we encountered along the way. But I am really thankful to my team and our global BASF team that we could support our nation in this time of difficulty and we could do our best and contribute to saving a few lives in this regard.

- With that I must say that the year was a challenging year and we continue to be in difficult circumstances with Covid, Covid has not gone away, so I also request all of you to be utmost vigilant. There is always talk about a third wave or fourth wave coming in due course of time. We need to be careful, we need to be staying safe, I mean I am fully vaccinated so are my colleagues over here. Nine out of 10 times, 99 out of 100 times if you see me wearing a mask but last year I tried to speak through a mask and it doesn't work, which is why I have taken off the mask, we maintain adequate social distancing and all of us here are fully vaccinated from that perspective. But that said the moment this is over I go back and put on my mask and take as many precautions as possible.
- So I would like to show you that one slide amongst what you see on the lower left corner is the Indian Air Force aircraft carrying the BASF molecular sieves which were brought into the country, you can see the C17 Globemaster down there, and you can see the cargo being loaded on the upper left. On the lower right side you see an oxygen generation plant that we donated to a hospital in Bharuch, and above that

you see the HRCT scanner which we donated to the CIDCO Convention Centre in Vashi. So these are some of the things that we have done over the course of the last year.

- And with that I would move to the financial performance for the year, if I were to look at the bottom section of this chart what you see is the GDP performance versus the previous year, so you can see in the first quarter of the financial year, we had a minus 24% decline, this was the time when we had a complete national lockdown. And then a slow recovery, you see each quarter we had a recovery and then going into the last quarter of the financial year you had a positive growth in GDP. If I were to look at the various sectors, it was not that all sectors were equally challenged. You can see that the V shaped recovery was pretty much there in the automotive sector in Q3 and Q4, the Ag sector on the other hand had a wonderful year despite the challenges of Covid. The water levels were high there were sufficient cash with the farmers, and the rainfall was pretty much normal. It was one of the better years in the context of monsoons in the Ag sector. The businesses which were related to nutrition and care actually witnessed a positive growth and that was related to the higher use of cleaning material, the higher use of sanitizers which resulted in a positive development. Chemicals overall only had a minor growth, and overall you can see the second half of the year being strong ended up with GST collections of over 1 lakh crore per month, for 8 months after the lockdown was lifted.
- Now what did we do in this year, when we started off the year we had no choice, the first quarter was almost a total wash with only our essential plants running and all other plants being shutdown. However, we took that opportunity to work closely with our customers and I had reported about that last August. We transformed our business processes, we learnt how to work from home to a large extent and we enhanced our engagement whether it was with customers, whether it was with our employees, or with government and industry bodies, we did a lot during the course of this year. And for this I am deeply thankful to my colleagues at BASF who have gone out of their way whether it was braving or taking a risk while coming to our factories and plants, keeping them operational once the lockdown was over, and I am really pleased to report that we did not record any active transmission or clusters of Covid infections at our sites or our offices. So really the safety precautions that we took worked out very well. On top of that when we were working from home, all my colleagues in sales and marketing, supply chain or finance and HR, all of them contributed very solidly in the context of our business management, in the context of supporting all the aspects of our business and like I have mentioned over the last couple of years, our focus is pretty much simple. Active business management, look for top line growth, improve profitability in the context of margins and cost control resource optimization. I have been repeating this, sorry about it, it is the 3<sup>rd</sup> year in a row that I say the same things but in my opinion this is what works to run a solid business, it is not rocket science, it is back to basics. And especially in the Covid environment this is what we had to do, and we had to learn to do it in a different way. We had to learn to do it not in our offices, we weren't meeting anybody and at that point in time working from our homes.
- I would like to show a little bit on the number front. If you look at the 4 quarters that we had in the previous year, on the left side you see the revenue development, on

the right side you see the PBT before exceptional items. So every quarter we have delivered solid growth in the context of our revenue aided by both volumes as well as prices. So we have had good solid increase year on year 26%. And when you look at PBT before exceptional items, and we did have exceptional items last year because of our portfolio management activities, you can see that except for the first quarter, the April-June quarter where we had a negative PBT because of the shut down that we were in, the national lockdown. Every quarter we have been consistently improving our PBT before exceptional items and delivering strong numbers.

- If you look at in terms of further after exceptional items, you see here that PBT increased to 840 crores that was also on top of the operational performance, we did also have gains due to the portfolio restructuring especially the sale of our construction chemical business. A couple of times I have been asked in this forum about our ROCE, and I am pleased to inform you that we improved this tremendously from the 6.6% in the previous financial year to 24.5% in the year 2020-21. And I think that's a remarkable growth in the context of our profitability and return on capital employed. Again pretty much working very hard on volume growth, engaging with our customers, looking at our margin over raw materials and fixed costs and capital management. This has exactly been our mantra for the last 12 to 15 months and I really thank my colleagues on the board, also the independent directors who have been a strong source of inspiration and guidance to enable us steer this business. I can say that the operating rates of our facilities were low in Q1 due to the lockdown but since then we have been pushing and really spreading our assets in every quarter, we have been doing one better than the previous one.
- Again when you look at the revenue chart, you will notice one difference in the segment revenue compared to the previous year and that is in the, the previous year when I showed you the slide it was more or less even everywhere, and this time you see the surface technology segment has relatively shrunk, it is only 4% of our turnover, and that's a consequence of the divestment of our construction chemicals business which we divested during the course of last year to Master Builder Technologies. So when you look at the other businesses, it is pretty healthy the portfolio when you look at materials, or nutrition and care, Ag solutions, chemical and industrial solutions, pretty evenly spread amongst these other segments. A little bit about what happened in the year in each of the segments, I must say that Ag solutions was really an unaffected segment during the Covid and we had a very robust growth of 29%. The monsoon was normal, the season was very strong and also our strategy to diversify our product portfolio and grow further in our retail channels really paid dividend over there and Ag solutions did a fantastic job in the full year 2021. The other business which was relatively less impacted by the Covid situation was nutrition and care. This had largely most of the essential commodities and they were allowed to run the plants even during the national lockdown. Again strong growth in that business, plus 58% which is remarkable and that too in a Covid impacted year, I would take those numbers any day.
- Then the material segment, I must admit here that the material segment was challenged because of its exposure to the automotive industry and the automotive industry did have a difficult first half of the last financial year, however it rebounded



very strongly in quarter 3 and quarter 4, and also we grew in market share in that segment. Also from the monomers business we were able to have higher realization that's higher prices and again a strong solid growth. Industrial solutions we had supply constraints in the market overall, however BASF was able to leverage that and to fill in the void left by some of our competitors and grow our volumes. Our selling prices and margins also improved tremendously during the course of the year. Minus 53% that you see in surface technologies is essentially the result of the carve out of the construction chemicals business whereas the coatings business was growing more or less in line with the automotive business, it had an impact in the first half of the year, but then recovered very smartly in the second half. The chemicals segment tremendous growth of 70%, both a combination of volumes as well as pricing, and this segment is also a supplier of building blocks to agrochemical industry, to the pharma industry, fragrance speciality ingredients. These are the businesses which actually enabled us to grow our volumes and our pricing in the chemical space.

- In terms of portfolio, so I talked about the exceptional items we had but two portfolio optimization measures at BASF during the last financial year we successfully completed. First was the divestment of our construction chemicals business. You are aware of it, we had placed it before the board the last year and also all of you. We got a consideration of 595 crores for it and the profit on the divestiture is what you see as an exceptional item was about 465 crores. The business transfer was completed on July 1<sup>st</sup> and just for your information the revenue in the first quarter of last year 50 crores was part of the BASF portfolio at that point in time. The second thing which was an acquisition, so we acquired Solvay's Technyl brand and BASF performance polyamides and then we merged this with BIL with effect from February 1<sup>st</sup>, 2021 for a consideration of 303 crores.
- Those were the measures that we took in terms of portfolio optimization and that was globally driven projects which we have also executed here in India, so partly one divestment as well as one acquisition. So we strengthened further our value chain in the polyamide segment and clearly that gives us a certain opportunity to grow further in the automotive industry and appliances industry in the course of the coming years.
- Now at our production sites, our focus has been to enhance production efficiency, you saw we were running at high rates post the lockdown, and we were also working very much on the areas of sustainability and quality. Some of the pictures that you see here, the one on the extreme left is the Silver Jubilee of our site in Mangalore. So last year we celebrated the 25<sup>th</sup> anniversary of our Mangalore site. And we also then had decade or the 10<sup>th</sup> year of the R&D operations of the Global Coatings Technology Centre at Mangalore. And we expanded capacity of Cellasto last year and also started a coolant plant in Dahej and this we continue to operate pretty highly and profitably. We did various measures in the area of energy conservation, waste management, I mean if you look at some of the topics, we introduced bio fuel for our boilers, we have converted to renewable energy at some of our sites both at Mangalore and Dahej with solar power being used thereby reducing the CO2 footprint. As you would be aware BASF has globally committed to carbon neutrality in the course of the next decade worldwide, and clearly we are contributing to that from our own perspective at BASF India. We did various tree plantation exercises, at

our community service you also saw what we did during the course of Covid in addition to what we normally do at the sites, of course we supported the communities around our site with Covid relief measures. So that's what we did on our sites.

- In terms of operations, I explained to you a little while earlier that during the course of the Covid and the impact we had to change a lot of our processes because the way we worked completely changed unannounced when it started somewhere in the last week of March 2019 just before this financial year started, we never expected that we would be working remotely. But then it happened all of a sudden and our teams learnt how to utilize digitalization and remote working possibilities. So just to give you an example I mean I myself have attended a few of these meetings with our crop protection colleagues who have farmer meetings in large numbers explaining about seed treatment, about product treatment and launch of digital tools in the context of how can we support the farmers and the farming community, I mean that's really an interesting field where I see a lot of potential for our company going forward as well to penetrate further into our markets.
- What you see on the right is a gentleman wearing Microsoft HoloLens wherein we have used this technology now for safety audits in plants, for technical support and while travelling was highly restricted during the course of this pandemic but wearing one of these lenses, even from a remote location it is as if you are actually walking in the plant. So it is possible to have these technologies in the meanwhile. A couple of years I wouldn't have thought it is possible unless I physically visited the plant. At the moment I still would love to visit my plants and meet the people and I try to do it whenever it is safe if possible, but in the meantime we are conducting audits and also conducting meetings using these advanced technologies.
- We also supported our employees in the context of enabling work from home in terms of infrastructure, in terms of facilities and equipments, and we also did onboarding of new colleagues using this. So overall I would say we as a company have learnt how to work in a digital remote fashion, which also means going forward we as a company will have to think about how will the future look like once this pandemic is over. And I am very sure it will not be exactly the same as it was before. So it will be some kind of a hybrid model going forward. So that's something which I will update you as and when it happens.
- At this point I would also like to specifically talk about a lot of improvements that we did in the context of supply chain. During the course of the last year there have been several disruptions in the global supply chain for chemicals whether it was a freeze in North America, whether it was the stranded ship in the Swiss Canal which disrupted traffic for several weeks, or general unavailability of products due to various reasons. Now our supply chain teams have come across all these challenges. I remember at the peak of the lockdown hundreds of containers of BASF were lying in the ports and it was difficult to clear them, even if we did manage to clear them based on automated processes, it was difficult to get them transported across the country, give visibility to our customers as to when they would receive their material. And I must say that our colleagues in customer service as well as supply chains have done a brilliant job in digitalizing these processes and making sure that our customers are,

their needs are well met, they are well informed about what's happening and when they would receive their products in a safe manner. I believe that we have definitely gained market share because when I look at overall industrial production, our chemical production and BASF's own performance during the course of the last year, we have definitely out performed the industry and this gain in market share has happened because of a sum of all these measures. We have been reliable, we have supported our customers, we have engaged with them and as a consequence we have been rewarded with additional business from our customers.

- That was about the previous financial year and I would take now a few minutes to talk about the quarter that just went by, the April-June quarter wherein we were hit by the second wave. So there was a solid second wave which started somewhere around March again, and through April and May there were severe challenges in the industry. There were partial lockdowns in several states, and many industries were hit and mostly I can talk about the automotive industry where during the course of April and May several of our OEM manufacturers took voluntary shutdowns simply because either there was no demand or they were unable to manufacture because they didn't have sufficient people or parts to produce as a consequence of the intense second wave. Both the Delhi-Gurgaon area or the Tamil Nadu area which is home to the automotive industry to a large extent were severely impacted during the second wave and as a consequence, this quarter there was a big impact from the automotive sector. But what we saw was as against the previous first wave when there was a national lockdown this time I think as a nation we did not go in for a lockdown, they were selective in selective states which had impact on various customers and businesses. But overall I think there was a more pragmatic approach in the context of the industrial production. So you see that the industrial production did drop but it was not as bad as the first quarter of previous financial year.
- I would also say is that if you look at the GDP focus, we have a very solid Q4 of the previous financial year Jan-March quarter, when I read the forecast from IMF for World Bank, they all were looking at probably about 10 to 12% growth in GDP. In the meanwhile with every passing month I see a reduction in those forecasts, GDP forecasts at the moment somewhere between 7 and 8% is what you hear from various economic agencies.
- Against this backdrop I am really proud of the results achieved by my team over here and really thank everyone, my colleagues, you have done a tremendous job and I also thank all the support from the board of directors and my shareholders in this, it is really something which I am really happy to present these numbers to you. When you look at revenue a 70% growth compared to the same quarter previous year. Of course, the same quarter in previous year was Covid impacted and it had a national lockdown. But even if I compare to the Jan-March quarter which was very robust and it was around 2800 crores if I remember correctly. And now we have a 3000 crores in this quarter, so we have done even better than the strong last quarter of previous year. If you look at EBIT before exceptional items at 250 crores my colleagues tell me this is probably the highest ever that BASF India has ever reported, and a PBT of 248 crores. Yes, there was impact so was it all plain sailing, no - it wasn't, it was kind of difficult with the slowdown that we had on the automotive sector, but what I can say is that across all segments and here I would specifically talk about the agricultural

segment as well as the industrial solutions segment, the material segments which did remarkably well in context. So we have been supported by reasonably high prices so we were able to pass through these costs as well as have better realization. We have grown in volumes and really kept the costs under control. Also our borrowings we are at practically at 0 at this point in time in the context of our borrowings.

- That said what are our priorities, I mean, forgive me for showing this slide again because I think we need to do more of the same, we need to be focused on the business management, operational efficiencies, we need to continue to have top line growth and margin management. We will continue to work on our costs and working capital, and also the way we work in the context of digitalization and remote working I don't think it is going to go away in the near future. So clearly we need to continue to focus on this. What we enhance again is customer focus, as very clearly at BASF we have said it a few times now and I repeat it, customer is at the centre of everything that we do, our whole organization shaped around where the demand comes from, where is the industry moving and supporting our customers to grow in their strategic targets is exactly what we need to do and that will ensure that we grow with them and we grow profitably together. We are engaging with all our business partners and suppliers. We make sure that our EHS measures, our employees are taken care of, that the working conditions for them, the environment in which they work, and we make sure that it is safe and that they can go back home every day in a safe way. I talked about future of work at BASF, this is a small project that we have initiated because like I said I don't think we will ever go back to the way we were in the past. So the future looks different, we need to learn to work differently, and in that context as an organization we have to embrace remote working, we have to embrace hybrid working and working digitally. That said BASF as an organization is built on connectedness. So I don't see us a 100% as working remote, I see very much the need to be, need to collaborate, need to innovate and in that context, the talent development, focus on diversity and inclusion so we need to work on that. And Carola, our fellow board member is very much active in this field, we have to improve as a company, we are currently at 10% in the context of female employment at BASF, and that's clearly a target which Carola and I agree that we need to improve significantly going forward.
- These are some of the priorities that we as an organization will be working on in the future. And with that I come to an end to my presentation. Thank you very much for listening to me. Thank you.
- So I move to the next item of the agenda, this is regarding e-voting. As per the provisions of the Companies Act, 2013, and the rules made thereunder, the company is required to provide remote e-voting facility to its shareholders which was provided from Tuesday the 3<sup>rd</sup> of August, 2021, from 9 am to Thursday, 5<sup>th</sup> August, 2021, till 5 pm. For the benefit of the shareholders who have participated in this meeting and have not cast their votes through remote e-voting, we have provided the facility for electronic voting and the shareholders can exercise their votes during the course of this meeting. All the resolutions proposed to be passed at this 77<sup>th</sup> Annual General Meeting would be passed by means of e-voting. I also hereby declare that I am interested in the resolution set out in item No. 5 of the AGM notice as it pertains to increase in the existing limits of maximum remuneration payable to me as Managing

Director. Appointment of scrutinizer, Mr. Hemant Shetye, partner of H.S. Associates, Practising Company Secretaries has been appointed as the scrutinizer for the e-voting.

- I now request Mr. Pradeep Chandan to explain the procedure of e-voting to enable you to cast your vote.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- NSDL has been engaged by the company to provide e-voting facilities. This facility is only to those shareholders who have not yet cast their votes. Shareholders can visit the NSDL website the e-voting website for casting their votes. As all the resolutions have already been put to vote through e-voting there will be no proposing or seconding of the resolutions. I also take this opportunity to request our shareholders to kindly update your email ids and bank account details with the company or with your respective depository participant for future correspondence and also for us to remit you the dividend on time. So this will really help us. Thank you.
- **Mr. Narayan Krishnamohan – Managing Director, BASF India Limited:**
- Thank you, Mr. Chandan.
- I will now invite the shareholders of the company who have registered themselves as speakers for this AGM. I request Mr. Pradeep Chandan to call out the names one by one as per the order of names within the speakers' list. I request all the speaker-shareholders to be brief and not to repeat the questions or queries already raised by other speakers, and limit their speech to 3 minutes.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- The first speaker, Mrs. Marcarenhas.
- **Mrs. Elizabeth Mascarenhas – Shareholder:**
- Hello, you can hear me?
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Yes, madam.
- Hello, you can hear me? Respected chairman, Mr. Pradip Shah, I welcome with great greeting and love, Madam Dr. Carola Richter, MD - Narayan Krishnamohan and our Independent Directors, all the other honourable directors on the virtual meet, my fellow shareholders who are attending this virtual meet. My name is Mrs. E. Mascarenhas. I am attending from Mumbai. First of all I thank our company secretary, Mr. Pradeep Chandan.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**

- We cannot hear you, madam.
- **Mrs. Elizabeth Mascarenhas – Shareholder:**
- Hello, you can hear me?
- **Mr. Pradip Shah – Chairman, BASF India Limited:**
- Not properly at all.
- **Mrs. Elizabeth Mascarenhas – Shareholder:**
- Now you can hear?
- **Mr. Pradeep Chandan – Director-Legal & Company Secretary, BASF India Limited:**
- Yes, madam, we can hear you.
- **Mr. Pradip Shah – Chairman, BASF India Limited:**
- Try and speak in the mic.
- **Mrs. Elizabeth Mascarenhas – Shareholder:**
- Yeah, I will speak near the mic.
- Capitalization is very high and I think it requires to be split, that our board will think on it. Next I congratulate on all the awards and accolades received and I don't want to name them, time is the constraint. Also I appreciate the CSR work done, we saw a lot of glimpses in the presentation. Now my queries, we have 1250 permanent employees, 1602 temporary employees, how many were affected by Covid, how many got well, how many fatalities, vaccination level, whether both the vaccinations are given. My second question, agricultural solution business registered good growth this year. What is the margin level we get?. Even our credit rating is very good and there is already funding is there, so that will be a good diversification. Of course, I leave it to the board to make decisions. Last I support all the resolutions, I wish our company all the best, stay safe and good health. With this thank you for giving me the opportunity to speak.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- The next speaker is Mr. Peter Mascarenhas.
- **Mr. Aloysius Peter Mascarenhas – Shareholder:**
- Hello, can you hear me?
- **Mr. Pradeep Chandan – Director-Legal & Company Secretary, BASF India Limited:**
- Yes, we can hear you.
- **Mr. Aloysius Peter Mascarenhas – Shareholder:**

- Respected chairman sir, very distinguished members of the board and my fellow shareholders. Good evening to you all, my name is Aloysius Peter Mascarenhas. At the outset I thank the management, our company secretary and his team and the registrar for sending me the e-balance sheet and a copy of the annual report which I received on time.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- We cannot hear you, Mr. Mascarenhas, can you be louder.
- **Mr. Aloysius Peter Mascarenhas – Shareholder:**
- Our PBT and EHD has gone up substantially, can you hear, can you hear.
- **Mr. Pradeep Chandan – Director-Legal & Company Secretary, BASF India Limited:**
- Yes, Mr. Mascarenhas.
- **Mr. Aloysius Peter Mascarenhas – Shareholder:**
- The company has declared very handsome dividend of 100%, very good in the present economic scenario and the pandemic that we are facing nowadays in our country and the world at large which has destroyed all economies, but in spite of that you have declared a handsome dividend. Our market capitalization has also gone up so much so that [music playing] 3400 today which is very, very good. I think this is the highest share price in the history of this firm. Very good sir. Proud to be associated with this firm.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Mr. Mascarenhas, come near to the mic and speak.
- **Mr. Aloysius Mascarenhas – Shareholder:**
- Our CSR is also very good. We have helped the marginalized people and farmers and everybody. As many questions have been asked by my wife and there are many more questions to be asked by the other shareholders I would like to cut short my speech wishing the Chairman and the Board of Directors, and more importantly, all the employees all the very best in the days and years to come. Festival season is coming so I wish each one of you all a happy festive season. With this I end my speech thanking you for a patient hearing. Good luck.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Mrs. Ashalata Maheshwari.
- **Mrs. Ashalata Maheshwari – Shareholder:**

- Respected Chairman sir, Directors my greetings. My name is Ashalata Maheshwari. After reading the balance sheet I am really happy to that the profits have gone up really well. 5,500 million, I hope I have not made any mistake in the observation. Because the profits have gone up really well. And the revenue has also increased by 26%. You have given us a 100% dividend. I would like to congratulate you and say that you and your team for this kind of a result. These are the fruits of your hard work which has been brought in by time. I read that you have sponsored a state of the art mobile unit in Mumbai for COVID through which a lot of patients can be taken care of. You have fulfilled your social responsibility efficiently. You have done such a virtuous job and I pray for you that he keeps showering his blessings on you for you to stay happy and also that you get to be the head of the chemical industry. Chairman sir, I have a request to make. When the company has made such good profits, then why was the shareholder not given any bonus. You could have given us 1 on 1 or 1 on 2 and please do consider for a bonus. I would like to share a couplet with you '*saathon din bhagwan ke kya som kya veer. Bonus ki khabar sunthe hi mein tho khaungi us dhin kheer.*' (Every day is the holy, not just Monday or Thursday. The day you declare bonus I shall have sweets). Now Chairman when I will eat sweets depends on you.
- I salute you and your team, especially Pradeep Chandan. I have seen that since the time he has joined this company there has not been a time when the company had to turn back and look. He is really lucky for us. Our MD and the entire Board is also lucky for us. Sir you have given the photographs of all the Directors in one page of the report. So what I wanted to ask why is Pradeep Chandan given the post of a secretary? Make him also one of the Director. What is your opinion on this? He has not been made a Director, even now he continues to work as a Secretary. So please give him the responsibility of a Director too. I would like to say that all our Directors are good one after the other. Our MD – Narayan Shankar Mohan, it is like two avatars of God has been brought into the company. In that case the company can never be on loss. I am very happy for that.
- I have no words to describe the balance sheet. Everything has been clearly mentioned there, and you do mention everything clearly on the balance sheet. So there is no need to ask more questions. Chairman sir, from the day one I have noticed that you have brought up Chandan to the level of a Secretary but not in the form of a Director in the Board. So I would like to say that it would be moral boost of everyone around. I salute all the employees who has worked really hard. I have always wished for your best and shall continue to do so. I would like to say '*Chehre par honge khushiyan sabke, aur aanknon mein samman hoga, mujhe yakeen hain ek din aap sabke kadmon mein asmaan hoga*' (When you reach great heights I am sure people will be happy and respect you). Chandan sir, I strongly support all the resolutions and I would like to thank you all. I have severe pain in my legs because of which I cannot sit longer hence I cannot talk more. But incase if I have said something wrong I apologize. Thank you.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Thank you. Mr. Aspi Behsania.



- **Mr. Aspi Behsania – Shareholder:**
- Sir I am pleased to see all our directors in good health, especially Mr. Chairman, Mr. Pradeep Shah and Ms. Gopinath also. I wanted to see Mr. R A Shah, but he is not visible. I congratulate the entire management for very good results. But in Q1, Nutrition & Care income has increased, but PBT has reduced quite a lot. What is the reason for that? People are more worried about nutrition. Sir, two years ago were struggling and what has changed suddenly, if the MD can explain? Sir how much of our increasing income and profits are due to increase in volumes and how much due to price increase? How do you see prices of finished products during the balance here? Sir, whenever you sell a division, you should go for a buyback rather than a special dividend since the income will reduce after selling the division. I would request the foreign directors on our Board who are present today to inform the parent that BASF should have only one listed company in India, like Unilever, Schaffer, and many others. So that every now and then you sell a division and you buy another division, that will not happen. Sir I wouldn't propose a split in the share. I would like the share price to compete with MRFs. Sir, what is the roadmap for the next two years? Sir, in case of a third wave, I would request your management to do everything on their own rather than involving the government. The government says that all free vaccines are available. But whenever you go, you don't get any free vaccine. And even after paying Rs. 800, you don't know whether you are getting the genuine vaccine or not, or you are getting a fake vaccine. So I would request the management to at least involve the shareholders in this also for the vaccination drive. Sir thank you and all the best.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Thank you very much. Mr. Bharat Sheth.
- **Mr. Bharat Sheth – Shareholder:**
- Congratulations on good performance and excellent working. I just have a couple of questions. Which are the segments which will drive our profitability? And second, we have very less manufacturing vis-à-vis overall turnover. So the way China plus strategy is evolving globally how are we really planning to take the benefit of that? That is all. Thank you.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Thank you. Mrs. Shobna Mehta.
- **Mrs. Shobna Mehta – Shareholder:**
- Respected Chairman Pradip ji, MD – Mr. Narayan Shankar ji and other honourable Directors and shareholders, my name is Shobhna Mehta. Good afternoon everyone. I am participating from my residence in Surat. I got the AGM notice and report on time through email. Our secretarial department has made the balance sheet very colourful and informative. So I would like to thank our company secretary, Mr.

Pradip Chandan and his entire team and also say that very well done, very good, keep it up. Sir our MD through a video presentation gave a detailed information about the working of our company. So I won't repeat anything and neither will I repeat any of the queries. I would like to say that the results are satisfactory and the performance is encouraging. Considering the results you have recommended 100% dividend. So I would like to congratulate you and entire team and also thank you all. Sir, I would also like to congratulate you for the awards and accolades that our company has received.

- Sir, I have a few queries. Because of COVID we are conducting this meeting through video conferencing. Hence this year too the expenses of printing the balance sheet, posting, hall booking has not been incurred. What is the amount that the company saved on this account? I would like to thank the WebEx team for helping me join the AGM and also thank the secretarial department – Vidhya ji, Chandan ji have worked really hard and send us the link to join the meeting. I would also like to know what is the expense incurred for conducting the meeting through video conferencing? I fully support all the resolutions put forward in today's meeting. My good wishes were always with you, it is still there and shall continue to remain and also pray that our company grows 2x and 4x going forward and hence with better performance you will be able to give us good dividends and also a bonus in the near future. Sir since the topic of the bonus has come up, many shareholders have asked for bonus. I would like to know when was the bonus last declared and issued by the company? Now since we are talking about bonus I would also like to share something with you, '*BASF tere unchi shaan hai maula, mere arzi maan le maula, mujh ko bhi tho lift karade, at least 1:1 bonus dilade.*' (BASF listen to my request and give us a bonus) Before leaving Pradip ji I wish all of you season's greetings and also say '*phoolon ki khushbu kali bahaar, chaand ki chaanni apno ka pyaar. Mubarak ho aap sabko aanewale sabhi thyohar ka*' (Just like the fragrance of a flower, a budding bud, the moonlight and the love our dear ones I wish you all season's greetings). Rakshabandan is on 22<sup>nd</sup> then on 15<sup>th</sup> August we will be celebrating our Independence Day. I wish you all the best, to all of you for the future success. Thank you very much.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Thank you. Mrs. Hodayun Pourdehi.
- **Mrs. Hodayun Pourdehi – Shareholder:**
- Sir we wish if we could meet you personally, I wish there were physical AGMs, we were so sure next year there would be physical AGMS. Never mind now. Next year we will be able to meet all of you all. Sir I just want to know do we come under essential services. That means we can run our factory around the clock, that is what I have heard. Your complete presentation, what challenges you faced during lockdown and so on regarding the supply chain. I heard very well. Imagine during normal times all this would not have been the problem and still do give 100% dividend. Thank you very much now. Sir one more thing. We have sending things abroad. We Indians have been so much lacking all sorts of supplies, connected with

COVID. How much you have suffered because of COVID? My own family has suffered a lot because of COVID. Sir is it advisable to send abroad, for helping abroad? You know they say the charity begins at home. We should first help our own people and then go abroad. That is what I feel. I don't know what must be the situation when you send things abroad. Maybe you all have your own centres there so I do not know about it? Sir and we also thank our company secretary. He himself rang me up even today morning, reminding me of our AGM. So that is a great courteousness and giving respect to the shareholders, and being sure that they attend the AGM. That is how we have been able to attend. I also thank the WebEx platform. Thank you very much. Wish you all the best.

– **Mr. Pradeep Chandan – Company Secretary, BASF India Limited:**

– Thank you very much. Mr. Rajesh Chinari. Are you there? Okay, I'll move to the next speaker. Mr. Gautam Tiwari.

– **Mr. Gautam Tiwari – Shareholder:**

– A very good afternoon to very honourable and respected Chairman, all respected Board of Directors, and my BASF India team and my fellow shareholders. My name is Gautam Tiwari as pronounced and I am participating this virtual meeting through Mumbai. First of all, I would really like to strongly and very warmly welcome Dr. Carola, who is the President of Southeast Asia and African division and who had joined our BASF India. This is a matter to rejoice and it is very good opportunity for our company. Because her expertise and her knowledge, her business acumen, her business understanding, her liaison in the industry with all other countries also are going to give excellent and enormous benefit to our company. There is not an ounce of doubt in it. I have researched really well on such things and ultimately I came to this conclusion. I am very much thankful to her and congratulations to you for making her join this company. Chairman sir, our balance sheet is informative, transparent and colourful as always with all facts and figures in place and we got it well in advance. Sir there are two Pradips here. Pradip Shah and Pradeep Chandan. It is equivalent to two lamps. With one lamp (deep) we get enough light but here we have two lamps so just imagine how much very much of light these two people will bring in to the company. Sir then we have Chandan (sandal wood) too. Sandal wood is so cool, and it is applied on the idols that we worship. When we have poojas at home my mother always used to tell me to apply sandal wood paste on the idol and on myself so that I remain cool and calm. Our company secretary is so cool and fresh and polite that through his behaviour he has earned our respect sir. We are always happy and joyful because he takes good care of all the shareholders. Along with Vidhya and Pankaj, they make a great team. Our technical team is also good, NSDL which is providing us the link for this virtual AGM. Sir they work really hard. They work and night being the backbone of the company. He deserves a promotion. Please consider it and think on it. I would also like to thank the management that you have brought in such diamond like personalities into our company. Sir our the opening speech of Krishnamohan ji was excellent. Narendranath Baliga ji have been here for the last 25-26 years. They have really good experience and done a great job. Krishanmohan ji joined only last year, he joined the French Company – Salve Group and did a divestment and also a merger of Rs. 303 crores and the profits that has

been generating in the company. If you could share the details of that profit to us, it would be great sir. Ms. Syamala Gopinathan, R A Shah ji all of them are doing a great job and have proved their abilities. BASF have really good Directors. I would like to congratulate our and convey my gratitude to our MDs, CEO, CFO and all the workers for their hard work, sincerity, commitment and outstanding contribution year-on-year. They all have a great hand in the company's good performance.

- Sir our CSR activities. I felt really good when I came to know that we had supplied oxygen cylinders to the hospitals. And we have also supported in the field of education by supplying to under privileged kids, and so many other things. Sir I would like to know if we have donated to the PM Cares Fund. All the other activities done by the company is really great and we are very-very happy about it. Sir in order to improve my understanding and appreciation for the company's working I would like to ask a few questions. Sir our revenues have increased and our profits have increased really well. The jump in the profit is really high, last year it was Rs. 25 crores but this year it is Rs. 2500 crores. And you have also declared a 100% dividend. This is the highest dividend and I would like to thank you for that. Sir the profitability jump that is there this year, shall it sustain in future also? Sir, the future growth plan of our company, keeping in mind, especially the COVID-19 pandemic situation still to continue sometimes what would it be? Dear sir our agro chemical, nutrition and healthcare business is doing an excellent job. What are the new products and diversification in this field of the businesses? I would be happy to know about it. Sir what is the cost of holding this virtual AGM and saving compared to physical AGM? Sir how much dividend has been transferred this year into the Investor Protection Fund and how many share did you transfer? Sir, what is the average employee and what is per employee earning? Lastly sir, I would like to strongly support all the resolutions. I already voted in favour up all the resolutions, and all appointments, reappointments also I support very strongly and I have trust and faith in the management. Thank you very much. All the best wishes for a bright future. Jai Hind.

- **Mr. Pradeep Chandan – Company Secretary, BASF India Limited:**

- Mr. Suresh Khanolkar.

- **Mr. Suresh Khanolkar – Shareholder:**

- Good evening everybody. Madame Carola. I am Mr. Suresh Khanolkar speaking. To begin with, our annual report presentation, laden with facts, figures and images is very nice. Our efforts in developing chemical technology products as explained in the report pages are very commendable. Example, single coat, metallic paint, Pyrrolidone, Isoamyl chloride, propionic acid and its salts, Ecovio pouches etc. are all highly admirable. Another thing noteworthy in this report I noticed worth mentioning is our foreign exchange account, which shows our spend is less than earning. Rare example and many sincere thanks to our BASF India and our German parent. This reflects upon their goodwill, also upon us. Our foray perfume sector by way of entering into IsoBionics. Santalol which is an alternative to sandalwood oil is commendable and welcome. It stands bright future, I feel.

- Now coming to financials. A strong position of reserves to equity. Sir we are a debt free company, it is a welcome status. Sir working capital management is fine. We are in a reasonably positive range also. Liquidity maintenance also reasonably fine. Sir, good rise in comprehensive income though due to sale of one our entities. Consequent attractive rise in EPS from 5.3 to 127.7. Cash flow management and balancing is also good. We are quite cash surplus, but the dividend pay-out is very poor. Why the management is so much conservative when the results and other avenues are so much surplus. Sir, there are two Pradeeps running our company in key managerial positions. Will brighten the path and target of a shining dividend, but we are disillusioned. So please do something. I appeal to both the Pradeeps and other colleagues. With these few comments and queries, I take your leave. Thank you very much.
- **Mr. Pradeep Chandan – Company Secretary, BASF India Limited:**
- Thank you Mr. Khanolkar. Mr. Harshad Sawani.
- **Mr. Harshad Sawani – Shareholder:**
- Chairman, Board of Directors and my fellow shareholders and employees of the company. My name is Sawani H L. I have received balance sheet. It is very nice. In pandemic time, many companies are escaping from preparing the hard-copies. Our Chandan ji has taken very hard work and given this balance sheet to the shareholders. Thank you for that. Now sir coming to the questions. Sir it has been noted that our expansion program at the Dahej and Mangalore factory when completed, how much will be the increase in production and revenue? What will be the impact of increase in price of petrol product and increase in the fuel prices on our products and profitability of our business? Inflation is certainly going to increase. Don't you think cost of our raw material will also increase and we may have to increase price of our products, which may result in the decrease in the demands. We had transferred construction, chemical business to M/s Master Builder Solutions Private Limited for consideration of Rs. 595 crores. Do we have such income in the current year? How much will be the increase in turnover by way of merger with BASF Performance Polyamides India Private Limited. Please also let me know how much product of this company are used in which industries?
- We are supplying our materials to footwear industries. Is there a drop in sales due to COVID lockdown and from work from home? Because nowadays nobody is wearing shows. They are not going outside so there is no use of shoes.

Our company has done good business in nutrition and care segment. But none of the products are shown in the Annual Report. Are we advertising for these products? Request you to kindly provide list of our products which can be used in day to day consumption and household health and hygiene. Also if you can send samples to the shareholders. Kindly highlight the new products which we are launching during the current year. Please highlight to us on the Capex program and any plans for further merger and acquisitions. Sir it is very nice that you have declared 10 rupees dividend. But sir our earnings per share is 127.70. So 10 rupees is not even 10% also sir. And sir our share price has reached today 3437. So sir it is very less yield to the

shareholders. So it will be better if you can give interim dividend during the year. Sir now coming to the page 10, this is my one request to the Company Secretary that he should add number of shareholders on the page 123 summary of the five year's highlights. He should add number of the shareholders every year and book value of the shares every year. Sir you have shown the employees at the end of the year 1315. So is it because we sold out one, this company to the construction company, is this because of that or we have reduced because of this corona atmosphere. Now coming to the Balance Sheet I have noticed that our export sale has been continuously falling from 751 crores it has come down to 240 crores. Sir it is less than one-third. Sir what is the reason sir? We should pay attention to this because rupees is falling down and down so we can earn more by exporting. And sir our turnover has gone from 4747 crores to 9558 crores. It is almost double and export has gone down. Now, financial highlights Page 123, sir coming to Page 99 of Annual Report we have performed very good in freight and its ex-charges it has come down to 166 crores from last years 181 crores. And at the same time power also we have saved much, very high, 65 crores in the current year, last year it was 83 crores. But sir I want to know how professional expenses have increased from 63 crores to 110 crores. We have saved good in traveling expenses because in the current year there was not much traveling. Sir I want to know now everybody is working from home but sir rent figure has remained the same. Last year also it was 9 crores 76 lakhs, current year also it is 9 crores 98 lakhs. So sir we can save here also as most of the staff are working from home. Sir lastly I want to know please explain item – loss allowance on trade receivables- what is this 18 crores 61 lakhs. Thanking you, thank you sir.

- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India**
- Thank you very much Mr. Savani. Mr. Sharat Kumar J. Shah.
- **Mr. Sharad Kumar J Shah- Shareholder**
- Can you hear me sir? Can I start my video?
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes, yes, you can start.
- **Mr. Sharadkumar J. Shah- Shareholder**
- Sir I have already sent my views today morning at 7 o'clock. And what is 330 report sir? 330. Our share price is 3430. And yesterday it was 2852. So it is clearly in one day share price has gone up by 400 rupees. And what I'm looking at here is the promoter holding is very close to 75 and the earnings per share is 127.7 and all years

are not same sir. Last year Pfizer has declared 320 dividend and BASF never declared dividend above 100 in history. A good opportunity to declare interim dividend of least 115 for FY 21-22. And this will keep the price going sir. Okay, another thing, one thing I must, I should refer is that this Pradeep Chandan -Director and Company Secretary always remains in contact with shareholders throughout the year, that is the whole year and not only in AGM like other Company Secretaries. And when the price is going up sir then it becomes a responsibility of the company to maintain performance and keep the price going sir. And Chairman sir I'd like to know, I've gone through the Annual Report and I could not find out what is the reason having good EPS, good profit, so what is the magic and the trick behind three digit EPS, that I would like to know from you. And the piece about now, because the high in the price is around 25 to 30 whether industry standard, it is up to industry standard or it is lower than industry standard, then it will help us to know that the share price will still go up. And what I'm looking at in this is that at such a high price rights issue, bumper rights issue is lovely to the shareholder or all the stakeholder including promoter. And I don't ask you for a mega rights issue like Reliance. This will help us, our debt equity ratio is now 0.1, that will become 0.0. Whatever Capex is required for us, earlier what we were doing is when we require Capex we ask our principal to give money, borrow money from principal at low rate, which will not be required if I have money in our kitty. Also acquire business to maintain earnings per share. And what I felt is that our share, the face value of the share is Rupees 10 and it looks like that is the right time when the performance goes up. This is the right time to do reduction in share capital sir. After 32 years this Supreme Petro has done very well and immediately he proposed a reduction in share capital. And if you just see sir Colgate has done reduction in share capital some time back, 7-8 years back and the performance is so excellent that nobody can believe it. And when they started registration of speaker views at 8 am the response is so good that by 9:05, that is within one hour there was an overwhelming response of the speakers. So the rest of the speakers were not able to speak in the meeting. So that shows that the results are doing well. And in conclusion we must have a reduction in share capital. I found this Smita Rao of CSR is very, very cooperative and she does a good job. Absolutely good job. Another thing what I said is there is one Marathi serial sir, what it was saying is '*Do rupiah bhi badi baat hoti hai sir*'( Two rupees is also a big thing) And what I observed here is that our Page Number 26, our electrical bill has reduced, our digi cost is also reduced, so we have saved a lot of money on electrical. And if I refer Page number 123 because the number of staff has reduced we saved the money. This money may be very little but whatever we save is a gain to the company. And what is my observation sir is this 75 plus company should do one thing, today Mahindra & Mahindra meeting is going on and what he has said is that from 2002 to 2003, what is the legacy of value addition in share capital that he has shown. And it gives good information to the shareholder and he knows how much his wealth has increased. And at the same time what my observation is that it is a 75 year old company, what has happened in the last 75 years is not available in this Balance Sheet. So it should be like GSK Pharma, we must have an equity history in the Balance Sheet so that we will have all the information at once sir. And I have already sent this mail to you so you can... so this Vidya told me in her case it went into Spam so she is taking a hard copy and giving it to all the people. Thank you very much for giving me the opportunity. Thank you very much sir.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Thank you. Thank you.
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India**
- Mr. Hariram Chaudhary.
- **Mr. Hariram Chaudhary-Shareholder:**
  - I opened my mic now I'm opening my video. I'm starting my video. Chairman Pradip ji, as well as the Directors on the Board and my dear shareholders, my name is Hariram Chaudhary. I would like to have the attention of CSR Committee Chairman Bewoor ji and also the Company Secretary Shri Pradeep Chandan ji. I first appreciate the personal efforts made by Shri Pradeep Chandan ji who is maintaining a personal relationship with the shareholders and his staff also Vidya ji, Suvarna etc. and so many other staff members. Now I would like to, I'm speaking from my home at Santacruz, Bombay. I will speak for only three minutes and will end it if they say conclude. Kindly let us know what you've done for Covid.
- **Mr. Pradeep Chandan- Director-Legal, General Counsel (South Asia) & Company Secretary, BASF, India**
- Chaudhary your voice is breaking.
- **Mr. Hariram Chaudhary- Shareholder:**
  - Can you hear me now? I am speaking from a distance now. So kindly let us know about what we have done for Covid affected people and whether we've provided food to the migrant workers. How much amount we have spent for Covid affected people and also how much total amount was spent for CSR activities and whether this amount was more than 2% of the net profit. Kindly also let us know who are the members of the CSR Committee. And now I have a few suggestions- a Diwali get-together may be organized in the month of November, second or third week of November. 4<sup>th</sup> November is Diwali and only those who have taken two doses of vaccine can be allowed. Now those who are present today can be invited or at least the speakers can be invited. So this is my suggestion that a get-together can be organized. One more suggestion when you organize in Mumbai the vaccination of your staff members kindly invite those shareholders who are present today and you have the vaccination of these shareholders and also give the face mask so they'll



wear the face mask. Now we also feel that physical copy is also printed and sent to us. Now kindly let us know what are the technology we are using. Whether they are latest technology, whether we've used the programs chalked by Prime Minister, digital India, Stretch India and which are the other programs that we have adopted of the Prime Minister, kindly let us know., whether ease of doing business has helped us in any way. And kindly let us know how many shareholders are present today. The presentation was very good. We appreciate it but it was too long, it could have been reduced to some less time. That is my suggestion. Now one more challenge that is we were happy that solar energy is being used in the printed information. But what about water harvesting, are we using that also, kindly let us know. I will conclude by conveying my best wishes for all round progress and success of the company. My name is Hariram Chaudhary. Thank you Pradip ji, thank you very much.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Thank you very much.
  
- **Mr. Pradeep Chandan- Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India**
  
- Thank you. Mr. Rajendra Prasad D. Joshi.
  
- **Mr. Rajendra Prasad D. Joshi—Shareholder:**
  
- Hello, can you hear me sir?
  
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Yes, yes.
  
- **Mr. Rajendra Prasad D. Joshi—Shareholder:**
  
- Okay sir. Respected Chairman sir- Pradip Shah, our Managing Director- Narayan Krishnamohan ji and our Director and Company Secretary Pradeep Chandan ji, good evening to all of you . Sir myself Rajendraprasad Joshi from Dahisar, Mumbai. Sir I find short of words how to appreciate the excellent services rendered by our Company Secretary- Pradeep Chandan. His excellency in handling company's affairs as well as secretarial duties is unique. Pradeep Chandan ji is like a gem to the company, gem for the company. Whatever height you give to him is less against his contribution. Sir I suggest that he should be finally rewarded for his excellent services from time to time. Sir it's good that he has already been made a Director

and we are happy with that. Even Vidya madam, Vidya, Suvarna from Company secretary is also very polite, cooperative and cordial to shareholders. She has helped me to solve some small problems. Sir now about the company. Company management deserves a compliment for the company's robust performance this year. There is a substantial rise in revenues and profits. Profit After Tax increased to Rupees 5526 billion versus 228 crores in previous year. This is a very big change sir. There is a steep rise in the EPS also. EPS has gone up to 127.70 from Rupees 5.3 last year. My congratulations to the whole management team and staff for this achievement. Sir debt to equity ratio is just 0.1 times making the company as good as debt free. Sir we are happy that the Board has recommended increased dividend of Rupees 10 as against Rupees 3 last year. This is the highest dividend paid by the company. But still like other previous speakers I also feel that now it is time that our company should exceed this limit. Out of curiosity I would like to ask some questions first sir on Page Number 6 of Annual Report under section Credit Rating it is mentioned that CRISIL Limited, we are on CRISIL AAA rating and assigned a negative outlook for the long term debt program. Sir, it is not understood why negative outlook when rating is so high. And also the Balance Sheet of the company shows it. So sir please throw some light for my knowledge. Second number- number of employees on Page Number 123. Number of employees over five years are decreasing year on year. Why is it this way, why are the number of employees decreasing sir? Throw some light on this also. What is the company's policy in this respect? Sir whether all our plants are at present working to their full capacity. Last but not the least sir our equity share capital is Rs 43.29 crores as against our reserves and surplus Rs 117.42 crores. Sir now like my previous speakers I also feel that our company should give bonus to our shareholders. Sir with this I wish all the best for the company's progress and for the management also and company and I strongly support all the resolutions. Thank you very much sir. Thank you.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Thank you Mr. Joshi.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India**
  
- Mr. Anil C. Parekh. Mr. Anil C. Parekh.
  
- **Mr. Anil C. Parekh—Shareholder:**
  
- Hello? Am I audible?
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India**

- Yes Mr. Parikh.
- **Mr. Anil C. Parekh--Shareholder:**
- Chairman Shri Pradip Bhai, Mr. Narayan ji and other Board members, good evening to you all. I hope you all are safe and sound at your respective ends. Sir we are all passing through a bad phase and unusual situation caused by pandemic 19 and we are unable to meet physically and greet each other. But I hope good times prevail and we will be able to meet physically and meet and greet each other. And I request our board members and secretarial team to kindly organize physical meetings henceforth after pandemic 19 is over. Sir I would like to thank our CS team headed by Pradeep Chandan ji and Vidya madam. Excellent team and their assistance whenever we need it is excellent. Sir I would add here that if you would know chandan (sandalwood) very well, if you rub it again and again it gives more and more fragrance. It is just like Pradeep Chandan ji, with every day passing on Chandan ji is giving more fragrance and adding more fragrance to our company. Now coming to our financials, everybody has spoken many things and I don't want to take much time, but however I would like to make 2-3 comments. Our revenues have grown to 26% over last year. And the profit has also grown from 228.7 million to 5.26 million. Here my request is all the board members, why can't we put all the figures in rupees, lakhs or crores rather than putting in millions. It is a little bit of confusion for us, million and billions are in foreign countries and not in India. So if it is possible henceforth put rupees in lakhs or crores. Sir, secondly 100% dividend, thank you very much. You are always taking care of small shareholders. Sir, my question is do we have any product for health, sanitation and sanitizer like products in our portfolio? If yes, then where is it available? And what kind of products are those? Sir about our past performance Polyamides India, last year it was merged with our parent company on 1<sup>st</sup> February '21. Sir what would be the ultimate benefits available to BASF India in terms of topline and bottom line? Sir my previous speaker has said about CRISIL ratings. I would not repeat that again, but one question I have here is sir are we accepting fresh Fixed deposits from public or shareholders. If yes, I am eager to have that fixed deposit with our company BASF. Thank you very much for providing me this platform to talk with you and I am supporting all the resolutions. Thank you very much sir.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Thank you Mr. Parekh
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
- Yeah. Mr. Kirti Shah.

- **Mr. Kirti Shah—Shareholder:**
- Chairman sir, good afternoon. My name is Kirti Shah.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Good afternoon.
- **Mr. Kirti Shah- Shareholder:**
- Good afternoon Pradip. Chairman sir I have sent you an email, it would be very nice if you could respond to that in a proper manner.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes sure.
- **Mr. Kirti Shah—Shareholder:**
- Three meetings are going on right now.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes
- **Mr. Kirti Shah—Shareholder:**
- Mahindra & Mahindra and Tata’s meeting is also going on alongside and another one Apcon Engineering too. Your company has progressed well, it has good profitability, proper expansion, you’re moving it ahead in the right manner. And I have visited your plant also. Wish you all the best. Thank you very much Pradip ji.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Thank you.
- **Mr. Pradeep Chandan- Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India:**
- Yeah. Mr. Hasmukh Vora.
- **Mr. Chinmay Kalambe- Host**

- Sir Mr. Hasmukh Vora has not joined. You may proceed with your next speaker.
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
- Mrs. Lekha Satish Shah
- **Mrs. Lekha Satish Shah- Shareholder:**
- Hello. Can you hear me sir?
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes, yes.
- **Mrs. Lekha Satish Shah- Shareholder:**
- Respected Chairman sir, Board of Directors and my fellow members, good evening to all of you. Myself Lekha Shah from Mumbai. First of all I am very much thankful to our Company Secretary Mr. Pradeep Bhai for extending very good investor services and also sending me the AGM Notice well in time in such a difficult situation. So I am very grateful to our Company Secretary Mr. Pradeep sir. Chairman sir I am happy to see all the good deeds you have done during this difficult time. I pray to God that he always showers his blessings on you. Sir I want to thank all persons of the company for receiving awards and recognition various times during the year 2021. And I am also glad the company is doing very well in the field of CSR activities. Sir I would like to ask only two questions—how many of our employees were affected by Covid 19? What is the roadmap for the next two years? Sir I strongly support all the resolutions for today’s meeting and my best wishes always to our company and its prosperity. Thank you sir.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Thank you.
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
- Mr. Dinesh Bhatia.
- **Mr. Dinesh Bhatia- Shareholder:**

- Hello. Yes sir, can you hear me?
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Yes. Yes sir
  
- **Mr. Dinesh Bhatia- Shareholder:**
  
- Firstly I would like to congratulate Pradip ji, Chairman sir you and your entire team that our company has produced excellent results. And our company has made excellent turnings, last year we were in loss but now we've not come into profit. That's a very good thing. We feel happy seeing it. Even if we look at our share price today 3300, there has been an increase of 500 rupees per share in the market. Looking at this progress of yours everyone thinks that you will declare something and that in the 77<sup>th</sup> year you will make some a big announcement. That is how everyone thinks. Since 2-3 days the price has been increasing quite a lot. That shows our company is prospering. So once again I congratulate you and your entire team that our company keeps progressing in this manner so we would be very happy. I would like to say one thing which was suggested by the earlier speakers also, I too want to refresh you a little about it, which is that our company has made such good profits, the price is good and the share price is at 3390 today, so according to that I feel that our 10 rupees share should be made to 2 rupees. If it is split to 2 rupees or 1 rupee then I don't feel that it will reflect much in our equity because our equity will remain the same and only the amount of shares in the market will increase. So there will be more trading in the market and people will be able to buy, there will be much more done with shares. And if the price is low then quite a lot of new people will invest. So it is my request that in your next Board Meeting even though for the 75th year you haven't declared any bonus but if you split the share into 1 rupee or 2 rupees it will be like a mini bonus. We will feel very good about it. You have also increased the dividend, which is a very good thing. You gave 5 Rupees initially and you declared 5 Rupees now as final dividend, so you've given a total of 10 Rupees, so that is also a matter of joy for us that you've given us good dividend. For that also I would like to thank you and your team. This is good that whenever profits increase you give us good dividend also. That is also a good thing. I also want to talk about the Covid Center created by our company and the service provided by the company during the Covid period, that was also very good. We feel very happy about it that our company is really fantastic. And your Secretarial department also helped us quite a lot to connect to you through video conference, they refresh us about it the next day and even this morning, the departmental person refreshes us about it. You do consider the feelings of shareholders but your Secretarial Department also helps the shareholders just the way you do. That's a very good thing. I have nothing else to ask but let me again refresh one thing to you that if possible surely split the shares. I support you in every resolution. Namaskar. Thank you.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Thank you very much.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Mrs. Smita Shah.
  
- **Mr. Chinmay Kalambe- Host**
  
- Sir Mrs. Smita Shah has not joined. You may proceed with the next speaker.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Okay. Mrs. Vasudha Dakwe
  
- **Mrs. Vasudha Dakwe- Shareholder:**
  
- Hello, can you hear me sir?
  
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Yes
  
- **Mrs. Vasudha Dakwe- Shareholder:**
  
- Very good evening Respected Chairman sir, Board of Directors and my fellow shareholders. Myself Vasudha from Mumbai. I would like to congratulate our Company Secretary Mr. Chandan ji and his team for sending me the soft copy of the report well in advance which itself is transparent and clear. Most of the questions were already asked by my previous shareholders, so I don't want to repeat it again. Only a small doubt I have, the number of women employees in our company is very less. Can you throw some light on this? With this I support all the resolutions and wish the company all the best for the coming years and coming festivals also. Thank you.
  
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Thank you.

- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Mr. Bimal Kumar Agarwal.
  
- **Mr. Bimal Kumar Agarwal- Shareholder:**
  
- Can you hear me?
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Yes sir
  
- **Mr. Bimal Kumar Agarwal- Shareholder:**
  
- Good evening to everyone. First of all I thank the Company Secretary and his team and NSDL and WebEx. Now company has posted strong revenue number over the last three years period. Please provide details of factors that helped the profit of the growth. Has the China factor contributed to the growth? What is the percentage of growth to BASF Germany and how large is the opportunity? Is our company considering any further Capex over the next three years? As our company is debt free if today IPO would have come at 1 Rupee with a premium of 1500. Why are shares quoting so low? 3000 is peanuts nowadays. Thank you very much.
  
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Thank you Mr. Agarwal.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Mr. Vinod Agarwal.
  
- **Mr. Chinmay Kalambe- Host**
  
- Sir Mr. Vinod Agarwal has not joined. You may proceed with the next speaker.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**



- Okay. Mr. Dhwani Desai.
- **Mr. Dhwani Desai- Shareholder:**
- Hi good afternoon everyone. You guys can hear me?
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes. Little louder please.
- **Mr. Dhwani Desai—Shareholder:**
- Yeah sure. I've got 5 or 6 questions. So the first one is on our agro division. So out of 1400 crores revenues that we're doing can you help me understand what would be the sales coming from the merchandise, on the merchandise basis. And do we like consumer products like Sefina and Alora, do we kind of sell it on a merchandise basis or do we have our own manufacturing centers? And from agro division perspective what kind of backward integration that we're having, if you can elaborate on that. Second is if I look at our margin profile of our agro division in kind of moving around into 10%; and if I look at the PF that you know the margins are much better and you actually look at the kind of product that we have launched in the market and the position that we are in that even seems quite diluted in that sense. So can you help me understand what are the reasons why agro division is making any double digit margin. Thirdly the question is on the gross margins, we are making generally 20% gross margins and I do understand that merchandise business is more like a trading so there is hardly any gross margin involved there. But if you can help me understand that in the next 3 to 5 years how do you see the trajectory of this gross margin now through the change in mix from merchandise to own manufacturing or through better product making, if you can talk a little bit on that. Though you've done lot of portfolio action, you've taken a lot of action in terms of selling out businesses and merging business in last couple of years. So are we done with this portfolio structuring exercise and if not then what more is still pending? If you could talk a little on that. Fifthly I think I was looking at last 5-7 years of our financials and from 2000, 5000 crores revenues you've come to 10,000 crores. And we've grown our sales at around 15% this year. But now we're at a very different base of 10,000 crores. So going forward in next 3-4 years what would help us drive the growth of 15-20% from hereon, which segment, which areas, any specific trajectory around that? If you can talk about that. And lastly I think this question was asked but not in the same manner but let me put it differently that, I mean everybody is talking about moving manufacturing specially in chemicals and move other areas to India. And we have enough room to kind of you know put up our own manufacturing capacity. We have the expertise, we have the market. So any thoughts on that that now we'll be able to focus on that and get it out faster. So that's my last question. Thank you and all the best.

- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
- Mr. Hiranand Kotwani. Mr. Hiranand Kotwani.
- **Mr. Hiranand Kotwani—Shareholder:**
- Am I audible?
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes, yes. Yeah we can hear you.
- **Mr. Hiranand Kotwani—Shareholder:**
- Respected Chairman, other dignitaries, I just want to salute all the people, Pradip Shah, Narayan Krishnamohan- MD, Pradeep Chandan, Carola Richter, Narendranath Baliga, Arun Bewoor, R A Shah, Ramkumar Dhruva, Shyamala Gopinath and one more, Dr. Malthus, sir presentation video is good work, I give salute to him also, get to know company has done well. I remember they all used to have 25 years of service. But I remember 35 years back I used to cry that Stock Exchange BASF share at 85, 90 only 90-95 at 12 o'clock. And then one day, that day I remember one company Essar was 425 rupees, so I entered not thinking about it. I hope in future the company will do best and give the rewards to the minority shareholders, give dividends, bonus; what is your call MD in this regard in the future mission and vision regarding giving the rewards to the minority shareholders. Our capital utilization at various plants if it can be placed, if you can give specify any damages, they have capital utilization so going in terms future growth, innovation and future new product. Any takeover or merger? We're a cash rich company with huge potential. The chemicals is a blessing in disguise. Covid has created a huge chemical demand. What is your call in this regard? How are you looking at future growth and prosperity in various segments, in verticals. Please throw some light. Convey my good wishes to all. Thank you gentlemen.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Thank you.
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
- Thank you. Mr. Viraj Kacharia.

- **Mr. Viraj Kacharia- Shareholder:**
- Hello. Yes. I have already sent my questions on email to Mr. Pradeep Chandan. I just have two questions which I just want to highlight. And I have a request if you can send the reply of those questions by mail as well. So the two questions which I just want to understand is one – if you look at the past track record in terms of margins and returns it's been very poor. And in the last year and a half it's seen a significant improvement both in terms of profitability and margins and returns. So what has changed in this last year and a half and is this sustainable? How much of this is due to Covid and new sales? And is price increase due to any change in product mix towards valued added products or it's just general market increase? Then the second question is if you look at our overall sales mix the share of traded goods is quite high. So do we have any plans in terms of localization specially given these two aspects. If you could reply to the questions, answer the questions by mail.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Thank you.
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
- Thank you. Mrs. Smita Bharat Shah.
- **Mrs. Smita Bharat Shah- Shareholder:**
- Hello. Sir can you hear me?
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes. Yes.
- **Mrs. Smita Bharat Shah- Shareholder:**
- Sir, Respected Chairman Shri Pradip Bhai, MD- Shri Narayan ji, and other respected Directors, my name is Smita Shah speaking from Mumbai. Good evening sir. I want to convey my heartiest congratulations that you've been running our company since years with hard work and laboriously and you've made a name for yourself at the international level. Sir the new products Sefina and Priaxor for cotton, Tynzer for corn and Calora made for soyabean, due to which you obtained an award for agro-business. You have obtained many similar best awards. So sir I've seen your Balance Sheet and I've seen on one page that lift your bat at the right time and hit a six. Today by moving shoulder to shoulder you have hit sixes after sixes and today you

have expanded the company four fold. It's really fantastic sir. It's a really good thing sir. Sir in your leadership along with your effort and hard work there's also the hand of Narayan ji in it. He too has put in hard work along with you. The hard work and efforts of the entire board team, the employees, all the workers, all the big and small employees and workers has paid off for the company. So hence we've got good results today. And we have full faith even today that in future too the company will have excellent results and definitely progress four fold. But sir all the good work you're doing in the company with hard work and effort, Chairman sir at least we should see a smile. Sir you seem very serious in the photo seen in the Balance Sheet. Sir we can see a really best smile of Narayan ji but why are you looking so serious sir, this is such a good company and you're running it so well so at least a little smile is necessary. We have a idiom among us Gujaratis '*Hase tenu ghar vase*'. Sir when you're brought such an old company up to such an extent, you've nurtured it and made a name for it, so sir please do smile, you need to smile sir. And sir always remember this slogan 'smile karo shuru ho jao' (Smile and get started). So always whenever we are going to begin some new work at every turn/bend firstly it is necessary to smile and then begin our work then we will always keep moving ahead. And as it is you have made the company sprint. So sir, Pradip Bhai please do smile a little.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**

- In the next Annual Report. You'll see it in the next Annual Report.

- **Mrs. Smita Bharat Shah- Shareholder:**

- Thank you sir.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**

- Thank you.

- **Mrs. Smita Bharat Shah- Shareholder:**

- And sir the final plus special, 5 + 5 = 10 Rupees dividend that you've given, thank you very, very much for that. Just keep progressing in this manner and keep increasing the dividend also, with this wish I pray to God. And sir now the festival season has arrived, that is going to begin. In this month we have the festival of Raksha Bandhan, so as a shareholder sister I bless you and convey my best wishes to you that may God give you good health and wealth and the company prospers day by day and moves forward towards progress and I convey my best wishes to you all for the upcoming festivals. And lastly today we're meeting for the second time through VC. But I hope

that we meet face to face, physically in next year's AGM. So sir if this pandemic improves totally then I request you to definitely have a physical AGM next year. And we also pray that we can meet you physically sir. But otherwise the Balance Sheet is excellent, colorful information, transferred with attractive products. A really excellent Balance Sheet has been created. And you've always been giving good investor service. And we have a Company Secretary Pradeep Chandan ji who always, always has had a smiling nature, he has always been giving good service, always smiling and has always given us good service. So many, many thanks to him and I congratulate him also for it. And along with him is Vidya madam who's always calm and sober, hard working. Sir I was unable to connect now, I tried a lot from my mobile but I was unable to connect. So as you can see there are a lot of issues which come up. I connected along with my husband Bharat Shah and after trying for quite some time I was able to connect and I was able to speak to you. Vidya Madam gave me good support. So I thank Vidya Madam very, very much. And along with that I fully support all the resolutions today. Best wishes and thank you sir. Sir stay healthy, stay safe. Sir Bharat Shah will be speaking for two minutes. Please hold on sir.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**

- Thank you Smita Ben.

- **Mr. Bharat Shah- Shareholder:**

- Respected Chairman Sir Pradip Bhai, can you hear me sir?

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**

- Yes, yes I can.

- **Mr. Bharat Shah- Shareholder:**

- Respected Chairman Pradip Bhai and other Respected Directors, sir I will not take much time, I don't have any query. During difficult times also you sustained the company and took it forward, I thank you for that. And there is appropriate increase in everything. You've given dividend also in abundance at 100%. Thank you very, very much sir. You have always given respect to shareholders and taken care of the shareholders. Thank you very, very much. And I would like to thank the company for the CSR activities done. And I thank you for all the awards also. And please do declare a bonus in the coming year. Shareholders have said it and I also request you to definitely give it. And sir I also thank our hard working Company Secretary Shri Chandan ji and Vidya Madam. They always respect the shareholders. If the shareholders have any query they solve it. Vidya madam helped us a lot to connect through VC. So I am very thankful for that. And Chandan ji has been serving the company since so many years so please do give him a promotion, induct him as a

Director, that's my request to you. I fully support all the resolutions. And once the Covid 19 comes under control next year then definitely have a face to face meeting so that we can surely meet even the senior people face to face. Sir I fully support all the resolutions. Thank you very much sir. Jai Hind.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Thank you.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Mr. Yusuf Rangwala.
  
- **Mr. Yusuf Rangwala- Shareholder:**
  
- Good afternoon sir. Can you hear me?
  
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Yes we can hear you.
  
- **Mr. Yusuf Rangwala- Shareholder:**
  
- Actually there are three meetings going on, but I have followed your meeting, came running, left it and came. I fully support.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Mr. Rangwala your voice is breaking. Your voice is breaking.
  
- **Mr. Yusuf Rangwal- Shareholder:**
  
- Now sir, now you can hear my voice? Now is it perfect?
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Yes, yes.

- **Mr. Yusuf Rangwala- Shareholder:**
- My good wishes and I wish our Foreign Director good luck and my good wishes. When was your last bonus? My humble request for bonus, 77 years, two years after 75<sup>th</sup> year. You have not celebrated it. My humble request and nothing more to say. My good wishes are there and wish our Company Secretary Happy Dussehra and Happy all the festivals. Thank you very much sir. And I want to thank our Chairman. Thank you very much sir. Jai Hind sir.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Thank you Mr. Rangwala.
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
- Mr. Narendra V Jhaveri
- **Mr. Narendra V. Jhaveri- Shareholder:**
- Yes sir I am present here. Respected Chairman, Distinguished members on the Board of Directors, my fellow shareholders, sir I appreciate very much that you've taken the right decision to send the hard copy of the Annual Report to the shareholders. It's a very encouraging sign. In the days of the technological change many other companies normally industrial houses take advantage of the situation and are not sending the Annual Reports under one pretext or the other. Let it not be, history must not be repeated. If we don't have bread why not eat a cake. This should not happen. Dispatch of the hard copy of Annual Report is very much necessary. All the people need not have internet facility. How much internet facility costs us. Sir, Coming to the financial performance. I very much appreciate your financial performance against 228 million you have reported 5515 crores profit. Against Rupees 5 Earnings Per Share you have reported 127 Rupees earning. You have declared 10 Rupees dividend. We have never thought in our wildest dream that you will declare 10 Rupees dividend from the 1 Rupee dividend last year sir. Sir coming to your Page Number 108, exceptional gain. You have mentioned gain on account of construction connectivity. Correct. And net gain comes to 4020. Sir in Page Number 108 Item Number 39- Exceptional gain. Item Number 3 Sub Para, Sub 3, you have mentioned that there's a plan.... Are you able to listen to me my dear sir?
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Yes, yes. We can hear you.

- **Mr. Narendra V. Jhaveri- Shareholder:**
- In Item Number 3 Exceptional Item, Page 108 Item Number 3 you have mentioned the loss of impairment of 277. Sir I would like to know that plant is relatively new plant. How the impairment has gone to your plant and equipment. We fail to understand sir. The supplier has not supplied good quality? You have to again incur that much amount of expenses sir, we would like to know. Sir I would also like to use, since you are associated with the accounting world and I don't know whether you will accept the change or not. Sir you're mentioning – Exceptional item. What is implied by item? Why not use the proper word – Exceptional gain or Exceptional profit? It is better for the shareholder to have either Exceptional gain or Exceptional loss instead of Exceptional item. Because item means items implies listing separate, specific matter from the whole list of items. We say for instance- what is the agenda on the next item? Again the item here does not fit well with the Profit and Loss Account in the context of Profit and Loss sir item does not fit well. It is harmonious, not in tune with the Profit and loss kind of term. Item word should be changed. It should be made Exceptional profit or Exceptional gain sir. Sir coming to request of many shareholders here I request you not to subdivide the shares. You see sir more number is more trouble for the secretary. More number is more problem in the future. You do not have enough problem in your reign sir, why create more problems. Sir reduce the temptation of subdividing the shares sir. Sir regarding the rupees and millions controversy, sir our second name is India – BASF India Limited. So in India, they say 'In Rome do as the Romans do'. It is easier for the small shareholder to understand rupees, lakhs and crores. It is not easy for them to understand millions, sir. Sir on Page Number 74 in the Balance Sheet you have mentioned 'Other Financial Liability—141'. So what is the Other Financial Liability? Can you please enlighten us sir? Just one minute my dear.

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**

- 17, 17

- **Mr. Narendra V. Jhaveri- Shareholder:**

- No, Page Number 74 on the Balance Sheet of the R44

- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**

- Yeah and the page is 17 under financial, deposits from customers and approvals for benefits

- **Mr. Narendra V. Jhaveri- Shareholder:**

- Other Financial Liability



- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Yeah. You see Schedule 17 on Page 96.
  
- **Mr. Narendra V. Jhaveri- Shareholder:**
  
- Okay I will see the schedule, I will see. Okay thank you. Appreciate it very much sir. Sir many people have asked here how this turnaround has happened. Which division has contributed maximum? And we would like to know the quarter first report, Annual Report. What is the Earnings Per Share for the first quarter and this year? Will you be able to maintain the dividend or improve upon the dividend? We expect you will improve on the dividend. Wish you best of luck sir. Thank you very much for that.
  
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Thank you.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Mr. Rohit Merchant.
  
- **Mr. Chinmay Kalambe- Host**
  
- Mr. Rohit Merchant has not joined. You may proceed with the next speaker shareholder.
  
- **Mr. Pradeep Chandan- Director Legal, General Counsel (South Asia) & Company Secretary, BASF, India:**
  
- Yeah Mr. Jehangir Batiwala.
  
- **Mr. Jehangir Batiwala- Shareholder:**
  
- Can you hear me?
  
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
  
- Yes, yes

- **Mr. Jehangir Batiwala- Shareholder:**
- Okay. Good evening sir.
- **Mr. Pradip P. Shah- Chairman, BASF India Ltd.**
- Good evening.
- **Mr. Jehangir Batiwala- Shareholder:**
- Chairman Pradip sir, MD- Shri Narayan Sir, other distinguished members of the board, Company Secretary Shri Pradeep Sir, fellow shareholders in VC, good afternoon. I think it's good evening now. Good evening to all of you. My name is Jehangir. Sir at the outset compliments to Company Secretary Shri Pradeep Chandan sir and his dynamic team for coming out with a colorful, knowledgeable, transparent and a knowledgeable AGM Report which adheres to all the norms of Corporate Governance. Sir we've received all our reports on time through email. And for that sir the CS team should be complimented. Sir a big thank you to the Board of Directors on a dividend of Rupees 5 + 5, that is special dividend due to portfolio restructuring and final dividend. In these tough times and turmoil sir, this gesture speaks volumes of your foresight for shareholders sir. Once again thank you very much sir. Sir our revenues compared to last year have risen by around 26% due to merger of BASF performance Polyamides India Limited on February 2020 sir. Sir if you can just touch up on what is that company going to produce and how much is it going to affect our revenues in the future, in futures to come. Sir you have presence in agriculture solutions, industrial solutions, material segment, surface technology segment, nutrition and care in chemical segment. Sir any new verticals or segments that you plan to open or start? And all the above segments have given good results. And I hope we have much better results next year sir. Sir as other shareholders have said even I vouch, even I endorse that sir, this type of meeting is not worth it sir, we're not enjoying this type of meeting where we don't get to interact with you, we don't get to interact with Pradip sir, and we miss the personal touch of interacting and talking with you directly sir.
- It's heartening to read that even in these tough times and conditions and challenging conditions our company has managed to spend 5.37 million rupees as CSR expenditure for the welfare of the society and mankind. Also complimenting the CMB and it's dynamic team for being ever ready to help people during Covid 19 by promoting, by providing various edge like sanitizers, ventilators etcetera to hospitals and affected people sir.
- And sir I also compliment you for the Covid bags that you provided to the Jumbo Hospital sir. Sir, I hope that all our staff and families have been taking care in terms of vaccination, ration and other ancillary things required to carry on. Sir lots has been said maybe I am going to speak clear sir I cut myself and just put forward some

normal queries like what is the capacity that you've put aside for the organic growth for the next year. CapEx for R&D growth, roadmap for next two years.

- Now I end my speech and wish you compliments of the festive season which will start from the month of August sir, thanking you sir. And we support all your resolutions sir, thank you.

- **Mr. Pradeep Chandan – Company Secretary, BASF India Limited:**

- Mr. Rohinton Batiwala.

- **Mr. Rohinton Batiwala – Shareholder:**

- Respected chairman Mr. Pradip Shah, MD Mr. Narayan Kirshnamohan, our Company secretary and alternate director Shri Pradip Chandan Ji and the secretarial team. My fellow shareholders, good evening to all of you. Sir my name is Mr. Rohinton Batiwala from Mumbai. And thanks for allowing me to speak in front of all the zonal directors and chairman. Sir it is indeed a great pleasure to meet all of you after a year. Sir regarding dividend we are very happy with the company and director has thought very much of it's shareholders for discussing about dividend.

- What the surprise the director has given to shareholders by recommending a special dividend. Good sir, very good, please keep it up. Sir the board of directors of the company has recommended a special dividend of Rs. 5 per equity share, that is 50% into the portfolio structuring measure. Sir this is in addition to the final dividend of Rs. 9 plus include the shares, the 50% for the financial year ended 31st March 2021. The aggregate dividend would be Rs. 10 per equity share that is 100%. Good, very good, please keep it up, year after year sir with increased dividend.

- Sir first and foremost I would like to compliment and congratulate our dear company secretary Sri Pradip Chandan Ji and his secretarial team to send hot copy of AGM via email. We've got time, so that we could go through it. Sir, hats off to our company secretary initiative for at this stage of pandemic they all came to work and make AGM possible. Sir we should give... to our company secretary and his secretarial team bravo, bravo to all of them. Sir the performance of our company is spare bounding, we are very much happy to hit the performance, our company has made the progress in all the requirements of accounts.

- Our company has wired... in all the company's department like revenue from operations an increase of 26% over the previous years in spite of this pandemic issue. Sir, the agriculture solutions business of our company registered good growth in sales during the financial year as compared to the previous years mainly due to normal monsoon. All the company's products showed an improved performance in sales. We, the shareholders are very much proud of our esteemed company. Sir, now little query, what is the roadmap and CapEx program for next financial year.

- What is the order book variable next financial year and how do you think you will cope up. Sir how is the staff in this pandemic, is the company taking good care of the staff? And what is company divided about vaccine for the staff. With this sir, I end my speech over here with prayers to almighty lord to bring our company to newer and greater heights under sir your dynamic and classical leadership. With this sir, I support all your resolution wholeheartedly. And sir one thing, as we doesn't want the special dividend so please don't give it. He has got lot of plenty of money in auditing, so they are very selfish for other shareholders. Thank you, sir.
  
- **Mr. Pradeep Chandan – Company Secretary, BASF India Limited:**
  
- Mr. Rajesh Chainani.
  
- **Mr. Rajesh Chainani – Shareholder:**
  
- Respected chairman, Pradeepji, MD Mr. Narayanji and highly distinguished board of directors, my fellow shareholders I am Rajesh Chainani. Sir first of all I thank Mr. Pradip Chandan for sending the entire secretarial team in fact for preparing such a beautiful balance sheet sir. Sir each and every price triggers are covered in that. And sir there were many, many speakers previous to me so they were talking so much and they have covered lot of points and many points actually, but they have covered a lot. So, Mr. Pradip and one thing I know Mr. Pradip Shahji and Mr. Rajendra Shah wherever sir you people are, whether the stock market goes up or down, the company performs very well.
  
- And regarding the German BASF... Siemens, all the German companies are doing very good sir, they are doing just fantastic sir because I am the shareholder in all the companies. And I would like to say many, many years back you know, one of the analyst met me at one of the restaurants. So, he always comes on the same busy hours, so I told him, tell me the, give me the tip for the share. So, he is saying, no, no, no I am on the TV. I said, no sir, give me your personal tip, which you don't even say on the TV. So, he told me the name of BASF. And I remember that time the share was trading at 360 or 370 sir.
  
- So, really there is a lot of confidence with the financial institutions also with the company. And who would say, two three years back our company was going on very slow. And the way the entire management has worked up so much, worked, really the results are showing sir. And page number two I see all the directors are smiling. So, it shows the confidence in the company and the shareholders are smiling all the way today you can just see every one is so much happy sir. The stock really rocked today sir, really rocked from 1270 to the level of 3400.
  
- So, sir the festival is going to come. And in the coming festival sir, I have a few words to say sir. For you, for the entire board of directors and the shareholders. Fragrance of flowers, bud break, moon's light, love of our own people, congratulations chairman, Pradip Shahji and all the board of directors and all my loved shareholder

brothers may the coming year bring you lot of progress. And sir wherever you are sir, there are many shares, you are the chairman sir. Thank you very much sir for giving me the opportunity and I support all the resolutions sir.

– **Mr. Pradeep Chandan – Company Secretary, BASF India Limited:**

– Mr. Vinod Agarwal.

– **Mr. Vinod Agarwal – Shareholder:**

– Respected chairman, Pradip Shahji, MD Narayan Krishnamohan, our company secretary Pradip Chandanji and our CFO. And Narendranath Baligaji. Sir, I have got two or three, one initially to me, one is that is, limit your speakers to three minutes speech, the people coming at the end, have an extended one hour to go. And our points which we have to speak are covered and most of the people who are they are in the earlier stages, only sick offence so they were not actual, many points raised sir. If your secretary is noting the sick offence and long speech makers, give them the air. People who are taking up serious questions, put them in the initial stages in the next AGM whenever it is there sir.

– Now one hour, two our, this is the third hour I am waiting and I joined the meeting at 3 o'clock. Now it is almost 5, 5.38, 5.40 so much of time has gone sir. Sir now one or two of my observation from the balance sheet sir. On last year, the depreciation was 1739 crore sir. And our CapEx was only 647 crores. And you sold your one plant also last year, so you have then, net assets have come down. And the depreciated amount and the plants that you have sold.

– And you've got, when I see your profit patch is 5526 minus the 432 of the dividend that you'll be sharing out. So, you'll have a 594 million rupees still as surplus will be coming in this year. So, what will this, the 5000 million rupees be allocated for. Just kept in the reserve, reserve there if you keep your money it brings down your ROCs and your ROEs and all. What will be the this thing utilized for, are you likely to acquire something other, we acquired and then make it your subsidiary and then you merge it within your company. So, when there is something like that are you...

– Sir, last year another thing which I have noted is, for the last five years you've been reducing employees. This year the employee count was only 1315 so what part of employee is going from your surface acting plants because of the restrictions and out there or because even you are having, employee benefit cost have come down to 3448 from 3625 million. So, your productivity per employee is going up but when you see the topline going up and the employee coming down and the employee benefits going down. What employee benefits are going up per productivity for employing is going up very high.

– What is the scenario, are you ready to hire more or something? And another thing I observed from the annual report is that on a turnaround and 9558 million you got an

R&D expenditure of only 66 million that is less than 0.1%. And are you likely to do open the better R&D facilities within our organization, our main company does it. Sir does R&D expenditure I understand and you will be taking... giving them royalty I understand the set up.

- Now are you likely to do, what will be the R&D capital expenditures within our India organization and what will be R&D man power likely to be. And what it is it at present day and India organization sir. And with the company, all the best sir. I hope you understand my question about the coming and waiting so long, please ask the secretary to note down the people who have taken many time only sick offence and no queries and all the... so it takes about time at the end sir.
- Or restrict them to two minutes or three minutes, you can't be giving five-five, 10-10 minutes to a speaker. And then we have to wait for two hours at the end. It is not a good practice sir. Thank you, sir, signing off Vinod Agarwal. Sir you are the founder of... started your growth tree, we're proud of you sir. In end it's, we see even Sonata, Sonata has gone up 800 rupees plus. KSB Pump, Kensai Nerolac we are proud of sir, this is...
- **Mr. Pradeep Chandan – Company Secretary, BASF India Limited:**

- Now the last speaker Mr. Vijay Karpe. Mr. Vijay you are there?

- **Mr. Vijay Karpe – Shareholder:**

So, my question pertains to the expansion of the polymer dispersion plant. So, this plant was supposed to come up in mid of the current financial year. So, when will this plant get operationalized? That is the first question. And the second question is, is there any additional capacity you are considering during the last analyst meet we had talked about some expansion in the material segment. So, that is the second question. The third question is for the CapEx for the current financial year and the next financial year which is FY23. So, what will be the numbers for the CapEx for FY22 and FY23?

My fourth question is for the financial year '21 and also for the first quarter. How has been the volume growth and the value growth for the full year FY21 and also for the first quarter of '22? And those are all my questions, thank you so much.

- **Mr. Narayan Krishnamohan – Managing Director, BASF India Limited:**

Thank you everyone for your questions. Mr. Pradip Shah and I will start answering the questions in no particular order with your permission.

– **Mr. Pradip Shah – Chairman, BASF India Limited:**

Yes, go ahead.

– **Mr. Narayan Krishnamohan – Managing Director, BASF India Limited:**

Thank you, there was a question on the CSR committee members so Mr. Arun Bewoor is the chairman of the CSR committee. And along Mr. R. A Shah and Mr. Rajesh Naik so that was CSR committee for BASF India Limited. There was a question regarding the CRISIL assigned negative outlook rating. I would like to inform you that CRISIL has revised the outlook on long term debt program from negative to stable. This was revised on 27th of July 2021. There were few questions regarding the AGM as well as the annual report. In light of the current environment and safety of our shareholders and all our employees is the top most priority of the company. And hence we held the AGM through video conferencing.

For the information of our shareholders, I would like to state an amount of Rs. 20 lakhs has been saved by the company by holding an virtual AGM including savings on account of non-printing and dispatch of physical copies of annual reports as permitted by MCA and SEBI circular. The cost of conducting E-voting at the AGM and providing this video conferencing facilities is approximately Rs. 1 lakh. The amount of unpaid dividend and number of shares transferred by the company for the financial year 2012-2013 dividend was 8 lakh 45,104. It has been transferred to the IEPF on 27th of October 2020. Further 14673 equity shares were also transferred by IEPF on 20th November 2020.

There was a few comments and questions about share price and future outlook, regret to inform you like cannot comment about future prices of the shares. And it is purely driven by the market sources. There were a few questions related to the stock split, bonus and dividend, I'll try to combine all of those. As of now there is no plans to split the shares of the company. The company follows a conservative approach regarding bonus shares, given the current situation the board is of the view that it's not an appropriate time to consider issue of bonus share to shareholders. The last bonus issue was made in 1998.

There was a question regarding share buyback split, so there are no current plans at this point in time. There was a question regarding the increase in the professional charges, there was a increase in professional charges due to the increased operations, the merger related costs, so we had a couple of portfolio activities and also the need based consultations for those activities. A few questions or comments on reduction of employees, so with the divestiture of the construction chemicals business in the current year and the OBA business in the previous year, the overall

headcount has reduced, however some of it has been brought back by the acquisition of the BASF the business at BASF polyline.

There were a couple of questions regarding the number of women employees, there are 119 women employees as of 31st March 2021, diversity and especially gender diversity is an integral part of BASF core values. We value diversity in people opinion and experience and that you ensure diversity in the organization, we are conducting training programs on gender sensitization. And implement policies whereby everyone feels treated equally. As a part of DNI policy we attract develop and retain talent of a full scope of labor markets, we leverage diversity of leadership which is key to the success in the diverse environment.

Now yeah, specifically I would like to add that under the leadership of [Karuna] and we are looking at what can we do to further accelerate that the equipment of women at our production sites as well as at our offices and what kind of infrastructure and policies that we need to bring into place to enhance the employment of women. There were questions on dividend I mean there were mixed questions on one hand compliments on the five rupee dividend plus the five rupee special dividend and then there were some comments about not being good enough.

And you know, yesterday when I was watching the highlights of the cricket match I heard one of the commentator saying that if you get comments on both sides of the comments means you are doing a balanced job. So, I hope we have a balance since we got comments on both sides but definitely the board and the independent directors as well are constantly reviewing what we should do as our dividend policy. And we will again re-look at it in the course of the year.

And there were few questions about interim dividend so again like I said we will review it in the course of the year and we've taken into consideration. There were couple of comments regarding rupees-million and rupees-crore so as per origins of schedule III of the company's act 2013, the company having a turnover of Rs. 100 crores or more may round up the figures to nearest million on decimals thereof. Accordingly, the company has reported all the figures in rupees, million in the annual report from the year 2013, 2014.

There were questions regarding CSR budgets and payments so that the 53.71 akhs for the CSR activities 2020-2021 was based on three years average profits. According to the company has spent the entire amount of Covid relief measures and other areas such as water, sanitation, hygiene and education. We have furthermore BASF performance volume has also spent around 59 lakhs towards CSR activities, you are aware that we had merged the company BIL in February.



There were questions about EBS before and after exceptional item so the EPS before exceptional item is Rs. 58.6 and after exceptional items is Rs. 127.7. There were a number of questions or comments regarding the Covid 19 impact and during the course of the presentation I did talk about the impact in the various segments, really I would reiterate that there were issues in the first quarter of the financial year due to the national lock down. And we have evaluated the impact of this pandemic on our operations due to financial positions and I would say that there is no material impact that we need to look at in terms of our balance sheet and P&L.

However, from an operational perspective I would say the first quarter of the financial year was impacted in 2021 with shutdown of plants and offices. We resumed operations in the phase manure but that said during the course of the lock down the product categories in the agro and nutritional care divisions were considered essential and were operating right through. Whereas the rest of the segments were shut down during the first quarter in the lock down. And then saw rebound in volumes post the resumption of activities.

Some of the key initiatives that I mentioned during the course of my presentation that we first of all took care of our employees and their families and the contract and family, so this is what we did initially and then we also helped out our communities and around our sites and offices and then we have donated the life saving medical equipment oxygen cylinders, oxygen medical infrastructure in the vicinity of our facilities, established restate of the sate of the art mobile at least per units and augmented by ICU units.

And I also talked about the supplier quality receipts and therefore oxygen generation. And there was a question regarding the impact for this current financial year 2021-2022 so that whatever results had been published today you can refer to the note on Covid 19 and the quarter results page for the details of the impact. In general I would say that the situation is improving in the country and along with the vaccination so industrial activity also is ongoing and you are seeing our results for the day. And however the environment is highly uncertain and with the forecast of the potential third wave.

And I also refer to the fact that there had been reduction in the GDP forecast for the country even by world bank and IMF. So, we as a management are continuously evaluating our situation and taking adequate measures to ensure that our operations both from a production and plant perspective and supply chain perspective for the needs of our customers again uninterrupted. There were questions regarding digitalization, so we had many digitalization projects, warehouse management and source management and artificial intelligence for boiler efficiency.

We invested, to manage our overtime and maintenance also suffer in the areas of supply chain and exit workflow, sales force was implemented and that our digital business to customer excellence. And also, to ensure business continuity and efficiency gains having minimal disruptions in supply chain. So, a lot of activities in the context of our new base. Also, in addition we are reevaluating, there were questions regarding office space and savings. So, in Navi Mumbai and our leased office at Juinagar we have vacated one floor and many of the conviction of offices in our branches have been converted into coworking spaces in various cities based on the need of the employees of the office.

There were questions on capacity utilization and the average capacity utilization was 69% during the financial year 2020-2021 however here I must add that in the first quarter that is April-June, which was impacted by the lock down, it was significant in lower whereas coming to the last quarter which was Jan-March that we were hitting in excess of 80%-85% capacity utilization across various plants.

I talked about the overall Covid measures taken by the company for the safety of the employees, however since there was a specific question regarding we are having continuous disinfection and sanitation of our sites and offices and company busses. We are having a bit of screening of all employees at entry and exit, we have self-declaration forms. We have distributed masks and mask is mandatory on the site to see the exception that we are three of us like I explained it was only for this meeting and we keep our distances and we have a mask with us as soon as the meeting is over we wear our mask.

And we are all fully vaccinated here, availability of handsfree dispensers or sanitizers and soap and also social distancing is maintained at all times. We have conducted vaccination camps and for employees at our offices and manufacturing sites whenever possible and when vaccine is available. We talked about our contribution in the fight against Covid with our communities and to the nation. And currently there was also a question about the number of employees who were impacted. And so we had about 498 employees who were infected over the course of the last one year.

The employees, contract employees of which 492 have recovered and have come back to work. We had fatalities, 10 fatalities of which three were employees and seven contract employees. And there are two active cases currently of people in home quarantine and home quarantine at BASF India Limited.

In terms of business impact the agro-chemical that I mentioned before the agro-chemical and nutritional care divisions were less impacted as they were essential items however industry such as automotive, construction were adversely impacted

not just by the lock down but also from the demand perspective I think the demand for these items were, there was a question or comment by one of our shareholders who talked about why would people buy footwear if they don't even have to go onsite. So, yes, there has been certain impact from that perspective.

Then there comments on employees which I already talked about, the reduction is a result of the divestiture of the construction chemicals in OBA business. A few questions regarding the improved performance of the company and whether it is sustainable. And happy to report once again that in the previous year we had a 26% increase in revenue. We did work very much to gain market share in the market, we were like part of the shareholders pointed out in the past we had lost traction in the couple of areas.

And this is where even during the Covid times we have managed to engage a lot more with the customers, you would be aware a couple of years ago BASF outlined it's strategy then we refocused on the customer saying, putting the customer at the center of everything that we do. So, we realigned our organization, our processes and it's not all that, it's continuous work in process where we try to further get closer to our customer to be able to meet the demands and thereby gain market share in the market.

Now with regards to the margin improvement there has been margin improvement purely with the fact that there has been availability issues, shortages and there has been any mystery affect but on top of that I think BASF also has worked very hard to make sure that our margin over our raw materials has improved over time through our own efforts, we have had some impact due to product portfolio changes. So, the large number of impacts, so I can't really talk about a segment whether it's significant one bullet, golden bullet which was a reason for the margin increase.

Then there were questions regarding whether it is sustainable, so most of the measures that we've taken are measures that will stake over time. And however, there is always the downside of the industry cycle and industry market. Today if you look at the world chemical markets and you also saw the BASF Group results announced a week ago that there has been a general upstream in the commodity space and in the commodity, the products, that with prices and margins improving, so, obviously we were also part of that cycle, we also benefitted from that.

So, if and when that cycle reverses obviously there would be a similar impact on the BASF India results as well. So, yes, the measures that we've taken in the context of cost and margins and customer proximity is likely to stay however will it be exactly the same or can you extrapolate based on this quarter, no, you can't because there is a certain amount of cyclicity in the commodity products as well.

So, there was a question regarding or a couple of questions regarding our business model, manufacturing the low share of manufacturing. And the high share of traded goods, well BASF did change it's business model a couple of years ago where we moved away from the agency model to the merchandise mode, so yes that was an impact which changed the income from an agency income to a fully traded merchandise income.

At this point in time we are at about 40% of owned manufactured goods at about 60% of traded goods. And BASF always reviews the potential in the market so to grow the critical mass and decides on it's investment policies and what we invest in. So, you to the scale where we do have critical mass to investors under constant review by BASF and your board is reviewing this from time to time. And then it is time to invest and it makes sense we would obviously undergo CapEx and we know that we'd be, CapEx for the last several years so that we will review this from time to time.

There was a question regarding margin of ONP and merchandised sales so the gross margin for ONP is between 25% to 30% depends on the types of products, whereas those on merchandise is between 5% to 8%. There were questions regarding nutrition and care segment, so the nutrition and care segment was largely unaffected last year, the pandemic because our essential items are allowed to run and the growth in business scale from the increase.

And there was also questions today regarding that whether we had products which go into sanitizers. We are as a company ingredient suppliers, we don't make the sanitizers ourselves but our customers do make sanitizers, do make leading products for which we provide which goes into their formulations.

There were couple of questions regarding agro and yes, agro revenues have increased last year, we had a normal monsoon I talked about during the presentation. And that we also diversified our product range away from being soybean. And a focused company into products at corn and cotton, overall positive market sentiments.

And we also managed to increase our prices. The newly launched products for example Sefina peroxide for cotton, Tynzer for corn, Xelora for soybean were the foundation of our business. There were a couple of queries regarding our new investments in Dahej and CapEx and so we continue to introduce new products in all plants where most specifically the wooden plant and Cellasto plant at Dahej, we were aware that we expanded our capacity and before the Cellasto plant last year. And the dispersions in the construction segment were successful in that... We also

continued our R&D activities. And that you improve our product portfolio and add good products.

- There was a question regarding... yes there was some impact on sales but however the unlock and now the industry and our sales are also coming back to normal. There were some questions regarding the expenses in the areas of power, fuel, freight and royalty they were falling. I mean the fact of the matter is we have been able to increase sales and the merchandise business which is done largely through IC sales model lower freight cost. And also during the lock down and divestitures OMP sales declined on absolute basis and in the first quarter having a lock down at the production site, not operating hence the costs were lower at the sites as well.
- So, there were quite a few questions, forward looking for the next two to three years but unfortunately I cannot comment on the fore looking into that extent but the June quarter results were published today. Also it is not representative for full year, there has been some impact of Covid and also this quarter was heavy on the agricultural segment so it was seasonally high on the agro-segment. Overall, I think the company will continue to monitor and we look... and seize the opportunities where available.
- Cannot make forward looking statements on margins for the future, what I can definitely say is like I promised in the last couple of meetings, that the focus of the company and that to grow volumes and to work on margins of our products and to work costs to improve the overall profitability and shareholder returns continues. And that will be the basis of our operations also going forward.
- There was a question regarding impairment of certain assets at Dahej and the impact of the material segment. Well they are considering the macroeconomic situation the company recognized an impairment loss of 277 million rupees towards declining recoverable value of a certain plant and machinery. And which was part of the materials segment.
- About future CapEx well, currently we have a plant under construction for the expansion of dispersions at Dahej, it was expected to start production in 2021 however due to the Covid impact and the availability of construction workers and the fact that we had to delay the process. There are couple of times in between the startup is now delayed to next year. So, we intend to start up with the production of the dispersion plant in 2021.
- The premarketing for this is very much on the way and we are confident that we will be able to burn the plant and they are pretty high right from the word go. There were questions regarding plant acquisitions of divestitures well presently there is no plant acquisition or divestiture, acquisition of divestiture however we continue to evaluate markets of vision and take appropriate decisions.
- We do actively manage our portfolio in the last year as I mentioned in my presentation we did diverse our construction chemicals portfolio in line with the global carveout and for a consideration of 595 crores and recorded a profit of 465 crores on the divestiture.

- The capacity, there was also a question regarding the capacity on the expansion of the Dahej dispersion line this is approximately 45 kg per ton. And the expected sales from this new line would be around 340 to 380 crores obviously depending upon the price of raw materials.
- There were a few questions regarding BASF India benefitting from the China plus one strategy. And I think there are multiple aspects to this question. Firstly I firmly believe that India has such, and will have significant expansion of the chemical industry and thereby our customer base whether it's in the field of agro-chemicals whether it's in the field of pharmaceuticals or in the case of polymers. And that we see a potential for the chemical industry grow in India. And honorable prime minister has laid out ambitious plans for growth of industry as well as the chemical industry.
- So, I am pretty confident that BASF will participate in this growth. And with regards to the direct China plus one strategy BASF continuous to look at all markets including China and India in a strategic way and as and when opportunities arise we will announce further plans.
- CapEx plan for next year we did announce, I just commented about the Dahej expansion apart from that and the routine CapEx that we have, there are no major CapEx planned at this point in time. There was a question regarding capacities which I will link to the acquisition because the question was related but before that there were questions electro mobility and electric vehicles. So, in context battery material is one of the key focus areas for BASF globally BASF group has been investing in e-mobility and demand for lithium iron batteries is growing continuously.
- Globally it's a focus area for BASF now in the context of the Indian aspect I must say that this is still a developing industry with a lot of potential, the government also has announced and there are certain schemes for these advanced cell chemistries. BASF is currently evaluating what can be done in this context.
- There were a few questions regarding the acquisition of business so this strength is the company's position as a solution provider for key industries. And would enhance market access to key growth markets. It will also help the company in expanding the material segments and the polymers business has operational synergies with the engineering plastics, the existing engineering plastics business of...
- Now this business has a manufacturing site at Panoli, Gujarat and it has a wide range of engineering plastic, serves automotive, electrical and consumer industries. For the period April to Jan '21 which recorded revenues of 187 crores with the PBT of 11 crores we are aware that we merged the company with BIL as of 1<sup>st</sup> of February.
- There's a question regarding annual incremental revenue and we expect to contribute annual revenue in the range of 250 to 280 crores and our post other integration. There were a few questions regarding exports. I would like to say here that 80% exports are related, are to related parties and the rest to non-related parties with the divestiture of our exports has reduced and in that context this point of time, 2% to 3% of, 2% to 3% of the total sales are export sales.

- There were a few questions on R&D and the R&D is at, for the year at 61.4 million during the year, the R&D center of the company was engaged in supporting businesses through innovation and undertook multiple research activities including acquisition and improvement of safety instruments, basic research in enhancing quality of life have been sustainable.
- So, introduction of new products and development of new products and formulation. And to add to it our R&D setup is integral to the global R&D set up of BASF and we focus largely on product developments in the life sciences segment. The performance in Q1 there were a couple of questions regarding performance in Q1 and here the strong growth in revenue and results compared to the previous year, obviously you are aware that the previous year was impacted by Covid but really what makes me happy is the performance of the company even compared to the strong full quarter of the previous financial year.
- That the first quarter was really a solid year, the agro-chemical segment registered a strong growth driven by digitalization and product portfolio diversification and entering ways and enhancing the retail chain. Also, we saw a very strong performance from the material segments and the industrial solutions segments, despite the challenges and that we also leveraged on rising prices in the commodity chemicals area.
- And so overall despite the challenges of the second wave of Covid have very solid performance by the company in this quarter. And we announce the results today and the support from all the colleagues and fellow board of directors. And very good comments that many a few shareholders talked about, thank you very much, I really appreciate the comments.
- There were comments, questions regarding future plans of the company on cash management, working capital management. Well with certain proceeds from the operating activities are reinvested into the business to get into these operations, excess proceeds will also be invested so giving financial challenges to all incomes. And now I mean last year we did have the special income from the construction chemicals divestiture but we also had to pay for the acquisition of the business.
- And so I would say we also became debt free during the course of the year so the management and board decides about the cash flow and the dividend policies of the company. So, with that I think I have answered most of questions. Would just like to close out by saying that, I first of all thank all the shareholders for the comments, it's really encouraging to hear from you the positive comments and encourage me to do better. We will strive to do so.
- We take care of our colleagues working in our plants, in our offices and we will continue to focus on that. We will engage more with our customers and we will continue to do that, grow our business and continue to drive profitability in the coming quarters. So, look forward to your continued support there. With that I give permission, and end the Q&A session. And Mr. Pradip Shah that be all from the...
- **Mr. Pradip Shah – Chairman, BASF India Limited:**

- Yes, I think you... no, no you answered every question including on the bonus and the splits, as you mentioned we will look at it at some time in the interim dividend and so and so. And somebody made a suggestion of reduction in share capital and also say that make a right decision, so there was inconsistencies, we still need the board to sort out what is required and hopefully we don't accumulate cash. We will use it wisely and well as you more than said in the earning. So, thank you very much for your interest in the company and your questions. And I think Mohan is trying to answer every single one of them, thank you.
- **Mr. Pradeep Chandan – Director-Legal & Company Secretary, BASF India Limited:**
- Thank you, Mr. Shah. And now may I request the shareholders who have not yet passed their votes on the resolutions to please do so immediately. The results of the voting on all the resolution will be declared within two working days after the conclusion of this meeting. And it will be intimated to the stock exchanges and posted on the company's and NSDLs website.
- I now declare that the e-voting period to be kept open for 15 minutes to facilitate voting by the shareholders of the company who have not exercised their votes on the resolutions. And thereafter the meeting will conclude.
- **Mr. Narayan Krishnamohan – Managing Director, BASF India Limited:**
- Yeah. this 15 minutes is for e-voting, those shareholders who have not yet exercised their votes, request them to cast their votes please.
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**
- Thank you Mohan I think we can all drop out now Pradeep.
- **E-Voting Begins**
- **Mr. Pradeep Chandan – Director-Legal, General Counsel (South Asia) & Company Secretary, BASF India Limited:**

Ladies and Gentlemen, the e-voting period is now over and I thank you for your attendance and participation at the 77<sup>th</sup> Annual General Meeting today.

I request you to take care and stay safe.