

**TRANSCRIPT OF THE 76<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF BASF INDIA LIMITED HELD ON THURSDAY, 6<sup>TH</sup> AUGUST, 2020 AT 3.00 P.M. THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS AT MUMBAI**

Pradip P. Shah: Pradeep, its Three o'clock.

Pradeep Chandan: Yeah. OK. Yeah.

Pradeep Chandan: Good afternoon Ladies and Gentlemen. I welcome our shareholders to the 76<sup>th</sup> Annual General Meeting of BASF India Limited which is being held through video conferencing. This being the first virtual AGM, I would like to inform you about certain important points for smooth functioning of this meeting. All the shareholders of the Company who have joined this meeting are by default placed on mute by the host to avoid any disturbances arising from the background noise. During the question and answer session, the names of the speaker shareholder will be called and thereafter the respective speaker shareholder will be unmuted by the host. Speakers shareholders are requested to ensure that their video and audio is enabled and working properly. If the shareholder is not able to speak through video mode, then the shareholder can speak through the audio mode. Shareholders are requested to use their headphones if possible, so that they are clearly audible. Shareholders are requested to join the meeting through, preferably laptop and use Internet with a good speed for convenience and better experience. I now request Mr. Pradip Shah, Chairman of the Company who is attending this meeting through video conferencing facility from his residence at Mumbai to preside over the Annual General Meeting and conduct the meeting. Thank you.

Pradip P. Shah: Thank you Pradeep. Good Afternoon Ladies and Gentlemen, I have great pleasure to welcome you all to the 76<sup>th</sup> Annual General Meeting of the Company. In view of the COVID-19 pandemic, social distancing is prerequisite and considering the safety of shareholders of the Company, the Company's Annual General Meeting is scheduled through video conferencing in compliance with circular issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India. Your Company has taken required steps for shareholders to participate in this meeting and vote on the resolution set out in the notice of the 76<sup>th</sup> Annual General Meeting. Requisite quorum for this meeting is present and with your permission, I shall begin the proceedings. All the Directors of the Company are present in the Annual General Meeting and I will request all other directors to introduce themselves one by one. I'll start with myself. I am Pradip Shah, the Chairman of the Company and I am also the member of the Audit Committee.

Narayan Krishnamohan: I am Narayan Krishnamohan, Managing Director of the Company and attending this meeting through video conferencing from our Innovation Campus in Navi Mumbai. I am also the Chairman of Risk Management Committee of the Company.

R. A. Shah: I am a Director and Shareholder of the Company and I am attending this meeting through video conferencing.

Arun Bewoor: I am a Director of BASF India and I am attending the Annual General Body meeting from my house in Bombay. I am a member of the Audit Committee and the CSR Committee. Thank you.

Shyamala Gopinath: I am Shyamala Gopinath. I am an Independent Director. I am Chairman of the Audit Committee and Stakeholders' Relationship Committee. I am participating from my residence in Mumbai.

Dirk Bremm: Yeah Good afternoon, I am Dirk Bremm. I am a Non-Executive Director of the Company and I'm attending from Germany.

Dr. Ramkumar Dhruva: Good Afternoon, I am Ramkumar Dhruva. I am also a Non-Executive Director of the Company and I am joining this AGM from my residence in BASF Belgium, Brussels.

Narendranath Baliga: Good afternoon everyone, I am Narendranath Baliga, Chief Financial Officer of the Company and attending this meeting through video conferencing from my residence in Mumbai. Thank you.

Pradeep Chandan: Yeah Good afternoon, I am Pradeep Chandan, Director- Legal, General Counsel (South Asia) & Company Secretary and I am attending this meeting from our Innovation Campus in Mumbai.

Rajesh Naik: Good afternoon, I am Rajesh Naik, Whole Time Director of your Company. I'm attending this meeting through video conferencing from our Innovation Campus in Navi Mumbai. Thank You.

Pradip P. Shah: Thank you very much. On behalf of the Board of Directors and shareholders of the Company, I welcome Mr. Dirk Bremm, President, Coatings division, who is appointed as a Director of the Company with effect from July 31, 2020 and is attending this meeting from Germany. I also welcome Dr. Ramkumar Dhruva who is attending this meeting from Brussels, Belgium. Let me also mention that Mr. Raimar Jahn resigned as a Director of the Company with effect from July 20, 2019. Company's Statutory Auditors, External Auditors and Secretarial Auditors have also joined the meeting through video conference. The Notice of the Annual General Meeting and Annual Report have already been circulated to the shareholders on 11<sup>th</sup> July, 2020 and with your permission, I take the notice dated 10<sup>th</sup> July, 2020 of 76<sup>th</sup> Annual General Meeting as read. The Auditor's Report does not have any qualification or observations or comments on the Financial context of the Company. 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 share capital of the Company holding 3,17,43,220 equity shares of the Company. The Annual General Meeting is held through video conferencing without the physical attendance of the shareholders of the Company. The requirement of appointment of proxy is not applicable. Registers maintained under the Companies Act, 2013 are open for inspection electronically. Shareholders may send a request to Pradeep Chandan, Company Secretary for inspection of any document mentioned in the Annual Report or AGM notice. I will now invite Mr. Narayan Krishnamohan to make the presentation for the shareholders and authorize him to the conduct the meeting proceedings of the AGM, e-Voting, Appointment of Scrutinizer, handling questions and answers, e-Voting results and Conclusion of the meeting. Over to you Mr. Narayan Krishnamohan.

Narayan Krishnamohan: Thank You Chairman Pradip Shah. It's a great honor and privilege to be here today talking to you in these difficult times. Normally today we would have been at our traditional auditorium in South Mumbai but unfortunately, we cannot meet in person given the current circumstances. But that said, it also gives opportunity for a lot of others who can join us online and because with the possibility and thanks to NSDL for providing these services, we can have this AGM attended by a lot more people. Other shareholders outside of Mumbai who wouldn't have otherwise attended have the possibility to attend this meeting. So on behalf of the Board of directors, again, thank you very much for attending this meeting and what I will try do in the next few slides is to give you an overview of what happened during the financial year 2019-20 and I am sure that you would have a certain questions about how the Company

is doing in this difficult time. So, I will run through a couple of slides which talks about the COVID situation, the impact on the Company and as you are aware, we just had a Board Meeting earlier today and we've declared the quarterly results which have been communicated to the Stock Exchange as well. So, I'll show that slides to you. Maybe not all of you have had the opportunity to look at that, so we will address a little bit about what happened in the last quarter, which was infected by COVID, so let me start off.

By stating that, as a Company policy, we only discuss matters that are in public domain and we do not provide focus about the future business situation. We also don't give guidance on future results or business outlook. That said, like I mentioned, I'll give you a brief overview on what we think about COVID and how the next couple of months will look like. Again, thank you very much for honor of leading this Company and I must say it's been a year in the job, so I took over as MD in April of last year and the year has been a challenging one. If you look at the GDP development over the last few years, the economic background, it's been a slowing economy in the year. I mean, it dropped from 6.1% in previous year to 4.2%. Even if you look at the forecast from IMF, it keeps changing from time to time. But at this point in time a contraction is forecast for the current financial year with recovery to about 6% in the next financial year. So, it's a difficult time and that if you look at it more closely, the biggest impact was on the manufacturing sector. So, in the year gone by, the manufacturing sector declined from 6.9% to 2% growth significantly lower than what we were expecting at the beginning of the year and even within the manufacturing sector, the worst hit was the automotive sector where our Company has a fair amount of exposure. The automotive overall declined by about 18% and a couple of major reasons what happened in the previous year. Firstly, there was the NBFC crisis, which had an impact on the credit in the market and secondly, with the change in regulations in admission norms from Bharat 4 to Bharat 6. Many of the consumers were waiting at the sidelines, waiting for new models to come out into the market, and that hit the sales of automotive in financial year 2019-20. Agriculture, on the other hand, with a barely good monsoon in the previous year, grew at 4% and services also saw a moderate growth. Now when you look at this scenario and the previous year, the COVID impact was negligible because the shutdown in the country actually happened in the second half of March and it had a very marginal impact on the financial year 2019-20 to some extent towards the end of March, the cash flows started running out and the receivables went up, but other than that for the overall year the impact was very much there. Now against this backdrop of a difficult environment slowdown in manufacturing, your Company focused on diversifying its portfolio. We did a number of projects with customers and overall, we were able to grow our business. In terms of growth, now you've seen these numbers in the Annual Report as well, we had a significant growth in top line. We grew by 25%, a combination of volume growth as well as a change in business model where we move from the agency business to merchandise business enabling significant top line growth. At the same time, we worked on profitability, we worked on margins, we worked on product portfolio and you can clearly see the EBIT before special items which improved from 30 crores to 120 crores during the year. In terms of profit after tax, yes, because of exceptional items, we had a situation where it declined from previous year but that was as a consequence of portfolio measures that we did in between the two years. The segment also you see a very well-balanced business with all the segments more or less contributing evenly to the overall Company. The borrowings reduced significantly that was very efficient working capital management and cash flow generation from business, which enabled us to significantly reduce our borrowings. And last but not the least, the Board of Directors were considering about the dividend and the difficult times that we are in currently, because when we were deliberating about the dividend it was during the COVID crisis and we just said well, the performance for the previous year was quite good. We have significantly improved the profitability of the Company and the dividend is being paid for the previous year

and hence we recommended a dividend of ₹3 per equity share which was the same as previous year, excluding the special dividend of ₹2 which we had paid in the previous year on account of the 75<sup>th</sup> Anniversary. When you look at the different segments and this is what was very happening to me and in terms of the Company, all the segments registered positive growth, yeah, well when you look at agricultural solutions, nutrition and care, chemical segment, materials, surface technologies and industrial solutions. Now agriculture and nutrition care did have a very positive impact, but despite the challenges on the industrial side, as well as the challenges on Automotive, the business is working with, the Company still registered positive growth that was a result of very close cooperation that we had with customers and I think the teams have done a tremendous job to make sure that our Company is performing better even in adverse circumstances. On the asset footprint side, when you look on the left-hand side, these are all expansions that we carried out in the last year. We doubled our capacity for Cellasto manufacturing in Dahej and we are in the process of doubling our production capacity for polymer dispersions as well. We inaugurated a new plant for deformers at Mangalore and we also installed a new spray machine in the Technical Support lab at Mangalore. So principally investing into the business and also then investing into areas of digitalization, increasing production efficiency in all the plants and I am also happy to report to you that we got several audits and certifications from the international automotive task force, both at Dahej and also at the new plant we started at Dahej. That said, we further expanded on a digitalization initiative at the last AGM. I already talked to you about the Net Promoter score. Now this Net Promoter score system was something which we launched last year and this enabled us to hear the voices of our customers a lot more to help us improve on our product quality, our supply chains and our delivery reliability and we continue to roll out these surveys on a quarterly basis which enables us to improve the operations of the Company. Also, we implemented certain digital channels what you see on the right side is specific to our agricultural solutions business, where we reached out to lakhs of customers and farmers by our Facebook and via WhatsApp which has enabled us especially in these difficult COVID times to connect with our customers.

Further on the customer collaboration side, we inaugurated a creation center which helps our customers collaborate with us and look through the BASF library of materials. So now, we inaugurated this in May and already the first eight or nine months, we've had several customer groups who have visited and engaged in several topics and it is these efforts which have enabled us to outgrow our market and improve our market share across various Industries. At the same time, our Company has continued with its Portfolio Management activities. You are aware of the fact that we have divested our Construction chemicals and Optical brightening business. The Optical brightness business we divested to Archroma for a consideration of Rs. 33.5 crores whereas the business of Construction chemicals is sold to Master Builders Solutions for a consideration of Rs. 595 crores.

That said, at the same time we are not just selling businesses, we are also acquiring businesses. So we are acquiring the businesses of BASF Performance Polyamides, which is very well complementing our portfolio of performance materials including the well-known technical brand. It gives us very good growth opportunities and it has a very wide distribution network. It creates a lot of co-creation opportunities with a complimentary portfolio and with the team which was the old legacy Solvay team and the BASF Performance materials team which is now one strong team. It's a good opportunity for us to grow further in the performance materials and the monomer segment. It also gives us a very good global integration into the value chain. This is subject to shareholders approval, of course and the consideration amount should not exceed Rs. 300 crores as approved by the Board of Directors. While we are doing all these activities or the business, improving our portfolio, improving our profitability, we also are firmly committed to EHS sustainability. Now you must have all seen in the chemical

industry that there have been a lot of incidents in the last months and we have been in the press because of various accidents during the COVID lockdown in terms of restart. Now your Company has taken the utmost care to ensure that all our activities, all our assets at various sites, our people remain as safe as possible and emphasizing on making sure that the operations are well managed, and people stay healthy. During the course of last year, we conducted several activities on EHS as well as on sustainability in terms of EHS. We had the global safety days with over 160 activities across various sites. Also, the agricultural solutions team won the first runner up award of our safety championships within BASF. Externally, we did win awards on ICC for responsible care and nicer globe. We also won CII award for EHS standards in manufacturing. So, we've been doing fairly a lot of things in terms of EHS and in terms of sustainability based on the principles of reduce, reuse and recycle. We have been enhancing our water storage and saving capabilities at both Dahej and Mangalore sites. We invested in solar power for Mangalore site and we are looking at further options for renewable energy at our various operating sites. We also engage with customers and the industries various sustainability measures whether it's like collaboration with Colgate Palmolive or having the battery tech day in terms of the future of automotive. We were also the sustainability partner for the India economic conclave during December 2019. At the same time, we have also been active in CSR activities as part of it is also in our annual report what you see here is on the left side our employees participating in volunteering activities or international volunteers along with certain NGOs and the right side you see an example of our WASH activities which is related to water, sanitation and hygiene at our production sites. The one picture on the right is specific to Mangalore. And that's our colleagues from the Mangalore site at the inauguration of community toilet.

We also look at our employees as our greatest asset. So, in terms of development, whether its talent development, diversity and inclusion, employer employee engagement. We do a fair amount of investment into various activities during the course of the year. We also tried to make the HR processes simpler with digital means and I can tell you that over the course of the last three four months, it's been one of our top priorities to ensure that how do our employees still remain motivated and to make sure that the activities of the Company carried out and they are also remaining in good health and safety. So, in that context, engagement in various forms have been done by the leaderships of the Company by the communities within the Company. That said, there have been a lot of changes in the Indian environment with Make in India, Investing into India and we as a Company also have been representing in various forums whether it is crop life with the agriculture business or DIO and you also see certain pictures where we have been part of discussions along with the Prime Minister or with the Ambassador of Germany advocating for various policies and measures which are beneficial for the chemical industry and to enable the chemical industry to contribute to make in India and the growth of the Indian economy. So, we have been doing our bid to ensure that the advocacy efforts in terms of the policy framework and the regulatory frameworks are assisting the growth of the industry and our Company as well. So that was a little bit about the year gone by and I would like to spend the next few minutes talking about the last quarter. Like I mentioned this morning, we did have the board meeting and the results have been communicated to the Stock Exchanges. Now this quarter was heavily impacted by the COVID pandemic and the nationwide shutdown, which started somewhere in the middle of March, had very little impact on the previous financial year like I said. But it did have a major impact on this quarter. We, however, remain focused on employee safety. Like I said, we maintained our active customer collaboration in a challenging business environment, but we ensured that we connect through virtual means for most of April and May. Our production sites were not operational with the exception of those items with the government allowed, which was quiet for farmer industry or hygiene industry. So those which were allowed by the government were

the only activities operational and the rest were in shut down. Post the announcement of Unlock Bharat and Unlock 1.0, we started activities at our production sites and offices as per the Central government as well as the State government laws depending on where our locations are. And we have maintained all the activities, save all our assets. We made sure that whenever we restart a particular office or a site, we are complying to all the guidelines, making sure that the Aarogya Setu app is being used and the social distancing is being maintained. The necessary checks for all the vehicles entering or leaving the site for the employees where they are working in the work environment. So we maintained all of that across the board and across India wherever we have sites. That said, I am really glad that our employees also maintained that discipline and made sure that our operations are restarting in a safe manner. So a big thank you to all of them to make sure that we had a very safe restart to all our production sites. Our production sites started up mostly in June and we continue on the ramp up based on the customer requirements with the industry. On top of this, we also contributed to various relief measures across India. We airlifted BASF Polymers manufactured in Belgium and donated by our Mother Company BASF SE and these products were then used to make 10 million N95 masks which were then used by the Indian medical fraternity and police force. And also, we donated the products which are raw materials to produce these masks. Additionally, BASF Group Companies in India have here marked a fund of 31.2 million to PM CARES fund as well as distribution of food supplies and PPE. On top of this, our employees have also contributed and are volunteering towards various activities for COVID-19 relief measures across the country. Now you would be just in seeing how the results were. What I can tell you is from a top line perspective, the quarter saw sales which were about the previous year quarter and slightly below the March quarter, which is in my opinion in the economy which was so badly affected in April with the automotive construction and the consumer durable industry, which forms roughly about a third of our Company sales were impacted during the month of April and May. However, with a good management and positive growth from the other businesses, for example, the Agro Business which was on the back of a very good monsoon as well as good water levels and cash flow from the previous winter crop, it was a very good setting for the agrochemical business and my view is in the next few months with a positive development from the AG business, not just for the Company but from the economy I would expect that the rural India and demand from tier 2 and tier 3 cities is what will bring the development on the economic growth back for the country. That said along with Agro, we see also very good momentum in the previous quarter. We saw for the care industry as well as the nutrition segments. Principally, I think thanks to the concerns that the people had with one's health as well as hygiene, the demand for more nutritious products as well as hygiene had a very positive impact on the nutrition care segments, thereby enabling good growth. I must say that after a very difficult April, I think April was probably the lowest point for also BASF. Just like the Indian economy, we had very low plant utilizations, but it has recovered by month and we are coming to a point where, in my opinion, in the next month we should see a normalization with the previous year. We do not know there is a certain amount of uncertainty of course the visibility is not really there beyond the next couple of months and hence I would hesitate to make any pronouncement of how things would look like at a global level. We see in many countries the wave two and wave three of the virus, hence it's very difficult to predict how things will develop for the rest of the year. That said, I am an internal Optimist and I would say that if things continue as they are and we continue to open up the economy slowly in a careful manner and all of us practice self-discipline and make sure that the infection rate in the country is not so high and we manage this recovery, well, there's a good reason why the economy should bounce back and then have a positive impact on our customer industries and then consequently eventually our business as well. You can see on the right side, the profit before exceptional items, we did report a loss of 37.8 cores in the quarter. When the quarter started, I was, I must say that I had a feeling that it would be a lot

worse. However, with the opening of the economy and again restart especially from the month of June, I see a positive momentum and I hope we can continue this further relaxation and reopening of the economy in this quarter and improve our performance. The focus of the Company is on making sure that in this market place we work very closely with our customers. We ensure that we support them in this time of difficulty and grow with them and support their growth. Make sure that all the possibilities in the market in terms of project, in terms of innovation and in terms of supply chain support whatever we can do to help grow the business are things we are focusing on and make sure that your Company does well and recovers from this crisis. People ask me whether it will be a V shaped, U shaped, L shaped recovery. I always tell the people that I hope for a V shape economy recovery and consequently a positive impact on our business and we work and prepare our Company to leverage a V shaped recovery. However, if it gets delayed and ends up in a U, we will adapt our situation accordingly, whether it is related to our ordering patterns, whether it is related to our working capital in terms of resources employed by the Company, we need to be flexible because there is no guarantee about how the business is going to develop in the next couple of months. Our visibility is rather low and what we have been built into the system and amongst our employees is resilience and the ability to adapt to these systems and work closely with our customers. So that said to summarize, I am quite positive about how things will develop, but my base case scenario does not include a relapse of wave through or a wave three or another lock down for that matter. So my assumption is the economy opens up slowly and then we will capitalize on that in terms of working closely with our customers and growing our business profitably. So that's why we continue to have a very strong customer engagement. We will continue with policy and opinion makers to represent that industry forums. We will continue to advocate drive industry to make sure that the business is facilitated and there are no challenge coming from the bureaucratic side. All the growth hurdles that are there, we try to remove them, our employees, they keep them motivated to make sure that they are performing at a high level and clearly worked together with our customers in the various segments to ensure that we are growing positively. And last but not the least, the management of your Company is very heavily engaged, although we all work from home, today is an exception. I mean, it's probably after four months and the three of us are sitting in this room together but principally we work from home. It's a lot more phone calls and Webex like these, but it's something where we are totally committed to making sure that all the challenges and hurdles that we face in the economy and the business are handled and keep your Company strong in terms of our financial performance and being long term well position for the growth which we are expecting that the economy will bounce back and present us with an opportunity.

Thank you very much.

So with this I move on to the e-voting part 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 Monday the 3<sup>rd</sup> of August, 2020 from 9:00 AM to Wednesday 5<sup>th</sup> August 2020 till 5:00 PM. For the benefit of the shareholders who participated in this meeting and had not cast their votes through remote e-voting, we have provided the facility for electronic voting and the shareholders of the Company can exercise their votes during the course of this meeting. All the resolutions proposed to be passed at this 76<sup>th</sup> Annual General Meeting would be passed by means of e-voting. Mr. Hemant Shetye, partner of HS Associates, Practicing Company Secretaries, has given his consent to act as scrutinizer to scrutinize the remote e-voting and voting processes and he has been appointed as scrutinizer for this meeting. I now request Mr. Pradeep Chandan to explain the procedure for e-voting to enable you to cast your vote.

Pradeep Chandan: Yeah, the Company has availed the services of NSDL to provide electronic voting facility to enable you to cast your vote at this meeting. Kindly note that this facility is to vote at this meeting is only for those shareholders who have not exercised their vote through remote e-voting. Shareholders are requested to go to the voting page of NSDL e-voting website and cast their votes simultaneously for the AGM. Shareholders may kindly note that since this AGM is held through video conferencing and the resolutions mentioned in the notice of the 76<sup>th</sup> AGM have already been put to vote through remote voting and e-voting today, there will be no proposing and seconding of the resolutions. You may cast your vote now. Thank you.

Narayan Krishnamohan: I will now invite the Shareholders of the Company who have registered themselves as speakers for this AGM. I request all speaker shareholders to be brief and not to repeat questions and queries already raised by the other speakers and limit their speech to 3 minutes each. Mr. Pradeep Chandan will call out the names of the shareholders one by one as per the orders of names written in the speakers list.

Pradeep Chandan: Mrs. Mascarenhas

Mrs. Mascarenhas: Hello.

Pradeep Chandan: Yeah, we can hear you madam.

Mrs. Mascarenhas: Am I Audible?

Pradeep Chandan: Yes.

Mrs. Mascarenhas: Respected Chairman Mr. Pradip Shah, Managing Director Narayan Krishnamohan, Mr. R. A. Shah, Madam Shyamala Gopinath, our lady director, other directors, my name is Mrs. C. E Mascarenhas. Here I would appreciate our Company Secretary, Mr. Pradeep Chandan services to the shareholders and also helping us to attend this virtual meeting, which is the first one, definitely next year we would like actual meeting than this virtual on the demise of the COVID virus. Sir, your presentation was excellent. It was a very good presentation. You have run through all the activities of the Company. I don't know how to thank you. Now, coming to the working in spite of FY19-20 year was full of challenges with tough macroeconomic, environmental slow down and to add to this ongoing COVID-19 crisis, our Company has done well in spite of all the constraints locally and globally, our revenue has gone up and PBT, PAT have gone up and what is more important, you have maintained the dividend of 30% that is Rs. 3 per share which is good. I hope next year also we may get that dividend because with these three months washout I am feeling little not that Okay. Now also we have got a good market capitalization and also very big growth story. Here, I congratulate the BASF team, the entire team for all the awards and also good social work towards the society under the CSR and also in the covid crisis PM's Fund and all that very good. I really congratulate the whole team here and also you are always adhering to good corporate governance.

Now Sir, some queries of mine. Number one, our agricultural solution business registered a good growth on special with good rains this year. Can we expect good addition to our profits? Sir, who are our competitors in this type of business?

Number two, our industrial solutions segment comprises of dispersion and performance chemicals. Who is the competitor in this segment? What is the capacity utilization of our Dahej manufacturing plant? Why are our import cost rising higher?



Number 3, we have third vertical surface technologies segment comprising of catalyst coating and construction chemical business. That chemical construction business is now definitely sold off as Slump. Now, slowdown in the auto industry how much it has affected our Margins?

Number 4, we have received Rupees 595.16 crores by slump sale of construction chemicals business to Master Builder Solutions India Private Limited around 1<sup>st</sup> July, 2020. We have received this amount. Now I have some news item which I had seen in some papers. Our Company is setting up a battery parts manufacturing plant in India to service 30 years supply deal with Tesla Motors and our Company to expand Indian manufacturing company capacity to meet huge demand from Tesla. 30 years agreement between both the entities. So what will be the long term cap ex plan for BASF and Tesla in India?

Lastly but not the least, I support all the resolutions and I wish our Company and the team all the best and may our Company grow from strength to strength. Thank you for giving me a patient hearing.

Pradeep Chandan: Yeah. Mr. Mascarenhas.

Mr. Mascarenhas: Can I speak?

Pradeep Chandan: Yes.

Pradip P. Shah: Yes please.

Mr. Mascarenhas: Yeah. Respected Chairman sir, respected members of the Board and my fellow shareholders good evening to you all. My name is Aloysius Mascarenhas. At the outset, I thank the management, our company secretary and his team for sending me a soft copy of the annual report which I saw on the computer. It is simple, illustrative, informative, transparent and above all adhering to all the parameters required for a good corporate governance. Our results are not good compared to last year but seeing to the economic scenario, the COVID has destroyed our economy and most of the companies in the profitability. But even then, you were kind enough to maintain a dividend of 30% compared to 50% last year, but 50% comprise of 20% special dividend for completing 75 years. Good sir, I hope this trend continues and improves in the years to come. Now Sir I appreciate our balance sheet, which is given so beautifully and the presentation that you have just read out, is really so good that I have got very few questions to ask. Most of my questions have been answered with your presentation. It has given me a bird's eye view about the progress of our Company, our CSR activities are good. Our risk management is good. Our Company has got AAA rating from Crisil which shows the financial standing of our Company. Since, we are doing very well in most of the chemicals. I believe that we are in every sector whether it is chemical sector, pharma sector, performance sector industry and what not and we are in all sectors in chemical industry. Sir I would now ask two questions. What is and who are our peers and competitors? and what is our market share both in the domestic market and in the international market? Which countries do we export? And more importantly, now that China, are we importing from China? If so, what is the percentage? Or have we reduced our imports? Then our Dahej plant, is it fully operational? Then we have taken huge loan for Dahej plant. Have we repaid this loan fully? I would like to know. Sir, what is our saving on this new concept of virtual AGM? How much have you saved? Otherwise, we were having a physical AGM. So what is our profitability? Now, sir this COVID has destroyed our economy. I would like to know how many of our employees were affected by this COVID? What is the recovery and were there any deaths? I'm happy that our Company has donated a good sum of money to PM CARES and the NGOs. Sir, many questions have been asked by me and the previous shareholder. So I would like to stop my speech here wishing the Managing director, the board members and employees all the very best in the

days and years to come. So with this sir, I thank you very much for patient hearing. Thank you very much, Sir. Thank you.

Pradip P. Shah: Thank You.

Pradeep Chandan: Mrs. H. S. Patel

Santosh Bhandarkar: Sir, she has not joined. You may please proceed with the next speaker shareholder.

Pradeep Chandan: Okay. Aspi Bhesania

Aspi Bhesania: Can you see me?

Pradeep Chandan: Hello. Yes, we can hear you. Can you speak a little louder?

Aspi Bhesania: Right. Company's been very well in the last year, but the first quarter was very disappointing, but I'm sure you'll make it up in the balance nine months. Sir, we acquired 100% stake in BASF Polyamides for Rs. 305 crores. Please inform income and net profit for March 2020 year and also for the quarter ending June 2020. Why don't we acquire all subsidiaries of parent at one time and ensure that there's only one listed subsidiary like that of Unilever? So how will developments in China affect us? Especially our raw materials and also finished products. Sir, thank you and all the best.

Pradeep Chandan: Thank you. Shobana Mehta. Mrs. Shobana Mehta.

Santosh Bhandarkar: Sir she has not joined. You may please proceed.

Pradeep Chandan: Mr. H. L. Savani.

H. L. Savani: Hello.

Pradeep Chandan: Yes.

H. L. Savani: Chairman, German directors and my fellow shareholders my name is Savani Harshad. Presentation given by the management is very nice. And in this bad scenario, the hard work done by the team is good. Within no time you have prepared a balance sheet. Our Earning Per Share 4.3, last year it was 18.9. And we have declared Rs. 3 dividend. It is good. It shows that management intention is optimistic. My question is, we have leased property liability. And now are doing all the work from home. So how are you going to reduce the lease liability? Page 104 contingent liability. Last year it was 114 crores. It had gone up to 440 crores. We should be alert. Page 96 inventories. Sir, please keep watch on inventory. Because nowadays, time will be very bad. It will be very difficult to push the sales and if you sell the products by forcing, there are chances of bad debt. Page 28 Foreign Exchange earned. It is good that Rs. 363 crores we have earned, and Foreign Exchange outgo is Rs. 201 crores. It is very good. Lastly, petrol prices have crossed 89 rupees and Diesel prices have crossed 79 rupees. What will be the impact on profitability? I also want to know how much we are importing any raw material from China and exporting to China. Thank You sir.

Pradeep Chandan: Thank you. Mr. Gautam Tiwari.

Gautam Tiwari: Hello Sir. Hello Sir can you listen me?

Pradeep Chandan: Please go ahead we can hear you.

Gautam Tiwari: Honorable Chairman sir, our dear MD a very Good afternoon. Sir you can hear me and can you see my video Sir?

Pradip P. Shah: Yeah, we can hear you and we can see you.

Pradeep Chandan: Yeah, we can see you.

Gautam Tiwari: Okay Sir. Very very Good afternoon to all my dignified Board Directors, my BASF team and my fellow shareholders. Sir, our new MD Mr. Krishnamohan is focusing on profits which is a very good sign sir. I am very happy that the Company is doing quite well even during this pandemic situation. The Company has maintained its profitability and its business precisely well. Sir, we have taken over the Solvay group of French company recently. Now considering that the Polyamides business operational synergies with the engineering plastic business of the Company, our Board of Directors have approved the acquisition of 100% stake in BASF Performance so Polyamides India Private Limited from BASF Nederland B.V. from parent Company BASF SE for an amount not exceeding Rs. 305 crores which is including of adjustments if any. Sir, what are these adjustments? And how much amount of percentage right shall be paid by our Company to our parent company BASF SE and BASF B.V. Sir this amount of Rs. 305 crores approximately is not greater than 10% of the net worth. So how much is the net worth of our Company as of now? And this fund of Rs. 305 crores approximately shall be funded from the proceedings of Divestitures. Now, what are these divestitures sir? We would like you to enlighten. Since none of our key personal are related with each other in all these four BASF Companies transactions, therefore, is it so that this transaction doesn't come at all under the title of Related Party Transactions? Sir, what will be the impact of this acquisition in terms of sales, revenue and profitability of our Company in future? Sir now coming to Secretarial performance, our Pradeep Chandan sir, he is so much nice, very soft spoken, very helpful and very versatile and always willing to help for any kind of queries. For this, we are very much thankful to our Secretarial and Finance department for their services. Sir, I thank you for retaining the satisfactory performance and Rs. 3 per share dividend even in this COVID pandemic situation. Sir, now balance sheet is very much informative and transparent and it is dispatched well in advance and very carefully and meticulously drafted for which we would like to congratulate our secretarial and finance department and to the management team for selecting such a nice team. So, at the same time we would like to salute all staff, employees and officers for their commitment and for their hard work, sincerity and outstanding contribution and services which they have been providing year on year, even in this COVID pandemic situation. Sir, we are voted for all the resolutions and in the from past day one we have been in your support. We are now supporting you and will keep on supporting you always in future also. Sir, we wish the entire board of management a very very long, wealthy and happy life in the days to come and very sure our company will be providing the customer, the shareholders with great rewards as it has already done. Sir, there are so many meetings so that is why we have not been able to concentrate precisely and so I would like to ask your excuse for not being able to concentrate precisely because there are so many meetings. One small query which I would like to know from your end is what is the cost of this virtual AGM and how much we are saving compared to our physically meeting Sir? How much is contributed to PM CARES fund and is it a part of CSR spending? What are the future plans of our company keeping in mind the pandemic situation? Sir how much dividend was transferred to Investor Protection Fund and how many shares have you transferred to IEPF Sir? How much is percentage wise decline in company's profit business due to COVID pandemic situation and I'm very sure sir your management and your secretary and finance Department and CFO and everybody has been giving good performance. I welcome all the appointments and reappointments of the directors, members on board management and wish all entire board of management and entire shareholder who are connected with us a very happy, healthy, wealthy and a bright and shiny future and we will be there in your support

always and all the time and we salute you for your performance. Thank you very much for your patient listening. Thank You.

Pradeep Chandan: Thank you. Yeah. Mr. Suresh Kanolkar

Suresh Kanolkar: Hello?

Pradeep Chandan: Yes Mr. Kanolkar we can hear you.

Suresh Kanolkar: You can hear me okay thank you. Good Evening everybody and Guten Morgen to our director Dirk Bremm who is attending the meeting from Germany. Our honorable chairman, ladies and gentlemen, I am S. A. Khanolkar speaking. To begin with Annual Report copy is very well presented and documented. Our Company Secretary Department is very systematic and friendly with shareholders. But one Laguna I have observed in the report and that is we have not given last 10 years financial highlights in tabular form. I wish those financial highlights be presented in a very prominent place in the report so that we can compare the performances in the past and present. So please take care about this in the forthcoming reports. Then the Management Discussion and Analysis report gives us nice reporting on in-house customer oriented technical developments and I really appreciate that. Recreation Center concept evolved is a novel platform for advancement and progress. Sir now coming to financials, our position of reserves to equity is quite compatible. Sir we had resorted to borrowing but it is admissible considering the expansion and development going on in the company. The debt equity ratio is also admissible and is within limits. Our liquidity position is also nicely maintained. Sir in short, if I am asked our financial management is really excellent and I must give compliments to our CFO, Congrats. Funds flow and working capital management is excellent so also cash flow management. Another notable thing is that we have ultimately surplus foreign exchange earners. Please give this plan in future also with increasing surplus of foreign exchange. Our exports are also good. Please throw light on our change in business model from agency to merchandise should evolve betterment in profits. How are you evolving this concept? That's it, I want to say one thing even though we are holding meetings in virtual form, we have got everything so many locations are there of our factory or office but our head office main office is only always right from last 75 years in rental building. I would like our own building to come up where we can show Yeah this is BASF's house at the BASF center so probably, we can demonstrate it and really work more better way there. All many other good companies Glaxo, Hindustan Unilever are having their own houses, offices, building. Why not we? We are also in a very comfortable position so please give a thought on this. There is a marked decline in EPS from 10.9 to 4.3. Can you please throw some more light on optical brightness agents business that has affected us in this aspect. You didn't pay off this good compared to EPS but altogether more generation of net profit is desirable. With this, I take your leave and Thank you very much sir and Aufwedersehn to our German friend in Germany. Thank you.

Pradeep Chandan: Yeah. Homa Beruz.

Homa Beruz: Can you hear me?

Pradeep Chandan: Yes, yes we can hear you.

Homa Beruz: Ha okay yeah. Okay so I will now start. Sir we are very happy to have to be attending here at our virtual AGM. So, as you know we miss our physical AGM. Sir we used to meet you all physically. It was such a delight sir. We are missing that. Sir now I just wanted to, I listened to your presentation and I got a lot of information but still a few things I want to know. Sir, all our products don't come under the essential services. So only those which come under essential services have been running even during the lockdown and just after the

lockdown? Sir is our plant now running to full capacity? Sir how have you been able to engage all employees? Sir just wanted to know that. Sir have we introduced, have we completed all our products or so is it as per our customer demand we start the products? I just wanted to know. Sir please don't mention amount in millions as because we don't understand millions, we understand in crores that is why sir. Sir I am curious to know which are our products from nutritional side? Sir Farmers are affected by the lockdown so how can our Agro be Good, sir just wanted to know. Please throw some light on that. We are very proud of Mr. Chandan. We have known him since 2 decades and he is so much dedicated to our company sir. It's difficult to find such person and he has been continuously in touch with us and has made this virtual AGM possible. Sir, we should acknowledge all the good work done by him and by all the employees and now to the next speaker, I am handing over the mobile. Thank you, Sir.

Beruz Pourdehi: Respective chairman and another respective directors my name is Beruz Pourdehi. Sir we are very glad that Mr. Mr. I forgot his name also because we are so much tense with the yesterday's rainfall. All our TV has been cut off. Even our Wi-Fi has been cut off so we are very much proud that Mr. Pradeep Chandan has taken initiative to take care of us and even contact us regularly. Sir we would like to know what are the chemicals we are importing and what are the chemical manufacturing over here because Germany is one of the best chemical company BASF. We would like to know whether we are having a plant in China or whether the same is closed and whether we are importing any raw chemicals from China. Sir product is very well taken in the market and we have physically seen the what you call the plant at Dahej and I am very glad that our Company Secretary and the whole secretarial team is taking care of all the shareholders. They are always asking how is your health and so we feel very much proud of our company and we support all your resolutions. Then we wish our company all the very best and we hope to see better days ahead and hope that the dividend of three and last year you had given 5. But this year only Rs. 3 which is also more than sufficient and also for CSR activities and we are very much proud of your dedication towards others and farmers and all the services. We support all your resolution and all the best for the Company. Jai Hind, Jai Bharat Thank you.

Pradip P. Shah: Thank You.

Pradeep Chandan: Thank You. Jehangir Battiwala. Mr. Jehangir Battiwala.

Jehangir Battiwala: Yes Sir. Can you hear me?

Pradeep Chandan: Yes.

Jehangir Battiwala: Okay. Respected Chairman, Board members, Company Secretary Mr. Pradeep Chandan and fellow shareholders Good afternoon to all of you. My name is Jehangir and it's my pleasure to address this AGM through VC. Sir thank you for declaring a dividend of rupees three per share. Keep up the good work, Sir. We compliment Mr. Pradeep Chandan and his Secretarial team for bringing out an AGM report which is colorful, knowledgeable in order and has all that details in place. It addresses the norms of Corporate Governance. Sir I think it's time to go for a split and then a liberal bonus for your loyal shareholders. Sir the last bonus was given in 1998, so please consider this, Sir. Sir now with the ongoing pandemic, how is BASF geared to take care of its staff and their families? I hope all of you are safe and sound. More prominent thing I hope you're not using anything made in China in our factories and in our works Sir. Sir since we're not physically present, I would not like to develop on or touch upon the accounts or the working of the company. Other shareholders have done so sir. I would like to compliment the Secretarial team especially Miss Vidya who has constantly been in touch with the shareholders and listening and guiding them on how to connect through VC and also Shri. Pradeep sir who has taken the pain to connect with all the shareholders and

personally speak with them and invite them for this VC AGM sir. Sir some few queries like if you can just touch upon the road map of BASF in this pandemic times? Sir the capacity utilization program that will be required to program and so can you just give us a brief of the overall impact of the COVID-19 that has had on the working of the company? Sir finally your thoughts on the future and the road map of overall performance of BASF for the next two years? Sir we've got six verticals of revenue generation. Do you have any plans of setting up the 7th one? Now that the festive season will commence wishing you sir and all the board members, secretarial team and all the staff of BASF a very happy festive season and wishing you all the best of luck for the future. Thank you, Sir. We support all resolutions. Thank you.

Pradeep Chandan: Mr. Sharadkumar J Shah. Mr. Sharad Kumar Jivraj Shah.

Sharadkumar J. Shah: Sir, I'm here.

Pradeep Chandan: Yeah please.

Sharadkumar J. Shah: Are you hearing me?

Pradeep Chandan: Yes, yes we can hear you.

Pradip P. Shah: Good afternoon sir. Please try.

Pradeep Chandan: Yeah Mr. Sharadkumar J. Shah

Sharadkumar J. Shah: Yeah Unmute it.

Pradeep Chandan: Unmuted? One minute just a minute.

Santosh Bhandarkar: Sir we have unmuted him from our end, but it seems he's muting from his end.

Pradeep Chandan: Okay. Mr. Shah are you able to speak now?

Sharadkumar J. Shah: No, again you are muting.

Pradeep Chandan: From our end, there is no problem.

Sharadkumar J. Shah: From your end only, it is muting.

Pradeep Chandan: We can hear you Mr. Shah. Yeah please continue. Hello? Hello? Mr. Shah we will come back to you.

Santosh Bhandarkar: Yes sir we can proceed with the next shareholder.

Pradeep Chandan: Yeah yeah. Mr. A. K. Lokapur.

A K Lokapur: Hello, can you hear me?

Pradeep Chandan: Yes, yes we can hear you.

A K Lokapur: Good afternoon and thanks for giving me this opportunity to attend this AGM and special thanks to Mr. Pradeep Chandan and his team for the time. Chairman sir and Managing Director Mr. Narayan Krishnamohan I would like to welcome you. I think this is your first AGM because earlier Mr. Raman was there and before that Mr. Prasad Chandran was there. Actually, I have been a shareholder for 14 years and attending AGM once in a while. I am a chemical engineer myself. Hello? Can you hear me?

Pradeep Chandan: Now we can hear you.

A K Lokapur: Thanks again. Sorry for the disturbance. You know, BASF has been one of the most advantageous Company, the biggest non-oil, non-American. I remember the days of 1980s and 1990s where the alternate years company would give us bonus and rights. Things changed after 1998 and the journey in the last 20 years has been a little because of China and shifting of bigger plants out of Europe. China has a capital active nylon and alkaline soda fabricant is what the company is. The performance has been very passive. To say the least, I think any person will be following the balance sheet and the share prices, but I think we have done lots of changes, merged assets with CIBA, merged assets with polyurethanes and construction chemical business in last few days. I was surprised to learn that we are divesting our Optical Brightening business which was one of the mainstream business. So, what I would like to know is what has been happening? I know that there's lots of Chemical Giants which have been bring up actually, right, but of course you have to evolve yourself. Get into the right side of the business, which is something that helps but not be probably happening in the last few, maybe 10-15 years where we get dividend you know as a long-term shareholder, I have no complaints. All the businesses are curved and purple patch all the time. But I think the tough times have been a little too long. We definitely look up to the new managing director and team. Construction chemical, I feel, is one of the best areas to be in and I just learned that you are divesting it for what say whatever 500 and crores. So, when I compare the performance of BASF to other chemical brands particularly to Bayer Crop Science, the German chemical giant, you know BASF somewhat fails into comparison. I agree that Bayer has been basically into crop science but the chemical businesses are such that you have to be a step ahead in order to anticipate customer trends and still be on the right side of the curve at the end of the day. Even now, for BASF can do wonders in India. I lost count as to how many plants we have because earlier there were only Navi Mumbai plant and Dahej plant of polyurethanes. We had a plant in Booker Ida way back in 1980s and then obviously we got a facility in Mangalore. Do we have any more facilities? Do we have inherited a few more from CIBA speciality when they got merged? Would you please tell me, I understand that the Navi Mumbai facility has now been renewed to head office cum research and development center and there are little manufacturing takes. What is our Capacity? What is our capacity utilization? We talk about our six segments. Mostly from everything and this year, particularly in COVID trouble, whenever I see the results of Cialis India or UPS you know it will probably be good. The performance would be exemplary. Unfortunately, this is not reflected in our quarterly results, which I got to say. So, what is troubling us? what's the problem? We had to go through a very strict forensic audit to fix the problems? Whether it is manufacturing? Whether it is R&D? We have a lot of products. We could probably be a towering giant, but we have to, you know, planning is different and execution is different, and then at the end of the day it has to be reduced to financial number, which is what ultimately everybody cares for and is there. I am particularly interested in learning what is the group engineering plastic? What is the agreement that we are talking about with Tesla? Because instead of talking about 2020 or 2019, if you're sitting at 2025 or 2030 what it is that we're looking? We're looking at some other better engineering prospects which are bio degradable, or maybe would not be contaminating the soil from the seas or pollution. Can we go into some of the solo products is what the surprise industry for years to come and you like to have a business model? Whether China is there? Whether import duties are there? Our business model should always be above water and we should be able to reward the shareholders. It includes skills and the technical for the large basket. It's only trying to convert what appears on a piece of paper into reality and back again in the financial numbers. I would support all the resolutions and I've been a loyal shareholder and proud shareholder of BASF. Would like to see that the decade of 2020's starting from now through the next year, we would be reminded or, you know, the decade of 1990 would pale in comparison with the upcoming years. Wish you Good luck. Best of luck for the coming year and hope to have some good numbers in the months to come, thank you.

Pradip P. Shah: Thank you.

Pradeep Chandan: Yeah. Mr. Hariram Chaudhary.

Hariram Chaudhary: I am opening my video. I'll start my video. The Chairman of the meeting, Pradip Ji and Mr. Narayan Krishnamohan, all other directors and my other friends. I appreciate that the physical copy of the annual report is published. We have received the physical copy only from two companies Reliance Industries and BASF. Sir we appreciate that apart from electronic, physical copies are also given. Now, Mr. Chairman in April, May, June, July we are affected by the COVID. I come to this CSR. Please let us know what you have done for COVID affected people. Whether you have given the ambulance? Whether you have given oxygen cylinder or ICU bed or in any way? What have we done? I am suggesting if we receive an application from any person who is affected by COVID we should give 1 Lakh rupees as financial assistance because the total expenditure for the treatment is 15 Lakhs rupees. So, this is my request that whenever an application is received, we do that. Who is the chairman of CSR Committee? And now I appreciate the efforts taken by Pradeep Chandan and his staff members for giving us good services and this is what we are expecting from the Company Secretary and all his assistants. Now I came to know from Mr. Narayan that solar power is being used which is efficient and very much the need of the hour now. Water harvesting should also be used. This is our suggestion. Let us know how many shareholders are attending meeting today and what is the capacity of webex? Secondly, how many staff members are working from home? Let us know all these pictures from here. One suggestion to both Pradip P. Shah and Pradeep Chandan that lets organize a get together, a Diwali get together in the last week of October of the speaker shareholders. This much can be done. Therefore, I am suggesting. Kindly let us know. With this I conclude by conveying my best wishes for all the progress and prosperity of the Company.

Pradip P. Shah: Thank you very much.

Pradeep Chandan: Mr. Yusuf Rangwala. Yusuf Rangwala.

Yusuf Rangwala: Hello?

Pradeep Chandan: Yeah. We can hear you.

Yusuf Rangwala: Respective Chairman and my fellow shareholders a very good afternoon. I am thankful to whole Secretarial team and Vidya Madam. Thank you, madam. The dividend you have given that is very nice. Last year it was 50% but this year it is 30%. Please arrange a small get together in January or February. I am very happy with Company. The Annual Report is also very good. I wish all the best. Jai Jind, Jai Maharashtra, Vande Mataram, Bharat Mata ki Jai. Thank you very much sir.

Pradip P. Shah: Thank you.

Pradeep Chandan: Thank You. Mr. Kirti Shah.

Kirti Shah: Sir, Good Afternoon

Pradeep Chandan: Good Afternoon.

Kirti Shah: Chairman sir the dividend which you have gave is very good that in tough times also you have given such good dividend. You have also brought down borrowing but your finance cost is not much reduced. What is the reason sir? You brought down borrowing by 395 crores but finance cost down by 2 crores only. What is that reason? What is the reason of increasing of Contingent liability that is 440 crores? Our equity is 43 crores and contingent liability is 440 crores which was 114 crores last year. 30% Trade receivable has increased.



This has also to be checked. The exceptional items are -32 crores which was 126 crores last time. Why there is so difference? Please highlight. You have increased the depreciation to 180 crores which was 147 crores. Which plant went into production and what are its impacts? Please highlight. The sale of services is down in current year by 25%. What is the reason? The price to book value is 4.8 which is very low for a MNC Company. What are you going to do for that? Why our P/E is high? Please explain the reason. Our Return on Equity is 1.34%. When will this improve? Dividend yield is 0.23% and now Diwali is coming so you can go for Interim dividend. Please talk on that. The Promoter holding is 73.33%. You can go for QIB and reduce this holding and can also do a zero borrowing debt company. Please think on that. Why our share market price is high? Even with such a loss why it is high? The loss in December quarter was -32 crores and March quarter profit is 40 crores and current quarter loss is 37 crores. This is very fluctuating so what is the reason for that? When will it stabilize? Our BASF delivery volume is 21% because of 10 rupees face value. The book closure which you gave this time is from 24<sup>th</sup> July to 30<sup>th</sup> July. Please keep last date of AGM as book closure date. I had emailed you and you have replied to me partly and now you will reply me fully I know. All the best. Thank you very much.

Pradeep Chandan: Mr. Sharad Jivraj Shah. Mr. Sharadkumar Shah

Sharad Jivraj Shah: Can you hear me now?

Pradeep Chandan: Yes sir.

Pradip P. Shah: Yes, go ahead.

Sharadkumar Jivraj Shah: Just a minute sir. I will go ahead. Sir I will first give an opening remark and another thing you said that from construction business we will get some money. Thank you.

Pradeep Chandan: Mr. Dinesh Bhatia.

Dinesh Bhatia: Hello?

Pradip P. Shah: Go ahead we can hear you.

Dinesh Bhatia: I am Dinesh Bhatia. First, I congratulate Chairman Pradip P. Shah, The Managing Director Narayan Krishnamohan and other Board of Directors for giving Rs. 3 dividend per share even in such tough times. Also, you have maintained a good revenue as compared to last year. This is a good thing. Even the net profit is good as compared to last year. But just because of exceptional items our net profit is less but still it is good. This is all because of your hard work, conservation and long-term business strategy. Our Promoter stake is 73% and LIC and Mutual Fund stake goes to around 84%. As a result, most of the stake is with big investors and as hence our Company is sound. The whole group is sound and the 3 rupees dividend which you have given is also very good. I Congratulate you for that and I appreciate Pradeep Chandan Ji and Vidya Madam for working hard for this VC AGM. I support all resolutions. Thank you for giving me the opportunity to speak. My question has been already asked by other shareholders so I won't be repeating the questions. You have reduced finance costs and borrowings which is a very good thing. This will lead to increase in profits of the Company and even in future I hope the finance cost and borrowings will go down. Thank You.

Pradeep Chandan: Mr. Anil Parikh. Anil C. Parikh.

Anil Parikh: Hello. Am I audible?

Pradeep Chandan: Yes, very well.

Anil Parikh: Chairman sir Pradip Ji and MD Narayan Krishnamohan you are welcome to this Board and I hope you will be a great asset to the Company. So, Narayan best of luck for coming years. Secondly, CS team is doing excellent job with the help of Mr. Chandan and with the Vidya Ji. They have extended a helping hand for everything where we need their help and also for annual report, they sent me digitally as well as physical so thanks to them also. As the economy continues to combat the unprecedented certainty caused by COVID-19 pandemic outbreak since the start of this calendar and it will be a challenging year for all of us. Our entire country is under lock down since 24<sup>th</sup> March and we are forced to stay home. This year and all will have to sit at home and attend this VC AGM of the company. But Sir, I'm very much hopeful that next year onwards, if everything prevails well and going well, we are meeting at the venue in South Bombay because this we see conference is not at all comfortable for us, so it is better to meet physically and greet you for whatever you done good things for the Company. So, I request all the board members to kindly see to it that next year should be a physical meeting. Chandan Ji please take a note of this. Hello?

Pradeep Chandan: I am noting.

Pradip P. Shah: Yeah, we can hear you.

Anil Parikh: Okay now on pg. 4 although our revenue has gone up, our profit has gone down as compared to last year. Thanks to tax credit of 138 cores so that we can get better PAT of 185 cores. So anyway, we have full faith in the entire board and you will do exceedingly well in coming years. Forget this COVID pandemic. This comes and goes. Now Sir, my particular question about Resolution number 5 of 305 cores for acquisition of polyamides business. So, I would like to know what are the benefits we have established? Erstwhile Rhodia chemicals, what would have been the cost of that size of the plant? And any liabilities coming with that or any employees coming? And are we satisfied with all these employees? Are we keeping all the employees with us or not? Sir my next is about Dahej plant. Whether it is fully operational or not? I would like to know. If yes, what is the installed capacity and capacity utilization. Sir, our one segment nutrition and care segment is a future globally. Since this kind of COVID pandemic is going to stay there for at least one year is what I hope and maybe in future new pandemics can come and go. But this is a real opportunity for us to work upon these nutrition and care segment and now more and more people and community will be going for health conscious so I would like to know how we are ready for a nutrition and care segment particularly. Sir on page 5, our Stilbene based optical brightening agents, Sir, if you can throw some light on that and also Lone Star funds to acquire BASF construction chemicals business, I would like to know about these two points in brief. And also, our parent company, BASF SE Germany, closes acquisition of Solvay Polyamide business. Sir, what is it for today's situation, I would like to know that? And last two questions. How employees are safe in our organization and our plants and our offices and what kind of allocation of funds you're prepared for them for COVID-19 and all that? And what is the CSR expenditure done for Prime Minister Welfare Fund for this COVID-19? Is there any allocation of money for that? I would like to know otherwise everything else has been explained very well by our MD so I don't have any further questions. I am here strongly supporting all the resolutions and particularly I would like to thank Mr. Chandan and his team for doing excellent job hats off to you. You're great asset of this Company. Thank you Chandan Ji and MD sir. Thank you very much.

Pradeep Chandan: Thank you. Sarbananda Gattani.

Sarbananda Gattani: Hello sir Good Evening, I am CA Sarbananda Gattani from Calcutta. I'm a very old shareholder and I actually bought the share many years back when I saw your

German factory. I was looking for BASF and why I should buy it by making analysis as CA and then saw your German factory. Then recently I saw a lot of land in USA which was bought for your factory and I also found that you're one of the best employers and you keep your employees very nicely with good salaries and with honor. Our Company Secretary is a very nice gentleman and I spoke with him for the first time, three or four days back when I requested for the speaker position. I'm so surprised and so happy that he sent me a balance sheet, hard copy. I've spoken in 100 AGMs sir including Bata and Britannia, no one sent me hard copy. Thank you very much company secretary sir. You send me a hard copy which was very helpful and now we have become accustomed to the online part sir, thank you very much. I'll keep it as a souvenir. I support all resolutions. Coming to the account points sir. Chairman Pradip P. Shah, MD Narayan Krishnamohan, N. J. Baliga and Pradeep Chandan I could meet you only because of COVID. I could have never come to your AGM in normal situations. I leave Calcutta only for my audit purpose. Now, there are some wow moments and some a bit of concern for our company. Our revenues from operations increased to 7.51 from 6.02. Our company provided a dividend of rupees three per share, the 129.9 million would be the output, which is also I'm very happy. Export sales to date is rupees 3636.1 million which is also very good Sir. Our Companies spent one 1.5 million towards CSR activities, Sir where required amount was 1.3 million. 0.2 million CSR was done extra and I am very happy. I request you to consider me as a poor man also. Foreign exchange earning was 3636.1 million as compared to outgo of 2016, net 1600 million saving. Our both current and non-current borrowings were decreased. Our companies' stock Rs. 804 million on account of receipt as compared to 127.8 million. This is very good sir as cash rich Company sir. Now, after tax profit has decreased. There are two reasons for this maybe, one is of COVID and second is the profit due to 1260 million on account of exceptional items in the previous years. Total Rs. 8548.1 million on account of statutory disputes are like it to be circle, Sir. Well Mr. Chairman, Mr. Pradeep Sir and MD Mr. Narayan Krishnamohan Ji I have got a simple request from Calcutta. I may not be meeting you. I request you for your photograph on a photo and a visiting card of both of yours. Thank you very much.

Pradip P. Shah: Thank you.

Pradeep Chandan: Yeah. Mrs. Lekha Shah.

Lekha Shah: Can you hear me?

Pradip P. Shah: Yeah, we can hear you go ahead.

Lekha Shah: Respected Chairman Sir, Board of Directors and my fellow members, Good evening to all of you, myself lekha shah. I am very much thankful to Mr. Chandan Ji and specially Vidya Ji for extending very good investment services and also sending me the copy which is full of knowledge. Due to pandemic COVID-19 we all are facing crisis and have to stay home. Thank you, Narayan sir, for explaining us then about the company. I am happy to see that our company is doing very well in the field of CSR activities which includes water, sanitation and hygiene. I would like to congratulate our automatic coating team for being recognized with the business partner award for the 2018 while the Benz India at their annual business partner meet in 2019. Congratulations to our Company for winning awards like Pinnacle Award for excellence in manufacturing in environment, health, safety category. ICC award for best nicer glow user company etc. I would like to ask a few questions. What is the cap ex program for next year? What is the road map for the next two years? What is the dividend policy of the Company? Lastly, Company Secretary Mr. Chandan has always been helpful with all my queries and doubts. I wish all the best and I support all the resolutions. Thank you, sir.

Pradip P. Shah: Thank You.

Pradeep Chandan: Thank You. Mr. Rohinton Battiwala.

Rohinton Battiwala: Hello. Am I Audible? Okay. Respected Chairman Mr. Pradip Shah and other directors on VC, Company Secretary Pradeep Chandan and fellow shareholders, good evening to all of you. My name is Rohinton Battiwala and I'm from Bombay and thanks for inviting me to speak Sir. First, let me congratulate the Company for keeping the AGM very ahead of time. Although the city is really under pandemic, hats off to company, its directors, Managing Committee, and above all our hardworking company secretary Shri. Pradeep Chandan in spite of working from home he has done a wonderful job of keeping AGM well ahead of time. Sir, thank you for all round performance shown by the management and directors, and keeping shareholders happy in this hard and tiring times, Sir. In each and every operations the company's showed marvelous results. Sir, we are very much pleased that we are part of this esteemed company that is known as BASF. Sir, I'm a shareholder since the IPO of BASF. I'm very much pleased that I have invested in our powerful company. So, regarding dividend, we're very pleased and happy with the director that they recommended 30% dividend. Sir our company always keep shareholders happy by giving them dividend year after year. This time finance is going down in this pandemic area. It is a boon for us from the directors. Anyway sir, thank you very much for everything. So last 20 years have passed and you have not given a bonus. So, we expect bonus this time if it is possible. Please consider this in next board meeting. Time is limited and I refrain from speaking further and I end my speech here with lots and lots of good wishes for the company and good wishes for the company's directors and management. Sir, as majority of the festivals are coming henceforth, I wish one and all the happy festivals and pray to almighty Lord that once again we meet next year as usual in the Hall and see each other smilingly. Sir, I thank you once again for letting me to speak and give patient hearing. Sir, I support all your resolution wholeheartedly. That's all for the day, Sir. Thank you very much. Thank you.

Pradip P. Shah: Thank You.

Pradeep Chandan: Thank You. Mr. Rajendra Prasad Joshi.

Rajendra Prasad Joshi: Hello can You hear me?

Pradeep Chandan: Yes.

Rajendra Prasad Joshi: Mr. Pradip Shah, MD Narayan Krishnamohan sir and Pradeep Chandan our Company Secretary, a good afternoon to all of you sir. At the outset I must say our Company Secretary Shri. Pradeep Chandan and his team are rendering excellent services to shareholders. Their dedicated effort to make this virtual AGM a success is very commendable. Sir I am very happy that you have become an Alternate director. Sir you are very cooperative by nature and I wish you all the very best. In spite of many challenges our Company was able to register a growth in F.Y. 2019-20. Companies total growth is 25.31% and profit before exception items is 371 million as compared to loss last year. Sir this is a very good growth. Because of exceptional items our net profit has come down. Even though dividend is declared for Rs. 3 per share which is very generous. The total dividend payout is 129.19 million which is very good payout ratio sir. Thanks, management, for such a good data.

Pradeep Chandan: Mr. Bhagwan Deshmukh.

Bhagwan Deshmukh: Hello. Pradip Shah Chairman, Mr. Narayan Krishnamohan MD, Mr. Pradeep Chandan Company Secretary and other honorable members of the Board, the senior

members of the management team and my fellow shareholders I'm very happy to be here with all of you witnessing and seeing this Annual General Meeting of this company for the first time also I'm a shareholder for many years. I'm really happy and I would like to congratulate Mr. Narayan Krishnamohan for one of the excellent presentations and as well as Mr. Pradeep Chandan for very nice Annual Report. Now, the other shareholders have already asked some questions which I had kept in mind, so I won't repeat them. I have only one suggestion. Looking at the presentation of Mr. Narayan Krishnamohan, I am convinced that you are looking forward and trying to see the opportunities hidden into this present situation. So, my suggestion is that while I support both the resolutions including the resolution of polyamide business or polyamide company, I suggest that with the realignment that is going to happen now in the coming time in global and regional supply chains, can we strategically think of making one of our sites For example, a polyimide side as a regional or global manufacturing hub and take full advantage of the given challenges and convert the challenges into opportunity. With this, I wish all the best for the company as well as the management team and the board of directors and I thank you for allowing me to participate and ask this question.

Pradeep Chandan: Thank you. Mrs. Smita Shah.

Smita Shah: Hello. Am I audible? Honorable Chairman Pradip Shah and MD Narayan Krishnamohan and all respected directors I am Smita Shah from Mumbai. First of all, I want to congratulate.

Pradeep Chandan: Hello? Madam we will get back to you. Mr. Rajesh Chainani.

Santosh Bhandarkar: Sir, he has not joined.

Pradeep Chandan: Okay. Mukesh Chandiramani.

Santosh Bhandarkar: Sir even he is not there.

Pradeep Chandan: Okay. Mrs. Vasudha Dakve.

Vasudha Dakve: Hello can you hear me?

Pradip P. Shah: Yeah go ahead.

Vasudha Dakve: Good Afternoon respected Chairman sir and other Board of directors and my fellow shareholders, myself Vasudha Dakve. First of all, I Congratulate the Company Secretary and his team for sending a soft copy of Annual Report well in advance which indicates the clear and transparent picture of the Company. I want to ask two questions. What is your layoff policy to current employees if applicable? Second, what is the capex plan of next five years? With these I support all resolutions. Thank you very much. Thank you.

Pradeep Chandan: Thank you. Mr. Vimal Kumar Agarwal.

Vimal Kumar Agarwal: Hello. Hello. Hello.

Pradip P. Shah: We can hear you go ahead.

Pradip Chandan: We can hear you. Please go ahead.

Pradip P. Shah: We can revisit Mr. Agarwal later.

Pradeep Chandan: Mrs. Shobhana Mehta.

Shobhana Mehta: Respected Directors, Respected Shyamala madam, this is Shobhana Mehta from Surat. For the first time we are conducting AGM through VC due to COVID. I am missing everyone. R. A. Shah sir it feels good meeting you every year. Anyways, lets pray we meet next year. Our Secretarial department has made very nice, colorful, transparent and informative balance sheet. I want to congratulate Shri. Pradip Ji and his whole team especially Vidya madam. Narayan Krishnamohan is doing a great job by handling the Company. There has been a growth of 25% and round perspective also gives a satisfactory result. Also, Board has recommended 30% dividend. Congratulations to the Company for giving such dividend and also now Company would not be paying the dividend tax so it looks good against the reserves. What would be the impact of COVID and monsoon on Company? What is the future roadmap of the Company? With this I want to give my best wishes to the Company and hope it grows in future so it can pay good dividends to us. I also wish you for all upcoming festivals. I support all resolutions. Congratulations to Secretarial team for their efforts. They have sent me a physical copy of Annual Report in Surat. Thank you very much.

Pradeep Chandan: Smita Shah.

Smita Shah: Hello. I am Smita Shah. Congratulations for entering in 76<sup>th</sup> year. Excellent performance by the Company. Our MD is strongly leading the Company. We trust you on that. I won't talk much. I will ask only one thing. Even in these harsh conditions you have offered 30% dividend. Thank you for that. But comparing last 5 years in which the revenue has increased, dividend in 2018 was 30%. Last year it was 50% for completing 75 years which was 20% increase. But this year it is again 30% which is -20% than last year. Still in these difficult conditions you have declared dividend which is also a huge thing. But please look for interim dividend and also think about 1+1 bonus.

Pradeep Chandan: Yeah.

Smita Shah: Sir one minute just let me complete.

Pradeep Chandan: Sorry Sorry.

Smita Shah: I want to thank Mr. Chandan for his kind support as always. Also, would like to thank Mrs. Vidya for her support. I support all the resolutions.

Pradeep Chandan: Thank You. Vimal Kumar Agarwal.

Vimal Kumar Agarwal: Can you hear me?

Pradeep Chandan: Yes.

Vimal Kumar Agarwal: Hello. Good Evening. I have told you, every year we should have meeting online only. Every shareholder can participate around the world. And already our Chairman had explained beautifully. I got nothing else to say. OK, thank you very much.

Pradip P. Shah: Thank You.

Pradeep Chandan: Mr. Hiranand Kotwani.

Hiranand Kotwani: Am I audible?

Pradeep Chandan: Yes. Hello? Hello?

Pradip P. Shah: Mr. Kotwani go ahead.

Hiranand Kotwani: Okay. First, I will convey my good wishes to all the people who are conducting this meeting in difficult environment. Already so many topics have been taken and

certainly I am here to touch upon the contingent liability and contingents, but this is particular to uncertain event. It is uncertainty ahead. Can you gentlemen elaborate our capacity utilization of this four months after the 31st March? How Finance cost has been reduced? Or what is the contingency regarding the currency fluctuation? There should be plenty of contingency of this pandemic and natural calamities. I'm very much concern of the future currency fluctuation if our company has any program or any policy in this regard. They are saying that their currency will be doled up in the months to come and how far is it our raw material position and future verticals, particularly any this particular pandemic has given us disguised blessing new product at a very competitive rate. How you are coping and increasing the growth with prosperity? My concern is that this pandemic pain or company has faced in the future how company will recount growth and profitability to reward the minority shareholder? Is there any vision and mission in this regard? Thank you and good luck.

Pradeep Chandan: Thank you. The last speaker, Mr. Bharat Shah.

Bharat Shah: Hello. Respected Chandan Ji Company Secretary, Mohan Ji, MD and all other respected directors my name is Bharat Shah. I have no query. You are working very efficiently and running the Company properly. Sir the dividend is also good. You have taken good care of your shareholder. You have respected all shareholders. I just want to thank you very much.

Pradeep Chandan: Thank you Mr. Shah.

Narayan Krishnamohan: Thank you everyone for your questions. Thank you, Pradeep, for handling all the questions. I will answer them in order. Many of the questions were also having connected answers, so I will be going through them topic by topic.

So, there were questions on number of shareholders and the shareholder meeting, so we have about 111 shareholders joining this meeting. So, thank you very much for joining us. There was a question on the cost and the cost savings here. For information I would like to inform that an amount of rupees approximately 20 lakhs has been saved by the company by holding this AGM and also by the limited printing and also not printing and dispatch of physical copies of annual reports. The cost of conducting E voting at the AGM and video conferencing facilities is about ₹75,000. There was a question regarding 10-year financial highlights not given during the year. The financial highlights are not given on account of non-comparability of data due to Indian accounting standards transition with effect from 1<sup>st</sup> of April, 2015. There was a question regarding market share in the different segments which is difficult to comment as we operate in various chemical segments. Broadly our market share across the segments in which we operate would be in the range of 10 to 20%. There was a question regarding key raw materials of the company, so MDI which is methyl diphenyl diisocyanate, styrene Dehydol, Butadein, Topramezone, Lupranol and Propylene Oxide are some of the key raw materials of BASF.

There was a question regarding competitors in the segments, so in that case of agrochemicals, our key competitors are based in gentle rallies by industries. In the case of dispersion and pigments, we have Dow, Visen and apcotex. In care chemicals we have Galaxy surfactants. In the case of coatings, you have Kansai as well as Akzo Nobel. In construction chemicals we have Pidilite. In the case of polyurethanes, it's Dow, Covestro, Huntsman. There's no single representative company and its across various Images of different competitors.

There were several questions regarding exposure to China in terms of raw material imports. So, on an ongoing exercise, we always look at domestic sources and imports from other countries, whether its technically and commercially possible but there will be some dependency on imports from China because China is part of the global chemical value chain. However, it's a relatively small spin. Anyway, in most of our industry, source would be

qualifying the raw materials and we always do our risk mitigation measures for the various raw materials and finished goods that we have. There was also regarding the impact on this. There were certain delays initially in terms of documentation and clearance at ports and we have mitigating that also by representation at the government as well as by qualifying new sources of raw materials. There was a question regarding the plan for Make in India and so we already have manufacturing facilities with adequate capacities at Dahej, Mangalore and Thane we are also expanding capacities. I mean, we recently expanded the Celasto line at Dahej as well as we are expanding the dispersions capacity. So, we analyze the need for our capacity requirements and the market behavior and we invest in two capacities accordingly.

There were few questions regarding capacity utilization, so during the last year capacity utilization at the age was 66% and we will continue to improve that capacity by growing our business and operating in an efficient manner. Some questions regarding margins and profitability, so operating margins we improve. We had better pricing strategy at a higher focus on margins in between sourcing of raw materials as well as finished good pricing. We also improved the efficiency of our operations at both Dahej and Mangalore plants and we had successful projects with customers which helped us improve our profits. Then we had a few questions regarding the business models and the ratio of profitability with related to agency and merchandise. Now with this change in business model, there were a significant increase in sales. However, the impact on margins were limited as the earlier agency commission is now replaced by profits from sale of merchandise goods. So, the question regarding depreciation. Depreciation expense has increased mainly due to adoption of the new leasing standard AS 116 as a result of adoption of new standards all rental agreements have been capitalized as right of use. Assets and depreciation are being charged on those assets.

Questions related to Inventories point in time increase and they increase in the year mainly because of the change in the business model. When we replace the agency business to merchandise that did result in an increase in inventory. Also, higher imports for the Dahej plants and agrochemical business which has done well in this year, also resulted in an increase in inventory for the year end 31<sup>st</sup> of March. There was the question regarding lower profit after tax, a while our company had booked income from exceptional items, mainly coming from sale of paper, wet and water chemicals business to Solenis then it was higher in the last year. Over there is a significant improvement operating margins during the current year, mainly due to better pricing strategy and a higher focus on margins. There was a question regarding volatility, so the volatility of our results is largely related to two factors. Firstly, the volatile crude oil market, which eventually then has is passed on through the chemical value chain and also the seasonality of the agro business. We do see a volatility in the results and we try our best as a company across our portfolio to manage this volatility of results. There was a question regarding refinancing upcoming long-term loans, so we will look at this to operating cash flows group refinancing, as well as borrowings. Borrowings have gone down, but interest costs have more or less remained the same.

There was a question regarding this, so the finance costs includes interest on borrowings, exchange rate difference, regarded as an adjustment to borrowing costs, and effects of Fair Valuation of long term derivative, and interest on these liabilities. But actual interest cost has gone down. The impact of interest on lease liabilities is offsetting the impact of actual interest costs due to application of Ind AS 116 on leases. The company has been able to repay borrowings from operating cash flows and efficient working Capital Management as you can see in the annual report. There were few questions on contingent liabilities and the major change in contingent liabilities is on account of income tax assessment order received directing certain disallowance mainly under transfer pricing regulations for accounting year 2016 and 2017 and sales tax demand notices from commercial tax Department, Karnataka for



treating the stock transfers of its Mangalore plant as Interstate sales to dealers and your company is contesting these demand orders expect a favorable result.

Briefly explained, the foreign currency management policy was one of the questions. So, essentially, our company, we have a natural hedge to match the Forex receivables and payables. The net exposure is hedged with forwards. There was a question regarding that, yes, I mean in the previous year, the company had major exception item gains from the divestiture of paper and water chemicals business. Hence, we had a higher profit after tax, which resulted in a higher EPS. There were a few questions regarding dividends and as for the regulations that your company has formulated dividend distribution policy which is available on the website of the Company. Also, on Page 6 of the annual report there is the website address.

There was a question regarding the reduction of dividend this year, so in principle the operating we maintain the ₹3 dividend from previous year, but last year we had given a special dividend of ₹2 per share to celebrate the 75<sup>th</sup> year of incorporation. And like we said before, the dividend for future periods will obviously depend upon the performance of the company. There was, there was a few questions regarding interim dividend so we will look at it. I mean so there was request to look at interim dividend and bonus in the next board meeting. So your board of directors will discuss this. There was a question regarding the amount transferred to IEPF last year. It was ₹ 8,36,444 and number of shares are 8211. Regarding bonus shares, looking at the current market conditions, capital structure and serviceability of enhanced capital, it is not yet appropriate to consider bonus issue. But as per your request, we will look at it at it. The questions on CSR expenses. The company was required to spend 1.3 million against which we have spent 1.5 million in the previous year and we essentially spent the money towards water, sanitation and hygiene related areas and further details are available on page 12. There were questions regarding the stock prices here. I unfortunately say that we have no control over the stock market prices and that's especially coming out of the market activities.

There were a few questions regarding exceptional items and our portfolio management activities. Here, I have to say that the exceptional items for the year included a loss on divestiture of the OBA business of 26.2 crores and there was a compensation towards voluntary retirement scheme for certain permanent Workman at Thane plant which was 6.3 crores. There was a question regarding any VRS plan on account of divestiture of business. So, the restructuring announced and accepted by workmen are already in the public domain and we cannot at this point in time, comment on future VRS. Your company divested it is stilbene-based OBA business for paper and powder detergent applications to Archroma India Private Limited. It was out of BASF performance chemicals division. The transaction was completed in December 2019 for a total consideration of 34 crores, part of the active management of the portfolio and divested that business in December 2019.

Few questions regarding the construction chemicals business so our parent BASF SE globally decided to divest the construction chemical business to an affiliate of Lone Star, a global private equity player and accordingly we transferred the construction chemicals business by way of a slump sale on an ongoing basis to Master Builders Solutions India Private Limited, which is a wholly owned subsidiary of BASF SE. A consideration of 595 crores as a fair value determined by Deloitte, an independent valuer, is part of the global transaction and Master Builders Solutions India Private Limited would be acquired by Lonestar or its affiliates from BASE SE, Germany.

Have a few questions regarding the solvay business which is BASF Performance Polyamides India Private Limited. So, this acquisition of BASF Performance Polyamides would strengthen

the company's position as a solution provider for key industries and would enhance market access to key growth areas. It would help the company in expanding its existing material segment and extend the value chain through backward integration to key raw materials. The polyamides business also has operational synergies with the engineering plastics business of the company. This would definitely benefit from our global infrastructure and scale. Regionally, this acquisition would also help us in growing the business across Asia. The Board is of the opinion that the acquisition of the BASF Performance Polyamides India Private Limited could strengthen the company's position as a solution provider, an expanded material segment through the backward integration to key raw materials, the Board of Directors approved on July 10, the acquisition of 100% stake by the company in performance polyamides for an amount not exceeding 305 crores, including adjustments. BASF Performance Polyamides India Private Limited is into the business of manufacturing & trading performance polyamides and has one manufacturing site at Panoli, Gujarat. It has a wide range of Engineering Plastics and serves automobiles, electrical and consumer goods industries. The proposed acquisition would be funded from proceeds of Divestitures, the revenue from the company, which is proposed for acquisition, is in the range of 180 to 250 crores.

There was a question regarding a potential merger of other companies into BASF India Limited. Currently there are no such plans of Acquisition. There was a question regarding the news about a collaboration with Tesla. Have to clearly say that's a rumor and there is no basis. The news about collaboration from with Tesla is not about BASF India Limited. There were quite a few questions regarding capex plans for next year or the next three years. We have announced additional plans to double the capacity for dispersions at the Dahej side for which work is in progress, and it's expected to start production in 2021. Apart from the above and routine capex, there are no major Capex plans for the year. Your company is exercising strict stringent control over future capital expenditure, currently focusing on sweating it's existing assets on the ground. There was a question regarding purchasing of own premises, similarly we are investing in two assets, an increasing productivity and presently, BASF does not intend to invest in its own office premises.

Number of questions on coronavirus and I explained it during the course of my presentation. I would like to repeat the operations of the company did face impact from the last week of March due to shutdown of plants and offices. In the Meanwhile, we started almost all our plants that they are operating as per consumer demand and I'm happy to inform you that month our capacity utilization has improved and we are on a good way and expectations are we should be back to normal during the course of the next months which I mentioned also in my presentation. The company continues to monitor any material changes to future economic conditions and appropriate actions will be taken as may be required. Regarding our offices and employees, we ensure the safety of our employees, safe startup of our plants and offices is in line with government guidelines. We are taking every safety measure including disinfection, sanitization of sites, offices, company buses, that daily temperature screening for all at entry and exit. Self-declaration forms, distribution of masks, availability of sanitizers, and social distancing is maintained just like we're doing in this meeting today. There was a question regarding the number of cases reported for company employees. Unfortunately, I mean the first couple of months during the lockdown our employees were mostly at home and there were no cases within our community. However, in the last few weeks there have been a few cases both amongst our permanent employees as well as our contract staff. They're all stable and doing fine. Most of them are under home quarantine because the symptoms are mild. We have a few cases where the employees have had to be admitted to hospital, but nothing serious. Nothing to worry about at this point in time. And we wish them all a speedy recovery and we are closely monitoring the situation and wherever they need support and whenever we can provide support in terms insurance coverage and the company is doing its best to

support its employees in terms of impact on the company. I must say your company has a very diverse portfolio across industries, while the agro chemicals sector as well as a nutritional care division actually outperformed in this difficult situation. There were other segments like auto motive's construction paints, footwear, white goods which were adversely affected by the COVID-19.

There were a few questions regarding the impact on the current quarter as well as the outlook for the next quarters. I covered a lot of it in the presentation at anywhere that quarter 1 results have been published today in general of the business across various industries and segments was having an impact on the company overall the profit did reduce because of the lower utilization of our plans. We are taking necessary measures to ensure that the business is secure, safe and the liquidity of the company is maintained and we continue to work with our customers to grow the business again and revive the business and improve the profitability. In terms of CSR measures like I mentioned in the presentation, we did donate certain polymers to manufacture N 95 masks. We did CSR funds towards distributing grocery for communities around our sites in the Dahej, Mangalore and Thane and even our employees have contributed towards covid funds and been volunteering in social causes to support the fight against covid. There was a question regarding reduction in office space. We're all looking at what does this new work from home environment and enhancement of digital working means for our company? What are the implications? And we will take appropriate measures. I mean, just think about it. Last year if I would tell you that we will do this meeting by video conferencing, it would be definitely not something that would have gone down very well. But this year we have managed. Not ideal, many of you have requested that we should do this meeting in person and we would also love to meet you next year. Most discovered scenario. However, we must say that digitalization has enabled us to improve our activities and we have been able to communicate to you and talk to you today is really a pleasure to do that now. This also means we have to relook at the way we work the way we interact with our customers. The way we travel with what's necessary. What kind of meetings? What's the most efficient way to conduct our business? So we will review that and as a result also re look at what's our office strategy?

There was a question regarding the outlook for the full year. Like I mentioned that given the current pandemic situation, the outlook and performance for the rest of the year is difficult to predict. Our current or planning window is relatively a shorter window and we are reacting to the situation in terms of customer demand and planning our business in terms of our operations as well as our finances relatively on a shorter time frame. And we need to be agile. We need to work with our customers very close an hour. People are doing that or employees are doing that staying very close to their customers through various digital channel over the phone with video conferences with Webex or using different tools. So I'm confident that my team, my management team and with the guidance of our board of directors, we will do a good job in making sure that we continue on our path of profitable growth, improving margins and growing business with the customers. With this, I have answered most of the questions. In the event there are something more, please feel to write to us and our company secretary. We are happy to answer any further questions you have do right to us over email. It will be our pleasure. Thank you very much. May I now request the shareholders who have not cast their votes on the resolution to please do so immediately. The results of the voting on all the resolutions will be declared within 48 hours after the conclusion of this meeting and the set results, along with the consolidated report of the remote E voting and voting at AGM provided by the scrutinizer will be posted on the website of the company [www.basf.com/in](http://www.basf.com/in) and also on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) . Copy of the results of the voting will be submitted to BSE and NSE, where the company's shares are listed. I now declare the E voting window

to be kept open for 15 minutes to facilitate voting by the shareholders of the company who have not cast their votes on the resolutions and there after the meeting shall conclude.

Pradeep Chandan: Yeah. Ladies and gentlemen, I thank you for your attendance here today for participating at our 76<sup>th</sup> Annual General Meeting of your company. I request you to take care and stay safe. Thank you.