

## **POSTAL BALLOT NOTICE**

To,  
The Member(s),

**NOTICE** is hereby given to the Members of BASF India Limited (hereinafter referred to as the "Company") pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] and such other applicable laws and Regulations for seeking the approval of the Members for the matters as set out in the resolutions appended below, through Postal Ballot including voting by electronic means (e-voting).

The Explanatory Statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013, pertaining to the resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a 'Postal Ballot Form' and postage-prepaid self-addressed Business Reply Envelope for your consideration.

Information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment, forms an integral part of the Notice of Postal Ballot. The concerned Directors have furnished the requisite declarations (including consents) for their appointment/re-appointment and their brief profiles form part of the Explanatory Statement.

The Board of Directors of the Company at their meeting held on 23<sup>rd</sup> January, 2019 have appointed Mr. Hemant Shetye, Partner, Practicing Company Secretary, HS Associates, 206, 2<sup>nd</sup> Floor, Tantia & Jogani Industrial Estate, J. R. Boricha Marg, Opposite Lodha Excelus, Lower Parel (East), Mumbai-400011, having Membership No. FCS-2827 & Certificate of Practice No. 1483, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing an option of e-voting to its Members to cast their vote on the resolutions proposed in the Notice of Postal Ballot. For this purpose, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility to the Members.

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

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed postage-prepaid self-addressed Business Reply Envelope. The duly completed Postal Ballot Form should reach the Scrutinizer not later than Tuesday, 26<sup>th</sup> March, 2019 (5.00 p.m. IST) to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the Member.

References to Postal Ballot in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the Postal Ballots (including e-voting). The result shall be announced on or before Thursday, 28<sup>th</sup> March, 2019 and will be displayed on the notice board at the Registered Office of the Company. The said results will be intimated to the Stock Exchanges where the shares of the Company are listed and displayed on the Company's website [www.basf.com/in](http://www.basf.com/in) and also on the website of NSDL.

**Item No. 1: Appointment of Dr. Ramkumar Dhruva as a Director of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** Dr. Ramkumar Dhruva (DIN: 00223237), who was appointed as Director of the Company in the casual vacancy from 10<sup>th</sup> August, 2018 under Section 161(4) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing as per the provisions of Section 160 of the Companies Act, 2013 from a Member intimating his intention to propose Dr. Ramkumar Dhruva as a candidate for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Item No. 2: Appointment of Mr. Narayan Krishnamohan as the Managing Director of the Company for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 and to fix his remuneration.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] and in terms of the Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Narayan Krishnamohan (DIN: 08350849) as the Managing Director of the Company, subject to the approval of the Central Government, and to his receiving remuneration, benefits and amenities as the Managing Director for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Narayan Krishnamohan;

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

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

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Item No. 3: Re-appointment of Mr. Pradip P. Shah as an Independent Director of the Company for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Pradip P. Shah (DIN: 00066242), being eligible and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a further period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 on the terms and conditions of the appointment including remuneration as set out in Explanatory Statement annexed to the Postal Ballot Notice;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Item No. 4: Re-appointment of Mr. R. A. Shah as an Independent Director of the Company for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. R. A. Shah (DIN: 00009851), being eligible and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a further period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, notwithstanding that Mr. R. A. Shah is above 75 years of age, on the terms and conditions of the appointment including remuneration as set out in Explanatory Statement annexed to the Postal Ballot Notice;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Item No. 5: Re-appointment of Mr. Arun Bewoor as an Independent Director of the Company for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Arun Bewoor (DIN: 00024276), being eligible and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a further period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, notwithstanding that Mr. Arun Bewoor is above 75 years of age, on the terms and conditions of the appointment including remuneration as set out in Explanatory Statement annexed to the Postal Ballot Notice;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Item No. 6: Appointment of Mrs. Shyamala Gopinath as an Independent Woman Director of the Company for a period of five years from 23<sup>rd</sup> January, 2019 to 22<sup>nd</sup> January, 2024.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161(1) and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mrs. Shyamala Gopinath (DIN: 02362921) being eligible and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five years from 23<sup>rd</sup> January, 2019 to 22<sup>nd</sup> January, 2024, on the terms and conditions of the appointment including remuneration as set out in Explanatory Statement annexed to the Postal Ballot Notice;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Item No. 7: Appointment of Mr. Pradeep Chandan as an Alternate Director to Dr. Ramkumar Dhruva and being in whole-time employment of the Company, deemed as Whole-time Director for a period of three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“**RESOLVED THAT** in accordance with the provisions of Sections 2(94), 161(2), 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Pradeep Chandan (DIN: 00200067), as an Alternate Director to Dr. Ramkumar Dhruva (DIN: 00223237) and being in whole-time employment of the Company, deemed as a Whole-time Director and to his receiving remuneration, benefits and amenities for a period of three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Pradeep Chandan;

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

**RESOLVED FURTHER THAT** in the event of Mr. Pradeep Chandan ceasing to be Alternate Director at any time, during the aforesaid term and being re-appointed as Alternate Director, Mr. Pradeep Chandan shall be deemed to continue as Whole-time Director of the Company on the aforesaid terms and conditions upon such re-appointment except that during the period he ceases to be Alternate Director, he shall continue as an employee of the Company on the same terms and conditions as aforesaid;

**RESOLVED FURTHER THAT** where, in any financial year, during the tenure of appointment of Mr. Pradeep Chandan, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Pradeep Chandan as specified in the Agreement referred to above, based on the

approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to obtaining necessary approvals, as may be required in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time. In that event, the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove:

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**Item No. 8: Re-appointment of Mr. Rajesh Naik as a Whole-time Director of the Company for a period of three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** in accordance with the provisions of Sections 2(94), 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force] and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh Naik (DIN: 06935998) as a Whole-time Director of the Company and to his receiving remuneration, benefits and amenities as a Whole-time Director for a term of three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022, liable to retire by rotation, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Rajesh Naik;

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

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

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**Item No. 9: Payment of remuneration within maximum limits, as minimum remuneration to the Managerial Personnel in the event of losses or inadequacy of profits.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as may be applicable [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to such approvals, as may be applicable and to the extent required in this regard, the consent of the Members of the Company be and is hereby accorded for payment of remuneration by way of salary, performance linked incentive, perquisites and any other allowances to the following Directors of the Company, within the maximum limits of remuneration detailed hereunder, as minimum remuneration, in the event the Company has no profits or its profits are inadequate, during the period stated therein, as may be mutually agreed between the Board and the said Directors of the Company:

Particulars	Dr. Raman Ramachandran	Mr. Narayan Krishnamohan	Mr. Pradeep Chandan*	Mr. Rajesh Naik
Designation	Chairman & Managing Director (Upto 31 <sup>st</sup> March, 2019)	Managing Director (With effect from 1 <sup>st</sup> April, 2019)	Alternate Director to Dr. Ramkumar Dhruva (With effect from 1 <sup>st</sup> April, 2019)	Whole-time Director (Re-appointed with effect from 1 <sup>st</sup> April, 2019)
Period of approval for payment of remuneration within maximum limits, as minimum remuneration.	1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022
Salary, special and other allowances as may be determined by the Board of Directors from time to time.	Not exceeding Rs. 2,50,00,000/- p.a. (Present monthly basic salary being Rs. 15,67,500/-)	Not exceeding Rs. 2,50,00,000/- p.a. (Monthly basic salary with effect from 1 <sup>st</sup> April, 2019 being Rs. 17,64,250/-)	Not exceeding Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 5,97,070/-)	Not exceeding Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 4,86,420/-)
Performance linked incentive as may be determined by the Board of Directors from time to time.	Not exceeding Rs.1,75,00,000/- p.a.	Not exceeding Rs.1,75,00,000/- p.a.	Not exceeding Rs.1,00,00,000/- p.a.	Not exceeding Rs.1,00,00,000/- p.a.
Perquisites including furnished/ unfurnished accommodation, house rent allowance in lieu thereof, housing subsidy (as may be applicable), medical insurance for self and family, leave travel concession for self and family (as may be applicable), club fees, personal accident insurance, group term insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.	Not exceeding Rs.1,50,00,000/- p.a.	Not exceeding Rs.1,50,00,000/- p.a.	Not exceeding Rs.1,50,00,000/- p.a.	Not exceeding Rs.1,50,00,000/- p.a.

\* Being in the whole-time employment of the Company, also deemed as Whole-time Director.

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

By Order of the Board of Directors  
For BASF India Limited

PRADEEP CHANDAN  
*Director-Legal, General Counsel (South Asia)  
& Company Secretary*

*Registered Office:*

The Capital, 'A' wing, 1204-C,  
12<sup>th</sup> Floor, Plot No. C-70, 'G' Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai-400051

CIN: L33112MH1943FLC003972

Dated: 23<sup>rd</sup> January, 2019

**NOTES:**

1. The Postal Ballot Notice is being sent to those Members whose name appears in the Company's Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on Friday, 8<sup>th</sup> February, 2019. The Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company or with their Depository Participants or with TSR Darashaw Limited, Company's Registrar and Share Transfer Agent. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form and postage-prepaid self-addressed Business Reply Envelope through permitted mode. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form can download the form from the website of the Company, i.e., [www.basf.com/in](http://www.basf.com/in) or website of NSDL, i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact TSR Darashaw Limited via e-mail at [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com) or on Tel. No. 022-66178552/66568484.
2. Members whose names appear in the Company's Register of Members / List of Beneficial Owners as on the close of business hours on Friday, 8<sup>th</sup> February, 2019 will be considered for the purpose of voting. The voting rights of Members shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on the close of business hours on Friday, 8<sup>th</sup> February, 2019. A person who is not a Member as on Friday, 8<sup>th</sup> February, 2019 should treat this Notice for information purposes only.
3. The Postal Ballot Notice is uploaded on the website of the Company i.e., [www.basf.com/in](http://www.basf.com/in) and on the website of NSDL i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. Resolutions passed by the Members through this Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting i.e. either physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Form will be treated as invalid.
6. The e-voting period commences on Monday, 25<sup>th</sup> February, 2019 (9.00 a.m. IST) and ends on Tuesday, 26<sup>th</sup> March, 2019 (5.00 p.m. IST).
7. The last date of receipt of the Business Reply Envelope with Postal Ballot Form, i.e. Tuesday, 26<sup>th</sup> March, 2019 (5.00 p.m. IST), shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
8. All documents referred in the Postal Ballot Notice and the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company at The Capital, 'A' wing, 1204-C, 12<sup>th</sup> Floor, Plot No. C-70, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto the date of announcement of results of this Postal Ballot.

## **Voting through electronic means**

The instructions for e-voting are as follows:

Step 1 : Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL's e-voting system.

### **Step 1: Log-in to NSDL e-voting system**

- I. Visit the e-voting website of NSDL by opening your web browser and typing the URL: <https://www.evoting.nsdl.com/>
- II. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
- III. A new screen will open. You will have to enter User ID, your Password and a Verification Code as shown on the screen.

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

IV. Your User ID details are given below:

Manner of holding shares, i.e. Demat (NSDL or CDSL) or Physical	User ID
a) For Members who hold shares in demat account with NSDL.	8-character DP ID followed by 8 digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16-digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN, followed by Folio Number registered with the Company. For example, if EVEN is 101456 and your folio number is 001***, then your user ID is 101456001***

V. Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL's e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and change your password, as prompted by the system.



c) How to retrieve your 'initial password'?

- (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you by NSDL in your mailbox. Open the e-mail and the attachment (pdf file). The password to open the file is your 8 digit client ID for NSDL account or the last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The file contains your 'User ID' and your 'initial password'.
- (ii) If your e-mail ID is not registered, your 'initial password' is communicated to you on your registered address.

VI. If you have not received the 'initial password' or are unable to retrieve it, or have forgotten your password, then:

- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**
- b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**
- c) If you are still unable to get the password by aforementioned options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, PAN, name and registered address.

VII. After entering your password, agree to the terms and conditions by checking the box.

VIII. Then click on "Login" button.

IX. After you click on the "Login" button, home page of e-voting will open.

### **Step 2: Cast your vote electronically**

- I. After successful login at Step 1, you will be able to see the home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- II. After clicking the Active Voting Cycles, you will be able to see the "EVEN" of all the Companies in which you are holding shares and whose voting cycle is in active status.
- III. Select the "EVEN" of BASF India Limited for which you wish to cast your vote.
- IV. Now you are ready for e-voting as the voting page opens.
- V. Cast your vote by selecting appropriate options, i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit". Also click on "Confirm" when prompted.
- VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
- VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **EXPLANATORY STATEMENT**

*Pursuant to Section 102 of the Companies Act, 2013.*

### **Item No. 1**

The Board of Directors of the Company at their meeting held on 31<sup>st</sup> July, 2018, on the recommendation of the Nomination & Remuneration Committee, appointed Dr. Ramkumar Dhruva as a Non-Executive Director of the Company with effect from 10<sup>th</sup> August, 2018, in the casual vacancy caused by the resignation of Dr. Andrea Frenzel.

Dr. Ramkumar Dhruva is presently 50 years of age. In 1996, he earned a Ph.D. in Organic Synthesis, Photo & Electro Chemistry from Indian Institute of Technology, Madras. He was a research chemist in Polymer Dispersions Laboratory in BASF AG, Ludwigshafen, Germany when he joined BASF. In 2000, he was Product Manager for BASF India Limited and was appointed as All India Sales Manager for Functional Polymers in 2002. He was also appointed as Chief Executive of erstwhile BASF Coatings (India) Private Limited in 2005. In 2008, he operated as Vice President, BASF Coatings Solutions, Asia Pacific. In 2012, he served as Senior Vice President, BASF Polyurethanes, Asia Pacific and in 2013 as Senior Vice President, BASF Monomers, Asia Pacific. Presently, he is the President of Regional Divisions South & East Asia, ASEAN & ANZ countries and currently based in Hong Kong.

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

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

Dr. Ramkumar Dhruva does not hold any shares in the Company by himself or for any other person on a beneficial basis. He does not hold any other Directorships/Committee positions in any other Company in India. He is not related to any other Director of the Company. He will not be receiving any remuneration from the Company.

Dr. Ramkumar Dhruva is not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such Authority.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the Ordinary Resolution set out at Item No. 1 of this Postal Ballot Notice for the approval of the Members of the Company.

Except Dr. Ramkumar Dhruva and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Ordinary Resolution set out at Item No. 1 of this Postal Ballot Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment.

### **Item No. 2**

1. The Board of Directors of the Company at their meeting held on 23<sup>rd</sup> January, 2019, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members and Central Government, have appointed Mr. Narayan Krishnamohan as the Managing Director of the Company for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 on the terms and conditions detailed in para 3 below. A brief profile of Mr. Krishnamohan in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is detailed in para 2 below.
2. Mr. Narayan Krishnamohan, presently 47 years of age, has completed his Bachelors in Chemical Engineering from Laxminarayan Institute of Technology, Nagpur University. Mr. Krishnamohan joined BASF in January, 1995. He has been with BASF for more than 24 years, having started his journey in BASF India Limited

and subsequently handled various regional and global leadership responsibilities in Singapore, Germany and Hong Kong. His leadership experience cuts across multiple operating divisions like Leather Chemicals, Specialty Chemicals, Petrochemicals, Acrylics & Dispersions, Paper Chemicals, Human Nutrition and Chemical Intermediates, amongst others. Presently, Mr. Krishnamohan is the Senior Vice President, RBU Intermediates, Asia Pacific since June 2015. Mr. Krishnamohan has valuable experience of over 24 years in commodity basic chemicals as well as specialty chemicals.

He does not hold any other Directorship/Committee positions in any other Company in India and is not related to any other Director of the Company.

Having regard to his qualifications, experience and association with BASF, the Board of Directors of the Company considers that it will be in the best interest of the Company to appoint Mr. Narayan Krishnamohan as the Managing Director of the Company for a term of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.

Pursuant to the provisions of Schedule V of the Companies Act, 2013, a person shall not be eligible to be appointed as a Managing Director of the Company if he is not a resident of India i.e. staying in India for a continuous period of less than 12 months prior to the date of his appointment as a managerial person, unless approval of Central Government is obtained.

As Mr. Narayan Krishnamohan has not been staying in India for a continuous period of 12 months prior to the date of his appointment, his appointment will be subject to the approval of the Central Government.

3. The essential terms and conditions of appointment of Mr. Narayan Krishnamohan are as under:
- i. Mr. Narayan Krishnamohan shall exercise and perform all such powers and duties as the Board of Directors of the Company shall, from time to time, determine, and subject to the superintendence, control, direction, and restriction from time to time given and imposed by the Board and/or the Articles of Association of the Company. He shall have control and full executive responsibility for the general conduct and management of the business and affairs of the Company. He shall have the power to enter into contracts on behalf of the Company in the ordinary course of the business and to do and perform all other acts and things, which in the ordinary course of business, he may consider necessary and proper or in the interest of the Company. He shall devote sufficient time and whole-time attention to the business of the Company for which he is made accountable and shall use his best endeavours to promote the Company's interest and welfare.
  - ii. Period of Agreement: Five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.
  - iii. Remuneration: The remuneration payable to Mr. Narayan Krishnamohan by way of salary, performance linked incentive, perquisites and any other allowances shall be determined by the Board from time to time based on the recommendation/approval of the Nomination & Remuneration Committee and shall be in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. Narayan Krishnamohan as determined by the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members, is as under:
    - a) Salary, special allowance and any other allowances, not exceeding Rs. 2,50,00,000/- per annum, the basic salary with effect from 1<sup>st</sup> April, 2019 being Rs. 17,64,250/- per month.
    - b) In addition to remuneration payable under (a) above, Mr. Narayan Krishnamohan is entitled to perquisites including house rent allowance, housing subsidy, medical insurance for self and family, club fees, personal accident insurance, group term insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.  
The monetary value of the aforesaid perquisites not exceeding Rs. 1,50,00,000/- per annum.
    - c) Performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,75,00,000/- per annum.
    - d) Company's contribution to provident fund, superannuation fund and benefit under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company. The Company's contribution to provident fund and

superannuation fund benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites stated in iii(b) above to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. The Company shall provide a car with driver to the Managing Director and telephone facilities at the residence of Managing Director and the expenses connected therewith will be borne by the Company. These perquisites will also not be included in the computation of the ceiling on perquisites. For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules, 1962, wherever applicable.

- e) Where in any financial year during the tenure of appointment of Mr. Narayan Krishnamohan, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Narayan Krishnamohan as specified in the Agreement, based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to obtaining necessary approvals, as may be required in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time.

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

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

- f) The total remuneration payable to Mr. Narayan Krishnamohan by way of salary, performance linked incentive, perquisites and any other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme shall be as per the limits prescribed under Sections 197, 198 and Schedule V of the Companies Act, 2013.

Pursuant to the provisions of the Companies (Amendment) Act, 2017, the approval of the Central Government is not required in the event of:

- payment of managerial remuneration exceeding 11% of the net profits;
- payment of remuneration to managerial person in the event of losses or inadequacy of profits.

iv. Other Terms:

- a) Mr. Narayan Krishnamohan shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of Company's business.
- b) Mr. Narayan Krishnamohan shall be entitled to housing loan as per rules of the Company.
- c) Mr. Narayan Krishnamohan shall be entitled to fully paid leave as per the rules of the Company.
- d) Mr. Narayan Krishnamohan would be entitled to any other benefits or privileges as may be available to the other senior executives of the Company.
- e) Mr. Narayan Krishnamohan shall not directly or indirectly engage himself in any business or occupation other than BASF's.
- f) Mr. Narayan Krishnamohan shall observe the secrecy obligations with regard to the business and operations of the Company.
- g) The appointment may be terminated by either party by giving to the other 6 months' notice in writing.

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

A copy of the Agreement to be executed between the Company and Mr. Narayan Krishnamohan will be available for inspection without any fee by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto the date of announcement of results of this Postal Ballot.

Mr. Narayan Krishnamohan holds 50 Equity Shares in the Company. Mr. Narayan Krishnamohan is not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such Authority.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the Ordinary Resolution set out at Item No. 2 of the Notice of Postal Ballot for the approval of the Members of the Company.

Except Mr. Narayan Krishnamohan and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Ordinary Resolution set out at Item No. 2 of this Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment.

#### **Item Nos. 3, 4 and 5**

The Members of the Company at their 70<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> August, 2014 had approved the appointment of Mr. R. A. Shah (DIN: 00009851), Mr. Pradip P. Shah (DIN: 00066242) and Mr. Arun Bewoor (DIN: 00024276) as Independent Directors of the Company for a period of five years from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019, pursuant to provisions of Section 149 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreements with the Stock Exchanges. They hold office as Independent Directors of the Company upto the close of business hours on 31<sup>st</sup> March, 2019 in their present first term.

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing of a special resolution by the Company. Further, a new sub-regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years, unless a special resolution is passed to that effect.

The Company has received individual notices in writing from Members of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Mr. R. A. Shah, Mr. Pradip P. Shah and Mr. Arun Bewoor for the office of Directors of the Company.

Mr. R. A. Shah, Mr. Pradip P. Shah and Mr. Arun Bewoor, Non-Executive Independent Directors of the Company, being eligible for re-appointment, have given their consents as well as requisite disclosures along with a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. In the opinion of the Board of Directors of the Company, each of the said Directors fulfil the conditions specified in the Companies Act, 2013 & rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for re-appointment of Independent Director and they are independent of the management.

The Board of Directors of the Company, based on the performance evaluation of Independent Directors and as per the recommendation of Nomination & Remuneration Committee of the Company, considers that the continued association of the above mentioned Independent Directors would be of immense benefit to the Company and it is desirable to continue to avail their expert services. The Board of Directors of the Company also noted that the above mentioned Independent Directors are renowned individuals with diverse skill-sets which raise the Company's image and credibility before the various stakeholders.

Accordingly, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 23<sup>rd</sup> January, 2019 have recommended the re-appointment of Mr. R. A. Shah, Mr. Pradip P. Shah and Mr. Arun Bewoor as Independent Directors of the Company for a second term of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, subject to the approval of the Members of the Company, pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

In terms of the provisions of Section 149(13) of the Companies Act, 2013, the said Independent Directors shall not be liable to retire by rotation.

The copy of draft letters of appointment of Mr. R. A. Shah, Mr. Pradip P. Shah and Mr. Arun Bewoor setting out the terms and conditions of their appointment including remuneration will be available for inspection without any fee by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto the date of announcement of results of this Postal Ballot.

Their brief profiles are given below:

**Mr. Pradip P. Shah**, presently 66 years of age, is a Non-Executive Independent Director on the Board of the Company since 31<sup>st</sup> January, 2000. Mr. Pradip P. Shah has also been appointed as Chairman of the Company with effect from 1<sup>st</sup> April, 2019. Mr. Pradip P. Shah is the member of the Audit Committee and Nomination & Remuneration Committee of the Company. Mr. Shah is a Chartered Accountant, Management Accountant and MBA from Harvard University. He is also a Cost Accountant. He has served on several expert committees of State and Central Governments and was a Director on the Regional Board of the Reserve Bank of India. He is also on the governing boards of some NGOs and chambers of commerce.

Presently, Mr. Pradip P. Shah is on the Board of the following other Public Limited Companies:

Sr. No.	Name of the Company	Position Held
1	Sonata Software Limited	Chairman
2	Grindwell Norton Limited	Chairman
3	Kansai Nerolac Paints Limited	Chairman
4	KSB Limited	Director
5	Kancor Ingredients Limited	Director
6	Pfizer Limited	Director
7	Tata Investment Corporation Limited	Director
8	Godrej and Boyce Manufacturing Company Limited	Director

Mr. Pradip P. Shah is on various Committees of the following other Public Limited Companies:

Sr. No.	Name of the Company	Committee and Position Held
1	Grindwell Norton Limited	Audit Committee and Nomination & Remuneration Committee (Member)
2	KSB Limited	
3	Kancor Ingredients Limited	
4	Pfizer Limited	Nomination & Remuneration Committee and Corporate Social Responsibility Committee (Chairman), Audit Committee (Member)
5	Sonata Software Limited	Audit Committee (Member)
6	Tata Investment Corporation Limited	Audit Committee and Investment Committee (Member)
7	Kansai Nerolac Paints Limited	Audit Committee (Chairman), Nomination & Remuneration Committee (Member)

**Mr. R. A. Shah**, presently 87 years of age, is a Non-Executive Independent Director on the Board of the Company since 24<sup>th</sup> April, 1968. Mr. R. A. Shah is a member of the Audit Committee and Nomination & Remuneration Committee of the Company. Mr. R. A. Shah is a Solicitor and a senior partner of M/s. Crawford Bayley & Co., a reputed firm of Advocates & Solicitors, Mumbai. He has specialized in a broad spectrum of Corporate Laws in general with special focus on Foreign Investments, Joint Ventures, Technology and Licence Agreements, Intellectual Property Rights, Mergers & Acquisitions, Industrial Licensing, Anti-Trust and Competition Law. Mr. R. A. Shah is also the Member of Managing Committees of various Commerce & Industry Associations such as Bombay Chamber of Commerce and Industry and Indo German Chamber of Commerce.

Presently, Mr. R. A. Shah is on the Board of the following other Public Limited Companies:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Position Held</b>
1	Procter & Gamble Hygiene and Healthcare Limited	Chairman
2	Pfizer Limited	Chairman
3	Godfrey Philips India Limited	Chairman (Non-Executive Non-Independent Director)
4	Colgate-Palmolive India Limited	Vice-Chairman
5	The Bombay Dyeing & Manufacturing Company Limited	Director
6	Abbott India Limited	Director
7	Lupin Limited	Director
8	Atul Limited	Non-Executive Non-Independent Director

Mr. R. A. Shah is on various Committees of the following other Public Limited Companies:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Committee and Position Held</b>
1	Pfizer Limited	Audit Committee (Chairman) and Nomination & Remuneration Committee (Member)
2	Procter & Gamble Hygiene and Healthcare Limited	
3	Colgate-Palmolive India Limited	Audit Committee and Nomination & Remuneration Committee (Chairman)
4	The Bombay Dyeing & Manufacturing Company Limited	Audit Committee and Nomination & Remuneration Committee (Member)
5	Abbott India Limited	Audit Committee and Nomination & Remuneration Committee (Chairman) and Stakeholders' Relationship Committee (Member)
6	Godfrey Philips India Limited	Corporate Social Responsibility Committee (Chairman) and Audit Committee, Nomination & Remuneration Committee (Member)
7	Atul Limited	Corporate Social Responsibility Committee (Chairman) and Nomination & Remuneration Committee (Member)
8	Lupin Limited	Nomination & Remuneration Committee (Member)

**Mr. Arun Bewoor**, presently 76 years of age, is a Non-Executive Independent Director on the Board of the Company since 19<sup>th</sup> January, 2010. Mr. Bewoor is a member of the Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company. Mr. Arun Bewoor holds a Bachelor's degree in Science from Pune University. He has also done his Advance Management Education from IIM, Ahmedabad and Columbia University, New York, USA. Mr. Bewoor is also the Member of the Advisory Board of International Market Assessment India Private Limited. He has worked in the past as Vice President – Sales & Marketing, Procter & Gamble India, Managing Director – Bush Boake Allen India & also as Head South Asia Region for International Flavours & Fragrances.

Presently, Mr. Arun Bewoor is on the Board of the following other Public Limited Companies:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Position Held</b>
1	Underwater Services Company Limited	Chairman
2	Agro Tech Foods Limited	Director
3	Eternis Fine Chemicals Limited	Director

Mr. Arun Bewoor is also the Chairman of the Audit Committee and a Member of the Nomination & Remuneration Committee and Corporate Social Responsibility of Underwater Services Company Limited.

Mr. Pradip P. Shah and Mr. Arun Bewoor do not hold any shares in the Company either by themselves or for any other person on a beneficial basis. Mr. R. A. Shah holds 80 shares in the Company jointly with his daughter, Ms. Shefali Shah. Mr. R. A. Shah, Mr. Pradip P. Shah and Mr. Arun Bewoor have attended all the Board/relevant Committee Meetings of the Company from 1<sup>st</sup> April, 2018 upto the date of this Postal Ballot Notice.

Mr. R. A. Shah, Mr. Pradip P. Shah and Mr. Arun Bewoor are not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such Authority. None of the said Independent Directors are related to any other Director of the Company.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the Special Resolutions as set out at Item Nos. 3, 4 and 5 of the Notice of the Postal Ballot for re-appointment of Mr. Pradip P. Shah, Mr. R. A. Shah and Mr. Arun Bewoor as Independent Directors of the Company for the approval of the Members of the Company.

Except Mr. Pradip P. Shah, Mr. R. A. Shah, Mr. Arun Bewoor and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Special Resolutions set out at Item Nos. 3, 4 and 5 of this Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment.

#### **Item No. 6**

Securities and Exchange Board of India (SEBI) vide its notification dated 9<sup>th</sup> May, 2018 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein a new proviso to regulation 17(1)(a) requires top 500 listed entities based on market capitalization as at the end of the immediate previous financial year, to appoint atleast one Independent Woman Director by 1<sup>st</sup> April, 2019. The Company, being one of the top 500 listed entities is required to appoint at least one Independent Woman Director by 1<sup>st</sup> April, 2019.

Further, Mr. R. R. Nair (DIN:00202551), who was appointed by the Members of the Company at their 70<sup>th</sup> Annual General Meeting as an Independent Director of the Company for a period of five years from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019, does not propose to seek re-appointment as an Independent Director of the Company after his present term i.e. upto 31<sup>st</sup> March, 2019.

In view of the above and based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at their Meeting held on 23<sup>rd</sup> January, 2019 have appointed Mrs. Shyamala Gopinath as an Additional & Independent Director of the Company for a period of five years



from 23<sup>rd</sup> January, 2019 to 22<sup>nd</sup> January, 2024, not liable to retire by rotation, subject to the approval of the Members of the Company, pursuant to the provisions of Sections 149, 150, 152, 161(1) and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

A brief profile of Mrs. Shyamala Gopinath is given below:

Mrs. Shyamala Gopinath, presently 69 years of age, is the part-time Non-Executive Chairperson of HDFC Bank Limited. As Deputy Governor of the Reserve Bank of India (RBI) for seven years and member of the RBI's Board of Directors, she guided and influenced national policies in diverse areas of financial sector regulation and supervision, the development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. She has served on several Committees while with RBI. During 2001 to 2003, she worked as senior financial sector expert in the then Monetary Affairs and Exchange Department of the International Monetary Fund (Financial Institutions Division). She served as Chairperson Advisory Board on Bank, Commercial and Financial Frauds for two years from 2012 to 2014. She was an Independent Director on the Boards of Clearing Corporation of India, Indian Oil Corporation Limited, GAIL and an Independent Non-Executive on the Global Governance Council of Ernst and Young. She was also the Chairperson of the Board of Corporate Bonds and Securitisation Advisory Committee of Securities & Exchange Board of India. Apart from HDFC Bank, she is an Independent Director on few other companies including not for profit entities. She is also Chairperson of the Board of Governors of Indian Institute of Management, Raipur.

Presently, Mrs. Shyamala Gopinath is on the Board of the following other Public Limited Companies:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Position Held</b>
1	HDFC Bank Limited	Independent Part time Non-Executive Chairperson
2	Colgate-Palmolive (India) Limited	Independent Director
3	Tata Elxsi Limited	Independent Director
4	Lodha Developers Limited	Independent Director
5	CMS Info Systems Limited	Independent Director
6	Grassroot Trading Network for Women (Section 8 Company)	Director

Mrs. Shyamala Gopinath is on various Committees of the following other Public Limited Companies:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Committee and Position Held</b>
1	HDFC Bank Limited	Audit Committee, Nomination & Remuneration Committee, Risk Policy and Monitoring Committee (Member)
2	Colgate-Palmolive (India) Limited	Stakeholders' Relationship Committee (Chairperson), Audit Committee and Risk Management Committee (Member)
3	Tata Elxsi Limited	Audit Committee, Nomination & Remuneration Committee (Chairperson), Corporate Social Responsibility Committee (Member)
4	Lodha Developers Limited	Corporate Social Responsibility Committee (Chairperson), Audit Committee (Member)

The Company has received a notice in writing from a Member of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Mrs. Shyamala Gopinath for the office of Director of the Company.

Mrs. Shyamala Gopinath, being eligible for appointment as an Independent Director of the Company, has given her consent as well as requisite disclosures along with a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. In the opinion of the Board of Directors of the Company, Mrs. Shyamala Gopinath fulfils the conditions specified in the Companies Act, 2013 & rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for appointment of Independent Director and she is independent of the management.

In terms of the provisions of Section 149(13) of the Companies Act, 2013, Mrs. Shyamala Gopinath shall not be liable to retire by rotation.

The copy of draft letter of appointment of Mrs. Shyamala Gopinath setting out the terms and conditions of her appointment including remuneration will be available for inspection without any fee by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto the date of announcement of results of this Postal Ballot.

Mrs. Shyamala Gopinath does not hold any shares in the Company either by herself or for any other person on a beneficial basis. Mrs. Shyamala Gopinath is not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such Authority. She is not related to any other Director of the Company.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the Ordinary Resolution as set out at Item No. 6 of the Notice of the Postal Ballot for appointment of Mrs. Shyamala Gopinath as the Independent Director of the Company for a term of 5 years with effect from 23<sup>rd</sup> January, 2019 for the approval of the Members of the Company.

Except Mrs. Shyamala Gopinath and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Ordinary Resolution set out at Item No. 6 of this Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment.

**Item No. 7**

1. The Board of Directors of the Company at their meeting held on 23<sup>rd</sup> January, 2019, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Pradeep Chandan as an Alternate Director to Dr. Ramkumar Dhruva with effect from 1<sup>st</sup> April, 2019, to represent him during his absence from India.
2. Pursuant to the provisions of Section 2(94) of the Companies Act, 2013, a Whole-time Director includes a Director in the whole-time employment of the Company. Mr. Pradeep Chandan being in the whole-time employment of the Company and appointed as an Alternate Director to Dr. Ramkumar Dhruva will be deemed to be the Whole-time Director of the Company in accordance with the said provisions.
3. Accordingly, the Board of Directors of the Company at their meeting held on 23<sup>rd</sup> January, 2019, on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company, appointed Mr. Pradeep Chandan as the Whole-time Director of the Company for a period of three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022, on the terms and conditions as detailed in para 5 below. A brief profile of Mr. Pradeep Chandan in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is detailed in para 4 below.
4. Mr. Pradeep Chandan, presently 57 years of age, is a Commerce & Law Graduate. Mr. Chandan is also a qualified Company Secretary and a Fellow Member of the Institute of Company Secretaries of India, New Delhi. Mr. Chandan has done his Management Development Programme from S. P. Jain Institute of Management & Research, Mumbai. He also holds Masters Certificate in Intellectual Property Rights & WTO obligations on Trade Related Intellectual Property Rights from Indian Education Society Institute, Mumbai. Mr. Chandan is associated with BASF India Limited since August 1997 and is currently Director-Legal, General Counsel (South Asia) & Company Secretary. Apart from 5 years' experience in banking, Mr. Chandan has over 30 years of post-qualification experience in Legal, Company Secretarial, Compliance, Intellectual Property Rights & Corporate Affairs including Corporate Governance. Mr. Pradeep Chandan does not hold any Directorship/Committee positions in any other Public Limited Company in India. He is not related to any other Director in the Company.

5. The essential terms and conditions of his appointment and remuneration payable are as under:
- i. Mr. Pradeep Chandan shall carry out such functions and duties as may be entrusted to him by the Managing Director of the Company from time to time.
  - ii. Period of Agreement: Three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022.
  - iii. Remuneration: The remuneration payable to Mr. Pradeep Chandan by way of salary, performance linked incentive, perquisites and any other allowances shall be determined by the Board from time to time based on the recommendation/approval of the Nomination & Remuneration Committee and shall be in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. Pradeep Chandan as determined by the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members, is as under:
    - a) Salary, special allowance and any other allowances, not exceeding Rs. 2,25,00,000/- per annum, the current basic salary being Rs. 5,97,070/- per month.
    - b) In addition to remuneration payable under (a) above, Mr. Pradeep Chandan is entitled to perquisites including furnished/unfurnished accommodation/house rent allowance in lieu thereof, medical insurance for self and family, leave travel concession for self and family, club fees, personal accident insurance, group term insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

The monetary value of the aforesaid perquisites not exceeding Rs.1,50,00,000/- per annum.

- c) Performance linked incentive as may be determined by the Board from time to time, not exceeding Rs.1,00,00,000/- per annum.
- d) Company's contribution to provident fund, superannuation fund and benefit under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company. The Company's contribution to provident fund and superannuation fund benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites stated in (iii)(b) above to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. The Company shall provide a car to Mr. Pradeep Chandan and the expenses connected therewith will be borne by the Company. These perquisites will also not be included in the computation of the ceiling on perquisites. For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules, 1962, wherever applicable.
- e) Where in any financial year during the tenure of appointment of Mr. Pradeep Chandan, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Pradeep Chandan as specified in the Agreement, based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to obtaining necessary approvals from the Members, as may be required in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time.

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

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

- f) The total remuneration payable to Mr. Pradeep Chandan by way of salary, performance linked incentive, perquisites and any other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme shall be as per the limits prescribed under Sections 197, 198 and Schedule V of the Companies Act, 2013.

Pursuant to the provisions of the Companies (Amendment) Act, 2017, the approval of the Central Government is not required in the event of:

- payment of managerial remuneration exceeding 11% of the net profits;
- payment of remuneration to managerial person in the event of losses or inadequacy of profits.

iv. Other Terms:

- a) Mr. Pradeep Chandan shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- b) Mr. Pradeep Chandan shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of Company's business.
- c) Mr. Pradeep Chandan shall be entitled to housing loan as per rules of the Company.
- d) Mr. Pradeep Chandan shall be entitled to fully paid leave as per the rules of the Company.
- e) Mr. Pradeep Chandan shall not directly or indirectly engage himself in any business or occupation other than BASF's.
- f) Mr. Pradeep Chandan shall observe the secrecy obligations with regard to the business and operations of the Company.
- g) The appointment may be terminated by either party by giving to the other 6 months' notice in writing.
- h) The appointment also sets out the mutual rights and obligations of the Company and Mr. Pradeep Chandan.

In the event of Mr. Pradeep Chandan ceasing to be Alternate Director at any time, during the aforesaid term and being re-appointed as Alternate Director, Mr. Pradeep Chandan will be deemed to be Whole-time Director of the Company on the aforesaid terms and conditions upon such re-appointment except that during the period that he ceases to be Alternate Director, he shall continue as an employee of the Company on the same terms and conditions as aforesaid.

In compliance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the Ordinary Resolution in terms as set out at Item No. 7 of this Postal Ballot Notice is now being placed before the Members for their approval.

A copy of the Agreement to be executed between the Company and Mr. Pradeep Chandan will be available for inspection without any fee by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during working hours upto the date of announcement of results of this Postal Ballot.

Mr. Pradeep Chandan does not hold any shares in the Company either by himself or for any other person on a beneficial basis. Mr. Pradeep Chandan is not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such Authority. Mr. Pradeep Chandan has attended all the Board/Committee Meetings of the Company from 1<sup>st</sup> April, 2018 upto the date of this Postal Ballot Notice in his capacity as the Company Secretary.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the Ordinary Resolution set out at Item No. 7 of the Notice of Postal Ballot for the approval of the Members of the Company.

Except Mr. Pradeep Chandan and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Ordinary Resolution set out at Item No. 7 of this Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment.

**Item No. 8**

1. The Members of the Company at their 73<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 had approved the appointment and terms of remuneration of Mr. Rajesh Naik as a Whole-time Director of the Company for the period of two years from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2019.
2. The Board of Directors of the Company at their meeting held on 23<sup>rd</sup> January, 2019, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members of the Company, have re-appointed Mr. Rajesh Naik as a Whole-time Director of the Company for a period of three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022, upon the terms, conditions and stipulations contained detailed in para 4 below. A brief profile of Mr. Rajesh Naik in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is detailed in para 3 below.
3. Mr. Rajesh Naik, presently 49 years of age, is a Chemical Engineer from MS University, Vadodara. Mr. Naik joined BASF India Limited on 7<sup>th</sup> April, 2014 and has valuable experience of over 22 years and had worked with Companies like Asian Paints, EI Dupont India Pvt. Ltd., etc. Prior to joining BASF, Mr. Naik was working as Vice-President – Marketing with English Indian Clay Ltd. (EICL) based at Bangalore. Mr. Rajesh Naik is a member of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company. Mr. Rajesh Naik does not hold any Directorship/Committee positions in any other Company in India. He is not related to any other Director in the Company.

Having regard to his qualifications, experience and association with the Company, the Board of Directors of the Company considers that it will be in the best interest of the Company to re-appoint Mr. Rajesh Naik as a Whole-time Director of the Company for a period of 3 years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022.

4. The essential terms and conditions of his re-appointment and remuneration payable are as under:
  - i. Mr. Rajesh Naik shall carry out such functions and duties as may be entrusted to him by the Managing Director of the Company from time to time.
  - ii. Period of Agreement: Three years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022.
  - iii. Remuneration: The remuneration payable to Mr. Rajesh Naik by way of salary, performance linked incentive, perquisites and any other allowances shall be determined by the Board from time to time based on the recommendation/approval of the Nomination & Remuneration Committee and shall be in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. Rajesh Naik as determined by the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and the approval of the Members, is as under:
    - a) Salary, special allowance and any other allowances, not exceeding Rs. 2,25,00,000/- per annum, the current basic salary being Rs. 4,86,420/- per month.
    - b) In addition to remuneration payable under (a) above, Mr. Rajesh Naik is entitled to perquisites including furnished/unfurnished accommodation/house rent allowance in lieu thereof, medical insurance for self and family, leave travel concession for self and family, club fees, personal accident insurance, group term insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

The monetary value of the aforesaid perquisites not exceeding Rs.1,50,00,000/- per annum.

- c) Performance linked incentive as may be determined by the Board from time to time, not exceeding Rs.1,00,00,000/- per annum.
- d) Company's contribution to provident fund, superannuation fund and benefit under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company. The Company's contribution to provident fund and superannuation fund benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites stated in (iii)(b) above to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. The Company shall provide a car to Mr. Rajesh Naik and the expenses connected therewith will be borne by the Company. These perquisites will also not be included in the computation of the ceiling on perquisites. For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules, 1962, wherever applicable.
- e) Where in any financial year during the tenure of appointment of Mr. Rajesh Naik, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Rajesh Naik as specified in the Agreement, based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to obtaining necessary approvals, as may be required in accordance with the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendments thereto as may be made from time to time.

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

- Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
  - Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
  - Encashment of leave at the end of the tenure.
- f) The total remuneration payable to Mr. Rajesh Naik by way of salary, performance linked incentive, perquisites and any other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme shall be as per the limits prescribed under Sections 197, 198 and Schedule V of the Companies Act, 2013.

Pursuant to the provisions of the Companies (Amendment) Act, 2017, the approval of the Central Government is not required in the event of:

- payment of managerial remuneration exceeding 11% of the net profits;
- payment of remuneration to managerial person in the event of losses or inadequacy of profits.

iv. Other Terms:

- a) Mr. Rajesh Naik shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- b) Mr. Rajesh Naik shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of Company's business.
- c) Mr. Rajesh Naik shall be entitled to housing loan as per rules of the Company.

- d) Mr. Rajesh Naik shall be entitled to fully paid leave as per the rules of the Company.
- e) Mr. Rajesh Naik shall not directly or indirectly engage himself in any business or occupation other than BASF's.
- f) Mr. Rajesh Naik shall observe the secrecy obligations with regard to the business and operations of the Company.
- g) The appointment may be terminated by either party by giving to the other 6 months' notice in writing.
- h) The appointment also sets out the mutual rights and obligations of the Company and Mr. Rajesh Naik.

In compliance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the Ordinary Resolution in terms as set out at Item No. 8 of this Postal Ballot Notice is now being placed before the Members for their approval.

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

Mr. Rajesh Naik does not hold any shares in the Company either by himself or for any other person on a beneficial basis. Mr. Rajesh Naik is not debarred from holding the office of Director by virtue of any order of the Securities & Exchange Board of India or any other such Authority. Mr. Rajesh Naik has attended all the Board/relevant Committee Meetings of the Company from 1<sup>st</sup> April, 2018 upto the date of this Postal Ballot Notice.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the Ordinary Resolution set out at Item No. 8 of the Notice of Postal Ballot for the approval of the Members of the Company.

Except Mr. Rajesh Naik and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Ordinary Resolution set out at Item No. 8 of this Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, in respect of the Directors seeking appointment/re-appointment.

#### **Item No. 9**

In terms of Section II of Part II of Schedule V of the Companies Act, 2013, payment of remuneration within maximum limits, as minimum remuneration to a managerial person in any financial year where the Company has no profits or inadequate profits, requires the prior approval of the Members of the Company by way of a Special Resolution.

Pursuant to the provisions of the Companies (Amendment) Act, 2017, the approval of the Central Government is not required in the event of:

- payment of managerial remuneration exceeding 11% of the net profits;
- payment of remuneration to managerial person in the event of losses or inadequacy of profits.

The Board of Directors of the Company at their meeting held on 23<sup>rd</sup> January, 2019, on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members, have approved the payment of remuneration within the maximum limits as detailed hereunder, as minimum remuneration to the following Directors in the event the Company has no profits or inadequate profits during the period stated therein:

<b>Particulars</b>	<b>Dr. Raman Ramachandran</b>	<b>Mr. Narayan Krishnamohan</b>	<b>Mr. Pradeep Chandan*</b>	<b>Mr. Rajesh Naik</b>
Designation	Chairman & Managing Director (Upto 31 <sup>st</sup> March, 2019)	Managing Director (With effect from 1 <sup>st</sup> April, 2019)	Alternate Director to Dr. Ramkumar Dhruva (With effect from 1 <sup>st</sup> April, 2019)	Whole-time Director (Re-appointed with effect from 1 <sup>st</sup> April, 2019)
Period of approval for payment of remuneration within maximum limits, as minimum remuneration	1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022
Salary, special and other allowances as may be determined by the Board of Directors from time to time.	Not exceeding Rs. 2,50,00,000/- p.a. (Present monthly basic salary being Rs. 15,67,500/-)	Not exceeding Rs. 2,50,00,000/- p.a. (Monthly basic salary with effect from 1 <sup>st</sup> April, 2019 being Rs. 17,64,250/-)	Not exceeding Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 5,97,070/-)	Not exceeding Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 4,86,420/-)
Performance linked incentive as may be determined by the Board of Directors from time to time.	Not exceeding Rs.1,75,00,000/- p.a.	Not exceeding Rs.1,75,00,000/- p.a.	Not exceeding Rs.1,00,00,000/- p.a.	Not exceeding Rs.1,00,00,000/- p.a.
Perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, housing subsidy (as may be applicable), medical insurance for self and family, leave travel concession for self and family (as may be applicable), club fees, personal accident insurance, group term insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.	Not exceeding Rs.1,50,00,000/- p.a.	Not exceeding Rs.1,50,00,000/- p.a.	Not exceeding Rs.1,50,00,000/- p.a.	Not exceeding Rs.1,50,00,000/- p.a.

\*Being in the whole-time employment of the Company, also deemed as Whole-time Director.

The maximum limits of remuneration for the Managing Director and Whole-time Directors of the Company as mentioned above are same as approved earlier by the Members of the Company at their 73<sup>rd</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017.

Approval of the Members is sought for payment of remuneration within the maximum limits as minimum remuneration to the said managerial personnel in the event the Company has no profits or inadequate profits during the above mentioned period.



**ADDITIONAL INFORMATION:**

Statement containing additional information as per Category B(iv) of Part II of Section II of Schedule V of the Companies Act, 2013 for Item No. 9 of this Notice;

## 1. General Information:

- (i) Nature of Industry – Manufacturing and Sale of Chemicals and Chemical Products.
- (ii) Date of commencement of commercial production – Existing Company, commercial production commenced in 1943.
- (iii) Financial performance based on given indicators:

(Rs. In million)

Particulars	2017-18	2016-17	2015-16
Sales	55,834.0	50,782.2	47,472.1
Profit/(Loss) before tax	2,610.3	(124.7)	(303.7)
Profit/(Loss) after tax	2,465.0	(141.3)	(303.7)
Dividend on Equity %	30%	10%	10%

## (iv) Foreign investments or collaborations, if any:

BASF SE along with its Group Companies holds 73.33% of the share capital of the Company. The Company has entered into agreements with BASF SE, its Parent Company for sourcing technical know-how and proprietary technical information and support on an ongoing basis.

## 2. Information about the Appointees:

## (i) Background Details –

The background details of Mr. Narayan Krishnamohan, Mr. Pradeep Chandan and Mr. Rajesh Naik have been provided in the Explanatory Statement to this Notice under Item Nos. 2, 7 and 8 respectively.

The background details of Dr. Raman Ramachandran, Chairman & Managing Director whose term is upto 31<sup>st</sup> March, 2019 is as under:

- The Members of the Company at their 74<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August, 2018 had re-appointed Dr. Raman Ramachandran as the Chairman & Managing Director of the Company for a period of one year from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 by way of an Ordinary Resolution.
- Dr. Raman Ramachandran has completed his Bachelor's and Master's degree in Science (Agriculture) from Tamilnadu Agricultural University, Coimbatore and Indian Agricultural Research Institute, New Delhi, respectively. Dr. Raman Ramachandran holds a doctorate degree from the University of Adelaide, Australia. Dr. Raman Ramachandran joined BASF in August, 2000 pursuant to the merger of erstwhile Cynamid India Limited with BASF India Limited. In January, 2005, Dr. Raman Ramachandran was appointed as Chief Executive of the Agricultural Products Division and also served as Director on the Board of BASF India Limited from April, 2006 till April, 2008. In January, 2008, Dr. Raman Ramachandran was appointed as Vice-President, Marketing, Asia Pacific, Singapore and thereafter in March, 2012 was appointed as the Senior Vice President, Crop Protection, Asia Pacific, BASF South East Asia Pte. Limited, Singapore.

## (ii) Past Remuneration-

Mr. Narayan Krishnamohan is appointed as the Managing Director of the Company with effect from 1<sup>st</sup> April, 2019, subject to the approval of the Members and hence the last remuneration paid to him by the Company is not applicable.

The remuneration paid to Dr. Raman Ramachandran, Mr. Pradeep Chandan [in his capacity as Director-Legal, General Counsel (South Asia) & Company Secretary] and Mr. Rajesh Naik for the financial year 2017-2018 were Rs. 4,45,01,876/-, Rs. 1,50,34,659/- and Rs. 1,34,06,133/- respectively.

(iii) Recognition or Awards – N.A.

(iv) Job Profile and suitability –

The details in respect of job profile/suitability of Mr. Narayan Krishnamohan, Mr. Pradeep Chandan and Mr. Rajesh Naik have been provided in the Explanatory Statement to this Notice under Item Nos. 2, 7 & 8 respectively.

The details in respect of job profile and suitability of Dr. Raman Ramachandran, Chairman & Managing Director of the Company are as under:

— The Members of the Company at their 74<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August, 2018 had re-appointed Dr. Raman Ramachandran as the Chairman & Managing Director of the Company for a period of one year from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019. During the remaining period of his term, Dr. Raman Ramachandran shall exercise and perform all such powers and duties as the Board of Directors of the Company shall determine, and subject to the superintendence, control, direction, and restriction from time to time given and imposed by the Board and/or the Articles of Association of the Company.

(v) Remuneration proposed:

The remuneration proposed is detailed in the resolution.

(vi) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company and the individual profiles of Dr. Raman Ramachandran, Mr. Narayan Krishnamohan, Mr. Pradeep Chandan and Mr. Rajesh Naik, and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level positions in other Companies in the industry.

(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any –

Dr. Raman Ramachandran has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Chairman & Managing Director of the Company whose term is upto 31<sup>st</sup> March, 2019.

Mr. Narayan Krishnamohan has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Managing Director of the Company with effect from 1<sup>st</sup> April, 2019.

Mr. Pradeep Chandan has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity as Director - Legal, General Counsel (South Asia) & Company Secretary.

Mr. Rajesh Naik has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Whole-time Director of the Company with effect from 1<sup>st</sup> April, 2019.

**OTHER INFORMATION:**

- (a) Reason for expected losses or inadequacy of profits: High input cost and headwinds in currency impacted profitability for the Company.
- (b) Steps taken or proposed to be taken for improvement: Better price realizations, expected improvements in business situation and further capacity utilization at Dahej Plant.
- (c) Expected increase in productivity and profit in measurable terms: Improved realization of prices and increased capacity utilization at Dahej Plant are expected to improve the profits of the Company. Also, with the improved business situation, the Company is expected to perform better.

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the passing of the resolution set out at Item No. 9 of this Postal Ballot Notice as a Special Resolution, which is only an enabling resolution with a view to gain flexibility in the emerging environment.

Except Dr. Raman Ramachandran, Mr. Narayan Krishnamohan, Mr. Pradeep Chandan and Mr. Rajesh Naik and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 9 of this Notice.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

By Order of the Board of Directors  
For BASF India Limited

PRADEEP CHANDAN  
*Director-Legal, General Counsel (South Asia)  
& Company Secretary*

*Registered Office:*

The Capital, 'A' wing, 1204-C,  
12<sup>th</sup> Floor, Plot No. C-70, 'G' Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai-400051

CIN: L33112MH1943FLC003972

Dated: 23<sup>rd</sup> January, 2019

