



# Towards Profitable Growth

AGM Presentation by  
Raman Ramachandran, CMD, BASF India Ltd.

 **BASF**  
We create chemistry

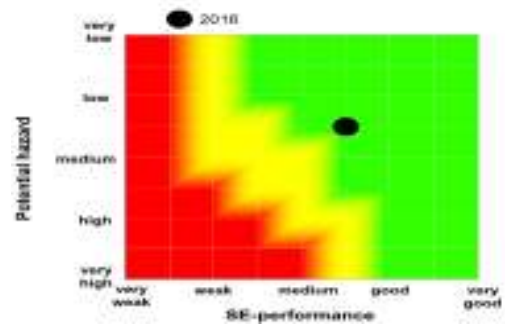
# Cautionary note

## Forward looking statements



- Only matters in the public domain can be subject matter of discussion in this meeting
- As a matter of policy, we do not provide any prognosis about the future business situation
- We do not comment or give guidance on future results or business outlook

# Safety first, safety always



Source: BASF

**Internal safety audits-** Nellore & Mangalore, Ankleshwar, Dahej



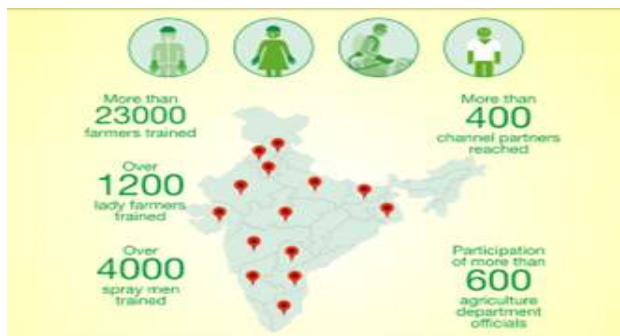
Source: BASF

**ICC audit awards** RC logo till 2020



Source: Industrial Green

**ICC Aditya Birla award - Best Compliant Company - DISTRIBUTION**



Source: BASF

**Crop Protection's Suraksha Hamesha campaign-** finalist for Safety Champions Team award (APAC)



Source: BASF

**Two heroes saved three lives - Vasant Patil and Jaywant Thakur**

# A year of political and economic ambiguity



Source: [LinkedIn](#)



Source: [LittleSteps](#)

**Brexit and US Elections – Rising trend of Protectionism**



Source: [Marcotrends](#)

**Crude Oil pricing –  
Mostly stable within a band**



Source: [Skymet](#)

**Normal monsoons**



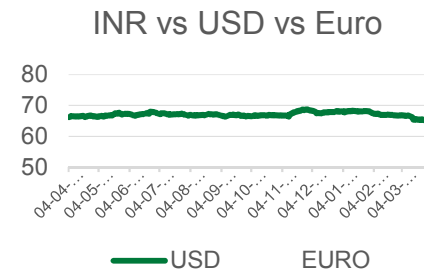
Source: [Zee Business](#)

**7<sup>th</sup> pay commission  
rolled out**



Source: [ET.com](#)

**Low consumer price -  
inflation ratio**



Source: [RBI](#)

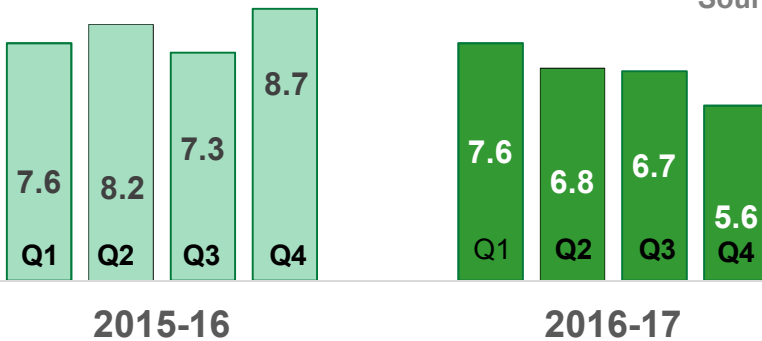
**Rupee Strengthened**



# India: Short term impact due to policy changes and demonetization

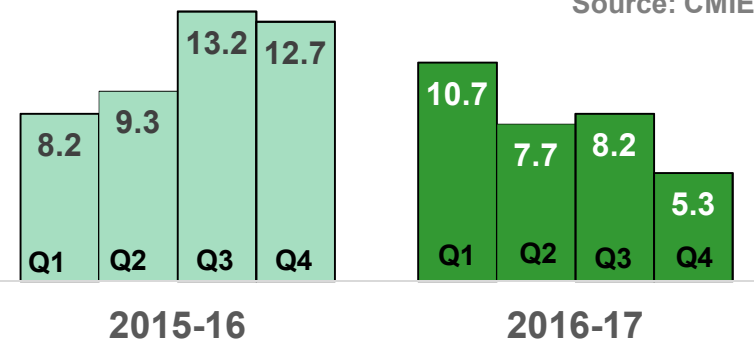
**GDP Growth - Gross value added (% y-o-y)**

Source: CMIE



**Manufacturing growth (%)**

Source: CMIE



**Manufacturing sector declined; Average capacity utilization @72%**



Source: [BASF](#)

Two wheeler industry



Source: [Companies India](#)

FMCG



Source: [Better India](#)

Construction Industry

**Demonetization: Negative impact**

# Demand varied in our focus industries



Source: BASF

## Agriculture

- 4.8% growth with normal monsoon
- Leading crop protection companies reporting decline in current financial year



Source: BASF

## Automobile

- Grew @ 5.4% FY 2016-17. Domestic sales >2 Mio units. Growth continues in current year (SIAM)
- Maruti, Hyundai, Renault, etc. launched new models

# Demand varied in our focus industries



Source: [BASF](#)



Source: [IndianMirror](#)

## FMCG

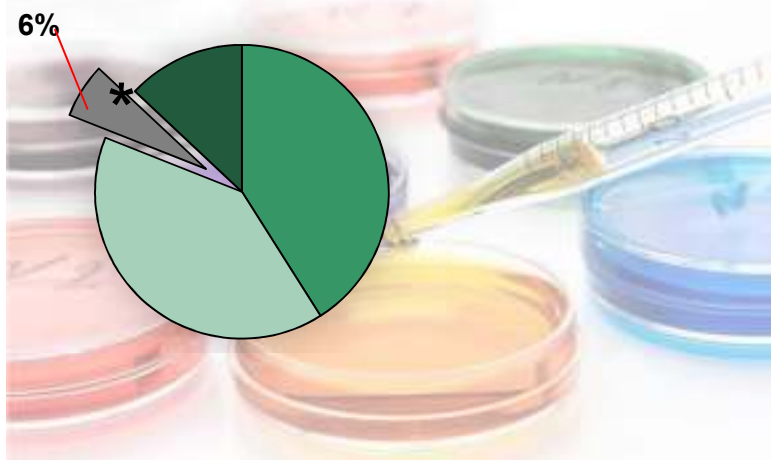
- Demonetization severely impacted FMCG and Leather businesses between Nov-16 to Feb-17
- Volatility in feedstock prices impacted the chemical industry in the first half of this year

## Construction

- Sector grew marginally @ 3.1%; Liquidity was a major concern
- RERA Act and demonetization continues to have negative impact
- Influx of competitors in Construction Chemicals market

# Segment Performance

Sales: 232 Cr.

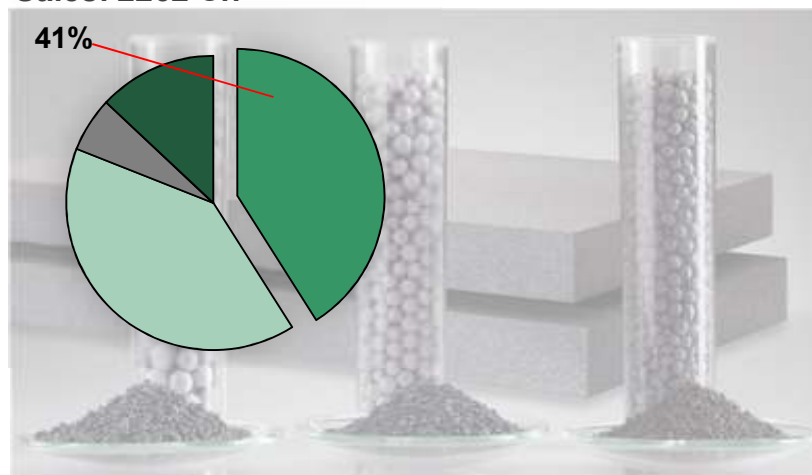


Source: BASF

## Chemicals

- Customer industries: paints & coatings, pharma, agro. chem., polyurethane foam
- Maintained key supplier position
- Leveraged market supply demand dynamics for pricing opportunities

Sales: 2262 Cr.



Source: BASF

## Performance Products

- Customer Industries: paints & coatings, home & personal care, fuel & lubes, animal & human nutrition, pharma & plastic additives
- Leveraged Dahej to grow in the strategic relevant markets to grow by 9%

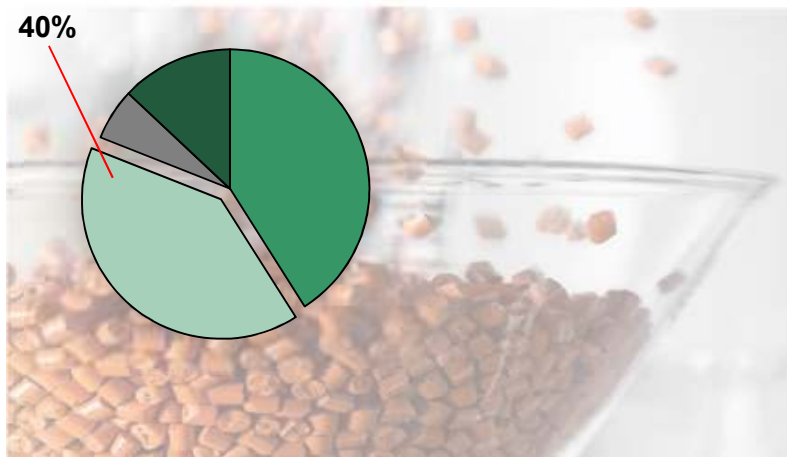
\* 6% is largely agency business and represents the commission for BIL from Chemicals



# Segment Performance

Sales: 2207 Cr.

40%



Source: BASF

## Functional Materials & Solutions

- Developed Customer specific solutions
- Improved business with industry leaders (MSIL)
- Grew by 8% with volume growth across businesses units
- Increased utilization of our sites in India

Sales: 726 Cr.

13%



Source: BASF

## Agricultural Solutions

- Enhanced vitality index with new products
- Diversified business beyond herbicides in Soybeans and to new crops, corn and specialty crops
- Grew by 8% on near normal monsoons

# Make in India: making the best of our manufacturing assets



Source: BASF



Source: BASF

## Kharagpur, West Bengal

- Sixth construction chemicals plant; operational from May16'
- Well-equipped concrete lab delivers tailor-made recipes for entire range of admixtures and accelerators in Eastern India as well as Bhutan

## Innovation Campus, Mumbai

- BASF group's biggest investment in South Asia - Inaugurated on March 3, 2017
- The campus will expand our existing R&D activities in India
- BASF India's Application labs for Dispersion, Pharma, Consumer Care and performance chemicals moved to new campus

# Innovation: Crop Diversification with new launches in Agricultural Solutions



Basagran



Adexar®  
Rice



Seltima®



Opera  
Wheat



Acrisio, Merivon  
Grapes and Apples



Tynzer™  
Corn

Source: BASF

- Launched new products for rice crop protection: Basagran, Adexar, Seltima
- New products driving growth in this financial year

# Innovation: customized solutions for Indian market received well



**MasterSeal and MasterWeld:**  
Sealants & Adhesive range



**Toiler cleaner for FMCG**  
brand with EM MSA Solution



Stakeholders checking **MasterEase, MasterSeal and Master Seal® Traffic Systems** in Mumbai

Source: BASF



**Low VOC paint** based  
Acronal® ECO- EDA



**Elastomeric paint** based  
on Acronal 7079- EDA



**Elastoskin PU foam** comfort with  
customized spray skin cover- PM

® Registered trademark of BASF Group  
™ Trademark of BASF Group

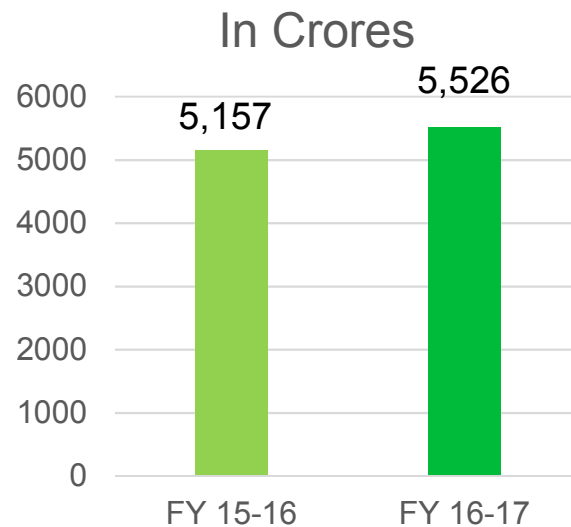


# Business performance: improved operating results

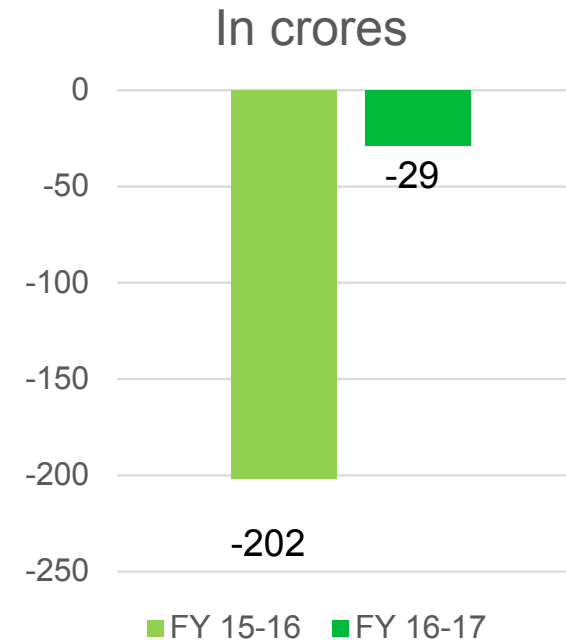


April 2016 - March 2017

## Revenue



## PBT before exceptional items



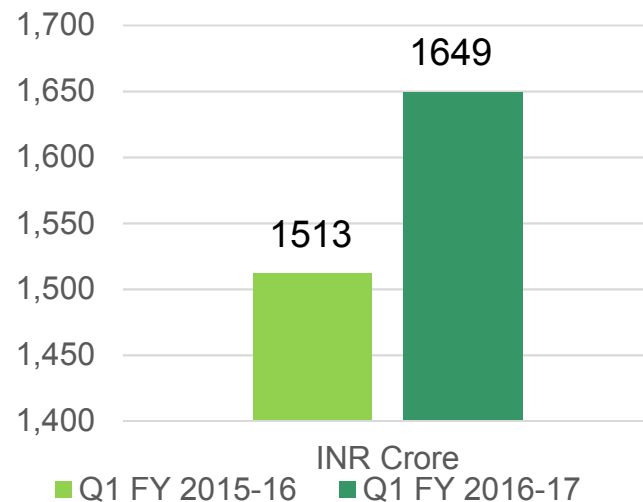
**Sales growth of 7% Y-o-Y; Operating results improved significantly**

# Business performance: Q1 results impacted by GST cost & RM price volatility

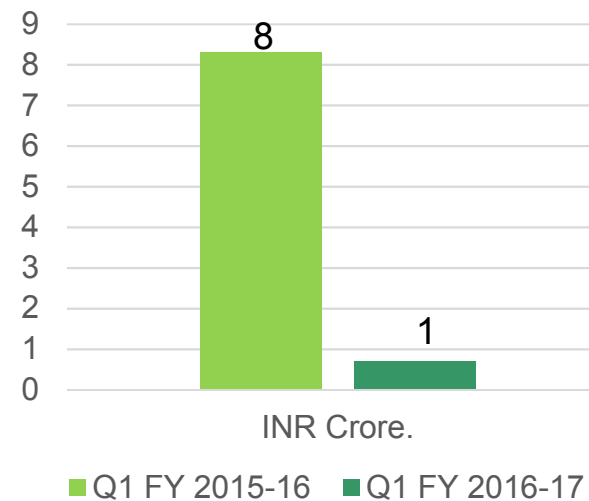


April 2017 - June 2017

## Sales Revenue +9%



## PBT before exceptional items



**Beyond the numbers**

# Customers and industry recognized our quality, service and efforts



Source: BASF

EC- Best Supplier Award from Honda Motorcycles & Scooters



Source: BASF

CCE: Gold Quality Consistency Award from Bajaj Auto



Source: BASF

Working Mother and AVTAR Best Companies for Women in India



Source: BASF

2<sup>nd</sup> rank (among BSE 500 companies) for listing mandates



Source: BASF

Best Supplier in Quality Tata Motors



# Successful and engaged employees lead us to organizational success



EV Extra Mile Award

Source: BASF



Sales Excellence Award –  
Finalist

Source: BASF



CM: 1<sup>st</sup> in Inorganics' Trader  
Transactional Supplier Hunting  
competition APAC

Source: BASF



Customer Service Award –  
Finalist

Source: BASF



Ankleshwar employees in  
visual technical  
management workshop

Source: BASF



Workshop reinforcing  
Critical Leadership skills

Source: BASF

# Supporting communities and social business; fostering diversity



Source: BASF

Sanitation classes for children in Thane



Source: BASF

Veerapuram water plant inauguration



Source: BASF

AP seed funding for small holders- Mahila Bachat Gat

# Summing Up



- Grow above market
- Improve efficiency
- Optimize working capital
- Maximize capacity utilization
- Innovate to meet market demands



Source: BASF

Thank you for your trust and  
continued support!



 **BASF**

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