



Set For The Future

Annual General Meeting Presentation by
Raman Ramachandran, CMD, BASF India Ltd.

 **BASF**
We create chemistry

Cautionary Note

Forward looking statements

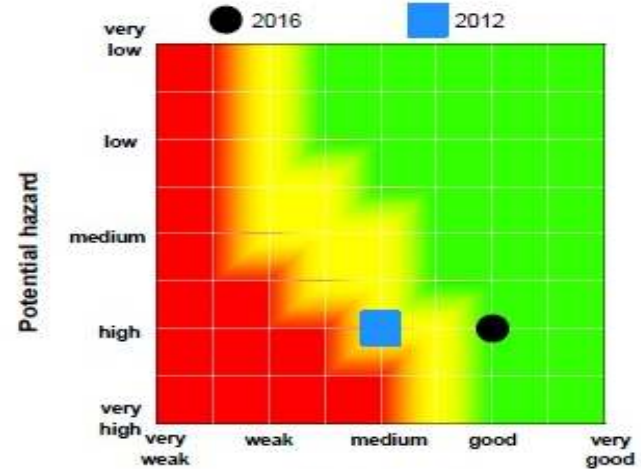


- Only those matters which are in the public domain can be subject matter of discussion in this meeting
- As a matter of policy, we do not provide any prognosis about the future business situation
- We do not comment or give guidance on future results or business outlook

Safety First, Safety Always



Global Safety Week Celebrations
Undertook over 70 activities



Green Rating for Thane Site
GU/RA audit



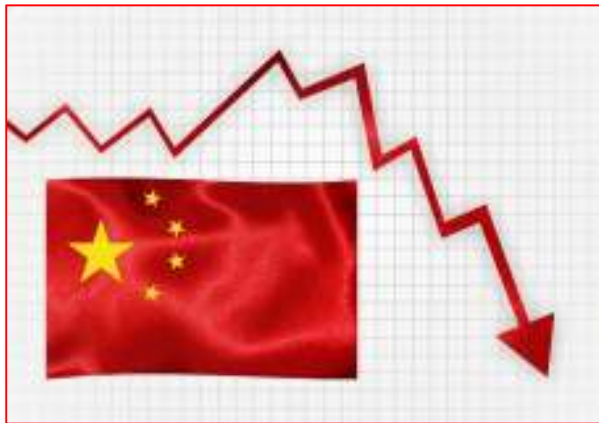
TravelSafe Campaign
1296 employees trained in defensive driving since campaign began



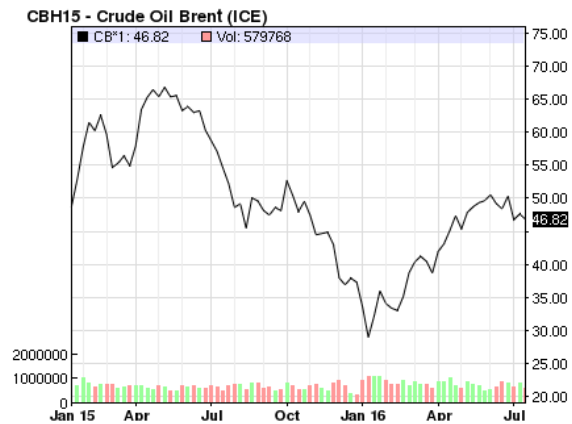
Project Nicer Globe
Phase 2 roll-out

Picture credit: [Nicer Globe website](#) 3

Global Economy: Strong Headwinds, Slow Recovery, Uncertain Future



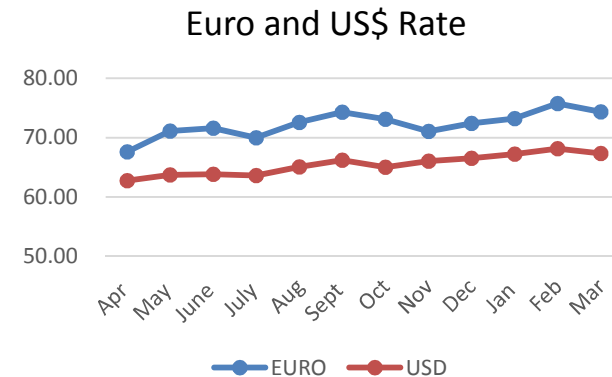
China market slackened



Flux in crude oil prices



Second year of drought

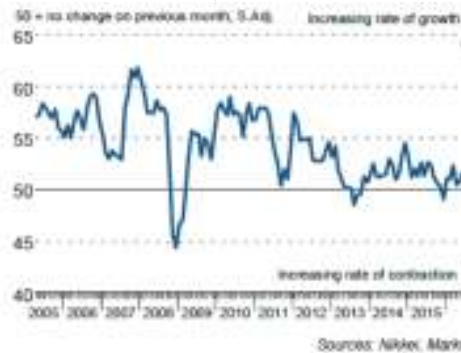
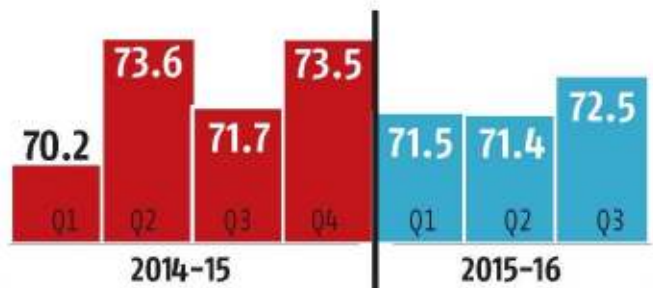
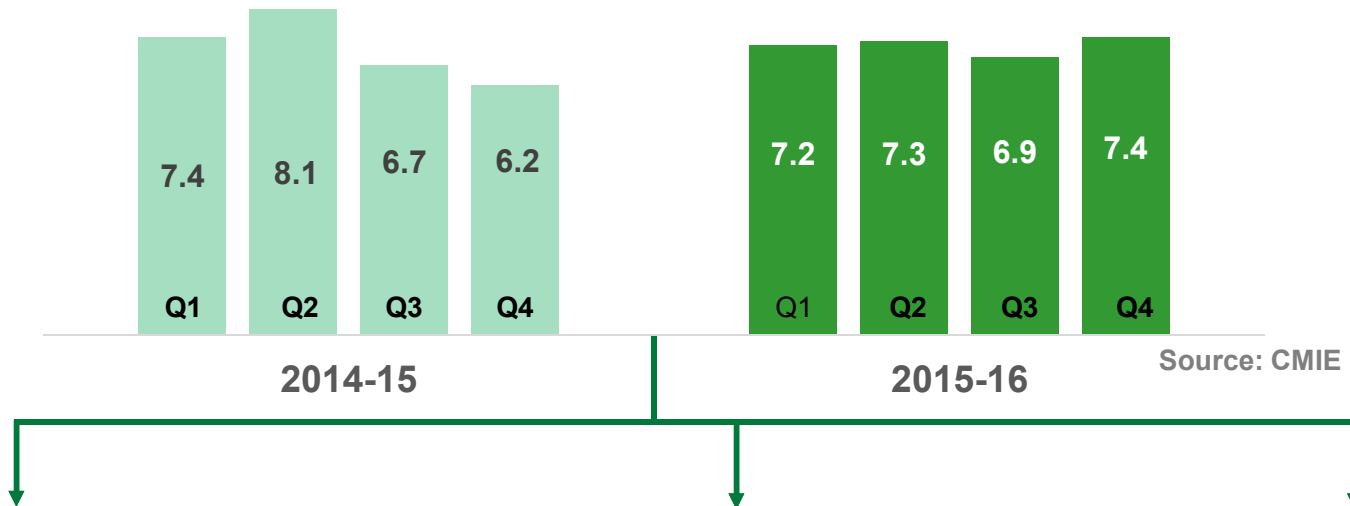


Rupee volatility

India: A Growth Cylinder In Emerging Markets



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



Industry Capacity Utilisation Level (%)

PMI Manufacturing

Rural Earnings Dipped

Manufacturing sector remained flat

Demand Varied In Our Focus Industries



Agriculture

- Flat growth due to the second consecutive year of poor monsoon
- A majority of crop protection companies reported declining sales and profits this FY



Automobile

- Production of four-wheeler light vehicles grew by 5.6%; two-wheelers by 1.8% FY
- Maruti, Mahindra, Renault Nissan, Tata etc. some of the largest OEMs who launched new cars in the last FY

Demand varied In Our Focus Industries



FMCG

- 13% growth in CY 2015; rural markets remained flat
 - Decorative paints grew by 8% FY
- Drivers: Colour cosmetics, deodorants and fragrances



Construction

- 4.4% growth in this FY
- Drivers: growing Infrastructure needs, govt. initiatives like smart cities, Amrut cities, metro projects and housing for all
- Lack of liquidity in the market had negative impact

Our Strategy Is Aligned To Industry Dynamics



Chemicals

- Growth sectors: Paints & coatings, pharma, agro. chem. and foams
- Maintain market share and use windows of opportunities for price increase

Performance Products

- Growth sectors: Paints & coatings, home & personal care, fuel& lubes, paper, pigments, nutrition & health, pharma
- Leverage recent investments to grow above market pace

Our Strategy Is Aligned To Industry Dynamics



Functional Materials & Solutions

- Focus on customer driven solutions
- Good to strong sales and volume growth across businesses
- Increased utilization of our sites in India



Agricultural Solutions

- Subdued performance due to second year of drought
- Focus on crop and product portfolio to reduce risk

Make in India: Continued To Invest In Assets For Growth



Nellore, Andhra Pradesh

- Fifth and largest construction chemicals plant; Inaugurated in April 2015
- Site meets growing demands for durable and energy efficient construction materials

Kharagpur, West Bengal

- Sixth construction chemicals plant; Inaugurated in May 2016
- Ground-breaking ceremony in March 2015
- Well-equipped concrete lab will deliver tailor-made recipes through formulation excellence

Make in India: Making the best of our manufacturing assets



Dahej

- All ten plants commissioned
- 9 customer approvals
- Over 10 quality audits and 4 environment system management certifications
- Ramping up utilization and operational efficiency

Ankleshwar

- Expansion and commissioning of Pergafast plant
- Process improvements & de-bottlenecking

Make in India: Making the best of our manufacturing assets



Mangalore

- Innovative operational excellence techniques to reduce costs
- Improved capacities in construction chemicals plant and dispersions warehouse

Thane

- Site completes 50 years of operations in 2016
- Work undertaken to improve structural stability

Innovation: Another Key Growth Driver

New product launches



Tynzer™



Bondura TPU
Adhesives™



Acronal® 7079



Prepolymer MP
102™



Tinosorb® A2B

- Launched more than 15 new products
- Developed more than 20 new variations of colours for leading automobile OEMs
- Focus on sustainable products

Innovation: Another Key Growth Driver Customised Solutions For India



Elastoskin™:
innovative polyurethane solution to make seats from a single mold, saving time and investments



MasterProtect™ 381:
Special purpose coatings for bridge decks, now used for over 3 lakh sq. miles in New Delhi, North Zone



Tinogard® TT:
Innovative application for deodorants and perfumes for longer retention – a first in the industry, globally and locally

Optimizing Our Business Portfolio: Divestment and Acquisitions



- Divestment of Textile Chemicals business to Archroma (previous FY)
- Divestment of industrial coatings business to AkzoNobel
- Acquisition of surface treatment business of Chemetall

Picture credit: citizen.co.za



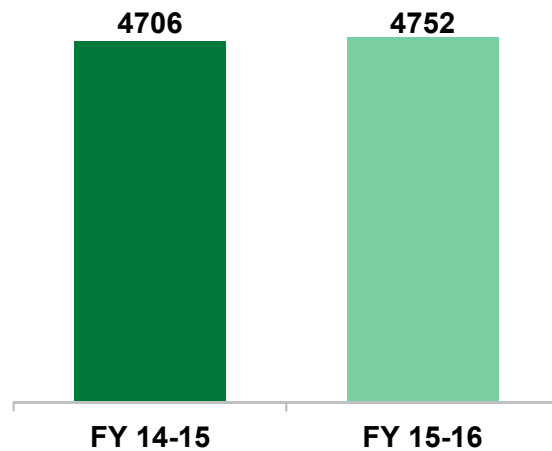
Business Performance: Volume growth from Dahej offset poor monsoon impact



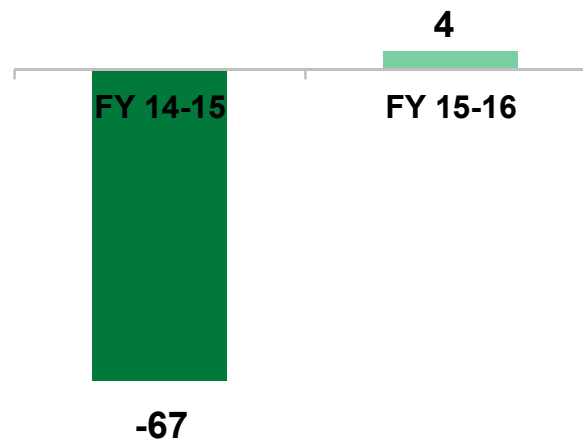
April 2015 - March 2016

Revenue

+1%



PAT after exceptional items



In Rs. Crores

Dividend %

2014-15 – 40%

2015-16 – 10%

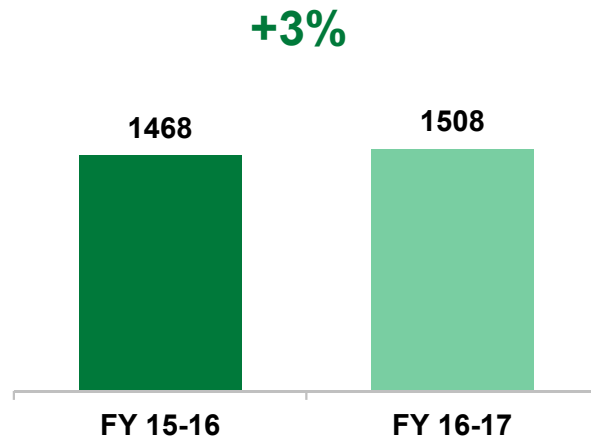
Business Performance: Growth due to positive monsoon trend and Dahej ramp-up



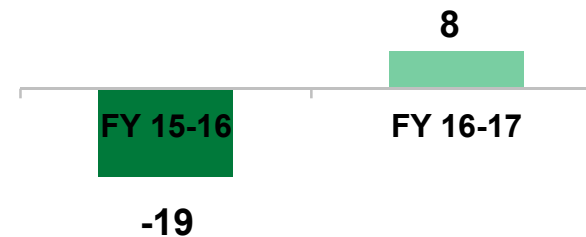
April 2016 - June 2016

In Rs. Crores

Revenue



PBT before exceptional items



Beyond the numbers

Successful Employees Make A Successful Company



Construction Chemicals team was a finalist at the APAC Sales Award



2 teams from the Performance Chemicals BU chosen for Extra Mile Award



Winners of Annual Rewards and Recognition Program - LEAP

Customers Rewarded And Recognized Our Quality And Service



Coatings



Coatings



Coatings



Care chemicals



Fuel and lubricants

Providing Thought Leadership And Supporting Communities



Unveiling Whitepaper on co-creating solutions for Mumbai's water challenges



Completion of second year of CSR at Dahej – Project Gramshobha



Donating a water purification unit to Navjeevan School, Turbhe



Sponsoring sports day at Samata School, Turbhe

Summing Up



Our focus is on:

- Investing in growth opportunities
- Innovating to meet market demands
- Optimizing capacity utilization
- Improving efficiency



Thank you for your trust and
continued support!

 **BASF**

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