

**Annual Report 2023-2024**  
**BASF India Limited**

**BASF**

We create chemistry

**80**

years of

**Resilience And Growth**

**Building For A Sustainable Future**





## Message from the Managing Director

*Dear shareholder,*

At the outset, I express my sincere gratitude for your trust, support, and confidence as we continue to successfully chart the path towards sustainable and profitable growth. I am confident that together, we will continue to navigate the future with resilience, surmounting challenges, and seizing opportunities to consistently deliver strong business outcomes for the organization.

The global macro-economic scenario during the financial year 2023-24 was another period of subdued growth marked by high inflation and interest rates, geo-political tensions, concerns of recession and supply chain constraints. Despite international economic uncertainties, India is expected to continue to be the fastest growing large economy and a preferred market to attract future investments. The team's resilience in navigating through difficult environments has led to strong business results for your Company in the financial year 2023-2024.

Your Company demonstrated strong growth and registered sales of Rs. 137,674.8 million for the financial year ended March 31, 2024. Despite a volatile market sentiment, your Company has demonstrated solid growth in the Agricultural Solutions and Materials segments. Your Company reported profit before tax (before exceptional items) of Rs. 7,589.5 million for the financial year 2023-24 as compared to profit before tax (before exceptional items) of Rs. 5,280.9 million in the previous year. We continue to efficiently manage working capital, while growing our operations in the country. Considering the financial performance of your Company, the Board of Directors have recommended a dividend of 150% i.e., Rs. 15/- per equity share (previous year Rs. 8/- per equity share) for the financial year ended March 31, 2024.

We continue to enhance our production facilities and strengthen our development capabilities in the country. After groundbreaking ceremonies conducted last year, your Company inaugurated the Polyurethane Technical Development Center in Mumbai to support market development of polyurethanes applications in various industries, which complements the capacity expansion of Ultramid® and Ultradur® at Panoli and Thane manufacturing sites. Your Company expanded its e-coat manufacturing facility at Mangalore site, introducing the latest generation of high-performance e-coats to automotive manufacturers.

Your Company launched Efficon® Insecticide – powered by Axalion® Active, an industry first, offering a unique class of chemistry (IRAC group 36) with novel mode of action for effective control of piercing and sucking pests. Efficon® Insecticide will build on the successful launch of Exponus® enabling us to continue to make strong inroads in the important insecticide market. Our continued commitment to provide a broad range of solutions to farmers is also supported with Priaxor® in the fungicides segment and Tynzer® in the herbicides segment.

Safety remains an integral component of our business operations. We maintained a solid safety track record with zero high severity incidents across our sites. We are first in India to achieve the REDcert2 Certification for our Dispersion plants at Dahej and Mangalore sites enabling production of certified biomass-balanced acrylics dispersions, marking a significant milestone in our commitment to environmental stewardship, while supporting our customers in their low carbon footprint journey. As part of our commitment to Net Zero, your Company's manufacturing sites at Gujarat and Mangalore, significantly reduced its dependence on fossil fuels by procuring energy from renewable sources, thereby contributing to environmental sustainability.

Further, as part of our Corporate Social Responsibility initiatives, your Company successfully launched We-Chemie program with an objective to build a talent pipeline of women in the chemical industry and ChemAmaze, a platform to implement gamification pedagogy at schools and making classroom learning more engaging. We also continue to inspire the next generation for chemistry and to become climate champions with more than 2200 children from lesser privileged communities having experienced our BASF Kids' lab.

Our focus is to uphold our growth momentum, stay close to our customers, optimize asset utilization, and maintain diligent control over working capital and expenses. Simultaneously, we'll remain steadfast in pursuing our long-term strategic goals, driving forward our sustainability initiatives, promoting diversity and inclusion and fortifying our talent pipeline. Our strong commitment to maintaining safe and efficient operations will remain foundational to our sustained success.

I extend my deepest appreciation to our talented employees, valued customers, partners, and stakeholders for their continued collaboration. And to you, our esteemed shareholders, I express gratitude for your trust and support. Let us continue to create chemistry for a sustainable future!

Warm regards,

**Alexander Gerding**  
Managing Director

Wednesday, August 7, 2024 at 3.00 p.m. through Video Conferencing/Other Audio Visual Means.

Page

#### Agenda

1. Presentation of Audited Standalone & Consolidated Financial Statements for the financial year ended March 31, 2024 & the Directors' / Auditors' Reports thereon.
2. Declaration of Dividend.
3. Re-appointment of Director.
4. Appointment of Statutory Auditors
- 5-7 Special Business:  
Notice of the Meeting is attached.

Board of Directors & Key Managerial Personnel	2
Directors' Report	4
Management Discussion and Analysis Report	64
Report on Corporate Governance	74
Standalone Financial Statements	95
Consolidated Financial Statements	157
Highlights - At a glance	208

### BASF India Limited

#### 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.  
Telephone : +91 6278 5600, 6724 3700 / 6724 3800  
Website : [www.basf.com/in](http://www.basf.com/in)  
E-mail ID : [investor-grievance-india@basf.com](mailto:investor-grievance-india@basf.com)

#### Corporate Identification Number:

L33112MH1943FLC003972

#### Manufacturing Sites:

##### Maharashtra (Navi Mumbai)

Plot No. 12 & 13, TTC Industrial Area, MIDC,  
Thane-Belapur Road, Turbhe, Navi Mumbai – 400 705.

##### Karnataka (Mangalore)

Bala/Thokur Village, Surathkal-Bajpe Road,  
Mangalore Taluka, Dakshina Kannada District,  
Karnataka – 575 030.

##### Gujarat (Dahej)

4B, Dahej Industrial Estate, Village Dahej,  
Taluka Vagra, District Bharuch, Gujarat – 392 130.

##### Gujarat (Panoli)

Village Umarwada,  
Survey No 432/1+2,  
Taluka Ankleshwar, Gujarat – 393 001.

#### Offices:

Ahmedabad, Bangalore, Chandigarh, Delhi, Hyderabad,  
Indore, Lucknow, Mumbai, Nagpur, Navi Mumbai  
and Pune.

#### Registrar & Share Transfer Agent:

Link Intime India Private Limited  
Unit : BASF India Limited,  
C-101, 1<sup>st</sup> Floor, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai – 400 083.  
Tel. No.: +91 810 811 8484  
Fax No.: +91 22 4918 6060  
Email : [csg-unit@linkintime.co.in](mailto:csg-unit@linkintime.co.in)

## Board of Directors & Key Managerial Personnel

---



Mr. Pradip P. Shah  
Chairman



Mr. Alexander Gerding  
Managing Director



Dr. Ramkumar Dhruva



Mr. Marcelo Rocha Lu



Mrs. Shyamala Gopinath



Mr. Bahram Vakil



Ms. Sonia Singh



Mr. Narendranath J. Baliga  
Chief Financial Officer &  
Alternate Director



Mr. Anil Choudhary  
Manufacturing Head &  
Whole-time Director



Mr. Manohar Kamath  
Company Secretary

### Management Committee

Mr. Alexander Gerding  
Mr. Narendranath J. Baliga  
Mr. Anil Choudhary  
Mr. Manohar Kamath

### Statutory Auditors

Messrs Price Waterhouse Chartered Accountants LLP  
252, Veer Savarkar Marg,  
Shivaji Park, Dadar (West),  
Mumbai – 400 028.

### Cost Auditors

Messrs R. Nanabhoy & Co.  
*Cost Accountants*  
Jer Mansion,  
70 August Kranti Marg,  
Mumbai – 400 036.

### Internal Auditors

Messrs Mahajan & Aibara  
*Chartered Accountants*  
1, Chawla House,  
62, Wodehouse Road,  
Colaba, Mumbai – 400 005.

### Bankers

- (i) Citibank N.A.
- (ii) Deutsche Bank AG
- (iii) BNP Paribas
- (iv) Credit Agricole CIB
- (v) Bank of America
- (vi) HDFC Bank Limited
- (vii) Mizuho Bank
- (viii) Standard Chartered Bank

### Secretarial Auditors

Messrs HSPN & Associates, LLP  
206, 2<sup>nd</sup> Floor,  
Tantia Jogani Industrial Estate,  
J. R. Boricha Marg, Opp. Lodha Excelus,  
Lower Parel (E), Mumbai – 400 011.

### Advocates & Solicitors

Messrs Crawford Bayley & Co.  
State Bank Building, 4<sup>th</sup> Floor,  
N. G. N. Vaidya Marg, Fort,  
Mumbai – 400 023.

### Director - Legal, General Counsel (India) & Company Secretary

Mr. Manohar Kamath



German Vice Chancellor, Dr. Robert Habeck, Markus Kamieth, CEO, BASF SE and Alexander Gerding, MD, BASF India launched BASF Kids' Lab 2023 on climate change as a CSR initiative at Innovation Campus, Mumbai.





Alexander Gerding, Managing Director, BASF India reaffirming our commitment to partnering with the Indian Government to achieve self-reliance in manufacturing and R&D at the 17<sup>th</sup> Annual India Chemical Industry Outlook Conference, organized by the Indian Chemical Council (ICC) in collaboration with McKinsey & Company.

## Directors' Report

Your Directors have pleasure in presenting their Report for the financial year ended March 31, 2024.

### Standalone Financial Results

(Rs. in million)

Description	Year ended 31.3.2024	Year ended 31.3.2023
Revenue from operations	1,37,674.8	1,36,447.7
Profit before exceptional items and Tax	7,589.5	5,280.9
Exceptional items	–	153.1
Profit before tax	7,589.5	5,434.0
Tax expense	1,956.0	1,405.1
Profit after tax	5,633.5	4,028.9
Dividend	649.3	346.3

### Standalone Financial Performance

The revenue from operations stood at Rs. 1,37,674.8 million as compared to Rs. 136,447.7 million in the previous year. Your Company reported a Profit Before Tax (before exceptional items) of Rs. 7,589.5 million for the year ended March 31, 2024 as compared to Rs. 5,280.9 million in the previous year.

The Agricultural Solutions business of your Company registered good growth in revenues during the year under review as compared to the previous year. The growth in the Agricultural Solutions business was equally propelled by both price and volume, with substantial contribution from Exponus<sup>®</sup> in Insecticides; Priaxor<sup>®</sup> in Fungicides and Tynzer<sup>®</sup> in Herbicides. The improved profitability of the Agricultural Solutions business was mainly on account of significant price realisation and favorable product mix.

The Industrial Solutions segment of your Company comprising of the Dispersions, Resins, Additives & Performance Chemicals businesses. The revenue of the Dispersions business was marginally impacted due to lower price

realisation; however the business witnessed higher volumes in key products like Acronal® and Styronal®. The margins of the Dispersions business improved mainly due to higher volumes and better prices on account of product mix. In case of the Performance Chemicals business, the revenues were impacted due to challenging market conditions and overall reduction in demand, however, the margins improved due to lower input prices.

The Materials segment of your Company comprising of the Performance Materials & Monomers businesses registered good growth in revenue during the year under review as compared to the previous year. The revenues of the Performance Materials business of the Company were mainly driven by high demand across all its products; led by Cellasto® and Specialty Chemicals offsetting the impact of downward price trend. The margins of the Performance Materials business also improved due to higher revenue and lower fixed cost. The Monomers business of your Company registered growth boosted by sale of new product Aniline Bulk and strong demand for Methylene diphenyl diisocyanate (MDI). Higher revenues and better margins also led to higher profits for the Monomers business.

The Surface Technologies segment of your Company comprises of the Coatings & Catalysts businesses. The revenues of the Company's Coatings business improved marginally due to higher price realisation mainly from owned enterprise manufacturers. The profits of the Coatings business also improved significantly due to better margins. The Catalysts business consisting of Process & Refinery Catalysts, registered strong market driven volume growth, however, the margins were impacted due to higher input costs.

The Nutrition & Care segment of your Company comprises of the Care Chemicals and Nutrition & Health businesses. The revenues of the Care Chemicals business of the Company were mainly impacted due to lower volumes and drop in feedstock prices. However, the margins of the Care Chemicals business improved due to softening of input costs despite lower demand. The revenues of the Nutrition & Health business improved due to higher volume in some of the key products, however squeezed margins led to lower profits.

During the year under review, the revenues of the Chemicals segment of your Company comprising of the Petrochemicals & Intermediates businesses was impacted mainly due to lower price realisation and lower volumes. However, the margins of the Chemicals segment improved due to lower input costs and favourable product mix.

Export sales stood at Rs. 3072.7 million during the year under review.

#### **Subsidiary Company**

During the year under review i.e., on December 11, 2023, your Company has incorporated BASF India Coatings Private Limited as its wholly owned subsidiary. Your Company does not have any Associate Company or Joint Venture Company as on March 31, 2024.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of Financial Statements of BASF India Coatings Private Limited in the prescribed Form AOC-1 is provided in **Annexure I** and forming part of this Report. The Financial Statements of the subsidiary company are also available on the Company's website at [www.basf.com/in](http://www.basf.com/in) and the same are also available for inspection as per the details mentioned in the Notice of 80<sup>th</sup> Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

#### **Consolidated Financial Statements**

The Annual Audited Consolidated Financial Statements together with the Report of Auditors' thereon forms part of this Annual Report

#### **Transfer of Coatings business to BASF India Coatings Private Limited, 100% Wholly Owned Subsidiary of your Company.**

During the year, the Coatings business of your Company was proposed to be transferred to a wholly owned subsidiary; namely BASF India Coatings Private Limited (incorporated on December 11, 2023). The transfer of the said business is proposed to be concluded on going concern and at arm's length basis, for a consideration of Rs. 1,820 million, as determined by an Independent Valuer and approved by the Audit Committee and Board of Directors of the Company. The transfer of business will be subject to necessary adjustments, as may be required, to the consideration on the closing date, by the end of the calendar year 2024, in accordance with the conditions specified in the Business Transfer Agreement. Your Company will receive the final consideration in the form of shares of BASF India Coatings Private Limited, at closing.

#### **Execution of Long-term Power Purchase Agreement for procurement of renewable power to Company's manufacturing site at Mangalore**

Your Company has entered into a 25-year long-term Power Purchase Agreement ("PPA") with Clean Renewable Energy KK 2C Private Limited, Special Purpose Vehicle, incorporated by Hero Rooftop Energy Private Limited ("the Developer"), for procurement of 2.7 MW of renewable power to its manufacturing site at Mangalore under the prevailing renewable energy policy of the State of Karnataka, the Electricity Act 2003 and the Rules thereunder ("Applicable Laws").

Further, in order to avail the benefit under Captive Power Generative mechanism to the captive users under the Applicable Laws, your Company will hold atleast 26% equity share capital of Clean Renewable Energy KK 2C Private Limited as required under the Applicable Laws for an amount not exceeding Rs. 15 million.

Your Company has signed a Share Subscription and Shareholder Agreement with Clean Renewable Energy KK 2C Private Limited and Hero Rooftop Energy Private Limited on April 1, 2024. Closing of the transaction is subject to customary conditions precedent including receipt of requisite approvals.

#### **Transfer to Reserves**

The Company has not transferred any amount to the Reserves for the financial year ended March 31, 2024.

#### **Share Capital**

During the year under review, there has been no change in the share capital of the Company. The authorised share capital of the Company, as on March 31, 2024 is Rs. 715,597,150/-, which is divided into 71,559,715 equity shares of Rs. 10/- each, whereas the issued share capital of the Company comprises of 43,285,640 equity shares of Rs. 10/- each aggregating to Rs. 432,856,400/-.

#### **Dividend**

The Board of Directors of your Company have recommended a Dividend of Rs. 15/- per equity share i.e., 150% for the financial year ended March 31, 2024. The Dividend would be paid, subject to the approval of the Members at the forthcoming Annual General Meeting on August 7, 2024.

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, and the same is available on the Company's website at <https://bit.ly/basfdividenddistributionpolicy>.

#### **Changes in Directors**

During the year under review, the following changes took place in the Board of Directors of the Company: -

i) Dr. Carola Richter resigned as Director of the Company, with effect from the close of business hours on January 31, 2024 to pursue her interest and opportunity outside BASF. The Board of Directors of your Company place on record its sincere appreciation for the valuable contributions made by Dr. Carola Richter during her tenure as the Director of the Company.

ii) The Board of Directors of the Company at its Meeting held on February 12, 2024 appointed Mr. Marcelo Rocha Lu (DIN: 10462274) as the Non-Executive Director of the Company, effective February 12, 2024 to fill-in the casual vacancy caused by the resignation of Dr. Carola Richter. The appointment of Mr. Marcelo Rocha Lu as a Non-Executive Director has been approved by the Members of the Company on May 7, 2024, by way of postal ballot.

Mr. Marcelo Rocha Lu, aged 42 years, studied Foreign Service at the Georgetown University in Washington DC. He joined BASF as a Procurement Manager Raw Materials, BASF SE (Germany) in 2006. Thereafter in 2009, he was appointed as a Staff to BASF SE Board Member in BASF East Asia RFQ Ltd, Hong Kong. In 2011, he was appointed as Director, Business Management Polyamides & Intermediates, BASF East Asia RHQ Ltd., Hong Kong. Later in 2012, he was appointed as Vice President, Business Management Polyamides & Precursors, Asia Pacific, BASF East Asia RHQ Ltd., Hong Kong. Between 2016 and 2021, he acted as the Managing Director, BASF Canada Inc and in 2021, he was appointed as Senior Vice President, Care Chemicals North America, BASF Corporation, Florham Park, USA. He has now been appointed as President, Asia Pacific (excl. Greater China) and has assumed responsibility for the Division South & East Asia, ASEAN & ANZ, BASF South-East Asia Pte. Ltd., Singapore, effective February 1, 2024.

iii) The Board of Directors of the Company at its meeting held on March 27, 2024 took note of the completion of tenure of Mr. Pradip P. Shah, Mr. R. A. Shah and Mr. Arun Bewoor as Independent Directors of the Company on March 31, 2024. The Board of Directors of your Company place on record its sincere appreciation for the valuable contributions made by Mr. Pradip P. Shah, Mr. R. A. Shah and Mr. Arun Bewoor as Independent Directors of the Company. The Board further recognized the association of Mr. R. A. Shah as the longest serving Board Member of your Company since 1968.

iv) Considering Mr. Pradip P. Shah's industry-wide knowledge, diverse skill sets, expertise and based on the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on March 27, 2024 considered and appointed Mr. Pradip P. Shah as Non-Executive Non-Independent Director of the Company effective April 1, 2024.

Keeping in view, Mr. Pradip P. Shah's leadership and collaborative approach in connecting the management and Board to deliver strong corporate governance, the Board also approved his continuance as the



Non-Executive Chairman of the Company and his office as Director of the Company will be liable to retire by rotation in accordance with the relevant provisions of the Companies Act, 2013. The Board also recognized that the continued association of Mr. Pradip P. Shah would be of immense benefit to the Company.

Mr. Pradip P. Shah is a Chartered Accountant, Management Accountant and holds MBA from Harvard University. He is also a Cost Accountant. He has served on several expert committees of Central and State 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.

The appointment of Mr. Pradip P. Shah (DIN: 00066242) as Non-Executive Non-Independent Director of the Company, effective April 1, 2024 was approved by the Members of the Company by way of Postal Ballot on May 7, 2024.

**v) Appointment of new Independent Directors:-**

The Nomination and Remuneration Committee of your Company considered the various attributes, in line with the Company's requirements such as industry wide knowledge, sector-specific knowledge, international experience, diversity & inclusivity, cultural-fit, independence, integrity etc., for the identification and selection of the new Independent Director(s) of the Company.

After evaluating proposals of diverse candidates, the Nomination and Remuneration Committee took into consideration that the skills, expertise and competencies possessed by Mr. Bahram Vakil and Ms. Sonia Singh were in line with the desired attributes and Company's requirements. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company at its meeting held on March 27, 2024 approved the appointment of Mr. Bahram Vakil (DIN: 00283980) and Ms. Sonia Singh (DIN: 07108778) as Additional Directors in the capacity of Independent Directors of the Company for a term of 5 (five) consecutive years, effective April 1, 2024, till March 31, 2029.

The appointments of Mr. Bahram Vakil and Ms. Sonia Singh as Independent Directors of the Company effective April 1, 2024 for a term of 5 (five) consecutive years was approved by the Members of the Company on May 7, 2024 by way of postal ballot.

Mr. Bahram Vakil holds Master of Law (LLM) from Columbia University, New York, USA and is also the Member of New York State Bar. He is one of the founding partners of AZB & Partners, Indian law firm. Mr. Bahram Vakil specializes in the areas of Restructuring & Insolvency, Banking & Finance, Corporate / Mergers & Acquisitions, Energy, Infrastructure and Microfinance and has also been on several government constituted committees.

Ms. Sonia Singh earned her Post Graduate Diploma in Business Management from Faculty of Management Studies, Delhi, India and holds a Bachelor of Arts degree (Economics). She has rich experience of over 33 years in sales and marketing, from creating new categories, channels, brands to new functions & capabilities. She has worked in Lakme Ltd and Hindustan Unilever Limited and also has overseas experience with companies like Nokia, Pepsi, Friesland Foods, Heineken as a brand consultant and marketing trainer.

**vi) Re-appointment of Dr. Ramkumar Dhruva as Non-Executive Director of the Company: -**

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Dr. Ramkumar Dhruva, Non-Executive Director being eligible, offers himself for re-appointment as Director of the Company at the 80<sup>th</sup> Annual General Meeting of the Company to be held on August 7, 2024.

As required under the SEBI Listing Regulations, the details of Dr. Ramkumar Dhruva, Non-Executive Director of the Company, seeking re-appointment at the ensuing Annual General Meeting are provided in the Corporate Governance Report, forming part of this Annual Report.

**Finance & Accounts**

Your Company efficiently managed working capital and generated cash from operations of Rs. 8,072.4 million during the year under review. Your Company had NIL borrowings as at the end of financial year 2023-2024.

Your Company continued to focus on managing cash efficiently and ensured that it had adequate credit lines from Company's bankers. Your Company's debt equity ratio was Nil as at March 31, 2024.

**Capital Expenditure**

Capital expenditure incurred during the year aggregated to Rs. 977.7 million.

**Credit Rating**

During the year, CRISIL Ltd re-affirmed the credit rating of 'CRISIL AAA / Stable' for the long-term debt programme of your Company. The ratings on the Fixed Deposits and Commercial Paper have been re-affirmed at 'FAAA / Stable' and 'CRISIL A1+', respectively.

Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations & carry lower credit risk.

### Fixed Deposits

During the year, your Company has not invited, accepted, or renewed any fixed deposits from the public and accordingly, there is no principal or interest outstanding in respect thereof.

### Management Discussion and Analysis Report

In terms of the SEBI Listing Regulations, the Management Discussion and Analysis Report is appended to this Annual Report.

### Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance and has complied with the Corporate Governance requirements as per the SEBI Listing Regulations.

A separate report on Corporate Governance as stipulated under the SEBI Listing Regulations along with a Certificate of Compliance from the Statutory Auditors, forms part of this Annual Report.

### Corporate Social Responsibility

As required under the provisions of the Companies Act, 2013, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee on April 30, 2013. In view of the changes in the Board of Directors of the Company, the CSR Committee was reconstituted by the Board of Directors at its meeting held on March 27, 2024, effective April 1, 2024.

Presently, Mr. Bahram Vakil (Chairman), Ms. Sonia Singh, Independent Directors and Mr. Anil Choudhary, Manufacturing Head & Whole-time Director are the Members of the CSR Committee. Your Board of Directors placed on record its sincere appreciation to Mr. Arun Bewoor for his invaluable contribution and guidance to the CSR Committee and CSR activities of the Company as Chairman of this Committee till March 31, 2024.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary of the Company continues to act as the Secretary of the CSR Committee.

The CSR Committee has formulated the CSR Policy and has recommended the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013.

During the year under review, one meeting of the CSR Committee were held on August 4, 2023 to review and recommend to the Board of Directors, the CSR activities to be undertaken by the Company during the financial year 2023-2024.

Your Company was required to spend an amount of Rs. 119 million (Gross Amount) during the financial year 2023-2024 towards CSR projects / activities.

The details of the ongoing CSR projects initiated by the Company, are provided in **Annexure II** of this Report.

### Business Responsibility & Sustainability Report

Regulation 34(2) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalization, should mandatorily include a Business Responsibility & Sustainability Report (“BRSR”) from financial year 2022-23 onwards.

Although the top 1000 listed entities were mandatorily required to publish BRSR from the financial year 2022-23 onwards, your Company adopted and published the said Report on a voluntary basis during the financial year 2021-2022.

In line with the SEBI listing requirements, your Company has included BRSR as part of this Report for the financial year 2023-24, as **Annexure III**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRSR for the financial year 2023-2024 has also been hosted on the Company's website, and the same can be accessed at [www.basf.com/in](http://www.basf.com/in)

### Vigil Mechanism

Your Company has established a Whistle Blower Policy for employees, Directors and third parties to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report. This policy is available on the Company's website and can be accessed at: <https://bit.ly/basfwhistleblowerpolicy>.

### Directors' Responsibility Statement

Your Directors confirm that:

- (i) in the preparation of the annual standalone and consolidated financial statements, the applicable accounting standards have been followed;



- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2024 and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual standalone and consolidated financial statements on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with sub-rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this Report as Annexure IV.

#### **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, your Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Directors, Key Managerial Personnel, Board and its Committees based on the recommendation of the Nomination & Remuneration Committee. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report, forming part of this Annual Report.

The Board of Directors of your Company expressed satisfaction about the transparency of disclosures, maintenance of higher governance standards and updation of the Independent Directors on key topics impacting the Company.

#### **Policy on Directors' appointment and remuneration**

The policy on Directors' appointment and remuneration including determination of the qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013, forms part of the Nomination & Remuneration Policy of the Company. This policy is available on the Company's website and can be accessed at: <https://bit.ly/basfnrc>

#### **Statutory Auditors**

M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai were re-appointed as the Statutory Auditors of the Company for the 2<sup>nd</sup> term of 5 (five) consecutive years i.e., from the conclusion of the Annual General Meeting of the Company held on August 3, 2022 till the conclusion of the Annual General Meeting of the Company to be held in the year 2027.

As BASF SE, Ultimate Holding Company and other BASF Group companies are in discussions with overseas network member firms of PricewaterhouseCoopers International Limited ('PwC Network firms') for providing of certain non-audit services to these companies outside India, M/s Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai have re-assessed their ability to continue as Statutory Auditors of the Company in terms of Standard on Quality Control (SQC) 1 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements' issued by the Institute of Chartered Accountants of India.

In order to avoid any potential conflict of interest that may arise in future consequent to the aforesaid discussions on non-audit services of BASF SE with PwC Network firms outside India, M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai has vide letter dated May 10, 2024 expressed their intention to resign as Statutory Auditors of the Company at the forthcoming Annual General Meeting of the Company to be held on August 7, 2024 i.e., after completing the audit of the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the limited review of the unaudited standalone and consolidated financial results of the Company for the quarter ending June 30, 2024.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 14, 2024 has recommended to the Members of the Company for their approval at the forthcoming Annual General Meeting, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Regn. No. 117366W/W-100018) as the Statutory Auditors of the Company for a period of 5 years i.e., from the conclusion of the ensuing 80<sup>th</sup> Annual General Meeting of the Company to be held on August 7, 2024 upto the conclusion of the 85<sup>th</sup> Annual General Meeting to be held in the year 2029.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Regn. No. 117366W/W-100018) have confirmed to the Board of Directors of the Company that they are eligible to be appointed as Statutory Auditors at the forthcoming Annual General Meeting for a period of 5 consecutive years and they satisfy the criteria as specified under the provisions of Section 139 and Section 141 of the Companies Act, 2013.

#### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. HSPN & Associates, LLP, Practising Company Secretaries, Mumbai (COP No. 1483), to conduct the Secretarial Audit of the Company for the financial year 2023-2024 and to furnish their report to the Board. The Secretarial Audit Report dated May 14, 2024 forms part of this Report as **Annexure V**.

#### **Qualifications / Reservations in the Auditors' Report & Secretarial Audit Report**

There are no qualifications / reservations placed by the Statutory Auditors and the Secretarial Auditor in their respective Reports for the financial year ended March 31, 2024.

#### **Compliance with Secretarial Standards**

Your Company has duly complied with the applicable Secretarial Standards ('SS') issued by the Institute of Company Secretaries of India relating to Meetings of the Board and its Committees ('SS1') and General Meetings ('SS2'), respectively, during the year under review.

#### **Reporting of Frauds by Auditors**

During the year under review, there have been no instances of fraud committed against the Company by its officers or employees, which were required to be reported to the Audit Committee / Board of Directors of the Company, by the Statutory Auditors or the Secretarial Auditor under Section 143(12) of the Companies Act, 2013.

#### **Cost Audit**

The Board of Directors, in pursuance of Section 148 of the Companies Act, 2013, have appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, having Registration No. 000010, for conducting the audit of the cost accounting records maintained by the Company for the financial year 2024-2025. The Cost Auditors have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as the Cost Auditors of the Company.

#### **Composition of the Audit Committee**

As required by Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules framed thereunder, the composition of the Audit Committee is in line with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, details of which are provided in the Corporate Governance Report, forming part of this Annual Report.

Effective April 1, 2024, Mr. Bahram Vakil and Ms. Sonia Singh, Independent Directors of the Company have been appointed as the Members of the Audit Committee in place of Mr. R. A. Shah and Mr. Arun Bewoor, who completed their tenure as Independent Directors of the Company on March 31, 2024. Your Board of Directors placed on record sincere appreciation to Mr. R. A. Shah and Mr. Arun Bewoor for their invaluable contribution and guidance to the Audit Committee as the Members of this Committee till March 31, 2024.

#### **Related Party Transactions**

All related party transactions that were entered into by the Company during the financial year 2023-2024 were on arms' length basis. There are no materially significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other Related Parties, which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for its approval. Prior omnibus approval of the Audit Committee is obtained for transactions, which are repetitive in nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a



quarterly basis. The policy on Related Party Transactions, as approved by the Board, is available on the Company's website and can be accessed at: <https://bit.ly/basfrptpolicy>.

Your Directors draw the attention of the Members to Note No. 50 of the Financial Statements, which sets out related party disclosures under the Indian Accounting Standards (IND AS).

Further, the disclosures as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, form part of this Report, as **Annexure VI**.

#### **Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

During the financial year 2023-2024, the Company has placed Inter-Corporate Deposits with BASF Catalysts India Private Limited and BASF Chemicals India Private Limited, Affiliates of your Company in India. The details of amount outstanding as of March 31, 2024 was as follows: -

BASF Chemicals India Private Limited – Rs. 350 million

BASF Catalysts India Private Limited – Rs. 5,100 million

Further, the Members of the Company, by way of Special Resolution passed on May 7, 2024 has increased the overall / aggregate limits of the Company of Inter-Corporate Deposits placed with BASF Group Companies in India from Rs. 7,500 million to Rs. 14,500 million (fungible limits), the details of which are as follows:

- BASF Catalysts India Pvt Ltd: Rs. 14,500 million
- BASF Chemicals India Pvt Ltd: Rs. 4,500 million
- Chemetall India Pvt Ltd: Rs. 1,000 million
- Nunhems India Pvt Ltd: Rs. 1,000 million
- BASF India Coatings Pvt Ltd: Rs. 1,500 million

Your Directors draw the attention of the Members to Note No. 50 of the Financial Statements, which sets out the disclosures under the Indian Accounting Standards (IND AS).

#### **Weblink of Annual Return**

The Annual Return of the Company for the financial year ended March 31, 2024 in Form MGT-7 is available on the Company's website and can be updated for F.Y. 2023-2024 at: <https://bit.ly/BASFANNUALRETURN2023-24>

#### **Particulars of Employees**

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Report as **Annexure VII**. However, as per the provisions of Section 136 of the Companies Act, 2013, read with sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report excluding the statement of particulars of employees, is being sent to all the Members of the Company. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at [manohar.kamath@basf.com](mailto:manohar.kamath@basf.com) and / or at the Registered Office address of the Company.

#### **Prevention of Sexual Harassment at the Workplace**

Your Company gives prime importance to the dignity and respect of its employees irrespective of their gender or hierarchy and expects responsible conduct and behaviour on the part of employees at all levels. Providing a safe and congenial work environment for all employees is an integral part of the Company's Code of Conduct.

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, your Company has adopted a Policy for Prevention of Sexual Harassment at Workplace and has constituted an Internal Committee (IC). The names of the IC Members are displayed on the notice board in each office and manufacturing site. All employees as well as contract staff and trainees are covered by this policy. Allegations of sexual harassment reported are expeditiously and discreetly investigated and disciplinary action, if required, is taken in accordance with the policy.

There was no complaint of sexual harassment received during the financial year 2023-2024.

Training programs on prevention of sexual harassment at the workplace are also conducted at regular intervals. During the year under report, your Company conducted awareness programmes on the policy for its employees. Your Company had also rolled out an e-learning module to sensitize & create awareness amongst the employees of the Company on prevention of sexual harassment.

#### **Risk Management**

Your Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and undertakes periodical review of the same to ensure that the risks are identified and controlled by means of a

properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company. The Board also reviewed the implications of the recent geo-political crisis and the effects associated thereof on the Company.

#### **Internal Financial Control Systems and their adequacy**

Your Company has policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Additional details on Internal Financial Controls and their adequacy are provided in the Management Discussion and Analysis Report, forming part of this Annual Report.

#### **Significant and material orders passed by Regulators or Courts**

Certain litigations pending with Regulators or Courts have been disclosed as Contingent Liabilities in Note no. 40 of the Notes to the financial statements for the financial year ended March 31, 2024. There are no significant and material orders passed by the Regulators / Courts, which would impact the going concern status of the Company and its future operations.

#### **Material changes and commitments affecting the financial position of the Company**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report on account of the ongoing geo-political crisis around the world.

#### **Board Meetings**

Seven (7) Board Meetings were held during the financial year 2023-2024 on the following dates:

- |                      |                      |                       |
|----------------------|----------------------|-----------------------|
| (1) May 10, 2023     | (2) July 24, 2023    | (3) August 4, 2023    |
| (4) November 9, 2023 | (5) January 22, 2024 | (6) February 12, 2024 |
| (7) March 27, 2024   |                      |                       |

#### **Declaration of Independence**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations as amended.

#### **Other Disclosures**

- The Company has not issued any shares with differential voting rights / sweat equity shares.
- There was no revision in the Audited Financial Statements of the Company for the financial year ended March 31, 2023.
- There has been no change in the nature of business of the Company as on the date of this report.
- There are no proceedings filed against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year 2023-2024. Your Company has initiated action against few customers under the Insolvency and Bankruptcy Code, 2016.

#### **Disclosures with respect to Unclaimed Suspense Escrow Demat Account**

As per the Circulars / guidelines issued by SEBI, after due verification of the investor service requests received from the Shareholders / Claimants, 'Letters of Confirmation (LOC)' are issued in lieu of physical share certificate(s) by Companies / RTAs. The validity of such LOCs is one hundred twenty (120) days from the date of issuance, within which period the Shareholder / Claimant is required to make a request to the Depository Participant (DP) for dematerialising the shares covered by the LOC. In case the demat request is not submitted within the aforesaid period of one hundred twenty (120) days, the Companies are required to transfer such shares to Suspense Escrow Demat Account (SEDA) of the Company opened for this purpose. Shareholders / Claimants can claim back their shares from SEDA by submitting the required documents to RTA as per SEBI Advisory dated December 30, 2022.



Details of shares transferred to / released from SEDA during the F.Y. 2023-24 are as under:

Particulars	No. of Shares
Shares lying in SEDA as on April 1, 2023	Nil
Shares transferred to SEDA during F.Y. 2023-24	225
Shares claimed back from SEDA during F.Y. 2023-24	18
Shares lying in SEDA as on March 31, 2024	207

#### **Merger of TSR Consultants Private Limited, Company's Registrar & Transfer Agent with Link Intime India Private Limited**

During the year under review, your Company was informed by Company's Registrar & Transfer Agent that the Hon'ble National Company Law Tribunal, Mumbai Bench has approved the Scheme of Amalgamation and Arrangement between TSR Consultants Private Limited with Link Intime India Private Limited, effective December 22, 2023. Pursuant to the said merger, Link Intime India Private Limited is the Company's Registrar & Share Transfer Agent, effective December 22, 2023.

#### **Employee Relations**

Your Directors place on record their sincere appreciation of the contribution made by the employees at all levels to the growth of the Company. Industrial Relations at all our manufacturing sites remained cordial.

#### **Acknowledgments**

The Board of Directors take this opportunity to thank BASF SE, Germany and all other stakeholders including customers, suppliers, bankers, business partners / associates, Central and State Governments, regulatory authorities and the society at large for their consistent support and co-operation to the Company. Your Directors thank the Members and Investors for their confidence in the Company.

On behalf of the Board of Directors  
For BASF India Limited

PRADIP P. SHAH  
*Chairman*  
(DIN: 00066242)

ALEXANDER GERDING  
*Managing Director*  
(DIN: 09797186)

*Mumbai*

*Dated : May 14, 2024*

## Annexure I

### FORM NO. AOC – 1

[Pursuant to the first proviso to sub-section (3) of section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014 (as amended)]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures:

#### Part “A”: Subsidiaries

(Amount in thousands)

Name of the Subsidiary	BASF India Coatings Private Ltd
Date since when subsidiary was acquired	December 11, 2023 (date of incorporation)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	December 11, 2023 to March 31, 2024
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
Share Capital	100.00
Reserves & Surplus	(775)
Total Assets	72.00
Total Liabilities	72.00
Investments	–
Turnover	–
Loss before taxation	(775)
Provision for taxation	–
Profit after taxation	(775)
Proposed Dividend	Nil
% shareholding	100%

#### Part B: Associates & Joint Ventures

The Company does not have any Associates and / or Joint Venture Companies.

On behalf of the Board of Directors  
For BASF India Limited

PRADIP P. SHAH  
Chairman  
(DIN: 00066242)

ALEXANDER GERDING  
Managing Director  
(DIN: 09797186)

Mumbai  
Dated : May 14, 2024

## Annual Report on CSR activities

## 1. Brief outline of the CSR Policy of the Company.

In line with the CSR Policy and Schedule VII of the Companies Act, 2013, the CSR Committee has outlined the activities to be undertaken by the Company. Key focus areas, as identified by the Company for community initiatives were Water, Sanitation and Hygiene (WASH), Education, Skill Development around its manufacturing sites and / or aspirational districts.

## 2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1	Mr. Arun Bewoor (until March 31, 2024)	Chairman & Independent Director	1	1
2	Mr. Bahram Vakil (effective April 1, 2024)	Chairman & Independent Director	1	–
3	Mr. R. A. Shah (until March 31, 2024)	Independent Director	1	1
4	Ms. Sonia Singh (effective April 1, 2024)	Independent Director	1	–
5	Mr. Anil Choudhary	Manufacturing Head & Whole-time Director	1	1

## 3. Provide the web-link where composition of the CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

The above are available on the Company's website and can be accessed at <https://bit.ly/BASFCSRPOLICY>.

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – Not Applicable

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Nil

## 6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013. – Rs. 5,950 million

## 7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013 – Rs. 119 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Nil

(c) Amount required to be set off for the financial year – Nil

Total CSR obligation for the financial year (7a+7b- 7c). – Rs. 119 million

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
33.4 million	85.6 million	April 12, 2024	Nil	Nil	Nil



(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs. Million).	Amount spent in the current financial year (in Rs. Million).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Million).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Installation of Smart classrooms in schools to promote digitalization in education (48 Nos.)	Promotion of Education	Yes	Maharashtra	Thane, Dahej, Panoli Mangalore	3 years	15	7.86	7.14	Yes	-	-
2	WASH facility to Navi Mumbai Municipal Corporation	Water, Sanitation and Hygiene	Yes	Maharashtra	Thane	1 year	1	-	1	Yes	-	-
3	WASH and Educational Initiative	Promotion of Education Water, Sanitation and Hygiene	Yes	Karnataka	Mangalore	3 years	4	-	4	No	CENTER FOR HEALTH AND DEVELOPMENT	CSR00000782
4	WASH Initiative (Menstrual Hygiene)	Water, Sanitation and Hygiene	Yes	Gujarat	Dahej	1 year	3	1.28	1.72	No	Seva Bharathi	CSR00013116
5	Water ATMs for safe drinking water	Water, Sanitation and Hygiene	Yes	Gujarat	Gujarat	2 years	6	2.98	3.02	Yes	-	-
8	Project Clean Stream- WASH project	Water, Sanitation and Hygiene	Yes	Gujarat	Bharuch	2 years	2	-	2	Yes	-	-
9	Kid's Lab (Organize Kids lab for under privileged community kids and make kids understand and learn Chemistry in fun way and make ambassadors for promotion of chemistry and allied STEM sciences	Promotion of Education	Different parts of India	Maharashtra, Karnataka, Gujarat and Delhi	Mumbai, Mangalore, Bangalore, Dahej, Delhi	3 years	22	2	20.06	Yes	-	-
10	We-Chemie (Inclusion of women in Chemical Industry)	Promotion of Education	Different parts of India	Maharashtra, Gujarat, Karnataka	Mumbai, Nagpur, Pune, Mangalore, Dahej and other parts of India	3 years	28	5.13	22.87	No	Somalya Vidyavihar	CSR000005757
11	Women in Refinish (Inclusion of women in Chemical Industry)	Promotion of Education	Maharashtra	Maharashtra	Pune	2 years	15	-	15	No	SEVA SAHAYOG FOUNDATION	CSR00000756
12	Water Access - Rejuvenation of existing water bodies	Water, Sanitation and Hygiene	Maharashtra	Maharashtra	Hingoli	2 years	18	9.21	8.79	No	NAAM Foundation	CSR00014162
13	Admin cost						5	4.94				
							119	33.4	85.6			
					<b>Total</b>							

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Nil
  - (d) Amount spent on Administrative Overheads – **Rs. 5.0 million**
  - (e) Amount spent on Impact Assessment, if applicable – **Nil**
  - (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – **Rs. 33.4 million**
  - (g) Excess amount for set-off, if any – **Nil**
9. (a) Details of unspent amount for the preceding three financial years: **Rs. 63.5 million**  
 (b) Details of CSR amount spent in a financial year for ongoing projects of the preceding financial year(s): **Rs. 46.4 million**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**
11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): **Not Applicable**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

**BAHRAM VAKIL**  
*Chairman, CSR Committee*  
 (DIN: 00283980)

**ALEXANDER GERDING**  
*Managing Director*  
 (DIN: 09797186)

*Mumbai*  
*Dated : May 14, 2024*



More than 40 students from Maharashtra recognized as part of the inaugural cohort of the We-Chemie (Women enabled for careers in Chemistry) program at Innovation Campus, Mumbai.



CSR intervention in partnership with NAAM Foundation in the area of water conservation by way of deepening and widening of existing water bodies in three villages of Hingoli district viz. Ambala, Bhingi and Waranga.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

Sr. No.	Particulars / Activities	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L33112MH1943FLC003972
2.	Name of the Listed Entity	BASF India Limited
3.	Year of incorporation	1943
4.	Registered office address	The Capital, 'A' Wing, 1204-C, 12 <sup>th</sup> Floor, Plot No. C-70, 'G'-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
5.	Corporate address	Plot No. 12, TTC Industrial Area, Thane Belapur Road, MIDC, Turbhe, Navi Mumbai – 400 705
6.	E-mail	<a href="mailto:investor-grievance-india@basf.com">investor-grievance-india@basf.com</a>
7.	Website	<a href="http://www.basf.com/in">www.basf.com/in</a>
8.	Telephone	+ 91 22 62785600 / 67243700 / 67243800
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and The National Stock Exchange of India Ltd
11.	Paid-up Capital	43,285,640 Equity Shares of Rs. 10 each aggregating to Rs. 432.9 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary <a href="mailto:manohar.kamath@basf.com">manohar.kamath@basf.com</a> + 91 22 62384024
13.	Reporting boundary	The Business Responsibility & Sustainability Report has been prepared on standalone basis.

#### II. Products / services

##### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing & Trading of Chemicals & Chemical Products	Chapter 20	100%

##### 15. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product / Service	NIC Code	% of Total Turnover contributed
1.	Polyurethanes Systems	20131	13%
2.	Dispersions	-	9%
3.	Aroma Ingredients	-	7%
4.	MDI and Precursors	-	6%
5.	Herbicides	20211	5%
6.	Fungicides	20211	5%
7.	Ultramid (Engineering Plastics)	20131	4%



Sr. No.	Product / Service	NIC Code	% of total Turnover contributed
8.	Insecticides	20211	4%
9.	Acrylics	-	3%
10.	Amines	-	3%
11.	Automotive OEM Coatings	20224	3%
12.	Home Care, I&I and Ind. Formulators	-	3%
13.	Pharma Solutions	-	3%
14.	Oleo Surfactants & Alcohols	-	3%
15.	Chemical Catalysts	-	2%
16.	Vitamins & Carotenoids	-	2%
17.	Additives	-	2%
18.	C3-based Oxo Alcohol	-	2%
19.	Microcellular Polyurethanes	-	2%
20.	Acids and Polyalcohols	-	2%
21.	Personal Care Specialties	-	2%
22.	Ultrason	-	2%
23.	Antioxidants and Process stabilizers	-	1%
24.	Acetylenics and Carbonyl Derivatives	-	1%
25.	Automotive Fluids	-	1%

### III. Operations

16. Number of locations where plants and / or operations / offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	16	20
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	19
International (No. of Countries)	35

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports was 2.2% of the total turnover of the Company for the financial year ended March 31, 2024.

c. A brief on types of customers

As chemicals are a starting point for almost all industries, the products manufactured by the Company are used in agriculture, automotive, pharmaceuticals, construction, consumer durables, consumer care, paints and other varied end industries. The Company's customer portfolio numbers more than 5000 customers, ranging from major global customers and small and mid-sized companies to end-consumers like farmers. Your Company deals with business partners in the B2B segment wherein the chemicals produced by your Company act as raw materials / intermediates to various industries for making of their finished product and also in the B2C segment wherein the chemicals such as products of the Agricultural Solutions business are sold as finished products for being used by the farmers.

#### IV. Employees

##### 18. Details as at the end of Financial Year: i.e., 2023-2024

##### a. Employees and Workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1264	1130	89%	134	11%
2.	Other than Permanent (E)	1875	1797	96%	78	4%
3.	<b>Total employees (D + E)</b>	<b>3139</b>	<b>2927</b>	<b>93%</b>	<b>212</b>	<b>7%</b>
<b>WORKERS</b>						
4.	Permanent (F)	137	135	99%	2	1%
5.	Other than Permanent (G)	1157	1090	94%	67	6%
6.	<b>Total workers (F + G)</b>	<b>1294</b>	<b>1225</b>	<b>95%</b>	<b>69</b>	<b>5%</b>

##### b. Differently abled Employees and Workers: -

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	Nil	Nil	NA	Nil	NA
2.	Other than Permanent (E)	Nil	Nil	NA	Nil	NA
3.	<b>Total differently abled employees (D + E)</b>	<b>Nil</b>	<b>Nil</b>	<b>NA</b>	<b>Nil</b>	<b>NA</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	Nil	Nil	NA	Nil	NA
5.	Other than permanent (G)	Nil	Nil	NA	Nil	NA
6.	<b>Total differently abled workers (F + G)</b>	<b>Nil</b>	<b>Nil</b>	<b>NA</b>	<b>Nil</b>	<b>NA</b>

##### 19. Participation / Inclusion / Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (including Alternate Director)	9	2	22%
Key Management Personnel	4	Nil	NA

##### 20. Turnover rate for Permanent Employees and Workers

	F.Y. 2023-24			F.Y. 2022-23			F.Y. 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5	11	6	8	12	9	10	13	10
Permanent Workers	0	0	0	4	0	4	2	0	2

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	BASF SE, Germany	Ultimate Holding Company	52.75%	No
2.	BASF Schweiz AG	Group Company	20.58%	No
3.	BASF India Coatings Private Limited (incorporated on December 11, 2023)	Wholly Owned Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in Rs.): **F.Y. 23-24 Rs. 137,674.8 million**

(iii) Net worth (in Rs.) **As on March 31, 2024: Rs. 32,235.8 million**

VII. Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	F.Y. 2023-24			F.Y. 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Investors (other than Shareholders)	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Shareholders	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Employees and workers	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Customers	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Value Chain Partners	Yes	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Other (please specify)	-	-	-	-	-	-	-



## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format: -

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Import restrictions like Anti-Dumping Duty & Safeguard duties	Risk	It will be increasingly difficult to import	Shortlist potential products and monitor pricing	Negative Implications
2	Registration of Products notified under Bureau of Indian Standards	Risk	It will not be possible to import without registration	Prepare for the registration of these products in advance and be part of the product specification committee	Negative Implications
3	Climate goals by the country and customers	Opportunity	New opportunities in new markets	Not Applicable	Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Key policies are formulated at BASF Group level in Germany. The policies are then adopted & implemented by the Company in line with the local legislations & corporate guidelines. Policies / guidelines required under local laws are approved by the Board and signed by the relevant senior management personnel, including the Managing Director.								
c. Web Link of the Policies, if available	The Company's CSR Policy is available at <a href="https://bit.ly/BASFCSRPOLICY">https://bit.ly/BASFCSRPOLICY</a> . Other policies are available on the Company's internal network and also on the Company's website <a href="http://www.basf.com/in">www.basf.com/in</a> .								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, wherever required.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Most of the principles are covered by our Code of Conduct which is in line with national and international standards and practices such as Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organisation (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.  Further, the Company has also obtained ISO 14001 certification (Environment Management Certificate) for all its Manufacturing Sites.								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Protecting the climate is of central importance for BASF globally. By 2030, BASF wants to reduce its absolute CO2 emissions by 25% as compared with 2018 levels. By 2050, BASF aims to achieve net zero greenhouse gas emissions from its production sites and energy purchases.</p> <p>Further, BASF globally focuses on promoting diversity, inclusive leadership and continuous learning. Accordingly, BASF wants to increase the proportion of women in leadership positions with disciplinary responsibility to 30% by 2030.</p>	
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	
<b>Governance, leadership and oversight</b>		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	<p>The Company strives to adhere to the highest standards of integrity and behaviour and compliance with the law and internal policies through its compliance systems. The Company has zero tolerance for corruption and violation of the principles of fair competition. The Company has adopted BASF's Code of Conduct, which details the minimum applicable ethical and responsible business practices for its employees. Both new and existing suppliers are selected and evaluated not only based on economic criteria, but also on environmental, social and corporate governance standards. The Company's Supplier Code of Conduct is founded on internationally recognized guidelines, such as the principles of the United Nations' Global Compact, the International Labour Organization (ILO) conventions and the topics of the Responsible Care® Initiative. The Code of Conduct, inter alia, covers compliance with human rights, labour &amp; social standards, anti-discrimination, conflict of interest and anti-corruption policies in addition to protecting the environment, health and safety.</p>	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Alexander Gerding, Managing Director Tel No. + 91 22 67127600 <a href="mailto:alexander.gerding@basf.com">alexander.gerding@basf.com</a></p>	
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>The Company has a Committee for Corporate Social Responsibility. For other policies, the Company has put in place an internal framework / Committees to monitor their implementation from time to time.</p>	
10. Details of review of NGRBCs by the Company:		
<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee</b>	<b>Frequency (Annually / Half yearly / Quarterly / Any other – please specify)</b>
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	The Board of Directors of the Company review the sustainability initiatives of the Company on an annual basis.	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has been compliant with the statutory requirements and there have been no instances of non-compliances of NGRBCs.	
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	The Company's policies / guidelines and procedures are audited by the Company's Internal as well as the BASF Group's Auditors.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or / human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

#### **PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

##### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Ethical Compliance	100%
Key Managerial Personnel	1	Standards including	100%
Employees other than BoD and KMPs	16	Company's Code of	32%
Workers	4	Conduct	50%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format:

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	Nil	Not Applicable	Nil	Not Applicable	Not Applicable
Settlement	Nil	Not Applicable	Nil	Not Applicable	Not Applicable
Compounding fee	Nil	Not Applicable	Nil	Not Applicable	Not Applicable

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Not Applicable	Not Applicable	Not Applicable
Punishment	Nil	Not Applicable	Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy?

**Yes, the Company has anti-corruption / anti-bribery policy as a part of its Code of Conduct.**

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	F.Y. 2023-24	F.Y. 2022-23
Directors	Nil	Nil
Key Managerial Personnel	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	F.Y. 2023-24		F.Y. 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not Applicable	Nil	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Not Applicable	Nil	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.  
– **Not Applicable**

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods / services procured) in the following format:

	F.Y. 2023-24	F.Y. 2022-23
Number of days of accounts payables	116	106

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	F.Y. 2023-24	F.Y. 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	4%	5%
	b. Number of trading houses where purchases are made from	62	66
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	71%	65%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	34%	34%
	b. Number of dealers / distributors to whom sales are made	1877	1808
	c. Sales of top 10 dealers / distributors as % of total sales to dealers / distributors	28%	27%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	78%	77%
	b. Sales (Sales to related parties / Total Sales)	1%	1%
	c. Loans and advances* (Including ICD) (loans and advances given to related parties / Total loans & advances)	99%	99%
	d. Investments (Investments in related parties / Total Investments made)	100%	NA



## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

**BASF pursues a holistic sustainability approach that covers the entire value chain i.e., starting with our suppliers covering our own activities and extending to our customers. BASF has formulated commitments for its conduct along the value chain and underpinned these with corresponding targets and measures.**

**The Company has conducted awareness programmes on its Code of Conduct, which includes various topics i.e., anti-corruption, trade control, competition law, protection of human rights, information protection, etc. for its Service Providers during the financial year 2023-2024. The Company has adopted “Train the Trainer” concept whereby the Company creates awareness on Human Rights amongst its Service Providers who in turn create awareness on such topics amongst their employees / colleagues.**

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board?

**BASF’s Code of Conduct lays down the foundation for responsible conduct and trust based relationships with its stakeholders. Under BASF’s Code of Conduct, personal relationships and interests of employees should never affect the Company’s business activities or influence their decision-making. The employees including Senior Management and Board Members, are required to disclose situations where a potential conflict between private and professional interest may arise.**

**The Company has put in place a Policy for managing conflict of interest at the Board & Senior Management level. Further, the Company obtains annual Conflict of Interest declaration from the Board, Senior Management and all other employees of the Company.**

## **PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	F.Y. 2023-2024	F.Y. 2022-2023	Details of improvements in environmental and social impacts
R&D	—	—	—
Capex	—	11.06%	Safe work environment, emergency preparedness, installation of monitoring systems, renewable energy (solar panels), reduction of electricity consumption, etc.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

**The Company has put in place necessary procedures viz., sustainability assessments and periodical audits of Suppliers for sustainable sourcing.**

**The Company had conducted EHS (Environment, Health and Safety) audits for several years. Currently, the Company is focusing on TfS (Together for Sustainability) assessments and audits conducted by third party. Through these audits, it is ensured that the supplier implements and follows sustainability practices (Environmental, Safety and Governance Guidelines – ESG Guidelines). The Company provides recommendations to Suppliers, wherever improvements are needed and monitors their implementation.**

- b. If yes, what percentage of inputs were sourced sustainably?

**The Company has sourced approximately 59% of its raw materials sustainably (Previous Year: Approximately 66% of the raw materials were sourced sustainably).**

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- (a) Plastics (including packaging)

**The plastic waste generated at the manufacturing site falls under hazardous waste and is disposed of to parties approved by the State Pollution Control Boards.**

(b) E-waste

The E-waste generated at the manufacturing sites is disposed of to parties approved by the State Pollution Control Boards.

(c) Hazardous waste

At Mangalore and Dahej sites, Sludge, a kind of hazardous waste mainly generated at the wastewater treatment plants is sent to cement companies as co-fuel in cement manufacture thereby eliminating landfilling. Installation of the storage tank at the Mangalore site has reduced the generation of empty raw material containers. The toxic metallic containers are crushed and disposed of through Pollution Control Board authorized waste disposal service providers.

(d) Other waste

The Company's manufacturing sites possess Consents to Operate and authorisation under the Hazardous Waste Management Rules. Under these Rules / Regulations, the Company has declared all its waste, including plastic packaging. All the wastes generated are handed over to State Pollution Control Board authorised waste disposal service providers. This ensures that the waste is properly disposed of. As a part of our Responsible Care® initiative, plastic containers are shredded and given to the processors for recycling. Further, the Company also intends to buy plastic packaging from registered vendors and seek confirmation from such vendors regarding fulfilment of their obligations under Extended Producer Responsibility.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

The Company is registered with the Central Pollution Control Board as Brand Owner under the Plastic Waste Management Rules for its Agricultural Solutions products and some the other products, which are in the B2C Segment and is discharging the Extended Producer Responsibility. Further, the Company has registered itself as an Importer under the Plastic Waste Management Rules.

Further, each of the Company's manufacturing sites possess Consents to Operate and Hazardous Waste authorizations issued by the relevant State Pollution Control Board. The plastic waste generated at the Company's manufacturing sites is disposed of as per the directions for disposal of Hazardous Waste issued by the State Pollution Control Board.

#### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details –

Life Cycle Perspective / Assessments are conducted for the products by BASF globally. Eco-Efficiency analysis is carried out by BASF globally and the Company manufactures products at its manufacturing sites which are aligned with BASF's global strategy. The purpose of such Eco-Efficiency analysis is to harmonize economy and ecology. This involves carrying out an overall study of alternative solutions to include a total cost determination and the calculation of ecological impact over the entire life cycle.

The Eco-Efficiency analysis follows ISO 14040:2006 and 14044:2006 for environmental life cycle assessments. The assessment of life cycle costs and aggregation to an overall Eco-Efficiency is based on ISO 14045:2012

BASF's global digital solutions enables calculation of the carbon footprint of approximately 45,000 products – from raw materials extraction to the factory gate ("cradle-to-gate"). This creates transparency around the carbon intensity of our products and at the same time provides important starting points for reducing greenhouse gas emissions along our value chains.

Further, the Company is in the process of discussing the conduct of a Life Cycle Assessment of its products through the value chain with some of its key customers and is providing the requisite data on Product Carbon Footprint of its products to its customers on the basis of cradle-to-gate concept.

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. – **Not Applicable**

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Approximately, 76% of the solvent used in cleaning operations of the Coatings business aggregating to Rs. 73.5 lakhs has been re-cycled during the financial year 2023-2024.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	F.Y. 2023-24				F.Y. 2022-23			
	Re-Used	Recycled	Recovered	Safely Disposed	Re-Used	Recovered	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	11.33	Nil	Nil	Nil	11.29
Hazardous waste	Nil	Nil	2291.64	1811.98	Nil	1911.38	Nil	1753.07

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	1130	1130	100%	1130	100%	0	0.00	1130	100%	0	0.00
Female	134	134	100%	134	100%	134	100%	0	0.00	0	0.00
<b>Total</b>	<b>1264</b>	<b>1264</b>	<b>100%</b>	<b>1264</b>	<b>100%</b>	<b>134</b>	<b>100%</b>	<b>1130</b>	<b>100%</b>	<b>0</b>	<b>0.00</b>
<b>Other than Permanent employees</b>											
Male	1797	1797	100%	1797	100%	0	0.00	1797	100%	0	0.00
Female	78	78	100%	78	100%	78	100%	0	0.00	0	0.00
<b>Total</b>	<b>1875</b>	<b>1875</b>	<b>100%</b>	<b>1875</b>	<b>100%</b>	<b>78</b>	<b>100%</b>	<b>1797</b>	<b>100%</b>	<b>0</b>	<b>0.00</b>

- b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health insurance*		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	135	135	100%	135	100%	0	100%	135	100%	0	0.00
Female	2	2	100%	2	100%	2	100%	0	0.00	0	0.00
<b>Total</b>	<b>137</b>	<b>137</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>135</b>	<b>100%</b>	<b>0</b>	<b>0.00</b>
<b>Other than Permanent workers</b>											
Male	1090	343	31%	1090	100%	0	0.00	343	31%	0	0.00
Female	67	12	18%	67	100%	67	100%	0	0.00	0	0.00
<b>Total</b>	<b>1157</b>	<b>355</b>	<b>31%</b>	<b>1157</b>	<b>100%</b>	<b>67</b>	<b>100%</b>	<b>343</b>	<b>30%</b>	<b>0</b>	<b>0.00</b>

\* In case of other than permanent workers, remaining workers i.e. 802, are covered under Employees State Insurance

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	F.Y. 2023-24	F.Y. 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.20	0.24

2. Details of retirement benefits, for Current F.Y. and Previous Financial Year.

Benefits	F.Y. 2023-24			F.Y. 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
Employees State Insurance	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Others – please specify	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

**Yes, the Company's Registered Office at Bandra-Kurla Complex and Corporate offices at Navi Mumbai i.e. Turbhe and Juinagar are accessible to differently abled employees.**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

**The Company provides persons with disabilities with equal opportunities.**

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	94%	100%	100%
Female	100%	80%	0	0
<b>Total</b>	<b>100%</b>	<b>93%</b>	<b>100%</b>	<b>100%</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers?

	Yes/No
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes



7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	F.Y. 2023-24			F.Y. 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>1264</b>	<b>0</b>	<b>0.00</b>	<b>1219</b>	<b>0</b>	<b>0.00</b>
- Male	1130	0	0.00	1092	0	0.00
- Female	134	0	0.00	127	0	0.00
- Others	0	0	0.00	0	0	0.00
<b>Total Permanent Workers</b>	<b>137</b>	<b>119</b>	<b>87%</b>	<b>144</b>	<b>121</b>	<b>84.03%</b>
- Male	135	119	88%	142	121	85.21%
- Female	2	0	0.00	2	0	0.00
- Others	0	0	0.00	0	0	0.00

8. Details of training given to employees and workers:

Category	F.Y. 2023-24					F.Y. 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	1130	591	52%	1130	100%	1092	535	48.99%	1092	100%
Female	134	33	25%	134	100%	127	27	21.26%	127	100%
<b>Total</b>	<b>1264</b>	<b>624</b>	<b>49%</b>	<b>1264</b>	<b>100%</b>	<b>1219</b>	<b>562</b>	<b>46.10%</b>	<b>1219</b>	<b>100%</b>
<b>Workers</b>										
Male	135	135	100%	135	100%	142	142	100%	142	100%
Female	2	2	100%	2	100%	2	2	100%	0	0.00
<b>Total</b>	<b>137</b>	<b>137</b>	<b>100%</b>	<b>137</b>	<b>100%</b>	<b>144</b>	<b>144</b>	<b>100%</b>	<b>142</b>	<b>98.61%</b>

9. Details of performance and career development reviews of employees and workers:

Category	F.Y. 2023-24			F.Y. 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1130	1130	100%	1092	1092	100%
Female	134	134	100%	127	127	100%
<b>Total</b>	<b>1264</b>	<b>1264</b>	<b>100%</b>	<b>1219</b>	<b>1219</b>	<b>100%</b>
<b>Workers</b>						
Male	135	135	100%	142	142	100%
Female	2	2	100%	2	2	100%
<b>Total</b>	<b>137</b>	<b>137</b>	<b>100%</b>	<b>144</b>	<b>144</b>	<b>100%</b>

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity?

Yes, the Company has implemented occupational health & safety management system as defined and required by Responsible Care Management System, which is implemented across the organization.

Responsible Care® (RC) is the global initiative of the chemical industry, designed to continuously improve the EHS performance of chemical companies. At BASF, the guiding principle of Responsible Care® is embodied in its business strategy. It defines BASF's basic policy of being an environmentally conscious, energy efficient as well as a health and safety oriented global company. These principles are specified in requirements and goals, enabling the continuous improvement of the EHS performance and business practices.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Leadership in all areas of the BASF organization is required to create a culture of making Environment, Health and Safety (EHS) a priority and communicate it as a priority, reinforce awareness of it and act as a role model.

EHS performance is reported regularly at all levels of the BASF organization to enable an effective management review for the adequacy and effectiveness of the EHS Management Systems. Improvement needs are identified and adequately addressed.

As a responsible enterprise, BASF is determined in defining standards of state-of-the-art principles and methods of occupational safety to provide a safe and healthy working environment for all who work within BASF's area of responsibility, no matter whether they are employees, contractor staff or guests.

Hazard identification is a process of recognizing that a hazard exists and defining its characteristics followed by a process of evaluating the risk arising from a hazard, taking into account the adequacy of any existing controls, and deciding whether or not the risk is acceptable (OHSAS 18001). For all routine tasks and workplaces, a systematic set up is established which includes a risk classification of "low", "medium" or "high" for the dedicated work task / workplace. In order to analyze what might harm people and to take reasonable actions to prevent them from exposure, the following process is followed:

- Hazard identification
- Hazard analysis
- Risk assessment
- Documentation of existing and new control measures
- Verifying the implementation of new control measures

The work permit process sets the minimum requirements and responsibilities to assess the hazards and control the risks of non-routine work activities conducted in a defined location, during a specific time period. A work permit is required for any non-routine work activity where a hazard identification and risk assessment and a standard operating procedure is not available, such as: Non-routine work activities within maintenance, testing, turnarounds, construction and demolition, Non-routine work activities involving special hazard(s), including, but not limited to: confined space, hot work, line cutting, line breaking, excavation work, unprotected work at heights and special lifts etc.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. Yes, the Company's culture is built around the concept of LOOK OUT, SPEAK UP, LEAD ON and JOIN IN. This essentially means that each individual is expected to look for unsafe conditions and unsafe acts at workplace and thereafter report them. Everyone is expected to set examples with safe behaviours. All the manufacturing sites have Work Safety Committees with equal participation of workmen and management, wherein workmen can suggest safety improvement measures.

Employees are regularly informed of the EHS performance and are encouraged to actively raise concerns or seek consultation in relevant EHS matters and to contribute to continuously improving the Company's EHS performance. The Company has a safety culture development process to drive behavioral change. Safety culture building is essentially defined through SAFETY CHAMPION behaviours namely LOOK OUT, SPEAK UP, LEAD ON and JOIN IN:

- Look out means each of us is responsible. We behave in a safe manner and are responsible for our own safety and the safety of others. We comply with the applicable rules and regulations, act in a risk-conscious manner, respond to hazards and learn from mistakes.
- Speak up creates open dialogue. Management and employees speak openly about safety within a climate of trust across the organization. We promote learning processes, respecting knowledge and experience.
- Lead on needs visible leadership. Management demonstrates credible and visible commitment to safety. They set a good example, make safety a priority value and ensure clarity in all matters relating to safety.
- Join in involves everyone. Employees are involved in all safety-related processes, and they actively contribute with their knowledge and experience. This involvement is enforced by our management.

Respecting the promotion of diversity at the workplace, the Company encourages the appointment of female employees at workplace. The Company has implemented Reproductive Health Policy for its female workforce wherein a female employee is moved out to an office job during pregnancy and lactation.

Further, the Company also strives to keep its policies abreast with the evolving needs of its employees. Accordingly, the Company has rolled out the new Sabbatical Leave Policy and revised / updated Parental Leave Policy, Education Assistance Policy and Long Service Award Policy.

d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company's manufacturing sites and Corporate Office are provided with Occupational Health Centres. Occupational Health Physician is also available for consultation. Employees are covered under group medical insurance where in non-occupational medical and healthcare services are availed. Employees are also provided with a facility of self and family counselling, if required, through a program called Employee Assistance Program.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	F.Y. 2023-24	F.Y. 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.11
	Workers	0.32	0
Total recordable work-related injuries	Employees	1	0
	Workers	6	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented Responsible Care® Management System to ensure compliance of EHS standards across the organization. A well-defined and documented Hazard Identification and Risk assessment is practiced for routine activities and non-routine activities with a detailed Permit to Work system. Accident Incident Management System is in place and as per the system employees are expected to report all accidents, incidents, near miss and even unsafe conditions / unsafe acts at workplace. All such cases are investigated and preventive / corrective actions are implemented. Training of all categories of employees is an essential element of our safety system. Best practices like Risk assessment, Workplace exposure measurement, regular medical checkups, accident / incident reporting etc., along with process safety practices like Safety Health and Environment reviews and Pre Safety Start up Reviews (PSSR) always keep our employees safe and healthy at the workplace. Adequate emergency preparedness is also put in place to mitigate any unforeseen eventualities.

Under Responsible Care®, several best practices are defined and implemented to ensure that a safe work environment is always maintained, namely:

- Contractor Safety Management
- Trainings and Evaluation system
- Permit to work system
- Hazard Identification and Risk assessment
- Accident / Incident management system
- Process safety SHE reviews / HAZOP
- Management of change practices
- Emergency response system

Acting responsibly according to the guidelines of Responsible Care® is a long-term investment for the Company to continuously improve its environmental, health and safety performance and to monitor this progress, regular environmental, health and safety audits are conducted at all its manufacturing sites to help the Company to accomplish this objective.

Responsible Care audits are a key tool in the effort to make the Company's manufacturing sites and plants even safer. The SHE performance is evaluated against the potential hazard. These audits are conducted at periodic intervals. Experts in safety, environment, and occupational medicine monitor all our manufacturing sites and plants. Using clearly defined criteria, audits help to track how the Company's standards are implemented. Safety and environmental audits and occupational health audits are conducted separately at all manufacturing sites. The results of these audits are then tallied, giving a standardized and comprehensive performance profile for every site.

13. Number of Complaints on the following made by employees and workers:

	F.Y. 2023-24			F.Y. 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable
Health & Safety	NIL	NIL	Not Applicable	NIL	NIL	Not Applicable

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The Company has defined assessment requirement under Environment, Health and Safety practices. Working conditions inspection is a part of the defined practice. Moreover, the working conditions are required to be assessed by the Occupational Health Physician at least once in a year. In addition to internal assessments, statutory assessments by various authorities also takes place from time to time.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

As there were no significant risks or concerns arising from the assessment of health & safety practices and working conditions, no corrective action was taken or necessitated to address any safety related incidents

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The Company has extended term life insurance to its employees and workers in the event of death. The Company has a family support policy for deceased employees, including unionized employees, with a one time allowance of INR 25,000/- and a monthly financial support of INR 50,000/- for a period of 6 months from the death of the employee.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has put in place requisite processes to monitor that the statutory dues have been appropriately deducted & deposited by its Contractors.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2022-23
Employees	Nil	Nil	Not Applicable	Not Applicable
Workers	Nil	Nil	Not Applicable	Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

The Company does not provide such assistance programs.

5. Details on assessment of value chain partners:

In case of contract manufacturing, the Company's Environment, Health & Safety Quality requirements are also applied to the manufacturing activities performed by such contract manufacturers. It ensures that all operations by such contract manufacturers / value chain partners comply with Environment, Health & Safety standards of the Company.

The Company conducts periodic Contract Manufacturing Audits on health and safety aspects. Compliance with the Company's environmental, health and safety requirements and legal requirements is also periodically verified. The overall audit process is carried out by the Responsible Care® Audit Units or other competent persons within the organisation.



6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

As there were no significant risks or concerns arising from the assessment of health & safety practices and working conditions at such contract manufacturers, no corrective action was taken or necessitated to address safety related incidents.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies marginalized and disadvantaged groups through need assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company engages with students from low socio-economic backgrounds to enable quality education, and women and communities who are deprived of adequate water, hygiene and sanitation facilities, due to its focus on Sustainable Development Goals.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalized Group (Yes / No)	Channels of Communication	Frequency of engagement	Purpose & scope of engagement
Customers	No	Newsletters, Email, SMS, Advertisements, Website, Social Media platforms	Monthly and for critical topics on real time basis.	Collaboration and co-creation (event based engagements)
Employees	No	Townhalls, Emails, Video messages, Internal Communication platforms, Intranet, Notice Board	Real time as may be required. Quarterly townhalls are also conducted for regular sharing of information.	Creating a high performance organization, updating on employee safety, business performance and key initiatives from the Company
Shareholders, Local Stock Exchange	No	Email, Newspapers, Advertisement, Annual General Meeting, Postal Ballot, Website	Half-Yearly presentations to Analysts / Fund Managers. Timely dissemination of material information to the Stock Exchanges.	Business (financial) performance & environmental initiatives of the Company.
Suppliers	No	Email, SMS, Advertisement, Website	As and when required.	To ensure that the quality raw materials & services are procured at competitive prices.
Communities around our Manufacturing Sites	Yes	Community Meetings, Events, Advertisements, School / Local functions, Whatsapp, Social Media	Annual presentations by Manufacturing sites.	Community Development Initiatives and dissemination of Safety information.
Industry Associations	No	Meetings, Events, Advertisements, Social Media, Email	As and when required.	Business & environmental performance of the Company & regulatory issues.

## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The communities around our manufacturing sites are assessed and identified for support and intervention. Need assessment surveys are conducted, based on which, topics for support are identified. Every year, the CSR activities, their implementation schedule and their impacts are presented to the Corporate Social Responsibility Committee and to the Board of Directors of the Company for their deliberation & feedback.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. For example, the Company's manufacturing site at Dahej, Gujarat has a Community Advisory Panel for stakeholder consultation.

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Company's Agricultural Solutions business had proposed an intervention in the area of water conservation, based on need in the region. Based on the inputs received from various stakeholders, your Company has undertaken CSR projects in the area of water conservation. The Company's Coatings business had also proposed STimulate and revAMP the Paint Profession Program (STAAMP) initiative for inclusion of women in chemical industry, as the percentage of women in the refinish sector is negligible.

3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

The Company is working on water conservation project to mitigate the challenge of water availability in Hingoli district (one of the aspirational districts in Maharashtra).

## **PRINCIPLE 5: Businesses should respect and promote human rights**

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	F.Y. 2023-24			F.Y. 2022-23		
	Total (A)	No. of / employees workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1264	1264	100%	1219	1080	88.60%
Other than permanent*	1875	0	0.00	1838	0	0.00
<b>Total Employees</b>	<b>3139</b>	<b>1264</b>	<b>40%</b>	<b>3057</b>	<b>1080</b>	<b>35.33%</b>
<b>Workers</b>						
Permanent	137	59	43%	144	70	48.61%
Other than permanent*	1157	0	0.00	1154	0	0.00
<b>Total Workers</b>	<b>1294</b>	<b>59</b>	<b>5%</b>	<b>1298</b>	<b>70</b>	<b>5.39%</b>

- \* The Company has conducted awareness programmes on its Code of Conduct, which includes protection of human rights for its Contractors & Service Providers. The Company has adopted "Train the Trainer" concept whereby the Company creates awareness on Human Rights amongst its Service Providers who, in turn, create awareness on this topic amongst their employees / colleagues.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	F.Y. 2023-24					F.Y. 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	1264	0	0.00	1264	100%	1219	0	0.00	1219	100%
Male	1130	0	0.00	1130	100%	1092	0	0.00	1092	100%
Female	134	0	0.00	134	100%	127	0	0.00	127	100%
Other than permanent	1875	0	0.00	1875	100%	1838	0	0.00	1838	100%
Male	1797	0	0.00	1797	100%	1781	0	0.00	1781	100%
Female	78	0	0.00	78	100%	57	0	0.00	57	100%
<b>Workers</b>										
Permanent	137	0	0.00	137	100%	144	0	0.00	144	100%
Male	135	0	0.00	135	100%	142	0	0.00	142	100%
Female	2	0	0.00	2	100%	2	0	0.00	2	100%
Other than Permanent	1157	0	0.00	1157	100%	1154	0	0.00	1154	100%
Male	1090	0	0.00	1090	100%	1103	0	0.00	1103	100%
Female	67	0	0.00	67	100%	51	0	0.00	51	100%

3. a. Details of remuneration / salary / wages (per annum), in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	-	-	-	-
Key Managerial Personnel	4	27,434,040	-	-
Employees other than BoD and KMP	1126	1,766,856	134	2,103,450
Workers	135	914,592	2	326, 532

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	F.Y. 2023-24	F.Y. 2022-23
Gross wages paid to females as % of total wages	10.58%	10.14%

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **Yes**
5. Describe the internal mechanisms in place to redress grievances related to human rights issues. – **The Company has put in place Compliance Management System (Navex – Ethics Point, which is a 3<sup>rd</sup> party web-based compliance tool <https://secure.ethicspoint.com/>) to report complaints / grievances related to violation of BASF's Code of Conduct including grievances related to human rights issues.**
6. Number of Complaints on the following made by employees and workers:

	F.Y. 2023-24			F.Y. 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour / Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	F.Y. 2023-24	F.Y. 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Not Applicable	Not Applicable
Complaints on POSH upheld	Not Applicable	Not Applicable

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company gives prime importance to the dignity and respect of its employees irrespective of their gender or hierarchy and expects responsible conduct and behaviour on the part of employees at all levels. Providing a safe and congenial work environment for all employees is an integral part of the Company's Code of Conduct. In order to prevent adverse consequences to the complainants, the Company prohibits victimization of the complainants in any form and also facilitates the filing of such complaints anonymously.

The Company has put a governance structure in place to address complaints related to discrimination or harassment of any kind. The Code of Conduct of the Company guides its employees. There is an Internal Committee constituted by the Company to address complaints relating to sexual harassment.

9. Do human rights requirements form part of your business agreements and contracts?

The Company acknowledges its responsibility to respect internationally recognized human rights. BASF is a founding member of the U.N. Global Compact and a member of the Global Business Initiative on Human Rights (GBI).

BASF has embedded its responsibility towards human rights into its Code of Conduct and set this out in BASF Policy Statement on Human Rights. BASF also requires its Value Chain Partners to act in accordance with its Code of Conduct and Policy Statement on Human Rights. BASF is committed to complying with international labor and social standards.

In line with the global requirements, the Company has included compliance with human rights requirements as a part of its standard terms and conditions of its Purchase Order, Agreements / Contracts entered into with the Suppliers and also as a part of its Supplier Code of Conduct.

The Company considers human rights due diligence as an important, all-encompassing task that it can only perform by working together with its value chain partners. Further, BASF has globally optimised the existing processes for business partner due diligence and has rolled out a new IT application i.e. Trust Base. It checks business partners world wide for indications of corrupt behaviour, human rights violation or non-compliance with internationally recognised ESG standards before the start of the business relationship and then on a regular basis.

In order to strengthen due diligence in the supply chain, the Company has also enhanced and refined a range of measures, including supplier risk analysis as well as preventive measures such as the systematic business partner due diligence for new suppliers, Supplier Code of Conduct, and the requirements to be embedded in suppliers' contracts.

The Company expects its suppliers to enforce its standards at their suppliers and sub-contractors, too. Furthermore, the rights of third-party workers in high-risk countries is also proposed to be protected in the future through additional due diligence steps. These include risk-based controls and measures that promote transparency and awareness of human rights issues.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced / involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. – Not Applicable



## Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints. – **Not Applicable as there have been no grievances / complaints of human rights violation received by the Company.**

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company has actively adopted initiatives such as Together for Sustainability (TfS) and Responsible Care®, which promote sustainability in the supply chain. The measures and criteria for monitoring and respecting human rights are integrated into supplier assessment processes and monitoring systems for environmental protection, safety and security, health protection and product stewardship.

They are also part of the evaluation of investment, acquisition and divestiture projects, assessments along the entire product life cycle, and systems to monitor labor and social standards. In addition, aspects of human rights topics are part of the qualification requirements for security personnel and are incorporated into standard agreements with contractors.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company's Registered office at Bandra-Kurla Complex and Corporate offices at Navi Mumbai are accessible to differently abled visitors, in line with the requirements under the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour / Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

– **Not Applicable**

## **PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Please specify unit	F.Y. 2023-24	F.Y. 2022-23
<b>From renewable sources</b>			
Total electricity consumption (A)	GJ	124120.8	1173.6
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C) – Briquettes for bio-boiler	GJ	74523.6	54547.2
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>GJ</b>	<b>198644.4</b>	<b>55720.8</b>
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ	69794.6	185119.9
Total fuel consumption (E)	GJ	41246.7	39144.2
Energy consumption through other sources (F)	GJ	226672.8	211587.9
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>GJ</b>	<b>337714.2</b>	<b>435852.0</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>GJ</b>	<b>536364.3</b>	<b>491572.8</b>

Parameter	Please specify unit	F.Y. 2023-24	F.Y. 2022-23
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	MJ	0.0039	0.0036
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Joules or multiples	Since, exports only constitute 2.2% of our total turnover, the revenues earned are mainly in INR and hence PPP adjustments have not been provided.	
Energy intensity in terms of physical output	GJ/MT	1.5324914	1.5141574
Energy intensity (optional) the relevant metric may be selected by the entity	Joules or multiples	Not Applicable	Not Applicable

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

As part of ISO 14001, production plants are required to undertake annual targets to reduce emissions, reduce consumption of resources and improve efficiency of production process as a commitment to sustainable development.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

- Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Please specify unit	F.Y. 2023-24	F.Y. 2022-23
<b>Water withdrawal by source (in kilolitres)</b>			
(i) Surface water	kilolitres	484183	338921
(ii) Groundwater	kilolitres	0	0
(iii) Third party water	kilolitres	31511	353826
(iv) Seawater / desalinated water	kilolitres	160718	0
(v) Others	kilolitres	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	kilolitres	<b>676412</b>	<b>692747</b>
<b>Total volume of water consumption (in kilolitres)</b>	kilolitres	<b>676412</b>	<b>692747</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	kilolitres	<b>0.004886219</b>	<b>0.005060903</b>
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	kilolitres	Since, exports only constitute 2.2% of our total turnover, the revenues earned are mainly in INR and hence PPP adjustments have not been provided.	
Water intensity in terms of physical output	kilolitres	1.932633323	2.133814053
<b>Water intensity (optional) - the relevant metric may be selected by the entity</b>	kilolitres	<b>Not Applicable</b>	<b>Not Applicable</b>

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

4. Provide the following details related to water discharged:

Water discharge by destination and level of treatment (in kilolitres)			F.Y. 2023-24	F.Y. 2022-23
(i) To Surface water	kilolitres		0	0
- No treatment	kilolitres		0	0
- With treatment – please specify level of treatment	kilolitres		0	0
(ii) To Groundwater	kilolitres		0	0
- No treatment	kilolitres		0	0
- With treatment – please specify level of treatment	kilolitres		0	0
(iii) To Seawater	Kilolitres		353580	371623
- No treatment	Kilolitres		0	0
- With treatment – (Post secondary treatment)	kilolitres		353580	371623
(iv) Sent to third-parties	kilolitres		23454	24708
- No treatment	kilolitres		0	0
- With treatment – (Post secondary treatment)	kilolitres		23454	24708
(v) Others	kilolitres		0.00	0.00
- No treatment	kilolitres		0	0
- With treatment - (Post secondary treatment)	kilolitres		0	0
<b>Total water discharged (in kilolitres)</b>	<b>kilolitres</b>		<b>377034</b>	<b>396331</b>

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

**The Company has not conducted any independent assessment / evaluation by an external agency.**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

**The Company's manufacturing site at Panoli, Gujarat is a Zero Liquid Discharge Site. Effluent generated from the operations is sent to Gujarat Pollution Control Board (GPCB) approved third party for co-processing. The Company's manufacturing site at Panoli has a Sewage Treatment Plant for treating domestic water treatment. The treated water is used for gardening purpose as per CCA condition.**

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	F.Y. 2023-24	F.Y. 2022-23
NOx	Kg	8091.1	8147.88
SOx	Kg	9560.71	10948.1
Particulate matter (PM)	Kg	9225.93	10072.92
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)	Kg	72385.66	81823
Hazardous air pollutants (HAP)		-	-
Others	Kg	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

<i>Parameter</i>	<i>Unit</i>	<i>F.Y. 2023-24</i>	<i>F.Y. 2022-23</i>
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	17270	16781.7
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	13407	35321
Total Scope 1 and Scope 2 emissions per rupee of turnover	Kg	0.00022	0.00038
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	–	–	–

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Globally BASF is setting itself even more ambitious goals on its journey to climate neutrality and aims to achieve net zero emissions by 2050. Based on the most recent progress in developing low-emission and CO2-free technologies, the Company is also significantly raising its medium-term 2030 target for reduction in greenhouse gas emissions worldwide by 25% as compared with 2018 levels.

Through the Responsible Care Management System, which is practiced across all functions, BASF commits to the following Responsible Care® guiding principles:

- Enable a corporate leadership culture that proactively supports safe chemicals management.
- Safeguard people and the environment by continuously improving our environmental, health and safety performance, facility security, and the safety of our products.
- Strengthen Chemical Management Systems around the globe.
- Work with business partners to promote safe chemicals management within their own operations.
- Engage with stakeholders, respond to their concerns and communicate openly on our performance and products.
- Contribute to sustainability through development of innovative technologies and other solutions to societal challenges.

More than 60% of the power used at the Company's Mangalore Site is solar power sourced from grid. Reduced CO2 emissions aggregated to approx. 10,000 TPA. Biofuel is used to generate around 90% of Mangalore site steam requirement. Furnace oil fired boiler is used only during the annual inspection and breakdown maintenance of bio boiler. This alternate fuel generates 3,000 tons of less CO2 as compared to conventional fuel. 100% of the sludge generated at wastewater treatment plant is used as co-fuel in cement manufacture, which otherwise would have been incinerated, thereby reducing greenhouse gas emissions by around 400 tons / year.

At the Company's Dahej manufacturing site, initial phase of roof top solar panel installation work was completed during F.Y. 2022-23. Dahej site has executed Power Purchase agreement for hybrid (Solar+Wind) power and this arrangement will take the power sourced from renewable energy to 44%. The steam condensate is used for heat recovery and water recycle. The off gas from process plant is incinerated in the Thermal oxidizer to protect the environment. The Waste heat recovery boiler was installed at Care Chemicals Process Plant in October 2023 to reduce the steam consumption thereby reducing Scope-1 emission.

At the heart of the long-term transition towards Net Zero CO2 emissions by 2050 is the use of new technologies, which will replace fossil fuels such as natural gas with electricity from renewable sources. Most of these technologies are being pioneered by BASF in collaboration with partners and are currently in a pilot stage. Broad scale-up of these technologies will only be fully realizable after 2030. In order to accelerate the avoidance of CO2 emissions prior to that date, the Company continues to systematically implement improvement processes for existing production plants.

In addition, the Company will progressively switch to renewable sources to meet its electricity requirements. the Company's innovative products are also helping to protect the climate. The Company has used sustainable raw materials in many processes for a long time now and has a continuous program of research into new applications.

Further, a collaborative effort of companies, governmental and non-governmental organizations as well as civil society is necessary to address the global challenge of mismanaged plastic waste. BASF globally has joined a consortium of 30 global companies as a co-founding member to form the Alliance to End Plastic Waste. The members have committed with the goal of developing, deploying and bringing to scale solutions that will minimize and manage plastic waste and promote post-use solutions. These can be re-cycling, re-use and re-purposing of plastic to keep it out of the environment.

At the Company's Thane manufacturing site, initial phase of roof top solar panel installation work was completed during F.Y. 2023-24.

9. Provide details related to waste management by the entity, in the following format:

<i>Parameter</i>	<i>F.Y. 2023-24</i>	<i>F.Y. 2022-23</i>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)*	0	0
E-waste (B)	11.33	11.29
Bio-medical waste (C)	3.0	2.5
Construction and demolition waste (D)	144	160
Battery waste (E)	8.46	2.79
Radioactive waste (F)	0	0
Other Hazardous waste. Category 33.1,35.3,33.2,5.1,35.3 (G)	4103.8	3664
Other Non-hazardous waste generated (H). Paper packaging, wooden packing materials, wooden pallets planks, non- hazardous process lumps.  (Break-up by composition i.e. by materials relevant to the sector)	1626.06	1559
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>5960</b>	<b>5399</b>
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000038	0.000041
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	Since, exports only constitute 2.2% of our total turnover, the revenues earned are mainly in INR and hence PPP adjustments have not been provided.	
Waste intensity in terms of physical output MT (Total waste generated / Total production)	0.016	0.016
Waste intensity (optional) the relevant metric may be selected by the entity	Not Applicable	Not Applicable

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
<i>Non hazardous</i>		<i>2023-24</i>	<i>2022-23</i>
(i) Incineration	metric tonnes	0	0
(ii) Landfilling	metric tonnes	18	20
((iii) Other disposal operations	metric tonnes	870.06	760.37
<b>Total</b>	metric tonnes	<b>888.06</b>	<b>780.37</b>
<i>e-waste</i>		<i>2023-24</i>	<i>2022-23</i>
(i) Recycled	metric tonnes	0	0
(ii) Re-used	metric tonnes	0	0
(iii) Other recovery operations	metric tonnes	0	0
<b>Total</b>	metric tonnes	<b>0</b>	<b>0</b>



For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
<b>e-waste</b>			
(i) Incineration	metric tonnes	0	0
(ii) Landfilling	metric tonnes	0	0
((iii) Other disposal operations	metric tonnes	11.33	11.29
<b>Total</b>	metric tonnes	<b>11.33</b>	<b>11.29</b>
<b>Bio medical waste</b>		<b>2023-24</b>	<b>2022-23</b>
(i) Recycled	metric tonnes	0	0
(ii) Re-used	metric tonnes	0	0
(iii) Other recovery operations	metric tonnes	0	0
<b>Total</b>	metric tonnes	<b>0</b>	<b>0</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
<b>Bio medical waste</b>			
(i) Incineration	metric tonnes	0	0
(ii) Landfilling	metric tonnes	0	0
((iii) Other disposal operations	metric tonnes	3.0	2.5
<b>Total</b>	metric tonnes	<b>3.0</b>	<b>2.5</b>
<b>Battery waste</b>		<b>2023-24</b>	<b>2022-23</b>
(i) Recycled	metric tonnes	0	0
(ii) Re-used	metric tonnes	0	0
(iii) Other recovery operations	metric tonnes	0	0
<b>Total</b>	metric tonnes	<b>0</b>	<b>0</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
<b>Battery waste</b>			
(i) Incineration	metric tonnes	0	0
(ii) Landfilling	metric tonnes	0	0
((iii) Other disposal operations	metric tonnes	8.46	2.79
<b>Total</b>	metric tonnes	<b>8.46</b>	<b>2.79</b>
<b>Construction waste</b>		<b>2023-24</b>	<b>2022-23</b>
(i) Recycled	metric tonnes	0	0
(ii) Re-used	metric tonnes	0	0
(iii) Other recovery operations	metric tonnes	0	0
<b>Total</b>	metric tonnes	<b>0</b>	<b>0</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
<b>Construction waste</b>			
(i) Incineration	metric tonnes	0	0
(ii) Landfilling	metric tonnes	144	160
((iii) Other disposal operations	metric tonnes	0	0
<b>Total</b>	metric tonnes	<b>144</b>	<b>160</b>

\* The Company's manufacturing sites do not dispose of anything as plastic waste. As plastic materials are contaminated with chemicals, the said waste are disposed as per the categories mentioned in Hazardous waste authorisation.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company's manufacturing sites are certified for ISO 14001. Further, the Company is certified as a Responsible Care® Company by the Indian Chemical Council.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All the Company's manufacturing sites manage their wastes in a legally compliant and sustainable way. All the waste is handled as required by Consent to Operate / Hazardous Waste authorization. The external waste handling facility is inspected regularly to check the adequacy of safety and environment practices. The manufacturing sites adopt the strategy of "Reduce, Reuse, Recycle, Recover and Dispose" by optimizing and modifying the process from time to time. Continuous improvements in manufacturing process and technology are the key to reduce the generation of hazardous waste at all our manufacturing sites. Substitution with less hazardous chemicals also contribute positively. High calorific value waste is sent for incineration or co-processing for use as co-fuel.

At Mangalore site, the sludge generated during wastewater treatment is used as co-fuel in cement manufacture thereby eliminating incineration and subsequent landfill of ash. Conversion to bulk storage of chemicals reduced the generation of hazardous packing materials (drums). The toxic metallic containers are crushed and disposed off. Cleaned plastic IBCs are used for product packing. This contributes to around 35% of total IBC's used in the Dispersions plant for domestic use. This activity considerably reduces the plastic waste generation and disposal.

The polymer sludge and spent organic waste from Dahej site is processed at a preprocessor facility before it is used in cement industry. Switching over the packing of our product from drums to bulk has reduced the use of electricity for freezing the product drums and reduced electricity consumption for heating the drums at customer's end. In addition, this has reduced the quantity of hazardous waste generation at the customer's end.

11. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Although none of the Company's operations / offices are falling in or around ecologically sensitive areas, your Company has obtained environment clearance for its manufacturing sites as mentioned below: -

Sr. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Bala, Surathkal, Mangalore, Karnataka	Manufacturing	Yes
2	Dahej	Manufacturing	Yes
3	Navi Mumbai	Manufacturing	The manufacturing site at Navi Mumbai has been operating prior to the requirement of obtaining Environmental Clearances coming into force.
4	Panoli	Manufacturing	Environmental clearances are not required for Company's manufacturing site at Panoli, Gujarat.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any environmental impact assessments during the current financial year.

13. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company has complied with the applicable environmental laws, regulations, guidelines in India viz., Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

## Leadership Indicators

### 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Please specify unit	F.Y. 2023-24	F.Y. 2022-23
<b>Water withdrawal by source (in kilolitres)</b>			
(i) Surface water	kilolitres	484183	338921
(ii) Groundwater	kilolitres	0	0
(iii) Third party water	kilolitres	31511	353826
(iv) Seawater / desalinated water	kilolitres	160718	0
(v) Others	kilolitres	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>kilolitres</b>	<b>676412</b>	<b>692747</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>kilolitres</b>	<b>676412</b>	<b>692747</b>
Water intensity per rupee of turnover (Water consumed / turnover)	kilolitres	0.004886219	0.005060903
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	kilolitres	Since, exports only constitute 2.2% of our total turnover, the revenues earned are mainly in INR and hence PPP adjustments have not been provided.	
Water intensity in terms of physical output	kilolitres	1.932633323	2.133814053
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	Not Applicable	Not Applicable

<b>Water discharge by destination and level of treatment (in kilolitres)</b>			
		F.Y. 2023-24	F.Y. 2022-23
(i) To Surface water	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(ii) To Groundwater	kilolitres	0	0
- No treatment)	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iii) To Seawater	kilolitres	353580	371623
- No treatment	kilolitres	0	0
- With treatment – (Post secondary treatment)	kilolitres	353580	371623
(iv) Sent to third-parties	kilolitres	23454	24708
- No treatment	kilolitres	0	0
- With treatment - (Post secondary treatment)	kilolitres	23454	24708
(v) Others	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - (Post secondary treatment)	kilolitres	0	0
<b>Total water discharged (in kilolitres)</b>	<b>kilolitres</b>	<b>377034</b>	<b>396331</b>

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

The Company has not conducted any independent assessment / evaluation by an external agency.

### 2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

The Company does not calculate Scope 3 emissions & its intensity at legal entity level.

Parameter	Unit	F.Y. 2023-24	F.Y. 2022-23
<b>Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</b>	<i>Metric tonnes of CO2 equivalent</i>	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>		-	-
<b>Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity</b>		-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Although the Company does not operate in any of the ecologically sensitive areas, your Company is sensitive to the needs of all its stakeholders. The discharge parameters are independently monitored by an agency appointed by the Ministry of Environment, Forest & Climate Change, Government of India. The report of the monitoring is regularly shared by the agency with all stake holders.

Further, being a Responsible Care Company, wastewater is treated and then discharged without affecting the environment. The treated water from the wastewater plant is disposed off as defined in the Consent to Operate of the respective site. The Company's Panoli manufacturing site is a zero-discharge facility. The treated water from Thane and Dahej site is discharged into the sea through the local collection center.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
1.	Elimination of waste incineration	ETP sludge is sent for co-incineration in cement manufacturing as alternate fuel energy recovery (Pre-processing).	Reduction in greenhouse gas emission by 800 T/year.
2.	Reduction in hazardous waste disposal	Reduction of plastic waste. Solvent recovery unit at Mangalore.	Around 35% IBC's are re-used in Dispersions plant. Re-use of 250KL of recovered solvent and waste generation as well.
3.	Rainwater harvesting	Rainwater harvesting is done at two locations of our site.	To increase the ground water table. Around 2600KL of water is harvested annually.
4.	Ground water monitoring	Monthly ground water quality monitoring done at site.	To establish baseline data and to check the ground water quality.
5.	Change to eco-friendly production	Change of product category which has less baking window at automotive customers.	Reduction of energy consumption / Greenhouse gas emissions at customer end.
6.	Reuse of treated effluent	Quality of treated effluent has been improvised by implementation of tertiary and hence 85% of treated effluent is being reused for vessel washing, floor washing, gardening, and similar other purposes.	Total treated effluent water recycled - 11440 m3 in the current year.
7.	Measures been taken for energy conservations	Obtain power from solar source	Reduction of 7000TPA of CO2 emissions.
8.	Reduction in generation of Hazardous waste® Thane site	Recycling of raw material drums for packing of products.	8400 drums of 200 litre capacity reused for the year 2023.
9.	Reduction in effluent generation	Modified procedure for HP cleaning in Mangalore site.	Effluent quantity reduction by 10m3/day.

5. Does the entity have a business continuity and disaster management plan?

The Company has a well-defined crisis management system. The Incident and Crisis Management system of the Company defines organizational structures and provides guidance to the Management to enable the efficient management of incidents or crises, with the objective of minimizing the overall negative impact of a given situation and enabling a return to normalcy in the shortest possible timeframe.

The Incident and Crisis Management system takes care of any event, which has a potential to impact business unit operation and credibility, or which poses economic, environment, safety, health, security, or legal liability or which may or will require significant regional / global level resources to manage.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable, as the Company has not conducted any independent assessment / evaluation for its value chain partners.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company has not conducted any environmental assessment / evaluation of its value chain partners.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers / associations.

The Company has affiliations with 13 trade and industry chambers / associations.

- b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

Sr. No.	Name of the trade and industry chamber / association	Reach of trade and industry chamber / association (State / National)
1	Confederation of Indian Industry	National
2	Federation of Indian Chambers of Commerce & Industry	National
3	Global Compact Network, India	National
4	Bombay Chamber of Commerce & Industry	State
5	Indian Chemical Council	National
6	Indo German Chamber of Commerce	National
7	CropLife India	National
8	IESA (India Energy Storage Alliance)	National
9	Alliance for Agri-innovations	National
10	Indian Polyurethane Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

- Not Applicable. As there was no anti-competitive conduct by the Company, no adverse orders were passed by regulatory authorities against the Company.

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
1.	Registration of Chemicals by Bureau of Indian Standards (BIS)	through FICCI / CII / ICC	No	Monthly review by impacted businesses	-
2.	Facilitating environment approvals for the chemical industry	through FICCI / CII / ICC	No	-	-
3.	Foreign trade agreement with UK / EU	through FICCI / CII / ICC	No	Monthly review by relevant businesses	-



## **PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

### **Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. – **NIL**
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: – **NIL**
3. Describe the mechanisms to receive and redress grievances of the community. – **Not Applicable**
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	<b>F.Y. 2023-24</b>	<b>F.Y. 2022-23</b>
Directly sourced from MSMEs / small producers	15%	15%
Sourced directly from within the district and neighbouring districts	43%	32%

The Company is promoting localization by which imported raw materials are sought to be substituted with locally manufactured raw materials, wherever possible, subject to their meeting required specifications, quality & cost. With this initiative, the Company has been helping local suppliers in the Indian chemical industry to compete in the global market. Also, many of the Company's packaging and service suppliers are in MSME (Micro, Small and Medium Enterprise) category. The number of active MSME vendors associated with the Company has now increased to more than 500 in number.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

<b>Location</b>	<b>F.Y. 2023-24</b>	<b>F.Y. 2022-23</b>
Rural	2%	2%
Semi-urban	10%	9%
Urban	21%	20%
Metropolitan	67%	69%

(Locations have been categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

### **Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): **Not Applicable**
2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: -  
  
**Based on the need assessment done around the manufacturing sites, the Company has undertaken CSR projects / activities in and around its Manufacturing Sites at Navi Mumbai, Dahej, Mangalore and Panoli. The initiatives are mainly focused on WASH and quality education. Further, the Company has also undertaken projects in the aspirational districts in Maharashtra.**
3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? **No, the Company does not have a preferential procurement policy.**  
  
(b) From which marginalized / vulnerable groups do you procure? **Not Applicable**  
  
(c) What percentage of total procurement (by value) does it constitute? **Not Applicable**
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: – **NIL**
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. – **Not Applicable**

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted / proposed to be benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Smart Classrooms (To provide 48 smart classrooms across Navi Mumbai, Panoli, Mangalore and Dahej near our sites (schools) to promote digitalization in education)	~10443	100%
2.	WASH facility to Navi Mumbai Municipal Corporation (Thane site)	~700 per day	50%
3.	Kids Lab (Organize Kids lab for under privileged community kids and make kids understand and learn Chemistry in fun way. Plan to engage with more than 6000 kids in 3 years.)	~6000	100%
4.	Menstruation Hygiene project with Sulabh (Dahej)	~100	100%
5.	Water ATM for safe drinking water (Dahej)	~8000	100%
6.	We-Chemie (Inclusion of women in Chemical Industry)	~250	100%
7.	Women in Refinish (Inclusion of women in Chemical Industry)	~50	100%
8.	Water Access - Rejuvenation of existing water bodies	~9250	80%
9.	WASH - Water supply project (Panoli)	~200	100%
10.	WASH and Educational Initiative (Mangalore)	~7000	100%

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**  
**Essential Indicators**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has rolled out NPS (Net Promoter System) to seek feedback and suggestions from customers. The feedback is obtained from the customers on the product quality and services. This feedback is evaluated internally, and appropriate actions are taken in order to meet the customer's expectations.

Further, the Company also has Non-Conformance Management (NCM) system in place to register and address customer complaints. These complaints are handled in a SAP based system, which provides feedback to the customer about the root cause analysis, corrective actions, and measures undertaken by the business to prevent its recurrence.

- Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and / or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	F.Y. 2023-24		Remarks	F.Y. 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Not Applicable	Nil	Nil	Not Applicable
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework / policy on cyber security and risks related to data privacy?

**The Company has a Data Privacy Policy.**

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

**Not Applicable, as there were no issues or concerns related to advertising, delivery of essential services, cyber security, penalties or actions initiated by regulatory authorities for safety of Company's products.**

7. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact
- Percentage of data breaches involving personally identifiable information of customers

**There were no instances of data breaches.**

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Although there is no central platform for accessing information about all the products and services of the Company, each business unit has developed its own platform where information related to their products is available. For e.g. information about the Company's Agricultural Solutions business can be accessed at Website: <http://crop-protection.basf.in/en> AgGenie App: <https://basf.link/AgGenie>. Similarly, other business units of the Company have also independently developed their platforms, depending upon their requirements, where information on their products is available.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

The Company's Agricultural Solutions business has dedicated 'Suraksha Hamesha' meetings focused exclusively on promoting responsible use of crop protection products and usage of personal protection measures. During such meetings, there is emphasis on important stewardship topics viz. safe handling, usage, storage, and disposal of crop protection products. Usage of personal protection equipment is also emphasized in all interactions with the farmers. The Company also provides Sanrakshan Kits to its channel partners for further distribution and sale to farmers.

The Company has also adopted digital initiatives via Facebook, Digital Meetings, YouTube, AgGenie app, SMS & WhatsApp to create awareness about safe farming practices. The Company has also developed an easy to understand, language neutral animation movie showcasing 9 steps of responsible use of crop protection products, which has been actively promoted on digital platforms and has reached more than 97 lakh stakeholders in the farming community.

Similarly, a material safety and data sheet is provided to the buyer of each product of the Company informing them about the safe and responsible use of the product.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. The Company communicates with its customers through various media viz., emails, personal meetings, audio-visual means, etc., to inform customers of any such disruptions / discontinuation of essential services.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company adheres to all applicable laws and regulations on product labelling. Apart from the mandatory declarations, additional declarations relating to the safe handling & use of the products are made on the labels.

On behalf of the Board of Directors  
For BASF India Limited

PRADIP P. SHAH  
*Chairman*  
(DIN: 00066242)

ALEXANDER GERDING  
*Managing Director*  
(DIN: 09797186)

Mumbai

Dated : May 14, 2024



Your Company participated in the "State-level discussion: Promoting Sustainable Investments" session at the Indian Chemical Council (ICC) Council 5<sup>th</sup> Sustainability Conclave 2023 further solidifying its position as a frontrunner in sustainability.



Your Company has received certification for Responsible Care from Indian Chemical Council (ICC) for the period September 2023 to August 2026, as part of Responsible Care Re-certification Audit.

Statement containing particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

### A. CONSERVATION OF ENERGY

Your Company's focus on Energy Management, Operational Excellence, Plant Reliability improvement continued during the year under report. Your Company continued its policy of giving priority to energy conservation measures including regular review of energy generation, distribution, consumption and effective control on utilization of energy in its manufacturing sites at Navi Mumbai (Maharashtra), Mangalore (Karnataka), Dahej and Panoli (Gujarat).

The following energy saving measures have been implemented at the Company's manufacturing sites:

- Dahej Manufacturing Site was Certified for ISO 50001 energy management system.
- Created awareness of energy conservation among employees.
- Conducted quarterly energy cell meeting for reviewing existing measures & idea generation.
- Installed roof top solar panels (900 KW) inhouse & utilized green power in site.
- Reduced energy consumption of chillers by descaling.
- Cooling tower pump & fan VFD (Variable Frequency Drive) optimized leading to saving in the electrical power.
- Improve & maintain Power factor through capacitor to reduce the losses.
- Executed purchase power agreement hybrid (Solar + Wind) power.
- Installed VFD to optimize the energy consumption based on the load.
- Auto Voltage regulator installed for lighting to save the electrical power.
- Savings in consumption of Natural gas due to Pesol batch cycle optimisation.
- Installation & operation of the waste heat recovery boiler in sulfation plant to recover hot air heat & convert into the low-pressure steam which is support in natural gas consumption reduction & reduce carbon footprint
- Reprocess of Turbo Tube dryer startup materials.
- Purchase of solar power from external solar park and power trading resulted in reduction of electricity cost.
- Replacement of air compressor by energy efficient compressor unit to reduce energy losses & also save electrical energy.
- Replacement of old motors with IE3 energy efficient motors in phased manner.
- Generation of steam using biomass instead of furnace oil resulted in reduced cost and lower carbon dioxide generation.
- Replacement of Sodium vapor /CFL bulbs with energy efficient LED lights at various locations inside the plants.
- Optimized Electricity / utility energy consumption in the plant through resource conservation measures and ISO 50001:2018.
- Installed new 22m<sup>3</sup>/hr, 400 KI capacity demineralized water generation plant, savings of letdown water and energy.
- Replacement of old chillers by Energy efficient chillers for AHU units.
- Energy and resource savings by replacing the existing underground fire hydrant lines, which is 25 years old, with new ones above the ground level.



Requisite data in respect of Energy Consumption is given below:

	Current Year 1.4.2023 to 31.3.2024	Previous Year 1.4.2022 to 31.3.2023
<b>Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
(a) Purchased		
Units (in '000 kwh)	59,745.42	58,390.79
Total amount (Rs. in million)	551.22	531.45
Rate per unit (Rs.)	9.23	9.10
(b) Own generation		
Through diesel generator		
Units (in '000 kwh)	538.01	702.02
Units per litre of oil	7.09	37.25
Cost per unit (Rs.)	153.10	143.20
<b>2. Coal (specify quality and where used)</b>		
Qty. (tonnes)	Not Applicable	Not Applicable
Total cost	Not Applicable	Not Applicable
<b>3. Furnace Oil / Fuel</b>		
Qty. (k. litre)	287.56	420.71
Total Amount (Rs. in million)	12.03	21.59
Average rate (Rs. / litre)	41.83	51.31
<b>4. Natural Gas</b>		
Qty (KNCM)	6,297.79	6,188.81
Total cost	302.85	424.52
Average rate	48.09	68.60

## B. TECHNOLOGY ABSORPTION

### Research & Development (R&D):

#### 1. Specific areas in which R&D was carried out by the Company.

The R&D Centre of the Company was engaged in supporting the businesses through innovation and undertook multifold research activities including:

- Further upgradation and improvement of safety instruments / aspects.
- Basic research in enhancing quality of life with sustainable solutions.
- Introduction of new products in existing production lines.
- Development of new products / formulations including water based dye solutions.
- Development of new analytical methods.
- Testing of new research compounds and formulations in greenhouse & fields for efficacy and safety against economically important agricultural pests and diseases.
- Application support for launch of new products in existing product lines.
- Development/Incorporation of new application testing methods. Testing and promotion of environment friendly and sustainable compounds in home care applications.

During the year under review, your Company's Personal care Application lab was engaged in supporting the businesses through innovation and worked upon various activities including:

- Promotion of innovative and sustainable specialty chemicals/Bioactives for Personal care industry
- Introduction of sustainable, biodegradable, consumer friendly concepts/formats for Personal care industry
- Application & introduction of eco compliant UV filters for Personal care industry

Your Company's Industrial Solutions lab provides support to customer driven local innovation topics and also various global projects. This laboratory has been instrumental in launching new innovative products during the year under report as follows:-

- Developed solutions to address needs of energy and resource savings in cotton dyeing applications.
- Developed process to manufacture bio-diesel from used cooking oils/Palm fatty acids/acid oils from vegetable oil refineries using innovative catalyst system, benefitting various bio-diesel manufacturers by higher yield and savings in energy consumption in manufacturing.
- Developed process to address health of employees and toxicity hazards associated with current process of Lead electro-refining process with safe eco-friendly process.

Work on Global Research projects include:

- Collaborative research with BASF SE and its Group Companies in the areas of Performance Chemicals, Intermediates, Agrochemicals, and other organic materials.
- New organic chemical intermediates for specific applications.
- UV absorbers.
- Isolation of potential pesticides from natural sources.

Your Company's Coatings Technology Center is based at the Mangalore manufacturing site. The facility was established in 2011 and is active in the area of automotive Coatings. The major focus of the R&D is to develop new Coating technologies for BASF having global scope for implementation. This includes automotive coatings layers like:

1. Electrocoat
2. Primer
3. Basecoat
4. Clearcoat

The R&D efforts are generally focused towards enhancing coating durability in terms of surface hardness, surface appearance, stone impact, integrity of all the coatings layers (intercoat adhesion), including applicability, sustainability and rheology profile, uniqueness in terms of coloristic properties etc.

Major focus is on following development areas.

1. Wet-on-wet primer for two tone application.
2. Innovative low bake UV curing coating technology for automotive applications
3. Cost-competitive high solids 3 wet technology for automotive.
4. 1K acid epoxy for global markets.

Your Company has a Pharma laboratory at its Navi Mumbai site which provides support to customer driven local innovation topics and also various global projects. The technical and R&D team has been able to provide hands-on experience on various functionality and dosage forms using various excipients.

Your Company's Agricultural Research Station at Pune is recognized by Department of Scientific and Industrial Research, Ministry of Science and Technology. Testing of innovative research compounds is done in the green house and fields for understanding the efficacy and safety against economically important pests, weeds, and diseases. Baseline monitoring and resistance monitoring tests are carried out for newly introduced insecticides under controlled laboratory conditions enabling the business to take the right decisions for new product introduction in the market. Drone based applications of BASF's commercial insecticide and fungicide were carried out against important pests to understand the efficacy and benefits of drone-based application as compared to the traditional application methods at the research station farms. Additionally, UV studies were carried out by spraying research compounds under UV tunnel cultivation while comparing to open field cultivation to understand the photocatalytic degradation of certain new compounds.

## 2. Benefits derived as a result of the above R&D:

In its endeavor to create chemistry for a sustainable future for the benefit of customers, the R&D Centre developed new products during the year. Some of these new products were introduced in the market. Production processes have been improved with respect to their safety, efficiency, quality, quantity and sustainability.

The Pharma laboratory team together with reputed Institutes have created awareness and encouraged technologies, which help in improving the bio-availability of drugs and deliver solutions for life threatening diseases, such as retroviral, diabetes and cardiovascular diseases.

Your Company's Home Care & Institutional Cleaning development lab has successfully incorporated sustainable / bio-based chemistry in commercially available detergent formulations and has been able to promote weight efficient technologies, that can reduce the usage of raw materials in cleaning formulations without compromising performance.

In order to provide continuous support to business, your Company's Personal Care Solutions lab developed sustainable yet efficacious solutions for the market as well as new concepts / formats during the year. The Personal Care market is also moving towards safe and sustainable products, which is a great opportunity for our product portfolio. The Personal Care lab formulated various natural skin care and hair care products, including application of natural & biodegradable ingredients contributing to the safety of consumers as well as the planet. Concepts like natural skin care & hair care formats provide milder yet efficacious solutions to end consumers.

Industrial Formulations laboratory develops solutions for various industries eg., Textiles, Leather, Coatings, Chemical processing, Electro-plating, AgChem, etc through BASF's raw materials. Concepts and solutions with bio-degradable and sustainable raw materials, were developed with focus on significant contribution in sustainability of customer's value chain. Synergistic formulations, which contribute to incremental performance, safety of customer's processes and capacity expansion through BASF's innovative process additives were developed.

**3. Expenditure on R&D (net): Rs. 30.6 million**

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

**1. Efforts in brief, towards technology absorption, adaptation and innovation:**

The R&D Centre of your Company is recognized by the Ministry of Science and Technology, Government of India. The Centre undertakes research in several areas including:

- New Organic Chemical Intermediates for various applications.
- Process Development and scale-up.
- Agricultural Solutions.
- Other Specialty Chemicals.

The Centre is also engaged in developmental activities, including new cost-effective technologies for existing and new products, reduction in batch cycle time, etc., as also research activities pertaining to the adaptation of process technologies received from BASF SE, Germany.

**2. Benefits derived and the results of the above efforts:**

New products were developed and commercialized during the year. Efforts in process optimization led to cost reduction. This helped the businesses to remain cost competitive. Batch sizes and cycle times were optimized for better efficiency and manufacturing equipments were modified for overall improved productivity.

**3. Imported Technology:**

The Company has entered into agreements with BASF SE and / or its Group Companies for sourcing the technical know-how in the following businesses:

- a) Performance Materials and Care Chemicals.
- b) Construction Products and Coatings.

Your Company has an excellent relationship with BASF SE, Germany and other BASF Group Companies and receives valuable technical information and support on an ongoing basis. As a result, the Company has introduced a range of new products in different business segments.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earnings during the year: Rs. 3,072.7 million.

Foreign exchange expenditure during the year: Rs. 3,415.4 million.

On behalf of the Board of Directors  
For BASF India Limited

PRADIP P. SHAH  
Chairman  
(DIN: 00066242)

ALEXANDER GERDING  
Managing Director  
(DIN: 09797186)

Mumbai

Dated : May 14, 2024

**SECRETARIAL AUDIT REPORT**

Form No. MR -3

FOR FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
BASF INDIA LIMITED.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BASF India Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") the applicable and effective Amendments and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, The National Stock Exchange of India Limited.
- VI. The Management has identified and confirmed the Sector Specific Laws as applicable to the Company being in Chemical Sector as given in Annexure – 1.

We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 as issued and revised by The Institute of Company Secretaries of India with effect from October 1, 2017.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and made effective from time to time.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned above.

**We further report that:**

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place in the Composition of the Board of Directors and Key Managerial Personnel are as under;

- (i) Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its Meeting held on May 10, 2023 re-appointed Mrs. Shyamala Gopinath (DIN: 02362921) as an Independent Director of the Company for a second term of 5 years, effective from January 23, 2024, and her appointment was approved by Members by passing special resolution at the 79<sup>th</sup> Annual general meeting.
- (ii) Dr. Carola Richter (DIN: 09197435) resigned as a Non-Executive and Non-Independent Director of the Company, with effect from the close of business hours on January 31, 2024 and consequently Mr. Narendranath J. Baliga (DIN: 07005484) who was an Alternate Director to Dr. Carola Richter, also ceased to act as an Alternate Director, with effect from the close of business hours on January 31, 2024.
- (iii) Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its Meeting held on February 12, 2024 appointed Mr. Marcelo Rocha Lu (DIN: 10462274) as a Non-Executive and Non-Independent Director of the Company effective February 12, 2024, subject to the approval of the Shareholders of the Company and further, the Board of Directors of the Company also approved the appointment of Mr. Narendranath J. Baliga (DIN: 07005484) as an Alternate Director to Mr. Marcelo Rocha Lu, effective from February 12, 2024.
- (iv) The Board of Directors of the Company at its meeting held on March 27, 2024 took note of the retirement of Mr. Pradip P. Shah (DIN: 00066242), Mr. Rajendra A. Shah (00009851) and Mr. Arun Bewoor (DIN: 00024276) as Independent Directors of the Company w.e.f. March 31, 2024.
- (v) Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Shareholders of the Company, the Board of Directors of the Company approved appointment of Mr. Pradip P. Shah (DIN: 00066242) as an Additional Non-Executive Non-Independent Director, liable to retire by rotation.
- (vi) Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Shareholders of the Company, Mr. Bahram Vakil (DIN: 00283980) & Ms. Sonia Singh (DIN: 07108778) have been appointed as an Additional Independent Directors of the Company for a term of 5 consecutive years from April 1, 2024 till March 31, 2029.
- (vii) As on date of this report, the Members of the Company vide Scrutinizer report dated May 7, 2024 passed following resolutions;
  - (a) Ordinary Resolution for Appointment of Mr. Marcelo Rocha Lu (DIN: 10462274) as Non-Executive Director of the Company effective February 12, 2024.
  - (b) Special Resolution for Appointment of Mr. Pradip P. Shah (DIN: 00066242) as Non-Executive Non-Independent Director of the Company, effective April 1, 2024.
  - (c) Special Resolution for Appointment of Mr. Bahram Vakil (DIN: 00283980) as an Independent Director of the Company for a term of 5 (five) consecutive years, effective April 1, 2024, till March 31, 2029.
  - (d) Special Resolution for Appointment of Ms. Sonia Singh (DIN: 07108778) as an Independent Director of the Company for a term of 5 (five) consecutive years, effective April 1, 2024, till March 31, 2029.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period:

1. The Annual General Meeting of the Company for the financial year ended March 31, 2023 was held on August 4, 2023 through Video Conferencing /Other Audio-Visual means pursuant to relevant MCA and SEBI circulars.
2. The Company has declared and paid dividend of Rs. 8/- per equity share i.e., 80% for the financial year ended March 31, 2023 at their 79<sup>th</sup> Annual General Meeting held on August 4, 2023 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
3. Dr. Carola Richter (DIN: 09197435) Director, who was subject to retire by rotation was re-appointed as Director at the 79<sup>th</sup> Annual General Meeting of the Company held on August 4, 2023.
4. The Company has obtained Members approval for payment of remuneration payable to M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No: 000010) as Cost Auditors for the financial year ended March 31, 2024, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 at their Annual General Meeting held on August 4, 2023.



5. The Company pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 & such other Rules as may be applicable to the Company and in terms of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s) or re-enactment thereof), the Company's Related Party Transaction Policy (as amended from time to time) has obtained Members approval for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individually or taken together or series of transactions or otherwise), for the financial year 2023-24 and for the next financial year 2024-2025 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2024 (maximum validity of 15 (fifteen) months) with Material Related Parties.
6. The Company has transferred 21,261 (Twenty One Thousand Two Hundred and Sixty-One) Equity Shares and Rs. 3,36,822/- (Rupees Three Lakhs Thirty Six Thousand Eight Hundred and Twenty-Two only) as unpaid and unclaimed dividend to IEPF authority for the financial year ended 2015-2016 pursuant to Section 124(5) of the Companies Act, 2013 read with applicable rules made thereunder. The Company has also transferred Rs. 11,32,224/- (Rupees Eleven Lakhs Thirty Two Thousand Two Hundred and Twenty Four only) to IEPF authority by filing e-form IEPF-7 pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
7. The Company had filed e-form MR-2 of January 6, 2023 with the Ministry of Corporate Affairs (Central Government), for seeking approval for the appointment of Mr. Alexander Gerding (DIN: 09797186) as the Managing Director of the Company for a term of 5 years, effective from January 1, 2023 which has been approved by Ministry of Corporate Affairs (Central Government) vide its approval letter dated June 12, 2023.
8. The Company has received a Show Cause Notice (SCN) dated September 30, 2023 pertaining to F.Y. 2017-18 from the Deputy Commissioner of State Tax, Mumbai, Maharashtra raising a total demand of INR 282,58,06,878/- (i.e. tax, interest and penalty) mainly with regard to transitional credit claimed by the Company in Form Tran-1 and mismatch of Input tax credit (ITC) with GSTR-2A records, under Section 73 of Central Goods and Services Tax Act, 2017 (CGST Act) / Maharashtra Goods and Services Tax Act 2017 (MGST Act), interest under Section 50 of CGST Act and MGST Act and penalty under Section 73(8) of CGST Act and MGST Act read with Section 20 of the Integrated Goods and Service Tax Act, 2017. However, the said demand was consequently reduced to Rs. 14,21,30,504 (Rupees Fourteen Crores Twenty One Lakhs Thirty Three Thousand Five Hundred and Four) vide order Deputy Commissioner of State Tax, Mumbai dated December 29, 2023.
9. BASF India Coatings Private Limited, a 100% Wholly Owned Subsidiary (WOS) of the Company was incorporated on December 11, 2023 for transferring the Company's Coatings business into a 100% WOS. Closing of the transaction is expected by the end of the calendar year 2024.
10. TSR Consultants Private Limited, Company's Registrar & Share Transfer Agent was merged into Link Intime India Private Limited, pursuant to Scheme of Merger effective December 22, 2023. Accordingly, Link Intime India Private limited is the Company's Registrar & Share Transfer Agent.
11. As on the date of this report, pursuant to the provisions of Section 185, 186, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 & such other Rules as may be applicable to the Company and in terms of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has passed special resolution vide Scrutinizer Report dated May 7, 2024 for increasing its aggregate limits of Inter-Corporate Deposits placed by BASF India Ltd with BASF Group Companies in India from Rs. 7,500 million (Seven Thousand Five Hundred) to Rs. 14,500 million (Fourteen Thousand Five Hundred).
12. The title deeds of immovable properties, as disclosed for fixed assets in the financial statements for the financial year ended March 31, 2024, are held in the name of the Company, except the Land held at one of the Company's manufacturing location at Mangalore Karnataka (Gross Block - Rs. 48.3 million and Net Block - Rs. Nil), for which the Company has submitted necessary documents to Karnataka Industrial Areas Development Board for execution of the Sale Deed for land at Mangalore and the process is ongoing, as informed.
13. The Company was required to spent Rupees 119 million (Gross Amount) during the financial year 2023-24. However, Company has spent Rupees 33.4 million and transferred Rupees 85.6 million to unspent CSR account on April 12, 2024.

Date: May 14, 2024  
 Place: Mumbai  
 ICSI UDIN: F002827F000361273  
 PEER REVIEW NO: 2507/2022

For HSPN & ASSOCIATES LLP  
 Company Secretaries

**Hemant S. Shetye**  
 Designated Partner  
 FCS No.: 2827  
 COP No.: 1483

This report is to be read with our letter of even date which is annexed as Annexure – 2 and forms an integral part of this report.

## Annexure – 1

### SECTOR SPECIFIC LAWS AS APPLICABLE TO THE COMPANY BEING IN CHEMICAL INDUSTRY

1. Water (Prevention and Control of Pollution) Act, 1974 & Air (Prevention and Control of Pollution) Acts 1981;
2. Environment Protection Act, 1986 read with Environment (Protection) Rules, 1986;
3. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
4. Indian Boilers Act, 1923;
5. Chemical Weapons Convention Act, 2000;
6. The Narcotics Drugs and Psychotropic Substances Act, 1985;
7. The Explosives Act, 1884;
8. The Inflammable Substances Act, 1952;
9. Insecticides Act, 1968 and Rules, 1971;
10. Legal Metrology (Packaged Commodities) Rules, 2011;
11. Fertilizer (Control) Order, 1985;
12. Solvent Raffinate & Slop (Licensing) Order, 2007;
13. Drugs and Cosmetics Act, 1940;
14. GIDC/MIDC and KIADB Act and Rules.

*Date: May 14, 2024*

*Place: Mumbai*

ICSI UDIN: F002827F000361273

PEER REVIEW NO: 2507/2022

**For HSPN & ASSOCIATES LLP**  
Company Secretaries

**Hemant S. Shetye**  
*Designated Partner*  
FCS No.: 2827  
COP No.: 1483

## Annexure – 2

To,  
The Members,  
BASF INDIA LIMITED.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*Date: May 14, 2024*  
*Place: Mumbai*  
ICSI UDIN: F002827F000361273  
PEER REVIEW NO: 2507/2022

**For HSPN & ASSOCIATES LLP**  
Company Secretaries

**Hemant S. Shetye**  
*Designated Partner*  
FCS No.: 2827  
COP No.: 1483

**FORM NO. AOC – 2**

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not on Arm's length basis:**

There were no contracts or arrangements or transactions of the Company during the financial year ended March 31, 2024, which were not on arm's length basis.

**2. Details of material contracts or arrangements or transactions on arms' length basis:**

Name(s) of the related party & nature of relationship	Nature of contract / arrangement / transaction	Duration of contract / arrangement / transaction	Salient terms of the contracts / arrangements / transactions	Amount (Rs. in million)
BASF SE, Parent Company	(a) Sale and / or purchase of goods. (b) Availing or rendering of services.	On-going transactions	As per Inter Company Transfer Pricing (ICTP) Guidelines	6,658
BASF Hong Kong Limited, Affiliate Company	(a) Sale and / or purchase of goods. (b) Availing or rendering of services.			38,184.3
BASF Company Limited, Affiliate Company	(a) Sale and / or purchase of goods. (b) Availing or rendering of services.			11,271.22
BASF South East Asia Pte Ltd, Affiliate Company	(a) Sale and / or purchase of goods. (b) Availing or rendering of services.			12,389.13

On behalf of the Board of Directors  
For BASF India Limited

PRADIP P. SHAH  
Chairman  
(DIN: 00066242)

ALEXANDER GERDING  
Managing Director  
(DIN: 09797186)

Mumbai  
Dated : May 14, 2024

## Annexure VII

### REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED.

1. The ratio of the remuneration (paid/payable) of each Director to the median remuneration of the employees of the Company for the financial year 2023-2024: (Amount in Rupees)

Sr. No.	Name of Director	Remuneration <sup>@ #</sup>	Median Remuneration of Employees	Ratio
1.	^Mr. Alexander Gerding (Managing Director)	91,858,557	1,553,190	59.14
2.	^^Mr. Narendranath J. Baliga (Chief Financial Officer & Alternate Director)	25,512,592	1,553,190	16.42
3.	^Mr. Anil Choudhary (Manufacturing Head & Whole-time Director)	22,826,337	1,553,190	14.69

@ Salary & Benefits includes Salary, Benefits, Perquisites & Allowances, Provident Fund and Superannuation but excluding provision for contribution to Gratuity Fund, Group Insurance, long service awards and any benefits under Performance Share Plan ('Long Term Incentive') of BASF SE, Parent Company.

# Performance Linked Incentive (Short Term Incentive) is based on Company's financial performance, BASF Group's Return on Capital Employed and individual achievements against pre-agreed targets. The aggregate remuneration paid / payable to the above-mentioned Directors for the financial year 2023-24 includes Performance Linked Incentive (Short Term Incentive) proportionately apportioned for 9 months (April 2023 – December 2023) & the provisions created in the books of accounts proportionately for 3 months (January 2024 – March 2024) based on the Target Short Term Incentive for the calendar year 2023.

\* Mr. Narendranath J. Baliga had been appointed as Chief Financial Officer & Alternate Director. Being in the whole-time employment of the Company, he is deemed to be Whole-time Director of the Company.

^ The Ultimate Holding Company ('BASF SE') offers Performance Share Plan ('Long Term Incentive') for Senior Executives of BASF Group. Mr. Alexander Gerding and Mr. Narendranath J. Baliga have participated in this program. The long-term incentive of Rs. 1,322,533 and Rs. 1,944,408 has been accrued by the Company for the current year for Mr. Alexander Gerding and Mr. Narendranath J. Baliga respectively. This amount does not form part of the aforesaid remuneration and there is no cash outflow by the Company for the financial year 2023-24.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2023-2024 (compared to the financial year 2022-2023):

Sr. No.	Name	Designation	Percentage increase in remuneration
1.	Mr. Alexander Gerding	Managing Director	4.60
2.	Mr. Narendranath J. Baliga	Chief Financial Officer & Alternate Director	9.80
3.	Mr. Anil Choudhary	Manufacturing Head & Whole-time Director	10.00
4.	Mr. Manohar Kamath	Director – Legal, General Counsel (India) & Company Secretary	15.30

3. Percentage increase in the median remuneration of employees (other than Managerial Personnel) in the financial year 2023-2024 is 4.58%.

4. The number of permanent employees on the rolls of the Company as on March 31, 2024 are 1401.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in salaries for Managerial Personnel is 9.93% and for other employees is 4.58%.

In line with the Company's compensation philosophy, merit increases and annual bonus pay-out to its employees including Key Managerial Personnel are directly linked to the Company's financial performance, BASF Group's Return on Capital Employed and individual performance against pre-agreed targets.



**6. Key parameters for any variable component of remuneration of the Executive Directors:**

The key parameters for the variable component of remuneration of the Directors are considered by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

**7. It is hereby affirmed that the remuneration paid / payable during the year is as per the Remuneration Policy of the Company.**

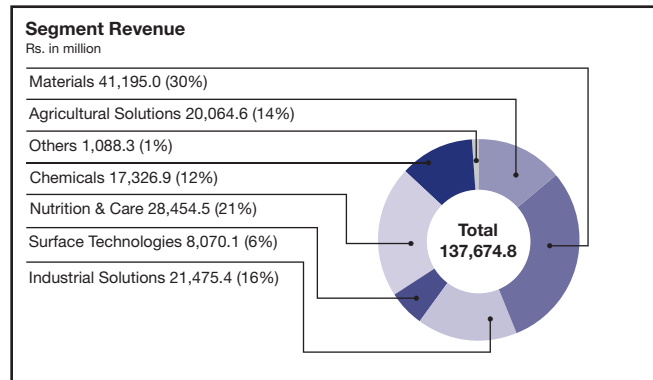
On behalf of the Board of Directors  
For BASF India Limited

PRADIP P. SHAH  
*Chairman*  
(DIN: 00066242)

ALEXANDER GERDING  
*Managing Director*  
(DIN: 09797186)

*Mumbai*  
*Dated : May 14, 2024*

# Management Discussion and Analysis Report



The global macro-economic scenario during the financial year 2023-24 was another period of subdued growth marked by high inflation and interest rates, geo-political tensions, concerns of recession and supply chain constraints. In spite of these challenges and risks, the global economic growth expectations can be viewed with cautious optimism – with a growth rate of 2.7 percent in financial year 2023-2024 as compared to 3 percent in financial year 2022-2023.

In spite of global economic risks, emerging India is poised to be the fastest growing economy for the next few years and a preferred market for investments. India has gained a strong presence in various global diplomatic and trade forums and made progress towards achieving its goal to be a global manufacturing hub. As global supply chains seek to diversify, India stands to gain as a stable destination for manufacturing and business. The Indian economy, bolstered by strong macro fundamentals, retained its growth momentum primarily driven by government investments in infrastructure, invitation to global and local players to boost local production and manufacturing in India. India has been a key growth engine for the world, contributing 16% to the global growth in 2023. The country's growth rate of 7.2% during the financial year 2022-2023 was the highest among the G20 countries and almost twice the average for emerging market economies that year.

India showed a remarkable performance, closing 2023 with a GDP of US\$ 3.73 trillion. With a projected GDP growth rate of 6.3 percent, India is geared to become a US\$ 5 trillion economy by 2027\*.

According to IMF estimates, both Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI) inflows have increased in 2023, and are projected to be US\$ 44.4 billion and US\$ 33.9 billion respectively, in 2024. The increase in foreign investment is a testament to the fact that India is perceived as an emerging power that has the potential to generate a steady return on investment with a negligible risk premium.

Another key focus of the Government has been on sustainability and green growth. All these measures had a cascading effect on capacity utilization, and with the strong corporate balance sheet, private sector is at the threshold of resurgent investment cycle.

\* World Economic Forum January 2024 India could become the World's 3rd largest economy in the next 5 years. Here's how | World Economic Forum (weforum.org)



Your Company launched Efficon® Insecticide – powered by Axalione® Active, an industry first, offering a unique class of chemistry (IRAC group 36) with novel mode of action for effective control of piercing and sucking pests.

## AGRICULTURAL SOLUTIONS

Your Company's Agricultural Solutions business innovates, manufactures, and sells products required for Crop Protection such as Insecticides, Herbicides, Fungicides, Seed Treatment solutions and plant growth regulators.

Indian Agriculture is highly dependent on the monsoon and its distribution pattern across the country. Monsoon distribution has a high impact on your Company's product sales. Overall monsoon in 2023 has been very erratic, with cycles of extended dry spells & heavy downpours leading to floods. Due to proper planning and right distribution strategy, the Agricultural Solutions business registered good growth during F.Y. 2023-24 as compared to F.Y. 2022-23. Growth was led by expansion of innovation products; Exponus® in Insecticides segment, Priaxor® in Fungicides segment, Tynzer® in the Herbicides segment.

Your Company utilizes digital platforms like Facebook, WhatsApp & YouTube not only for product promotion but also to create awareness about safe farming practices. Your Company pioneers in Stewardship and Sustainability. Since 2021, the Agricultural Solutions business is organizing national level CME (Continued Medical Education) programmes for Medical Doctors on Principles of Diagnosis, Management and Treatment of Accidental Agrochemical Poisoning in association with esteemed organizations like IMA & NPIC AIIMS, New Delhi.

More than 1400 participants including doctors, State Agriculture Department officials and officials from District Administration were trained in 2023.

In 2023, your Company have started a new program “The Biggest Job on Earth” which aims to raise public awareness and understanding of farming and its practices through events and storytelling. With a focus on sustainability and digital outreach, your Company remains committed to promoting the importance of farming as “The Biggest Job on Earth”, by showcasing innovative solutions and engaging the next generation through content marketing and digital platforms.



Your Company participated at the 24<sup>th</sup> International Conference, Indian Petrochem 2023, held in Mumbai, showcasing our commitment to sustainability and continuous innovation in chemical and petrochemical processes.

## CHEMICALS

Your Company’s Chemicals segment comprises of the Petrochemicals & Intermediates businesses.

The Petrochemicals business of your Company comprises of oxo-alcohols, acrylic acid, acrylic monomers, superabsorbent and specialty plasticizers. These products are used in a variety of end user industries including paints & coatings, adhesives, baby diapers, a wide variety of flexible PVC applications such as artificial leather for automotive upholstery, wires and cables, packaging and as a solvent in the chemical industry. As the Petrochemicals business caters largely to non-essential end user industries, the recovery in demand and sales was slightly on the lower side compared to essential goods. Moreover, the prices of these products were impacted during the financial year due to severe price competition from the local & Chinese suppliers.

The Intermediates business of your Company caters to wide variety of end industries such as, pharmaceuticals, agrochemicals, coatings, food & feed, flavor & fragrance, surfactants, rubber chemicals, textiles, personal care, adhesives, dyes etc.

During the first half of the financial year 2023-24, demand showed a modest improvement in key sectors like pharmaceuticals, agrochemicals, coatings, and food & feed due to low market inventories. However, increased capacities coupled with weak recovery in China resulted into high levels of oversupplied market in India. This has put enormous pressure on prices and resulted into squeezed margins. The continued weak economic situation globally and supply chain disruptions affected exports demand from India negatively, which further impacted export industries such as leather, textiles etc. High inflation, weak festive demand and continued effects of the first half, resulted in de-stocking thereby impacting demand in most industries including agrochemical and active pharmaceutical ingredient (API). The last quarter of F.Y. 2023-24 witnessed recovery of domestic demand in end industries leading to re-building of inventories.

Despite the above challenges, your Company’s Intermediates business managed to grow in volumes in F.Y. 2023-24 due to consistent focus on key customers and securing their volumes by long-term contracts & better services. However, the continued oversupply situation and capacities impacted earnings.

## MATERIALS

Your Company’s Materials segment includes the Performance Materials and Monomers businesses.

The Performance Materials business of your Company which has Polyurethanes, Engineering Plastics, Specialty Plastics product lines primarily caters to the requirements of the Consumer, Construction and Transportation Industries.

Passenger vehicles production grew by 6.9% during the financial year 2023-24. Your Company’s product lines that cater to the Interior, Exterior, Powertrain, Chassis and Vehicle Suspension related applications grew faster than the market due to participation in new launches and winning new business.

The Consumer Industry business continues to have a strong presence in the appliance (refrigerator), footwear and furniture markets. The Appliance business unit continues its efforts to increase locally produced volumes with existing customers and add new customers to increase utilization of its integrated production facilities at Dahej. The footwear market is moving towards lighter and comfortable products. Your Company is continuously working to provide solutions for this trend and are collaborating with customers specially for sports and casual shoes. The e-commerce channel, [mypu.basf.com](http://mypu.basf.com) which has created a new business model in the footwear and furniture industry continues to perform well.



Performance Materials team had a successful representation at PU Tech 2023 demonstrating our innovations for the green journey, covering polyurethane solutions that enable greater sustainability in the automotive, consumer, construction, and industrial sectors.

Construction segment, which predominantly supplies polyurethane insulation for cold chain, infra and residential markets, showed improved volumes. Your Company collaborated with customers to supply sandwich panels for cold storages. With the increased focus of the Government on reduction of food wastage, your Company is actively involved in promoting and supplying insulations for Cold Chain.

The Specialty business comprises of multi-application product Ultrason<sup>®</sup>, thermal and sound insulating melamine foam Basotect<sup>®</sup> and compostable plastic material Ecovio<sup>®</sup>. Ultrason<sup>®</sup> volumes grew with existing and new customers while volumes of Basotect<sup>®</sup> remained stable and that of Ecovio<sup>®</sup> were impacted due to short supply.

The business continues to sweat the assets of its Engineering Plastics unit at Thane and Panoli, Polyurethanes unit at Dahej and Thane and CELLASTO<sup>®</sup> unit at Dahej.

Although the Performance Materials sales grew well, margins were impacted in the first half due to high cost but improved in the second half.

Your Company's Monomers business deals in basic raw materials for polyurethanes, inorganics & polyamides, and its precursors. The financial year 2023-2024 was good with significant volume growth recorded in some business segments such as isocyanates and precursors.

Although the sales of the Monomers business grew well, margins were impacted in the second half of the year due to increase in cost and reduction in prices. The domestic demand decreased significantly due to weaker festive demand, inflation, and high raw material prices. This combined with intense competition from China and higher costs from Europe, adversely impacted the competitiveness of your Company's products imported from Europe. Despite this, the business continued to have strong engagement with the customers and maintained its position as one of the key suppliers to the market.

The MDI (Methylene diphenyl diisocyanate) business grew significantly in volumes over the previous financial year. Strong demand in flexible PU foams, footwear, flexible packaging and coating adhesives contributed to the growth of the MDI business. Growth in infrastructure and automotive production is expected to drive usage of PU in Coatings, Adhesives, Sealants and Elastomers (CASE) applications. Stable consumer demand in rigid PU foam applications helped to maintain the sales of TDI (Toluene diisocyanate), despite local availability. Over-capacities for Isocyanates in Asia continue to be a challenge for this business.

The volume growth was observed in alcoholates business in the Life Science applications in the first quarter of the year 2023-24.

In the Polyamide and precursors portfolio, the focus continues to remain on barrier films for packaging and mono-filament segment, in which the demand remained stable due to the market conditions, downward price trends and sluggish recovery of longline export in monofilament industry. The strong synergies with isocyanates business' customer base helped to maintain the sales of the precursors.



Your Company participated in The Battery Show India at the India Expo Centre showcasing our eMobility portfolio. The key highlight at the booth was the battery demonstrator, a 3D model which allowed visitors to see BASF's solutions being applied, including battery cover, potting, thermal conductive adhesives, busbars, and various other solutions.



## INDUSTRIAL SOLUTIONS

Your Company's Industrial Solutions segment comprises of Dispersions, Resins, Additives and Performance Chemicals businesses.

The Dispersions business of your Company mainly caters to the needs of paints & coatings, construction and paper industries. The Resins & Additives business caters to the needs of adhesives, automobile, printing & packaging industries.

Your Company was able to grow volumes across relevant industries due to customer centric innovations and further enhancing its market penetration. However, the sales realizations were lower during the year due to subdued monomer prices & product mix impact. The key challenges faced by the business were volatility in raw material prices thereby impacting the overall margins. Your Company managed these risks by maintaining optimal levels of inventory and by offering innovative and competitive solutions to the market.

The innovative products launched in the architectural coatings business during the financial year 2023-24 were elastomeric & high dirt pickup resistant properties to boost performance of exterior premium paint segment. Further, the Construction segment launched Damp proofing / Efflorescence Resistance Primer and the Paper segment launched high strength binder for duplex boards.

Your Company has received REDcert<sup>2</sup> certification for its Dahej and Mangalore plants to supply low-carbon-footprint biomass-balanced water-based dispersions to its customers. Your Company's Dispersion Plants are the first in India to achieve the REDcert<sup>2</sup> standard, an independent third-party audit process, marking a significant milestone in BASF's commitment to sustainability and environmental stewardship.



Dahej and Mangalore sites receive RedCert<sup>2</sup> Certification, an industry first, supporting customers in their low carbon footprint journey.

for latest generation engines and electric vehicles, brake fluids for meeting highest safety norms and fuel additives for maximizing engine performance. Your Company is a key solution provider to various oil companies as well as automotive OEMs.

Under Components, your Company offers Polyisobutylene (PIB) of various molecular weights for different applications, additives and synthetic base fluids, which are used for formulating a wide spectrum of lubricants. Key application areas include automotive engine oils meeting BS-VI norms and lubricants used in the manufacturing industry.

Your Company is solution provider for agglomeration which supports waste to wealth initiative in mineral processing (especially in steel sector to support their circular economy) under the Alcotac<sup>®</sup> brand name. Alcotac<sup>®</sup> organic binders are being successfully applied in the industry for agglomerating a wide variety of mineral substrates and typical applications include Iron ore pallets as well as multiple combination briquetting initiatives.

Your Company's Enhanced Oil Recovery (EOR) business offers customized surfactant & polymer solutions to Oil operators, aiding in the recovery of additional crude oil from mature oil fields. EOR technology improves oil recovery from existing wells, which in turn adds to the domestic production volume of crude oil, thereby reducing imports. Your Company offers EOR chemical solutions through globally-recognized Trade name "Aspiro<sup>™</sup>" and has invested in assets at Dahej plant for increased in-country production of these chemistries.

The Performance Chemicals business comprises of Plastic Additives, Fuel & Lubricants, Mining & Enhanced Oil Recovery (EOR).

Your Company's Plastic Additives business is categorized into antioxidants and light stabilizers for the plastics industry. Customers are broadly classified into upstream industries such as polymer manufacturers and downstream industries such as master batchers, compounders & converters.

Your Company continues to grow in the market with the expansion of capacities of major polymer producers as well as increase in demand from packaging, automotive, agriculture, electronics & renewable solar energy sector.

Your Company's Plastic Additives business continues to focus on value-added products to customers to further enhance sales. Your Company's major focus is on sustainability by offering innovative solutions to address imminent needs of plastic recycling industry & thus contributing towards the "Circular Economy" & Sustainability.

The Fuel and Lubricant Solutions business is categorized into Formulations and Components. Under Formulations, your Company offers finished products such as coolants



## SURFACE TECHNOLOGIES

Your Company's Surface Technologies segment comprises of Catalysts and Coatings Solutions businesses.

The Process Catalysts business caters to the refining, petrochemicals and downstream base and fine chemical industries. During the year, there was a rising demand across all refineries and petrochemical industries leading to increased capacity utilization across the industry. Although the impacts on shipments, especially from the US created challenges in fulfillment of customer orders, there was an increasing demand from new monomer purification projects and sulfuric acid in those industries.

The Automotive Coatings business caters to innovative solutions that improve the appearance and quality of cars. Your Company's "Beyond Paints" range of sustainable products & solutions cater to these needs and has been serving major global and Indian automotive players. During 2023, the Indian automotive market scaled up in global rankings leading to high demand for Coatings which your Company could address very well. Amidst supply chain bottlenecks and raw material, uncertainties, the Company delivered the best customer experience to make our customers successful. Anticipating a long-term growth of Indian automotive market, your Company has invested in a state-of-the-art Application Center in 2022 at Mangalore, which enables customer-oriented R&D activities coupled with accurate simulation of OEM paint shops. With major OEMs preparing to launch SUVs and EVs, your Company sees a trend towards premiumization of cars. India is also emerging as a key export hub for many top automotive players. All these indicators point towards an optimistic outlook and with the strategic balance of portfolio mix, digitalization and price management, your Company's Automotive Coatings division is prepared to tap into this growth. As part of differentiated steering, your Company's Coatings business was transferred to 100% subsidiary for better business focus and the closing is expected by end of calendar year 2024.



BASF's Coating division created the NEW ARRAY color collection with focus on sustainability and functionality, while still moving into new and exciting color spaces for key automotive OEM customers.

## NUTRITION & CARE

Your Company's Nutrition & Care Segment comprises of Care Chemicals, Nutrition and Health Care businesses.

The Care Chemicals business provides solutions to customers in personal care, home care & institutional cleaning and industrial formulation segments (viz: textile, leather, agrochemicals, metal surface cleaning etc.). This business witnessed a stable growth in home care, personal cleansing & hygiene and surface cleaning markets. Home Care and Institutional market continued to remain stable during the financial year 2023-24 supported by the strong economic situation and demand from the consumer end. The textile solutions market came out of the sluggish period witnessing volume ramp-up driven by the demand from both local and export markets. The Agricultural Chemical industry witnessed a decent growth, despite monsoon set back, moving towards sustainable solutions. Oleo Surfactants - Sulfation and Betaine has seen increased demand in India. Personal Care Solutions business grew during the financial year 2023-24. The market seems to be stabilizing with the rural demand getting back on track and the urban demand driving the premiumization of the business. The business witnessed strong headwinds from highly volatile raw material prices, which was effectively managed through localization, portfolio mix, customer mix and price management. The business continued its customer centric approach through various measures of digitalization, cluster and customer workshops thereby building a sustainable sales pipeline.



Dr. Rajkiran Narkhede participated in a panel discussion with industry experts at the Annual IPEC, Mumbai (International Pharmaceuticals Excipient Council) outlining your Company's commitment towards supporting pharmaceutical customers in developing sustainable formulations.

The Nutrition & Health Segment of your Company offers a comprehensive range of products across Nutrition (Human & Animal Nutrition), Pharma Solutions and Aroma Ingredients. This business continued to deliver impressive performance



Your Company organized the Isobionics® roadshow in Mumbai showcasing the premium natural aroma ingredients range of Isobionics® and the innovative fermentation technology to industry experts and professionals.

for another successful year driven by strong growth in Aroma ingredients and Pharma solutions while steady business continued in Nutrition ingredients in a market that witnessed muted volume growth and decline in prices.

The Aroma Ingredients portfolio has diverse product lines for our customers in fragrance and flavor (F&F) applications that eventually find their way into the fast-moving consumer goods (FMCG). The business witnessed steady growth of the entire portfolio across applications. Innovative product launches will continue to generate distinct value for the F&F industry in the coming years.

The Pharma solutions team specializes in functional excipients and select Active Pharma Ingredients (API) for the pharmaceutical industry. During the financial year 2023-24, your Company worked with some of the leading pharmaceutical companies to develop

new formulations and supplied some critical excipients for the manufacture of several formulations. Two new excipients were launched in the market. Your company continues to partner with Indian Pharmaceutical industry by enhancing supply capability, increasing technical outreach and partnering with major industry and research organizations.

The Human Nutrition business aims to be the most credible food & health ingredient supplier with the portfolio of Vitamins & Carotenoids. Demand for high quality Vitamins & Carotenoids remained steady during the the year under review with increasing awareness about preventive health and building immunity thereby resulting in improved consumption of vitamins in dietary supplements as well as fortification of staple & functional food.

The Animal Nutrition business supplies vitamins, carotenoids, enzymes and feed performance ingredients for livestock, poultry, aquaculture & companion animals. Increasing disposable income and awareness about animal protein in the urban population have led to a rise in demand for meat, eggs, milk & milk products. This has resulted in a significant increase in demand for animal nutrition products, which was very well supported by a rise in organized key industry players and stable realizations for farm products.

## TECHNICAL MANAGEMENT

Your Company had showed strong commitment to safety, quality, productivity and sustainability with excellent track record across all its manufacturing sites during F.Y. 2023-24. This is coupled with strategic decisions aimed at value creation and operational excellence at all manufacturing sites during F.Y. 2023-24.

During the year, your Company continued to enhance manufacturing capacities and capabilities across its manufacturing sites. At Dahej site, new product 'Aspiro™' for enhanced oil recovery (EOR) applications was introduced in the Care Chemicals plant. System house debottlenecking was done, resulting in increased productivity at Performance Materials plant. At Dahej site, construction for alkaline surfactant polymer (ASP) blending plant has been initiated which will be used for enhanced oil recovery (EOR) applications. At Mangalore site, ground-breaking ceremony for expansion of E-Coat plant was done successfully. The plant is expected to be ready by end of Q2 2024. This plant is being equipped with advanced control systems to enhance safety and quality. The Performance Materials plant at Panoli has initiated an expansion project for its polyamide compounding production capacity and the project is estimated to be completed by Q2'2025.

Your Company continued to enhance and upgrade infrastructure capabilities across the manufacturing sites during F.Y. 2023-24. At Dahej site, firefighting systems were augmented to support requirements of new projects.



To further our commitment to Net Zero, your Company's Mangalore site signed LOI for procuring green and economical power via group captive mechanism, meeting 90% of the power demand from renewable energy.



The Dahej site has upgraded the weighbridge facilities for efficient tanker and truck movements. To promote diversity and inclusivity at workplace, the Dahej site has constructed state of the art creche facility (Day care facility). The Dahej site has also enhanced the air emission monitoring by installing online SPM analysers.

Your Company has a strong commitment to digital transformation to improve efficiency, enhance decision-making processes and staying competitive in an increasingly digital world. At Dahej site, IT infrastructure enhancement project was completed. This facilitated remote monitoring and utilization of mobility platform like E-permit, E-action tracker and digital checklists in the shop floor. Multiple use cases were developed for data visualization, data analytics and predictive maintenance. At Thane site, digitalization of emergency response & head count management has enabled process simplification and an error proof system. Warehouse digitalization and safety improvement measures were successfully implemented.

Your Company remains focused on sustainable manufacturing practices encompassing a wide range of initiatives, from energy and water conservation to waste reduction and recycling efforts. At Dahej site, Phase III of Solar panel project has been completed and 4% of the total power requirement is fulfilled by internal solar power generation. Power purchase agreement for hybrid power supply (Solar & Wind) has been executed and it further helped to reduce the carbon footprint of the site. Waste heat recovery steam boiler (WHRB) project was executed at site leading to savings in natural gas consumption. The Company has partnered with Gujarat Industrial Development Corporation (GIDC) for the desalination project, which processes sea water to provide industrial water as part of sustainable water management & improve the reliability as well as cost effectiveness. As part of our commitment to Net Zero, Mangalore site signed LOI for procuring green and economical power through group captive power purchase mechanism. With this, the site will be meeting significant portion of its power demand from solar/green energy going ahead. At Thane site, a pilot project has been initiated to generate solar power. Adoption of advanced & modern methods of wastewater treatment together with rainwater harvesting measures have enabled substantial reduction in fresh water consumption. With these initiatives, your company has achieved significant reduction in carbon footprint.

Your Company's manufacturing sites continue to be certified based on business needs i.e ISO 9001, ISO 14001, ISO 50001, IATF 16949, EFfCI GMP & RSPO certifications. Mangalore was the first site in India to be granted BIS certification for Styrene Butadiene products for paper industry. Your Company is the proud recipient of REDcert (Renewable Energy Directive) certification for specific products at the Mangalore & Dahej sites. Your Company continues to promote and practice Responsible Care® together with the Indian Chemical Council (ICC).



Your Company recently completed and expanded capacity of the e-coat manufacturing facility in Mangalore. Seen here are the local leaders and team at the successful ground breaking ceremony for expansion of e-coat plant.

## INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has established adequate internal financial control systems to ensure reliable financial reporting and compliance in accordance with the laws and regulations. All resources are put to optimal use and adequately protected against any loss. All transactions are authorized, recorded and reported correctly. Policies and guidelines of your Company are being adhered to and improvements in processes are being carried out on an ongoing basis. The principles of risk avoidance, such as segregation of duties and approval-based authorization matrix form the core of the internal control systems. The efficiency and effectiveness of the internal control systems over financial reporting has been performed by the management through evaluation, documentation, testing and reporting of the relevant processes and controls.

Our internal control systems are also supplemented by an extensive program of internal audit by an independent firm of Chartered Accountants. Internal audits are conducted regularly and their summary as well as recommendations are placed before the Audit Committee / Board of Directors of the Company. The Audit Committee reviews the internal financial control systems on an ongoing basis. Some of the Key Financial Ratios for the financial year 2023-2024 are provided hereunder for your reference:

### Key Financial Ratios:

Key Ratios	Formulas	2023-24	2022-23	Change %
Trade Receivables Turnover (times)	(Revenue from Operations / Average Trade Receivables)	5.7	5.5	3%
Inventory Turnover (times)	(Cost of goods sold / Average Inventory)	5.3	5.5	-4%
Interest Coverage Ratio	(Earnings Before Interest Tax & Depreciation before exceptional items / Finance cost)	62.2	52.1	19%
Current Ratio	(Current assets / Current liabilities)	1.6	1.5	8%
Debt Equity Ratio	(Total Debt [Long term borrowings + Short term borrowings + Current maturities of long term debts] / Total Equity)	NA	NA	-
Operating Profit Margin (%)	(Earnings Before Interest & Tax before exceptional items / Revenue from Operations)	5.6%	4.0%	42%
Net Profit Margin (%)	(Profit after tax / Revenue from Operations)	4.1%	3.0%	39%
Return on Net Worth (%)	(Profit After Tax (PAT) / Average Total Equity)	19.0%	16.0%	19%

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company continues its dedicated endeavor to attract, onboard, develop, motivate and retain high performing employees to ensure business success. Your Company believes that its people are the strongest asset and, consequently, focuses on building a robust leadership resource pool through effective hiring, talent development through training and skilling, and motivating and nurturing talent through implementing and adopting measures for rewarding, differentiating and recognizing employees for high performance.

Diversity and Inclusion is one of our key focus areas to build our organization for the future. Your Company consistently works towards creating and enabling an inclusive workplace, by investing in infrastructure at its manufacturing sites, revamping and introducing new age policies and integrating multiple best practices. This ensures that your Company and its work environment are diversity friendly and truly inclusive.



Employees across all sites and offices came together to celebrate the joyous occasions and embrace the festive spirit of celebrations.



Employee wellbeing has always been at the core of our organization. Your Company continues to emphasize employee development and experience. In keeping with high-performance goals, your Company has facilitated a culture of autonomy, accountability and collaboration in both businesses and service units. Our working model continues to be hybrid, in line with new age practices, deploying safety and health measures at both offices and at factories. Your Company also continues to focus on workers' education, wellness, and maintaining cordial relations with the union.

Your Company's employee strength stood at 1401 people as on March 31, 2024



In celebration of International Women's Day, your Company organized a self-defense workshop for women employees, guided by an industry expert, nurturing a culture of strength, resilience, and support in the organization.

## CORPORATE COMMUNICATIONS

Your Company's Corporate Communications team collaborates with various business and service units, enabling them to communicate effectively with stakeholders across various platforms. Strong partnership with Corporate Advocacy teams on several key business topics with the Government of India and various associations continued to create strong positioning, along with enhancing brand visibility for your Company's products and solutions.

Your Company shared insights and built awareness for its solutions that helped create sustainable chemistry through strategic alliances with media houses and industry bodies. During the Financial Year 2023-24, your Company's leadership team engaged with customers, academia, and industry through various forums, like ICC Industry Outlook Conclave, ICC Sustainability Conclave, ET Auto Tech Summit, ChemTECH Speciality Chemicals World Expo, India Energy Storage Week 2023, and GCPMH 2023 (organized by FICCI and Department of Chemicals & Petrochemicals), with emphasis on sustainability and innovative solutions fostering collaboration for continued success. Further, your Company developed "Women in Manufacturing" video series for use across various communication channels, empowering women to pursue fulfilling careers in chemical and manufacturing industry and showcasing our commitment to nurturing women talent in the country.



Your Company participated in Chlor-Alkali World Expo 2024 sharing our sustainability transformation road map and safety mindset.



## AWARDS AND RECOGNITION

Your Company was recognized as “Best Responsible Care Company” by the Indian Chemical Council in 2023, highlighting its exemplary commitment and benchmark practices in the area of Responsible Care within the chemical industry. Additionally, your Company won the “Best Supplier Award” for strategic partnership support from a key automotive customer, Gabriel India Limited, showcasing its customer-centric approach and the successful collaboration. Your Company’s focused initiatives to enhance gender diversity and foster inclusion led to continued recognition from AVTAR & Seramount BCWI - 100 Best Companies for Women in India list for 2023 for the sixth year in a row and it was included in the 100 best hall of fame.



Your Company was recognized as “Best Responsible Care Company” by the Indian Chemical Council in 2023, highlighting our exemplary commitment and benchmark practices in the area of Responsible Care within the chemical industry.



Your Company’s focused initiatives to enhance gender diversity and foster inclusion led to continued recognition from AVTAR & Seramount BCWI - 100 Best Companies for Women in India list for 2023 for the sixth year in a row and it was included in the 100 Best Hall of Fame.

On behalf of the Board of Directors  
For BASF India Limited

PRADIP P. SHAH  
(Chairman)  
(DIN: 00066242)

ALEXANDER GERDING  
(Managing Director)  
(DIN: 09797186)

Mumbai

Dated: May 14, 2024



EHS remains top priority of your Company commemorating the Global Safety Week in August 2023 with a continued emphasis to foster safety culture and mindset, by focusing on awareness activities and trainings

## Report on Corporate Governance

The Company has complied with the requirements of Corporate Governance as stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as amended.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of the business and in meeting its obligations to its stakeholders. A strong emphasis on transparency, accountability and integrity, guides its philosophy.

The commitment to good Corporate Governance is embodied in our values:

- Creative
- Open
- Responsible
- Entrepreneurial

The value "Responsible" indicates that the Company acts responsibly as an integral part of society by adhering to high compliance and environmental standards.

The Company through its purpose "We create chemistry for a sustainable future" has made sustainability the mainstay of its existence and has integrated the same into all its business processes and Corporate Social Responsibility activities.

The BASF Code of Conduct, which sets forth the Company's policies on important issues, aims to develop a genuine culture where employees act as role models in promoting business ethics and legal compliance.

### 2. BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms with respect to the constitution of the Board of Directors. The Company has a diversified Board which represents an optimum mix of professionalism, knowledge, gender and experience.

**A. Composition and category of the Board of Directors are as follows:**

**(i) EXECUTIVE & ALTERNATE DIRECTORS\***

Name	Date of Initial Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Companies**	No. of Memberships / Chairmanships in Committees of other Companies
Mr. Alexander Gerding	January 1, 2023	Managing Director	7	7	NIL	NIL
Mr. Narendranath J. Baliga <sup>^</sup> (Alternate Director to Dr. Carola Richter until January 31, 2024 and thereafter Alternate Director to Mr. Marcelo Rocha Lu, effective February 12, 2024)	January 1, 2015	Chief Financial Officer	7	7 <sup>^</sup>	NIL	NIL
Mr. Anil Choudhary	January 1, 2023	Manufacturing Head & Whole-time Director	7	7	NIL	NIL

\* Executive Directors & Alternate Director do not hold any Directorships in other Listed & Public Companies.

\*\* Excludes Directorships / Memberships in Private Limited Companies, Unlisted Public Companies, Foreign Companies, Section 8 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers / Bodies.

<sup>^</sup> As Dr. Carola Richter and Mr. Marcelo Rocha Lu attended the Board Meetings, respectively, during the financial year 2023-2024 through video conferencing / audio-visual means, Mr. Narendranath J. Baliga attended the Board Meetings in his capacity as Chief Financial Officer. By virtue of being in whole-time employment of the Company and an Alternate Director, Mr. Narendranath J. Baliga is also deemed to be Whole-time Director of the Company.

**(ii) NON-EXECUTIVE DIRECTORS**

Name	Date of Initial Appointment	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Companies*	No. of Memberships / Chairmanships in Committees**
Dr. Ramkumar Dhruva	August 10, 2018	7	5	NIL	NIL
Dr. Carola Richter (until January 31, 2024)	August 6, 2021	7	4	NIL	NIL
Mr. Marcelo Rocha Lu (effective February 12, 2024)	February 12, 2024	7	2	NIL	NIL
Mr. Pradip P. Shah, Non-Executive and Non-Independent Chairman (effective April 1, 2024)	January 31, 2000	7	7	6	Membership – 4 Chairmanship – 4

\* Excludes Directorships in Private Limited Companies, Unlisted Public Companies, Foreign Companies, Section 8 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers / Bodies.

\*\* Includes only Chairmanships / Memberships in Audit Committees and Stakeholder Relationship Committees of Public Companies.

(iii) **INDEPENDENT DIRECTORS**

Name	Date of Initial Appointment	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	No. of Memberships in Boards of other Listed Companies*	No. of Memberships / Chairmanships in Committees of other Companies**
Mr. Pradip P. Shah, Independent Chairman (ceased as Independent Director on March 31, 2024)	January 31, 2000	7	7	6	Membership – 4 Chairmanship – 4
Mrs. Shyamala Gopinath	January 23, 2019	7	7	4	Membership – 1 Chairmanship – 4
Mr. R. A. Shah (ceased as Independent Director on March 31, 2024)	April 24, 1968	7	7	Nil	Membership – Nil Chairmanship – Nil
Mr. Arun Bewoor (ceased as Independent Director on March 31, 2024)	January 19, 2010	7	7	1	Membership – 4 Chairmanship – Nil
Mr. Bahram Vakil	April 1, 2024	7	Nil <sup>^</sup>	1	Membership – 2 Chairmanship – Nil
Ms. Sonia Singh	April 1, 2024	7	Nil <sup>^^</sup>	2	Membership – 1 Chairmanship – 1

\* Excludes Directorships in Private Limited Companies, Unlisted Public Companies, Foreign Companies, Section 8 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers / Bodies.

\*\* Includes only Chairmanship / Membership in Audit Committee and Stakeholders' Relationship Committee of Public Companies.

<sup>^</sup> Mr. Bahram Vakil (DIN: 00283980) was appointed as an Additional Independent Director of the Company for a term of 5 consecutive years from April 1, 2024 till March 31, 2029, pursuant to the approval of the Shareholders of the Company on May 7, 2024. He attended the Board Meeting held on March 27, 2024 as an Invitee.

<sup>^^</sup> Ms. Sonia Singh (DIN: 07108778) was appointed as an Additional Independent Director of the Company for a term of 5 consecutive years from April 1, 2024 till March 31, 2029, pursuant to the approval of the Shareholders of the Company on May 7, 2024. She attended the Board Meeting held on March 27, 2024 as an Invitee.

**Directorships of Independent Directors in other Listed Companies:**

- a. Mr. Pradip P. Shah (Independent Director until March 31, 2024) is on the Board of the following other Listed Companies:

Sr. No.	Name of the Company	Category of Directorship
1	Sonata Software Limited	Independent Director
2	Bajaj Auto Limited	Independent Director
3	Kansai Nerolac Paints Limited	Independent Director
4	KSB Limited (Formerly known as KSB Pumps Limited)	Independent Director
5	Pfizer Limited	Independent Director
6	Bajaj Holdings & Investment Limited	Independent Director

- b. Mrs. Shyamala Gopinath is on the Board of the following other Listed Companies:

Sr. No.	Name of the Company	Category of Directorship
1	CRISIL Limited	Independent Director
2	Tata Elxsi Limited	Independent Director
3	CMS Info Systems Limited	Non-Executive Non-Independent Director
4	Colgate-Palmolive (India) Limited	Independent Director

- c. Mr. Arun Bewoor (Independent Director until March 31, 2024) is on the Board of the following other Listed Company:

Sr. No.	Name of the Company	Category of Directorship
1	Agro Tech Foods Limited	Independent Director

- d. Mr. Bahram Vakil (Independent Director effective April 1, 2024) is on the Board of the following other Listed Companies:

Sr. No.	Name of the Company	Category of Directorship
1	Voltas Limited	Independent Director

- e. Ms. Sonia Singh (Independent Director effective April 1, 2024) is on the Board of the following other Listed Companies:

Sr. No.	Name of the Company	Category of Directorship
1	Kansai Nerolac Paints Limited	Independent Director
2	Bharat Forge Limited	Independent Director

As per the declarations / disclosures received from the present Independent Directors i.e., Mrs. Shyamala Gopinath, Mr. Bahram Vakil, and Ms. Sonia Singh, they do not serve as Independent Directors on the Boards of more than 7 Listed Companies. They are also not acting as Whole-time Directors on the Board of any Listed Company.

The Company has received declarations from all the Independent Directors of the Company i.e., Mrs. Shyamala Gopinath (DIN: 02362921), Mr. Bahram Vakil (DIN: 00283980) and Ms. Sonia Singh (DIN: 07108778) confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations as amended.

Mr. Pradip P. Shah, Mr. R. A. Shah and Mr. Arun Bewoor ceased to be Independent Directors of the Company with effect from the close of business hours on March 31, 2024 on completion of their 2 (two) terms of 5 consecutive years as Independent Directors of the Company.

Further, Mr. Pradip P. Shah (DIN: 00066242) was appointed as Non-Executive Non-Independent Additional Director of the Company, effective April 1, 2024 and he is liable to retire by rotation.

The Members of the Company, have by way of Postal Ballot on May 7, 2024, approved the appointment of Mr. Pradip P. Shah as Non-Executive Non-Independent Director of the Company and Mr. Bahram Vakil and Ms. Sonia Singh as Independent Directors of the Company, effective April 1, 2024.

The Independent Directors of the Company have furnished 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 Regulations, as amended. In the opinion of the Board of Directors, the Independent Directors of the Company fulfil the conditions specified in the Companies Act, 2013 & Rules framed thereunder, and the SEBI Listing Regulations as amended, and they are independent of management.

The terms and conditions of appointment of Independent Directors are available on the Company's website viz.; [www.basf.com/in](http://www.basf.com/in) at <https://bit.ly/basftermsandconditionsofIDs>

The Company also has a familiarization programme for its Independent Directors, which is available at:

<https://bit.ly/basfindependentdirectorfamiliarisationpolicy> and <https://bit.ly/Familiarizationprogramme2023-24>

**Number of Board Meetings held during the financial year along with the dates of the meetings:**

7 (Seven) Board Meetings were held during the financial year 2023-2024 on the following dates:

- |                      |                      |                       |
|----------------------|----------------------|-----------------------|
| (1) May 10, 2023     | (2) July 24, 2023    | (3) August 4, 2023    |
| (4) November 9, 2023 | (5) January 22, 2024 | (6) February 12, 2024 |
| (7) March 27, 2024   |                      |                       |

The Board / Committee meetings are generally pre-scheduled, and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedule and ensure meaningful participation in the meetings. However, in case of urgent business expediency, the Board's approval are taken by passing resolutions by circulation, as provided under the Companies Act, 2013, which is noted and confirmed in the next Board Meeting. The notice and the agenda of Board Meetings along with the relevant documents and explanatory notes wherever required, are provided well in advance to all the Directors to enable them to discharge their responsibilities effectively and take informed decisions.

**B. Pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.**

Independent Directors of the Company do not have any material pecuniary relationship with the Company other than the sitting fees & commission paid / payable to them. Details of sitting fees and commission paid / payable are given at table no. 4(b) on Page 83 of this Report.

M/s. Crawford Bayley & Co., Solicitors & Advocates and M/s. AZB & Partners, in which Mr. R. A. Shah and Mr. Bahram Vakil are Senior Partner / Founder Partner, respectively render professional services to the Company.



Mr. R. A. Shah and Mr. Bahram Vakil have confirmed that the transactions between the Company and M/s. Crawford Bayley & Co. and M/s. AZB & Partners, respectively during F.Y. 2023-24, do not exceed 10% of the gross receipts of M/s. Crawford Bayley & Co. and M/s. AZB & Partners, respectively.

Independent Directors do not hold any shares or convertible instruments in the Company except Mr. R. A. Shah who held 80 equity shares of the Company jointly with Ms. Shefali Shah.

Dr. Ramkumar Dhruva, Dr. Carola Richter (until January 31, 2024) and Mr. Marcelo Rocha Lu (effective February 12, 2024), Non-Executive Directors were not paid any remuneration or commission by the Company during the financial year 2023-2024. They do not hold any equity shares or convertible instruments of the Company.

**C. Relationships between Directors Inter-se.**

None of the Directors of the Company are in any way related to each other.

**D. Skills / Expertise and Competence of the Board of Directors of the Company along with the names of the Directors who have such skills / expertise and competence.**

The Board of Directors of the Company have the following skills / expertise and competencies in the context of the businesses in which it operates:

Skills / Expertise / Competence	Name of the Director
Knowledge of the Chemical sector and the related value chains.	1) Dr. Ramkumar Dhruva 2) Dr. Carola Richter (until January 31, 2024) 3) Mr. Marcelo Rocha Lu (effective February 12, 2024) 4) Mr. Alexander Gerding
Knowledge of finance, accounting, financial reporting.	1) Mr. Pradip P. Shah 2) Mrs. Shyamala Gopinath 3) Mr. Bahram Vakil (effective April 1, 2024) 4) Mr. Narendranath J. Baliga
Specialist knowledge and experience in law, corporate governance & compliance.	1) Mr. Pradip P. Shah 2) Mrs. Shyamala Gopinath 3) Mr. R. A. Shah (until March 31, 2024) 4) Mr. Bahram Vakil (effective April 1, 2024)
Knowledge and experience in Marketing.	1) Mr. Arun Bewoor (until March 31, 2024) 2) Ms. Sonia Singh (effective April 1, 2024)
Expertise in technical management i.e. Manufacturing Sites.	1) Mr. Anil Choudhary

**3. AUDIT COMMITTEE**

The Board of Directors of the Company constituted an Audit Committee on March 1, 2001. The Chairperson of the Audit Committee, Mrs. Shyamala Gopinath is an Independent Director. During the financial year 2023-2024, 5 Audit Committee Meetings were held on May 10, 2023, July 24, 2023, November 9, 2023, February 12, 2024 and March 27, 2024, respectively.

The composition of the Audit Committee and the profile of the Audit Committee members is provided hereunder:

Name	Date of appointment	No. of Meetings during F.Y. 2023-2024	
		Held	Attended
Mrs. Shyamala Gopinath, Chairperson	April 1, 2019	5	5
Mr. R. A. Shah (until March 31, 2024)	March 1, 2001	5	5
Mr. Pradip P. Shah	March 1, 2001	5	5
Mr. Arun Bewoor (until March 31, 2024)	January 19, 2010	5	5
Mr. Bahram Vakil	April 1, 2024	5	-
Ms. Sonia Singh	April 1, 2024	5	-

Mrs. Shyamala Gopinath, ex-Deputy Governor of the Reserve Bank of India (RBI) for seven years and member of the RBI's Board of Directors, has guided and influenced national policies in diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. She was also an Independent part-time Non-Executive Chairperson of HDFC Bank Limited. Presently, she is the Chairperson of CMS Info Systems Ltd and also an Independent Director on the Board of several listed companies.

Mr. R. A. Shah is a Solicitor and a Senior Partner of M/s. Crawford Bayley & Co., a reputed firm of Advocates & Solicitors in Mumbai. He has specialized in a broad spectrum of Corporate Laws with special focus on Foreign Investments, Joint Ventures, Technology and License Agreements, Intellectual Property Rights, Mergers & Acquisitions, Industrial Licensing, Anti-Trust and Competition Law.

Mr. Pradip P. Shah is a Chartered Accountant, Management Accountant and holds MBA degree from Harvard University. He is also a Cost Accountant. He has served on several expert committees of Central and State 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 Chamber of Commerce.

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. Bahram Vakil holds Master of Law (LLM) from Columbia University, New York, USA and is also the Member of New York State Bar. He is one of the founding partners of AZB & Partners, Indian law firm. Mr. Bahram Vakil specializes in the areas of Restructuring & Insolvency, Banking & Finance, Corporate / Mergers & Acquisitions, Energy, Infrastructure and Microfinance and has also been on several government constituted committees.

Ms. Sonia Singh earned her Post Graduate Diploma in Business Management from Faculty of Management Studies, Delhi, India and holds a Bachelor of Arts degree (Economics). She has rich experience of over 33 years in sales and marketing, from creating new categories, channels, brands to new functions & capabilities. She has worked in Lakme Ltd and Hindustan Unilever Limited and also has overseas experience with companies like Nokia, Pepsu, Friesland Foods, Heineken as a brand consultant and marketing trainer.

All the members of the Audit Committee are professionals and financially literate within the meaning of Regulation 18 of the SEBI Listing Regulations, as amended.

Mr. Narendranath J. Baliga, Chief Financial Officer of the Company was present at all the meetings of the Audit Committee as a Permanent Invitee.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary was present at all the meetings of the Audit Committee held during the financial year 2023-24 as a Secretary of the Audit Committee.

The constitution of the Audit Committee meets with the requirements of Regulation 18 and Schedule II Part C of the SEBI Listing Regulations, as amended and Section 177 of the Companies Act, 2013.

The minutes of the meetings of the Audit Committee are noted at the subsequent Board Meetings. The Chairperson of the Audit Committee, Mrs. Shyamala Gopinath was present at the 79<sup>th</sup> Annual General Meeting of the Company held on August 4, 2023.

Statutory Auditors, Internal Auditors and Cost Auditors are invited to the committee meetings, as required.

The key terms of reference of the Audit Committee (stipulated by the Board) are as under:

- a. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors and Cost Auditors, fixation of the audit fees and approving payments for any other services.
- c. Review with the Management, the annual and quarterly financial statements / results and Auditor's report thereon before submission to the Board, focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in the accounting policies, practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by the Management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing & other legal requirements concerning financial statements.
  - Disclosure of any related party transactions.
  - Modified opinion(s) in the draft audit report.
- d. Review with the Management, the performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review and monitor Auditors' independence, performance and effectiveness of audit process.
- f. Approval or any subsequent modification of transactions of the Company with related parties.
- g. Scrutiny of inter-corporate loans and investments.

- h. Valuation of undertakings or assets of the Company.
- i. Evaluation of internal financial controls and risk management systems.
- j. Review the adequacy of the internal audit function, including if applicable, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- k. Discussions with the Internal Auditors of any significant findings and follow-up thereon.
- l. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- m. Discussions with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- n. Look into the reasons for substantial defaults in payments to Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividend) and creditors.
- o. Review the Company's financial and risk management policies.
- p. Review the functioning of the Whistle Blower mechanism.
- q. Appointment of Chief Financial Officer and terms of appointment.
- r. Monitoring the end use of the funds raised through public offers, if any and other related matters.
- s. Reviewing the annual cost audit report submitted by the Cost Auditors.
- t. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rs. 1000 million or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on the date of coming into force of this provision.
- u. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Listed entity and its Shareholders.
- v. Reviewing the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Management letters / letters on internal control weaknesses issued by the Statutory Auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The Audit Committee is vested with the necessary powers, as defined in its charter, to achieve its objectives.

#### 4. **NOMINATION & REMUNERATION COMMITTEE**

The Board of Directors of the Company constituted a Nomination & Remuneration Committee on July 29, 2013. Mrs. Shyamala Gopinath was appointed as the Chairperson of the Nomination and Remuneration Committee effective April 1, 2024 in place of Mr. R. A Shah, who ceased to be Director of the Company effective March 31, 2024.

During the financial year 2023-2024, 3 (Three) meetings of the Nomination & Remuneration Committee were held i.e., May 10, 2023, February 12, 2024, and March 27, 2024.

The Minutes of the meeting of the Nomination and Remuneration Committee were noted at the subsequent Board Meeting. The Chairman of the Nomination and Remuneration Committee i.e. Mr. R. A. Shah (until March 31, 2024) was present at the 79<sup>th</sup> Annual General Meeting of the Company held on August 4, 2023.

The present composition of the Nomination & Remuneration Committee is as follows:

Name	Date of appointment	No. of Meetings during F.Y. 2023-2024	
		Held	Attended
Mr. R. A. Shah, Chairman** (until March 31, 2024)	July 29, 2013	3	3
Mrs. Shyamala Gopinath, Chairperson (effective April 1, 2024)	April 1, 2019	3	3
Mr. Pradip P. Shah, Member	July 29, 2013	3	3
Ms. Sonia Singh, Member***	April 1, 2024	3	-

\*\* Mr. R. A. Shah (DIN: 00009851) ceased to be Independent Director of the Company effective March 31, 2024 and accordingly ceased to be the Chairman of the Nomination and Remuneration Committee. Mrs. Shyamala Gopinath has been appointed as Chairperson of the Nomination and Remuneration Committee, in place of Mr. R. A. Shah, effective April 1, 2024.

\*\*\* Ms. Sonia Singh (DIN: 07108778) was appointed as an Additional Independent Director of the Company at the Board Meeting held on March 27, 2024, for a term of 5 consecutive years from April 1, 2024 till March 31, 2029, which has been duly approved by Shareholders of the Company on May 7, 2024. Accordingly, she was appointed as a Member of the Nomination and Remuneration Committee of the Company. She attended the Meeting of the Nomination and Remuneration Committee held on March 27, 2024 as an Invitee.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary was present at all the meetings of the Nomination & Remuneration Committee held during the financial year 2023-2024 as a Secretary of the Nomination & Remuneration Committee.

The key terms of reference of the Nomination & Remuneration Committee (stipulated by the Board) are as under:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
- Formulate criteria for evaluation of the performance of Independent Directors and the Board.
- Devise a policy on Board diversity.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors.
- Recommend to the Board, the remuneration payable to Senior Management.

- **Performance Evaluation Criteria for Independent Directors**

The Nomination & Remuneration Committee has formulated the criteria for evaluation of Independent Directors and the performance of the Independent Directors was evaluated during the year based on the said criteria.

- **Performance Evaluation of the Board**

The Board carries out the evaluation of the performance of Directors and Committees of the Board.

The purpose of the evaluation is to assess the performance of the Directors in discharging their responsibilities and to evaluate how effectively the Board, the Directors and the Committees were fulfilling their role and duties.

An annual evaluation of the Board is conducted to assess the performance of the Board as a whole and that of individual Board Members. Performance is assessed based on clearly defined objective criteria, which are in line with the Company's policy. Performance is measured against commitments and best-in-class benchmarks. Plans for the orderly succession of the Senior Management are also in place.

As required under Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on March 27, 2024 to evaluate the performance of the Chairman, Non-Independent Directors and the Board, Committees as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

- **Remuneration of Independent Directors**

The remuneration to be paid to the Independent Directors is decided by the Board based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Shareholders of the Company. The remuneration cannot exceed 1% of the net profit of the Company for each financial year calculated as per the provisions of the Companies Act, 2013. In addition to the sitting fees, as approved by the Board, for attending the meetings of the Board and / or Committee thereof, commission is also payable to the Independent Directors for the financial year 2023-2024. Reference may be made to table (b) on Page 83 for details of sitting fees and commission paid / payable to Independent Directors for the financial year ended March 31, 2024.

- **Directors & Officers Insurance (D&O Insurance)**

In line with the requirements of Regulation 25 (10) of the SEBI Listing Regulations, the Company has taken D&O Insurance for all its Directors & Senior Management for such quantum and risk as determined by the Company.

- **Criteria for payment of sitting fees & commission to Independent Directors**

The criteria for payment of sitting fees & commission to Independent Directors is based on:

- Company's operations.
- Number of Board & Committee Meetings attended during the financial year.
- Time devoted towards the affairs of the Company.
- Performance of the Company during the financial year.

- **Policy on Remuneration to the Managing Director, Whole-time Director and Key Managerial Personnel (KMP)**

Remuneration to the Managing Director and Whole-time Directors shall be in accordance with the provisions of the Companies Act, 2013. Increments to the existing remuneration / compensation structure shall be recommended by the Nomination & Remuneration Committee to the Board, which shall be within the overall maximum limits of managerial remuneration approved by the Shareholders for the Managing Director and Whole-time Directors of the Company. The overall managerial remuneration in respect of any financial year shall be in accordance with the limits laid down under Section 197 and Schedule V of the Companies Act, 2013.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall make payment of remuneration within the maximum limits as minimum remuneration to the Managing Director and Whole-time Directors of the Company based on the approval of the Nomination & Remuneration Committee, Board and subject to the approval of the Shareholders and such other approvals, as may be required, in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013.

During the financial year 2023-2024, the payment of remuneration to the Managing Director and Whole-Time Directors was in accordance with the relevant provisions laid down under the Companies Act, 2013.

The Company does not have an Employee Stock Options Scheme for its Directors and employees.

**Details of remuneration payable to all the Directors for the financial year 2023-2024 are as under:**

(a) MANAGING / WHOLE-TIME / ALTERNATE DIRECTORS

(Amount in Rupees per annum)

Remuneration	Mr. Alexander Gerding <sup>^</sup>	Mr. Narendranath J. Baliga <sup>* ^</sup>	Mr. Anil Choudhary
Salary & Perquisites and Allowances <sup>@</sup>	8,70,87,027	2,29,06,345	2,01,99,114
Performance Linked Incentive (Short Term Incentive) <sup>#</sup>	47,71,530	26,06,247	26,27,223
<b>Total</b>	<b>9,18,58,557</b>	<b>2,55,12,592</b>	<b>2,28,26,337</b>

<sup>@</sup> Salary & Perquisites and Allowances includes Salary, Benefits, Perquisites & Allowances, Provident Fund and Superannuation but excluding provision for contribution to Gratuity Fund, Group Insurance, long service awards and any benefits under Performance Share Plan ('Long Term Incentive') of BASF SE, Parent Company.

<sup>#</sup> Performance Linked Incentive (Short Term Incentive) is based on Company's financial performance, BASF Group's Return on Capital Employed and individual achievements against pre-agreed targets. The aggregate remuneration paid / payable to the above mentioned Directors for the financial year 2023-24 includes Performance Linked Incentive (Short Term Incentive) proportionately apportioned for 9 months (April 2023 – December 2023) & the provisions created in the books of accounts proportionately for 3 months (January 2024 – March 2024) based on the Target Short Term Incentive for the calendar year 2023.

<sup>\*</sup> Mr. Narendranath J. Baliga had been appointed as Chief Financial Officer & Alternate Director. Being in the whole-time employment of the Company, he is deemed to be Whole-time Director of the Company.

<sup>^</sup> The Ultimate Holding Company ('BASF SE') offers Performance Share Plan ('Long Term Incentive') for Senior Executives of BASF Group. Mr. Alexander Gerding and Mr. Narendranath J. Baliga are participating in this program. The long-term incentive of Rs. 13,22,533 and Rs. 19,44,408 has been accrued by the Company for F.Y. 2023-24 for Mr. Alexander Gerding and Mr. Narendranath J. Baliga, respectively. This amount does not form part of the aforesaid remuneration and there is no cash outflow by the Company for the financial year 2023-2024.

(b) INDEPENDENT DIRECTORS

The Board of Directors of the Company had approved the payment of sitting fees to the Independent Non-Executive Directors for attending the Board and / or other Committee meetings. In addition to sitting fees, commission is also due and payable to the Independent Directors of the Company for the financial year ended March 31, 2024.



The details of the sitting fees paid and commission due and payable to them during the financial year ended March 31, 2024 are as follows:

(Amount in Rupees)

Particulars	Mr. R. A. Shah	Mr. Pradip P. Shah	Mr. Arun Bewoor	Mrs. Shyamala Gopinath
Sitting Fees	15,75,000	15,75,000	15,50,000	16,50,000
Commission*	12,50,000	15,00,000	12,50,000	12,50,000
<b>Total</b>	<b>28,25,000</b>	<b>30,75,000</b>	<b>28,00,000</b>	<b>29,00,000</b>

\* approved by the Board of Directors of the Company at its meeting held on May 14, 2024. The commission will be paid after the Audited Financial Statements for F.Y. 2023-24 are approved by the Shareholders of the Company on August 7, 2024.

(c) No remuneration was paid to the Non-Executive Foreign Directors during the financial year 2023-2024.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company constituted a Shareholders' / Investors' Grievance Committee on March 1, 2001. The said Committee was renamed as Stakeholders' Relationship Committee on July 31, 2014.

Ms. Sonia Singh was appointed as the Chairperson of the Stakeholders' Relationship Committee, effective April 1, 2024 in place of Mr. Arun Bewoor who ceased to be Director of the Company effective March 31, 2024.

During the financial year 2023-24, 1 (One) meeting of the Stakeholders' Relationship Committee was held on November 9, 2023. The Minutes of the meeting of the Stakeholders' Relationship Committee was noted at the Board Meeting. The earlier Chairman of the Stakeholders' Relationship Committee, Mr. Arun Bewoor was present at the 79<sup>th</sup> Annual General Meeting held on August 4, 2023.

The composition of the Stakeholders' Relationship Committee is as follows:

Name	Date of appointment	No. of Meetings during F.Y. 2023-2024	
		Held	Attended
Mr. Arun Bewoor, Chairman (until March 31, 2024)	January 19, 2010	1	1
Ms. Sonia Singh, Chairperson*	April 1, 2024	1	-
Mrs. Shyamala Gopinath	April 1, 2019	1	1
Mr. Alexander Gerding	January 1, 2023	1	1
Mr. Anil Choudhary	January 1, 2023	1	1

\* Ms. Sonia Singh (DIN: 07108778) was appointed as an Additional Independent Director of the Company at the Board Meeting held on March 27, 2024, for a term of 5 consecutive years from April 1, 2024 till March 31, 2029, which was duly approved by the Shareholders of the Company on May 7, 2024. She has been appointed as the Chairperson of the Stakeholders Relationship Committee of the Company, effective April 1, 2024.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary attended the Stakeholders' Relationship Committee Meeting held on November 9, 2023 as a Secretary of the Stakeholders Relationship Committee.

The terms of reference of the Stakeholders' Relationship Committee cover the matters specified in Part D of Schedule II of the SEBI Listing Regulations, as amended. The Committee looks into redressal of shareholders and investors complaints / grievances. The Committee also looks into complaints concerning transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. The Committee also reviews measures taken for the effective exercise of voting rights by shareholders. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants and annual reports by the shareholders of the Company.

All matters related to shares vis-à-vis transfers, deletions, transmissions, dematerialization and rematerialization of shares, etc. have been duly attended to by the Company within the prescribed timelines during the financial year 2023-24.

Name, designation and address of the Compliance Officer, is as follows:

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

BASF India Limited

The Capital, 'A' Wing, 1204-C,

12<sup>th</sup> Floor, Plot No. C-70, 'G' Block, Bandra-Kurla Complex,

Bandra (East), Mumbai-400051.

Tel: +91 22 62785600 / 67243700 / 67243800

E-mail ID: [investor-grievance-india@basf.com](mailto:investor-grievance-india@basf.com) / [manohar.kamath@basf.com](mailto:manohar.kamath@basf.com); Website: [www.basf.com/in](http://www.basf.com/in)

A summary of the complaints received, cleared / pending during the financial year under review are given below:

Particulars	Number of Complaints			
	As on April 1, 2023	Received during the financial year	Cleared / attended during the financial year	Pending as on March 31, 2024
Non-receipt of dividend warrants	Nil	Nil	Nil	Nil
Non-receipt of share certificates after transfer, deletion of name, transmission, consolidation of folios & share certificates, correction of name etc.	Nil	Nil	Nil	Nil
SEBI Complaints Redressal System (SCORES) and Stock Exchanges (BSE / NSE)	Nil	8	8	Nil
<b>Total</b>	<b>Nil</b>	<b>8</b>	<b>8</b>	<b>Nil</b>

There were no investor grievances which remained unattended / pending for resolution for more than 30 days. Requests for share transfers and dematerialization received during the financial year have been processed within the time limit prescribed under the SEBI Listing Regulations.

## 6. RISK MANAGEMENT COMMITTEE

Securities and Exchange Board of India (SEBI) vide its notification dated September 7, 2021 had amended the SEBI Listing Regulations to require the top 1000 listed entities based on market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee comprising of majority of the Members of the Board of Directors of the Company with effect from September 7, 2021.

In view of the above and being one of such top 500 listed entities, the Board of Directors of the Company at their Board Meeting held on March 28, 2019 constituted the Risk Management Committee of the Company with effect from April 1, 2019.

Mr. Bahram Vakil was appointed as a Member of the Risk Management Committee at the Board meeting held on March 27, 2024, effective April 1, 2024 in place of Mr. Arun Bewoor, who ceased to be Director of the Company effective March 31, 2024.

During the financial year 2023-24, 2 (Two) meetings of the Risk Management Committee were held on July 24, 2023 and January 16, 2024. The Minutes of the meeting of the Risk Management Committee were noted at the Board Meeting. The Chairman of the Risk Management Committee i.e., Mr. Alexander Gerding was present at the 79<sup>th</sup> Annual General Meeting held on August 4, 2023.

The present composition of the Risk Management Committee is as under:

Name	Date of appointment	No. of Meetings during F.Y. 2023-2024	
		Held	Attended
Mr. Alexander Gerding, Chairman	January 1, 2023	2	2
Mr. Pradip P. Shah, Member	April 1, 2019	2	2
Mrs. Shyamala Gopinath, Member	April 1, 2019	2	2
Mr. Arun Bewoor, Member (until March 31, 2024)	April 1, 2019	2	2
Mr. Bahram Vakil, Member*	April 1, 2024	2	-
Mr. Narendranath J. Baliga, Chief Financial Officer	April 1, 2019	2	2

\* Mr. Bahram Vakil (DIN: 00283980) was appointed as an Additional Independent Director of the Company at the Board Meeting held on March 27, 2024, for a term of 5 consecutive years from April 1, 2024 till March 31, 2029, duly approved by the Shareholders of the Company on May 7, 2024. He has been appointed as a Member of the Risk Management Committee of the Company.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary was present at all the meetings of the Nomination & Remuneration Committee held during the financial year 2023-2024 as a Secretary of the Risk Management Committee.

The terms of reference of the Risk Management Committee are as follows:

- Monitor and review Risk Management Plan as approved by the Board.
- Review and recommend Risk Assessment Report and Risk Management Report for approval of the Board.
- Ensure that appropriate system of risk management is in place.
- Oversee recent developments in the Company and periodic updating of Company's Enterprise Risk Management Program for assessing, monitoring and mitigating the risks.
- Annually review the adequacy of the Company's resources to perform its risk management responsibilities and achieve objectives.
- Carry out such responsibilities as may be assigned by the Board from time to time.

## CEO / CFO Certificate

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer on the financial statements and other matters of the Company as provided in Regulation 17(8) and Part B of Schedule II of the SEBI Listing Regulations for the financial year ended March 31, 2024 was placed before the Board at its meeting held on May 14, 2024 and the same is also annexed to this Report.

## 7. ANNUAL GENERAL MEETINGS

(a) For the years 2021, 2022 and 2023, your Company's Annual General Meeting was held through Video Conferencing / Other Audio-Visual means. The Meetings were held on the following dates:

1. August 4, 2023 at 3.00 p.m.
2. August 3, 2022 at 3.00 p.m.
3. August 6, 2021 at 3.00 p.m.

No Special Resolutions was passed at the 78<sup>th</sup> Annual General Meeting held on August 3, 2022. However, Special Resolutions were passed at the 77<sup>th</sup> and 79<sup>th</sup> Annual General Meeting of the Company held on August 6, 2021 and August 4, 2023, respectively in respect of the following matters and the resolutions were approved with the requisite majority.

77 <sup>th</sup> AGM: August 6, 2021
1. Revision in the existing limits of maximum remuneration payable to Mr. Narayan Krishnamohan (DIN: 08350849), Managing Director of the Company for a period of three years effective April 1, 2021

79 <sup>th</sup> AGM: August 4, 2023
1. Re-appointment of Mrs. Shyamala Gopinath (DIN: 02362921) as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years from January 23, 2024 to January 22, 2029.
2. Revision in the existing limits of maximum remuneration payable to Mr. Alexander Gerding (DIN: 09797186), Managing Director of the Company during the tenure of his appointment i.e., January 1, 2023 to December 31, 2027.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, as amended, the Company had extended remote e-voting facility to its Members to cast their votes electronically on all resolutions set forth in the Notice convening the 79<sup>th</sup> Annual General Meeting held on August 4, 2023. On the day of the Annual General Meeting, the Company also provided e-voting facility and the resolutions were passed with the requisite majority.

The following Special Resolutions were passed by way of Postal Ballot on May 7, 2024. Mr. Hemant Shetye, Practicing Company Secretary and Designated Partner of M/s. HSPN & Associates LLP was appointed as the Scrutinizer by the Board of Directors of the Company to conduct the said Postal Ballot(s).

### a) Special Resolutions passed on May 7, 2024:

- Appointment of Mr. Pradip P. Shah (DIN: 00066242) as Non-Executive Non-Independent Director of the Company, effective April 1, 2024.
- Appointment of Mr. Bahram Vakil (DIN: 00283980) as an Independent Director of the Company for a term of 5 (five) consecutive years, effective April 1, 2024 till March 31, 2029.
- Appointment of Ms. Sonia Singh (DIN: 07108778) as an Independent Director of the Company for a term of 5 (five) consecutive years, effective April 1, 2024 till March 31, 2029.
- Increase in the aggregate limits of Inter-Corporate Deposits placed by BASF India Ltd with BASF Group Companies in India from Rs. 7,500 million to Rs. 14,500 million.

### b) Attendance of Directors at 79<sup>th</sup> AGM during the last financial year:

All the Directors of the Company were present at the last AGM held on August 4, 2023.

## 8. DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT

Brief resume of the Director seeking re-appointment is as under:

Dr. Ramkumar Dhruva is presently 56 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 appointed as Product Manager in BASF India Limited and in 2002 was appointed as All India Sales Manager for Functional Polymers.

He was appointed as Chief Executive of erstwhile BASF Coatings (India) Private Limited in 2005. In 2008, he took over 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, Monomers Division, Asia Pacific. He was earlier the President of Regional Divisions South & East Asia, ASEAN & ANZ countries based in Hong Kong and since 2019 is the President of Monomers Business globally. Dr. Ramkumar Dhruva does not hold any shares of the Company. He does not hold any Directorship / Committee positions in any other public company in India. Dr. Ramkumar Dhruva may hold shares of BASF SE, Parent Company as part of the Performance Share Plan ('Long Term Incentives').

## 9. DISCLOSURES

- (a) During the Financial Year 2023-2024, BASF India Coatings Private Limited, a 100% Wholly Owned Subsidiary (WOS) of the Company was incorporated on December 11, 2023 wherein the Coatings business of the Company would be transferred by way of a slump sale on going concern basis. The transfer of business will be subject to necessary adjustments, as may be required, to the consideration on the closing date, by the end of the calendar year 2024. There was no business in the WOS as of March 31, 2024.
- The Company does not have any material subsidiary as of March 31, 2024.
- The Company's policy on material subsidiary is available on Company's website [www.basf.com/in](http://www.basf.com/in) under the Investor Relations Section and can be accessed at <https://bit.ly/BILMSPolicy>
- (b) The Company has formulated a policy for dealing with Related Party Transactions, which has been duly approved by the Board. The Policy is available on the website of the Company [www.basf.com/in](http://www.basf.com/in) in the 'Investor Relations' section. All the transactions of the Company with its related parties were on arms' length basis and in the ordinary course of business. All the related party transactions have been approved by the Audit Committee and the Board of the Company. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board for its approval at every Board Meeting. Transactions with Related Parties as per requirements of IND-AS are disclosed in Note No. 50 to the Standalone Financial Statements in the Annual Report and they are not in conflict with the interest of the Company.
- (c) The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital markets during the last three years. No strictures or penalties have been imposed on the Company either by SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets.
- (d) The Company has formulated a Whistle Blower Policy which provides adequate safeguards against victimization of Employee(s) / Director(s) / 3<sup>rd</sup> parties who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee in exceptional cases as detailed in the Policy. The details of the Whistle Blower Policy are available on the website of the Company [www.basf.com/in](http://www.basf.com/in) in the 'Investor Relations' section. No person has been denied access to the Chairman of the Audit Committee.
- (e) The Company has complied with the mandatory requirements of Corporate Governance as stipulated under Schedule V of the SEBI Listing Regulations.
- (f) Risk Management: The Company has a mechanism in place to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.
- (g) The Company manages its foreign exchange risks by hedging its net exposure with the use of appropriate hedging instruments (e.g. forward contracts). The derivatives are used only for hedging purposes and speculation is strictly prohibited.
- (h) Credit Rating: CRISIL Ltd has reaffirmed credit rating of 'CRISIL AAA' and assigned a 'Stable' outlook for long term debt programme. The ratings on the Fixed Deposits and Commercial Paper have been reaffirmed at 'FAAA / Stable' and 'CRISIL A1+', respectively.
- (i) The Management Discussion & Analysis Report forms part of this Annual Report.
- (j) The Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and the mandatory requirements under Schedule II and Regulation 46 of the SEBI Listing Regulations as amended.
- (k) The Corporate Governance Report of the Company for the financial year ended March 31, 2024 is in compliance with the SEBI Listing Regulations. The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.
- (l) The status of adoption of the non-mandatory requirements as specified in sub-regulation (1) of Regulation 27 of the SEBI Listing Regulations is as follows:
- i. The Board: Mr. Pradip P. Shah has been appointed as a Non-Executive Non-Independent Director of the Company at the Board Meeting held on March 27, 2024, effective April 1, 2024, subject to the approval of Members of the Company. He will also continue to act as the Non-Executive Chairman of the Company.

- ii. Shareholder Rights: Half-yearly and other quarterly results are published in newspapers and also uploaded on Company's website [www.basf.com/in](http://www.basf.com/in);
- iii. Modified opinion(s) in audit report: The Company has a regime of un-qualified financial statements. Auditors have not raised any qualification on the financial statements.

With respect to audit trail functionality, the Company uses SAP as ERP which has audit trail functionality embedded and has worked effectively throughout the year. The exceptions on account of privilege user access and database wherein the audit trail isn't available, the Company has sufficient compensatory controls in form of security audit logging and review of change activities as well as access rights authorization review in place.

- iv. Separate posts of Chairperson and Managing Director:
  - Mr. Pradip P. Shah, Non-Executive Director of the Company has been the Chairman of the Company since April 1, 2019. He continues to be Non-Executive Non-Independent Chairman of the Company effective April 1, 2024.
  - Mr. Alexander Gerding has been appointed as Managing Director of the Company with effect January 1, 2023 for a term of 5 consecutive years.
- v. Reporting of Internal Auditor: M/s. Mahajan & Aibara, Chartered Accountants, Mumbai, Internal Auditors of the Company report to the Audit Committee.
- (m) Mr. Hemant Shetye, Practicing Company Secretary and Designated Partner of M/s. HSPN & Associates LLP, has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The said Certificate is annexed hereto as **Annexure-1**.
- (n) The total aggregate fees paid / payable to M/s. Price Waterhouse Chartered Accountants LLP during the financial year 2023-24 is Rs. 20.3 million.
- (o) Prevention of Sexual Harassment at the Workplace: Details are provided on page no. 11 of this Annual Report.
- (p) The Board of Directors of the Company have accepted all recommendations received from its committees. None of the recommendations have been rejected by the Board of Directors of the Company.

## 10. MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communication through dissemination of information on the web-portal of the Stock Exchanges, News Releases, Annual Reports and by placing relevant information on its website.

- The Quarterly, Half-yearly and Annual Financial Results of the Company are published in widely circulating national and local newspapers such as 'Business Standard' (in English) and 'Mumbai Lakshadeep' (in Marathi).
- The Company's Financial Results / official news releases and other important Investor related information are periodically displayed and updated on the Company's website, viz., [www.basf.com/in](http://www.basf.com/in) in the 'Investor Relations' section.
- The details of the Analysts / Fund Managers' Meetings together with the presentations on the performance of the Company, if any, along with the audio-video recording and its transcript is uploaded on the web-portals of the Stock Exchanges i.e., BSE Ltd and The National Stock Exchange of India Ltd. The same is also uploaded on the Company's website i.e., [www.basf.com/in](http://www.basf.com/in) in the Investor Relations Section.

## 11. GENERAL SHAREHOLDERS INFORMATION

- (a) The Annual General Meeting of the Company will be held on Wednesday, August 7, 2024 at 3.00 p.m. through video conferencing / other audio-visual means.
- (b) The Company's financial year begins on April 1 and ends on March 31.

Financial Calendar — (tentative)	Results for quarter ending June 30, 2024	August 7, 2024
	Annual General Meeting	August 7, 2024
	Results for quarter ending September 30, 2024	2 <sup>nd</sup> week of November, 2024
	Results for quarter ending December 31, 2024	4 <sup>th</sup> week of January, 2025
	Results for the year ending March 31, 2025	1 <sup>st</sup> / 2 <sup>nd</sup> week of May, 2025



- (c) Period of book closure: Saturday, July 27, 2024 to Friday, August 2, 2024 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend.
- (d) Dividend payment date: On or after August 12, 2024.
- (e) Listing on Stock Exchanges: The equity shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Address
BSE Ltd. (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400051

The Company has paid the annual listing fees for the financial year 2023-2024 and 2024-25 to both the Stock Exchanges.

- (f) Stock Code : 500042  
 SYMBOL : BASF  
 Demat ISIN No. (NSDL & CDSL) : INE373A01013

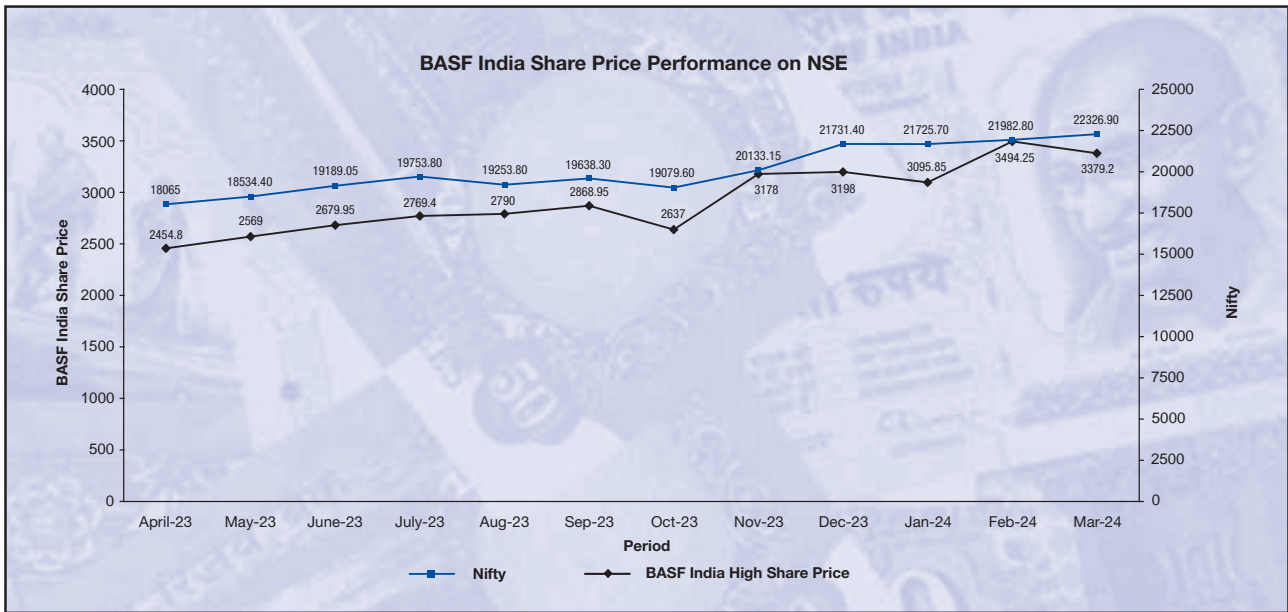
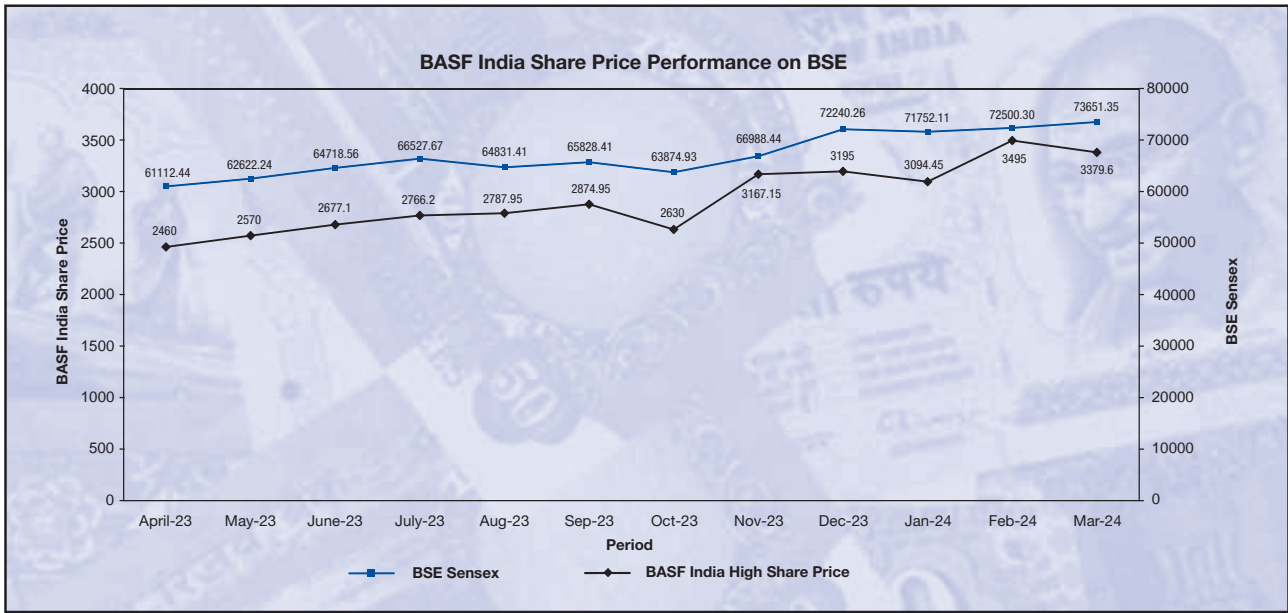
- (g) Market Price Data:

High / low market price of the Company's equity shares traded on BSE Ltd. and The National Stock Exchange of India Limited during each month in the last financial year ended on March 31, 2024 is furnished below along with a graph indicating the performance of Company's share price in comparison with BSE SENSEX and NIFTY:

SHARE PRICES (HIGH / LOW) OF BASF INDIA LIMITED FOR THE PERIOD APRIL 2023 TO MARCH 2024

(Share prices in Rs.)

BSE			NSE		
MONTH	HIGH (DATE)	LOW (DATE)	MONTH	HIGH (DATE)	LOW (DATE)
April	2,460.00 (13/04/2023)	2,250.00 (03/04/2023)	April	2,454.80 (13/04/2023)	2,250.00 (03/04/2023)
May	2,570.00 (30/05/2023)	2,289.60 (10/05/2023)	May	2,569.00 (30/05/2023)	2,282.30 (10/05/2023)
June	2,677.10 (21/06/2023)	2,488.40 (06/06/2023)	June	2,679.95 (21/06/2023)	2,489.90 (06/06/2023)
July	2,766.20 (31/07/2023)	2,530.70 (17/07/2023)	July	2,769.40 (31/07/2023)	2,550.00 (13/07/2023)
August	2,787.95 (01/08//2023)	2,480.00 (22/08/2023)	August	2,790.00 (01/08/2023)	2,480.00 (22/08/2023)
September	2,874.95 (11/09/2023)	2,509.00 (28/09/2023)	September	2,868.95 (08/09/2023)	2,508.05 (28/09/2023)
October	2,630.00 (18/10/2023)	2,421.35 (25/10/2023)	October	2,637.00 (17/10/2023)	2,430.00 (23/10/2023)
November	3,167.15 (21/11/2023)	2,492.00 (01/11/2023)	November	3,178.00 (21/11/2023)	2,488.10 (01/11/2023)
December	3,195.00 (28/12/2023)	2,911.00 (13/12/2023)	December	3,198.00 (28/12/2023)	2,900.10 (13/12/2023)
January	3,094.45 (01/01/2024)	2,870.00 (18/01/2024)	January	3,095.85 (01/01/2024)	2,868.00 (18/01/2024)
February	3,495.00 (12/02/2024)	3,000.00 (02/02/2024)	February	3,494.25 (12/02/2024)	2,997.80 (02/02/2024)
March	3,379.60 (04/03/2024)	3,107.05 (13/03/2024)	March	3,379.20 (04/03/2024)	3,100.05 (13/03/2024)



(h) Registrar & Share Transfer Agent: Link Intime India Private Limited

Link Intime India Private Limited  
 Unit: BASF India Limited  
 C-101, 1<sup>st</sup> Floor, 247 Park,  
 Lal Bahadur Shastri Marg,  
 Vikhroli (West), Mumbai – 400 083.  
 Tel. No.: +91 810 811 8484  
 Fax No.: +91 22 4918 6060  
 Email : [csg-unit@linkintime.co.in](mailto:csg-unit@linkintime.co.in)  
 Website: <https://linkintime.co.in/>

The details of contact person of Link Intime India Private Limited is as follows:

Name	Phone No.	Fax No.
Ms. Kshama Ghole / Ms. Mary George	+91 810 811 8484	+91 22 4918 6060

(i) Share Transfer System: Presently, share transfers which are received in physical form are processed by the Registrar & Share Transfer Agent and approved by the Company within a period of 15 days from the date of lodgment, subject to the transfer documents being found proper and complete in all respects.

(j) The distribution of the shareholding of the Company as on March 31, 2024 was as follows:

Category (No. of shares)	No. of Shareholders	Percentage	No. of shares	Percentage
1-500	47,841	96.13	2,360,096	5.45
500-1000	1,018	2.04	767,824	1.77
1001-2000	476	0.96	677,251	1.57
2001-3000	157	0.31	389,598	0.90
3001-4000	70	0.14	247,411	0.57
4001-5000	54	0.11	246,837	0.57
5001-10000	78	0.16	554,024	1.28
10001 and above	74	0.15	38,042,599	87.89
<b>Total</b>	<b>49,768</b>	<b>100.00</b>	<b>43,285,640</b>	<b>100.0</b>

(k) The shareholding pattern of the Company as on March 31, 2024 was as follows:

Category	No. of shares	% of total capital
Foreign Promoters	31,743,220	73.33
Directors and relatives of Directors	80	0.00
NRIs, FIIs and FPIs & Foreign Nationals	2,068,409	4.78
Mutual Funds & Financial Institutions	1,483,504	3.43
State Government	30	0.00
Insurance Companies	1,396,050	3.22
Nationalized, Foreign and other Banks	3,928	0.01
Domestic Corporate Bodies / Trusts / Clearing Members / LLPs / NBFCs	1,260,550	2.91
Investor Education & Protection Fund	167,536	0.39
Resident Individual Investors	5,162,333	11.93
<b>Total</b>	<b>43,285,640</b>	<b>100.00</b>

(l) Dematerialization of shares: The Company's equity shares are held in dematerialized form by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) under ISIN INE373A01013. As on March 31, 2024, 43,027,757 equity shares, representing 99.40% of the voting capital of the Company have been dematerialized.

(m) As of date, the Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

(n) Locations of Manufacturing Plants as on March 31, 2024:

<b>Dahej, Gujarat</b>	<b>Panoli, Gujarat</b>
4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat – 392130.	Village Umarwada, Survey No 432/1+2, 393001, Taluka Ankleshwar, Gujarat, India
<b>Navi Mumbai, Maharashtra</b>	
Plot No. 12, TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai – 400705, Maharashtra.	
<b>Mangalore, Karnataka</b>	
Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka – 575030.	

(o) Address for correspondence:  
 Mr. Pankaj Bahl, Senior Manager – Legal & Secretarial  
 The Capital, 'A' Wing, 1204-C,  
 12<sup>th</sup> Floor, Plot No. C-70, 'G' Block,  
 Bandra-Kurla Complex,  
 Bandra (East), Mumbai – 400051  
 Tel: +91 22-62785600 / 67243700 / 67243800  
 Email: [investor-grievance-india@basf.com](mailto:investor-grievance-india@basf.com) / [pankaj.bahl@basf.com](mailto:pankaj.bahl@basf.com)

(p) Top Ten Shareholders of the Company as on March 31, 2024:

Sr. No.	Name of the Shareholder(s)	No. of shares	% of the total capital
1.	BASF SOCIETAS EUROPAEA	22,835,320	52.75
2.	BASF SCHWEIZ AG	8,907,900	20.58
3.	TATA MUTUAL FUND - TATA SMALL CAP FUND	763,051	1.76
4.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	519,905	1.20
5.	TATA INDIAN OPPORTUNITIES FUND	477,803	1.10
6.	GENERAL INSURANCE CORPORATION OF INDIA	459,330	1.06
7.	TATA MUTUAL FUND - TATA HYBRID EQUITY FUND	310,000	0.72
8.	PLUTUS WEALTH MANAGEMENT LLP	307,200	0.71
9.	ATUL LIMITED	261,396	0.60
10.	TATA LARGE AND MID-CAP FUND	250,942	0.58

(q) Closing Share Price: Rs. 4,615.30 per share on BSE Limited as on May 14, 2024.

**12. DISCLOSURES IN RESPECT OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS / COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT':**

During the financial year 2023-2024, the Company has placed Inter-Corporate Deposits with BASF Catalysts India Private Limited and BASF Chemicals India Private Limited, BASF Group Companies. The details of amount outstanding as of March 31, 2024 was as follows: -

- i) BASF Chemicals India Private Limited – Rs. 350 million
- ii) BASF Catalysts India Private Limited – Rs. 5,100 million

Further, the Shareholders of the Company, by way of Special Resolution passed on May 7, 2024 has increased the overall / aggregate limits of Inter-Corporate Deposits placed with BASF Group Companies in India from Rs. 7,500 million to Rs. 14,500 million.

**13. CODE OF CONDUCT**

The Company has framed a Code of Conduct for its Board Members and Senior Management Personnel. The Company has also formulated a Code on Prevention of Insider Trading.

The Code of Conduct for the Board Members and Senior Management personnel is available on the Company's website at: <https://bit.ly/BASFCodeofConductpolicy>

All the Board Members and Senior Management Personnel have complied with the Code of Conduct.

**14. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT UNDER REGULATION 39(4) OF SEBI (LODR) REGULATIONS, 2015**

There are no shares lying in the demat suspense account or unclaimed suspense account of the Company on account of public issue or any other issue, physical or otherwise pursuant to Regulation 39(4) of SEBI Listing Regulations.

On behalf of the Board of Directors  
 For BASF India Limited

PRADIP P. SHAH  
 Chairman  
 (DIN: 00066242)

ALEXANDER GERDING  
 Managing Director  
 (DIN: 09797186)

Mumbai  
 Dated: May 14, 2024

## ANNEXURE-1

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BASF INDIA LIMITED having CIN L33112MH1943FLC003972 and having registered office 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 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Pradip Panalal Shah	00066242	31/01/2000
2.	Mr. Alexander Gerding	09797186	01/01/2023
3.	Dr. Ramkumar Dhruva	00223237	10/08/2018
4.	Dr. Carola Ruth Richter (upto January 31, 2024)	09197435	06/08/2021
5.	Mr. Rajendra Ambalal Shah (upto March 31, 2024)	00009851	24/04/1968
6.	Mr. Arun Madhav Bewoor (upto March 31, 2024)	00024276	19/01/2010
7.	Mrs. Shyamala Gopinath	02362921	23/01/2019
8.	Mr. Narendranath J. Baliga (Alternate Director for Dr. Carola Ruth Richter upto January 31, 2024 and Alternate Director for Mr. Marcelo Rocha Lu w.e.f. February 12, 2024)	07005484	12/02/2024
9.	Mr. Anil Kumar Choudhary	07733817	01/01/2023
10.	Mr. Marcelo Rocha Lu	10462274	12/02/2024
11.	Mr. Bahram Vakil	00283980	01/04/2024
12.	Ms. Sonia Singh	07108778	01/04/2024

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For HSPN & ASSOCIATES LLP**  
Company Secretaries

**Hemant S. Shetye**  
Designated Partner  
FCS No.: 2827  
COP No.: 1483

Date : May 14, 2024

Place : Mumbai

ICSI UDIN : F002827F000361231

PEER REVIEW NO: 2507/2022



## CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

May 14, 2024  
The Board of Directors  
BASF India Limited  
The Capital, 'A' Wing, 1204-C,  
12<sup>th</sup> Floor, Plot No. C-70, 'G'- Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400051.

### COMPLIANCE CERTIFICATE

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:

- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 4) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 5) We have indicated to the Auditors and the Audit Committee:
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For BASF India Limited

Mumbai  
Dated: May 14, 2024

ALEXANDER GERDING  
Managing Director  
(DIN: 09797186)

NARENDRANATH J. BALIGA  
Chief Financial Officer  
(DIN: 07005484)

### AUDITOR'S CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

#### To the Members of BASF India Limited

1. This certificate is issued in accordance with the terms of our agreement dated April 19, 2024.
2. The accompanying Statement containing the details of compliance with the conditions of Corporate Governance of BASF India Limited (the "Company") for the year ended March 31, 2024 (the "Statement") has been prepared by the Management of the Company in connection with the requirements for the Company's compliance with the conditions of Corporate Governance set out in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 26A, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V ("the Conditions of Corporate Governance") in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the SEBI Listing Regulations, 2015") as communicated to us by the Management vide its [email / letter] dated [date] ("the Management's communication"). We have initialled the Statement for identification purposes only.

### Management's Responsibility for the Statement

3. The preparation of the Statement is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the Company's compliance with the Conditions of Corporate Governance listed in SEBI Listing Regulations, 2015.
4. The Management is also responsible for ensuring that the Company complies with the Conditions of Corporate Governance in the SEBI Listing Regulations, 2015, and that it provides complete and accurate information as requested.

### Auditors' Responsibility

5. Pursuant to the SEBI Listing Regulations, 2015, it is our responsibility to examine the Statement and the underlying audited books of account and records of the Company and certify whether the Company has complied with the Conditions of Corporate Governance as stipulated in SEBI Listing Regulations, 2015, as set out in the Statement.
6. The financial statements relating to the books of account and records referred to in paragraph 5 above have been audited by us pursuant to the requirements of Companies Act, 2013, on which we issued an unmodified audit opinion vide our report dated May 14, 2024. Our audit of these financial statements has been conducted in accordance with the Standards on Auditing referred to in Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' and, to the extent considered applicable, the 'Guidance Note on Certification of Corporate Governance' both issued by the ICAI. The 'Guidance Note on Reports or Certificates for Special Purposes' requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements'.
9. Our examination, as referred to in paragraph 7 above, is neither an audit nor an expression of opinion on the financial statements of the Company.

### Conclusion

10. Based on our examination as set out in paragraphs 7 and 9 above and the information and explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in SEBI Listing Regulations, 2015, as set out in the Statement.
11. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restrictions on Use

12. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the obligations under SEBI Listing Regulations, 2015. Our Deliverable to be annexed with the Director's Report should not be used by any other person or for any other purpose. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
13. This certificate has been issued solely at the request of the Board of Directors of the Company and is addressed to the Members of the Company. It shall be used only to be annexed with the Director's Report and should not be used by any other person or for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership Number: 048125  
UDIN: 24048125BKG0UB8326

Place: Mumbai  
Date: May 14, 2024

# Independent Auditor's Report to the Members of BASF India Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of BASF India Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of Contingent liabilities and Provisions against litigations</b> (Refer Note 17, 40 and 46 to the standalone financial statements)</p> <p>The company undergoes assessment proceedings from time to time with direct and indirect tax authorities and litigations with certain other parties. As at March 31, 2024, in respect of certain direct and indirect tax and other litigations (comprising various claims filed by other parties not acknowledged as debt), the company carries provisions of Rs. 263.8 million and has disclosed contingent liability of Rs. 2,027.4 million.</p> <p>There is a significant level of management judgement involved in estimating the possible outflow of economic resources and the level of provisioning and / or the disclosures required in the standalone financial statements. The management's assessment is supported by advice from independent tax and legal consultants, where considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position.</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these tax and litigation matters and application of judgement in the interpretation of related laws.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the process and controls designed and implemented by the management around assessment of tax and other litigations including testing of operating effectiveness of the relevant controls;</li> <li>• Enquired with the relevant company personnel including the Company's tax and regulatory department heads to obtain a complete list of matters under litigation;</li> <li>• Obtaining details of the litigation matters, inspecting the supporting evidence and critically assessing management's evaluation through enquiry with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources;</li> <li>• Understanding the current status of the tax assessments and other litigations;</li> <li>• Reading recent orders and / or communication received from the tax authorities and with certain other parties, and management's responses to such communication;</li> <li>• Where relevant, reading the independent tax / legal advice obtained by management and evaluating the grounds presented therein;</li> <li>• Evaluating independence, objectivity and competence of the management's tax / legal consultants;</li> <li>• Obtaining direct written confirmations from the Company's legal / tax consultants to confirm the facts and circumstances and assessment of the likely outcome;</li> <li>• Together with the auditor's tax experts, assessing the management's evaluation of the likelihood of the outcomes of the litigations and potential financial exposure; and</li> <li>• Evaluating the appropriateness of the presentation and adequacy of disclosures in the standalone financial statements.</li> </ul> <p>Based on the above procedures performed, we did not identify any material exceptions to management's assessment of provisions and contingent liabilities.</p>

## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

# Independent Auditor's Report

accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



# Independent Auditor's Report

## Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain records maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules"). Also, Refer Note 53 to the standalone financial statements.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.
  - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 17, 40 and 46 to the standalone financial statements;
    - ii. The Company has long-term contracts as at March 31, 2024 for which there were no material foreseeable losses and the Company did not have any long-term derivative contracts as at March 31, 2024.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

# Independent Auditor's Report

- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
  - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit log of modification does not capture the pre-modified values in case of modification by certain users with specific access and that no audit trail has been enabled at the database level for accounting software to log any direct data changes. For maintaining its payroll records, the Company has used services of a third party software service provider, and in the absence of SOC 2 report, we are unable to comment whether the audit trail feature in the software used was enabled and operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, we did not notice any instance of audit trail feature being tampered with, except for aforesaid instances where the question of our commenting on whether there was any instance of the audit trail feature being tampered with, does not arise. Also, Refer Note 53 to the standalone financial statements.
15. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership Number: 048125  
UDIN: 24048125BKGOUF3788

Place: Mumbai  
Date : May 14, 2024

## Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the Members of BASF India Limited on the standalone financial statements for the year ended March 31, 2024

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to standalone financial statements of BASF India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Annexure A to Independent Auditor's Report

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number:012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership Number: 048125  
UDIN: 24048125BKGOUF3788

Place: Mumbai  
Date : May 14, 2024

## Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the Members of BASF India Limited on the standalone financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
 

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 1A and 33 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Land at Mangalore Location	48.3	Karnataka Industrial Areas Development Board	No	Since October 21, 2014	The Company has submitted the necessary documents to Karnataka Industrial Areas Development Board for execution of the Sale Deed for land at Mangalore and the process is ongoing.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
  - (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
  - (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.



## Annexure B to Independent Auditor's Report

- iii. (a) The Company has made investments in a wholly owned subsidiary, granted unsecured loans to employees and placed inter-corporate deposits with two fellow subsidiaries. The Company has not granted any secured loans / advances in nature of loans, or stood guarantee, or provided security to any other parties. The aggregate amount during the year, and balance outstanding at the Balance Sheet date with respect to such loans and inter-corporate deposits granted are as per the table given below:

Particulars	Aggregate amount of loan granted / inter-corporate deposits granted during the year (Rs. in million)	Balance outstanding as at balance sheet date in respect of these cases (Rs. in million)
- Loan to employees	0.9	1.0
- Inter-corporate deposits with fellow subsidiaries	15,000.0 [including Rs. 7,800.0 million which were renewed during the year. Also refer our comments under paragraph 3(iii)(e)]	5,450.0

- (b) In respect of the aforesaid investments, loans and inter-corporate deposits, the terms and conditions under which such loans and inter-corporate deposits were granted and investments were made, are not prejudicial to the Company's interest.
- (c) In respect of the loans and inter-corporate deposits, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, except for inter-corporate deposits renewed during the year and reported under clause 3(iii)(e) of the Order, and are also regular in payment of interest as applicable. The Company has not charged any interest on loans to employees as per the Company's policy.
- (d) In respect of the loans and inter-corporate deposits, there is no amount which is overdue for more than ninety days.
- (e) Following inter-corporate deposits were granted to same parties, which had fallen due during the year and were renewed. Further, there are no inter-corporate deposits which had fallen during the year and were extended or no fresh loans were granted to same parties to settle the existing overdue loans / advances in nature of loan.

Name of the parties	Aggregate amount of inter-corporate deposits granted during the year (including renewals) (Rs. in million)	Aggregate amount settled by renewal (Rs. in million)	Percentage of aggregate amount renewed to the total inter-corporate deposits granted during the year
BASF Catalysts India Private Limited	13,700.0	7,100.0	52%
BASF Chemicals India Private Limited	1,300.0	700.0	54%

- (f) The aforesaid inter-corporate deposits and loans given during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest, as applicable and the same were not repayable on demand.
- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans granted and investments made. The Company has not provided any guarantees or security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there.

## Annexure B to Independent Auditor's Report

- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, professional tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) There are no statutory dues of provident fund, employees' state insurance and profession tax which have not been deposited on account of any dispute. Refer Appendix I for particulars of other statutory dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax as at March 31, 2024 which have not been deposited on account of dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Further, the Company did not have any joint ventures or associate companies during the year.
- (f) According to the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Further, the Company did not have any joint ventures or associate companies during the year.
- x (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

## Annexure B to Independent Auditor's Report

- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx (a) The Company has not undertaken any "other than ongoing projects" in pursuance of its Corporate Social Responsibility Policy. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer Note 47 to the standalone financial statements).

xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership Number : 048125  
UDIN: 24048125BKGOUF3788

Place : Mumbai  
Date : May 14, 2024

## Appendix I

Referred to in paragraph vii(b) of our Annexure B to the Independent Auditors' Report of even date to the Members of BASF India Limited on the Standalone Financial Statements for the year ended March 31, 2024

Sr. No.	Name of the Statute	Nature of Dues	Amount of demand after netting-off amount paid under protest	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
			(Rs. in millions)			
1	The Income Tax Act, 1961	Income Tax liability (including interest and penalty, as applicable)	1,363.0	92.8	Assessments Years 2002-03, 2004-05, 2007-08, 2013-14, 2016-17, 2018-19 and 2021-22	Appellate Authority - up to Commissioner's level
			87.0	110.9	Assessment Years 2009-10 and 2010-11	Income Tax Appellate Tribunal
			0.2	—	Assessment Years 2000-01, 2002-03 and 2006-07	High Court
	<b>Sub Total</b>		<b>1,450.2</b>	<b>203.7</b>		
2	The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax and Value Added Tax liability (including interest and penalty, as applicable)	71.7	2.8	Financial Years 2002-03, 2005-06 to 2011-12 and 2014-15 to 2017-18	Appellate Authority - up to Commissioner's level
			39.4	21.8	Financial Years 1993-94, 1994-1995, 2004-05 and 2006-07, 2010-11 to 2011-12, 2013-14, 2015-16 to 2017-18	Sales Tax Appellate Tribunal
			13.6	29.1	Financial Year 2013-2014 to 2014-2015	High Court
	<b>Sub Total</b>		<b>124.7</b>	<b>53.7</b>		
3	The Finance Act, 1994	Service Tax Liability (including interest and penalty, as applicable)	37.5	1.0	Financial Years 2006-07 to 2009-10 and 2014-2015 to 2017-2018	Appellate Authority - up to Commissioner's level
			993.3	62.7	Financial Years 2004-05 to 2015-16	Custom, Excise and Service Tax Appellate Tribunal
	<b>Sub Total</b>		<b>1,030.8</b>	<b>63.7</b>		
4	The Customs Tariff Act, 1975	Customs Duty (including interest and penalty, as applicable)	43.6	—	Financial Year 2007-08	Supreme Court of India
			1.2	1.1	Financial Year 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			1.8	—	Financial Year 2019-20, 2022-23 and 2023-24	Appellate Authority - up to Commissioner's level
	<b>Sub Total</b>		<b>46.6</b>	<b>1.1</b>		
5	The Central Excise Act, 1944	Excise duty Liability (including interest and penalty, as applicable)	19.5	1.1	Financial Years 2007-2008, 2011-12 to 2016-17 and 2019-20	Appellate Authority - up to Commissioner's level
			2.0	0.1	Financial Years 1981 - 1982 and 2012-2013	Custom, Excise and Service Tax Appellate Tribunal
			6.3	—	Financial Year 2011-12	High Court
	<b>Sub Total</b>		<b>27.8</b>	<b>1.2</b>		
6	The Central Goods and Service Tax Act, 2017	Goods and Service Tax Liability (including interest and penalty, as applicable)	571.5	102.0	Financial Years 2017-2018 to 2023-24	Appellate Authority - up to Commissioner's level
	<b>Sub Total</b>		<b>571.5</b>	<b>102.0</b>		
	<b>Total</b>		<b>3,251.6</b>	<b>425.4</b>		



# Standalone Balance Sheet as at March 31, 2024

Rs. in million

	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1 A	6,031.5	6,839.9
Right-of-use assets	1 B	1,549.2	1,057.6
Capital work-in-progress	1 C	614.8	187.7
Intangible assets	1 D	6.7	31.4
Financial assets			
(i) Investments	2A	0.1	—
(ii) Loans	2B	0.5	0.6
(iii) Other financial assets	3	220.2	149.4
Deferred tax assets (net)	4	476.3	394.9
Income tax assets (net)	5	1,950.1	1,896.0
Other non-current assets	6	514.8	466.2
<b>Total non-current assets</b>		<b>11,364.2</b>	<b>11,023.7</b>
<b>Current assets</b>			
Inventories	7	21,160.5	22,172.2
Financial assets			
(i) Trade receivables	8	25,219.3	23,445.3
(ii) Cash and cash equivalents	9	6,218.6	3,665.9
(iii) Bank balances other than cash and cash equivalents	9	24.2	6.0
(iv) Loans	10	5,450.5	1,500.3
(v) Other financial assets	11	350.2	756.7
Other current assets	12	2,542.1	3,076.2
Assets classified as held for sale	13	—	—
<b>Total current assets</b>		<b>60,965.4</b>	<b>54,622.6</b>
<b>Total assets</b>		<b>72,329.6</b>	<b>65,646.3</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	432.9	432.9
Other equity	15	31,802.9	26,578.9
<b>Total equity</b>		<b>32,235.8</b>	<b>27,011.8</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	42	1,000.6	610.6
(ii) Other financial liabilities	16	103.9	135.3
Provisions	17	702.1	757.6
Other non-current liabilities	18	21.9	18.0
<b>Total non-current liabilities</b>		<b>1,828.5</b>	<b>1,521.5</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	42	560.1	447.9
(ii) Trade payables	19		
(a) Outstanding dues to Micro Enterprises and Small Enterprises		303.6	297.4
(b) Outstanding dues to creditors other than micro enterprises and small enterprises		35,175.7	33,432.2
(iii) Other financial liabilities	20	460.7	948.7
Provisions	21	474.6	485.7
Current tax liabilities	22	41.5	—
Other current liabilities	23	1,249.1	1,501.1
<b>Total current liabilities</b>		<b>38,265.3</b>	<b>37,113.0</b>
<b>Total liabilities</b>		<b>40,093.8</b>	<b>38,634.5</b>
<b>Total equity and liabilities</b>		<b>72,329.6</b>	<b>65,646.3</b>

Material accounting policies

1.1

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No: 012754N/N500016  
Chartered Accountants

Jeetendra Mirchandani  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of

BASF India Limited  
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah  
Chairman  
DIN : 00066242

Alexander Gerding  
Managing Director  
DIN : 09797186

Narendranath J. Baliga  
Chief Financial Officer  
DIN : 07005484

Manohar Kamath  
Company Secretary  
ACS No: 19749

Anil Choudhary DIN: 07733817  
Bahram Vakil DIN: 00283980  
Sonia Singh DIN: 07108778  
Directors

Place : Mumbai  
Date : May 14, 2024

# Standalone Statement of Profit and Loss for the year ended March 31, 2024

Rs. in million

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue from operations (Refer Notes 51)</b>			
Sale of products		136,323.4	135,187.9
Sale of services		1,189.3	1,096.3
Other operating revenues		162.1	163.5
		137,674.8	136,447.7
<b>Other income</b>	24	757.8	374.4
<b>Total Income</b>		138,432.6	136,822.1
<b>Expenses</b>			
Cost of materials consumed	25	45,366.8	47,116.4
Purchase of stock-in-trade		68,382.4	69,592.1
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	462.4	(1,940.1)
Employee benefit expenses	27	3,921.4	3,921.1
Finance costs	28	155.3	139.1
Depreciation and amortisation expenses	29	1,912.1	1,820.8
Other expenses	30	10,642.7	10,891.8
<b>Total Expenses</b>		130,843.1	131,541.2
<b>Profit before exceptional item and tax</b>		7,589.5	5,280.9
<b>Exceptional items</b>	44	-	153.1
<b>Profit before tax</b>		7,589.5	5,434.0
<b>Tax expense / (credit):</b>	31		
Current tax		2,035.9	1,436.0
Deferred tax		(81.4)	(56.7)
Income tax for previous periods		1.5	25.8
		1,956.0	1,405.1
<b>Profit for the year</b>		5,633.5	4,028.9
<b>Other comprehensive income</b>			
Items that will not be reclassified to statement of profit and loss			
Gain / (Loss) on remeasurement of post employment benefit plan		(58.8)	(170.1)
Income tax relating to these items		14.8	42.8
<b>Other comprehensive income for the year, net of tax</b>		(44.0)	(127.3)
<b>Total comprehensive income for the year</b>		5,589.5	3,901.6
Weighted average number of equity shares outstanding during the year		43,284,958	43,284,958
Basic and diluted earnings per share (in Rs.)		130.1	93.1
Face value per share (in Rs.)		10.0	10.0

Material accounting policies

1.1

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No: 012754N/N500016  
Chartered Accountants

Jeetendra Mirchandani  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of

**BASF India Limited**  
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah  
Chairman  
DIN : 00066242

Narendranath J. Baliga  
Chief Financial Officer  
DIN : 07005484

Alexander Gerding  
Managing Director  
DIN : 09797186

Manohar Kamath  
Company Secretary  
ACS No: 19749

Anil Choudhary DIN: 07733817  
Bahram Vakil DIN: 00283980  
Sonia Singh DIN: 07108778  
Directors

Place : Mumbai  
Date : May 14, 2024

## Standalone Statement of Cash Flows for the year ended March 31, 2024

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	7,589.5	5,434.0
Adjustments for:		
Exceptional items (Refer Note 44)	—	(153.1)
Depreciation / amortisation	1,912.1	1,820.8
Finance costs	155.3	139.1
Profit on sale of property plant and equipment (net)	(15.9)	(123.1)
Interest income	(478.9)	(135.0)
Interest on income tax refunds	—	(16.2)
Write back of other provisions	(87.6)	—
Unrealised loss / (gain) on derivative transactions (net)	(176.6)	(21.5)
Unrealised loss / (gain) on foreign exchange (net)	17.0	(105.9)
Employee stock option charge / (credit)	(19.2)	9.1
Provision for loss allowance on trade receivables (net)	38.7	6.9
<b>Operating cash flow before working capital changes</b>	<b>8,934.4</b>	<b>6,855.1</b>
Adjustments for changes in working capital:		
(Increase) / Decrease in trade receivables	(1,804.2)	2,762.1
(Increase) / Decrease in other financial assets	408.2	(410.1)
(Increase) / Decrease in other current and non-current assets	533.2	(666.9)
(Increase) / Decrease in inventories	1,011.7	(2,746.0)
Increase / (Decrease) in other financial liabilities	(414.2)	(47.9)
Increase / (Decrease) in long term provisions	(114.3)	236.8
Increase / (Decrease) in trade payables	1,724.4	676.9
Increase / (Decrease) in other current and non-current liabilities	(248.1)	566.3
Increase / (Decrease) in short-term provisions	76.5	(374.7)
<b>Cash generated from operations</b>	<b>10,107.6</b>	<b>6,851.6</b>
Income taxes paid (net)	(2,035.2)	(1,543.5)
<b>Net cash generated from operating activities</b>	<b>8,072.4</b>	<b>5,308.1</b>
<b>B. Cash flow from investing activities:</b>		
Acquisition of property plant and equipment (net of capital creditors and including capital advances)	(1,009.3)	(916.3)
Realisation on sale of property, plant and equipment and residential properties	18.4	291.4
Interest received from others	275.0	124.3
Interest received from Inter Corporate deposits given	167.1	9.3
Deposits matured	(0.1)	—
Investment in subsidiary (Refer Note 2A)	(0.1)	—

# Standalone Statement of Cash Flows for the year ended March 31, 2024

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inter Corporate deposits given (Refer Note 50) (excluding renewals during the year)	(7,200.0)	(1,950.0)
Inter Corporate deposits repaid (Refer Note 50) (excluding renewals during the year)	3,250.0	450.0
<b>Net cash (used in) investing activities</b>	<b>(4,499.0)</b>	<b>(1,991.3)</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid	(345.1)	(259.5)
Interest paid	(71.6)	(64.9)
Payment of lease liabilities	(604.0)	(582.5)
<b>Net cash (used in) financing activities</b>	<b>(1,020.7)</b>	<b>(906.9)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>2,552.7</b>	<b>2,409.9</b>
Cash and cash equivalents at the beginning of the financial year	3,665.9	1,256.0
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6,218.6</b>	<b>3,665.9</b>

Rs. in million

	As at March 31, 2024	As at March 31, 2023
<b>Opening cash and cash equivalents</b>		
Balances with banks:		
– In current accounts	159.1	236.0
Deposits with original maturity of less than three months	3,506.8	1,020.0
	<b>3,665.9</b>	<b>1,256.0</b>
<b>Closing cash and cash equivalents</b>		
Cheques on hand	17.2	–
Balances with banks:		
– In current accounts	189.3	159.1
Deposits with original maturity of less than three months	6,012.1	3,506.8
(Refer Note 9 for cash and cash equivalents)	<b>6,218.6</b>	<b>3,665.9</b>

## Notes:

- The above Standalone Cash Flow Statement has been prepared under the “Indirect Method” setout in Indian Accounting Standard - 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

**For and on behalf of Board of Directors of  
BASF India Limited**  
(CIN No.: L33112MH1943FLC003972)

**Pradip P. Shah**  
Chairman  
DIN : 00066242

**Narendranath J. Baliga**  
Chief Financial Officer  
DIN : 07005484

**Alexander Gerding**  
Managing Director  
DIN : 09797186

**Manohar Kamath**  
Company Secretary  
ACS No: 19749

**Anil Choudhary** DIN: 07733817  
**Bahram Vakil** DIN: 00283980  
**Sonia Singh** DIN: 07108778  
Directors

Place : Mumbai  
Date : May 14, 2024

# Standalone Statement of Changes in Equity as at March 31, 2024

Rs. in million

	Notes	Total
<b>A. Equity share capital</b>		
As at March 31, 2022		432.9
Changes in equity share capital	14	—
As at March 31, 2023		432.9
Changes in equity share capital	14	—
As at March 31, 2024		432.9

Rs. in million

	Reserves and Surplus						Capital reserve	Total
	Share options outstanding account	Securities premium	Amalgamation reserve	General reserve	Retained earnings			
<b>B. Other equity (Refer Note 15)</b>								
Balance at April 1, 2022	45.1	2,203.2	371.7	10,046.9	13,118.4	(2,857.4)	22,927.9	
Profit for the year	—	—	—	—	4,028.9	—	4,028.9	
Other comprehensive income:								
– Remeasurement of the net defined benefit asset / liability, net of tax effect	—	—	—	—	(127.3)	—	(127.3)	
<b>Total</b>	<b>45.1</b>	<b>2,203.2</b>	<b>371.7</b>	<b>10,046.9</b>	<b>17,020.0</b>	<b>(2,857.4)</b>	<b>26,829.5</b>	
Transactions with owners in their capacity as owners:								
– Dividends	—	—	—	—	(259.7)	—	(259.7)	
– Employee stock option charge / (credit)	9.1	—	—	—	—	—	9.1	
Balance at March 31, 2023	54.2	2,203.2	371.7	10,046.9	16,760.3	(2,857.4)	26,578.9	
Balance at April 1, 2023	54.2	2,203.2	371.7	10,046.9	16,760.3	(2,857.4)	26,578.9	
Profit for the year	—	—	—	—	5,633.5	—	5,633.5	
Other comprehensive income:								
– Remeasurement of the net defined benefit asset / liability, net of tax effect	—	—	—	—	(44.0)	—	(44.0)	
<b>Total</b>	<b>54.2</b>	<b>2,203.2</b>	<b>371.7</b>	<b>10,046.9</b>	<b>22,349.8</b>	<b>(2,857.4)</b>	<b>32,168.4</b>	
Transactions with owners in their capacity as owners:								
– Dividends	—	—	—	—	(346.3)	—	(346.3)	
– Employee stock option charge / (credit)	(19.2)	—	—	—	—	—	(19.2)	
Balance at March 31, 2024	35.0	2,203.2	371.7	10,046.9	22,003.5	(2,857.4)	31,802.9	

For material accounting policies, refer Note 1.1

The accompanying notes form an integral part of the standalone financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No: 012754N/N500016  
Chartered Accountants

Jeetendra Mirchandani  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of  
BASF India Limited  
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah  
Chairman  
DIN : 00066242

Narendranath J. Baliga  
Chief Financial Officer  
DIN : 07005484

Alexander Gerding  
Managing Director  
DIN : 09797186

Manohar Kamath  
Company Secretary  
ACS No: 19749

Anil Choudhary DIN: 07733817  
Bahram Vakil DIN: 00283980  
Sonia Singh DIN: 07108778  
Directors

Place : Mumbai  
Date : May 14, 2024



# Notes to the Standalone Financial Statements for the year ended March 31, 2024

## Background of the Company

BASF India Limited (the 'Company') is a public limited Company domiciled in India with its registered office located in Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's portfolio consists of six segments: Agricultural Solutions, Materials, Industrial solutions, Surface Technologies, Nutrition & Care and Chemicals.

## 1.1 Material accounting policies

### a. Basis of preparation

#### (i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions and amendments of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has identified twelve months as its operating cycle.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

#### (ii) Basis of measurement

The financial statements have been prepared on an accrual basis and on a historical cost basis, except for the following items:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value,
- assets held for sale – measured at carrying amount or fair value less cost to sale whichever is low,
- Net defined benefit (asset) / liability – Fair value of plan assets less present value of defined benefit obligations; and
- share-based payments measured at fair value on grant date with no subsequent adjustment to the payments recognised.

#### (iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 1, 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### b. Use of estimates and judgements

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a. Measurement of defined benefit obligations – Note 48
- b. Measurement and likelihood of occurrence of provisions and contingencies - Note 40, 46 and 1.1(i)
- c. Measurement of useful lives for property, plant and equipment & intangible assets and impairment- Note 1.1(d), 1.2(c) and 1.2(e)

# Notes to the Standalone Financial Statements for the year ended March 31, 2024

## 1.1 Material accounting policies (Continued)

- d. Loss allowance on trade receivables and other financial assets – Note 1.1(g), Note 1.2(d) and Note 38(iv)
- e. Determination of lease terms and incremental borrowing rate – Note 42 and Note 1.1(h)

### c. Revenue Recognition

Sales of products are recognised when control of the products has transferred based on the agreed terms. Sales are net of returns, trade discounts, rebates, sales tax and goods and service tax (GST), as applicable.

Sale of services includes indent commission and revenue from technical and service charges to group and other companies based on terms of the respective agreement. Revenue from sale of services are recognised as and when the services are provided.

The Company evaluates the arrangement with customers / suppliers whether it is acting as a principal or an agent of the customers / suppliers, considering underlying substance and terms and conditions of the arrangements. Accordingly, revenue is accounted either on gross or net basis based on the fulfillment of criteria of principal or agency.

The Company operates Customer incentive programs where direct / indirect customers accumulate points for purchases made of the Company's products, which entitle them for rewards in form of gift cards equal to the value of such points. A contract liability for the award points is recognised at the time of sale.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in Ind AS 115 have been applied and accordingly:

- The Company does not adjust the promised amount of consideration for the effects of a significant financing component
- The Company recognises the incremental costs of obtaining a contract as an expense when incurred
- No information on remaining performance obligations as of March 31, 2024 that have an expected original term of one year or less was reported.

### d. Depreciation on Property, Plant and Equipment

Depreciation on property plant and equipment is calculated on a straight-line basis considering the following useful lives estimated by the Management based on technical evaluation or those prescribed under Schedule II of the Act:

Assets Category	Useful life
Buildings	10-33 years
Plant and machinery	5-20 years
Computers	4 years
Vehicles	4 years
Furniture and fixtures	5-10 years
Office equipment	5 years

Property, Plant and Equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions / deletions is calculated on a monthly pro-rata basis.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Leasehold land and Leasehold Improvements are amortised over the period of lease or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

### e. Inventories

Inventories including raw materials, packing materials, work-in-progress, stores and spares, traded and finished goods are valued at cost or estimated net realisable value, whichever is lower. The costs are determined on weighted average basis and includes expenditure incurred in acquiring inventories, production of conversion costs and other costs incurred in bringing them to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Goods and service tax (GST) is excluded from valuation of finished goods. The comparison of cost and net realisable value is made on an item-by-item basis.

## 1.1 Material accounting policies (Continued)

### f. Financial instruments

The Company classifies its financial asset at amortised cost only when if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The amortised cost of a financial asset is also adjusted for impairment loss, if any.

### g. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognized in statement of profit and loss.

### h. Leases

*As a Lessee*

As a lessee, the Company generally recognises for all leases a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The Company separates non-lease components, such as services from lease payments. Lease liabilities are measured at the present value of the remaining lease payments, taking into account the incremental borrowing rate.

Lease payments are discounted using the interest rate implicit in the lease contracts if that rate can be determined from the lease contracts. If the discount rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a risk free rate of interest which is adjusted for lease term, country risk and currency risk.

A right-of-use asset is recognized at the same amount as the lease liability. After capitalization at commencement date, whereby the right-of-use asset is measured at cost, the right-of-use asset is generally depreciated over the lease term using the straight-line method. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

A number of leases include extension and termination options. Extension and termination options are taken into account on recognition of the lease liability only if the Company is reasonably certain that these options will be exercised in the future. Estimates and expectations which are asserted at the commencement date of the lease liability and the right-of-use asset and pertain to future payments not yet determined on the date of provision are assessed continuously during the lease term. If subsequently improved or changed knowledge influences the expected payment profile over time, the lease liability is remeasured. Any amount on account of re-measurement of lease liabilities is adjusted to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the income statement.

Initial direct costs are excluded for the measurement of right-of-use assets at the date of initial application. The Company exercises the exemption for lease arrangements with a maximum term of 12 months (short-term leases) and low-value assets. Payments associated with such short-term leases and low-value assets are recognised as an expense in Statement of Profit and Loss. Variable lease payments that depend on usage and / or other variable conditions are recognised in the Statement of Profit and Loss in the period in which the conditions that trigger those payments occur.

# Notes to the Standalone Financial Statements for the year ended March 31, 2024

## 1.1 Material accounting policies (Continued)

### i. Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, unless the possibility of outflow of resources embodying economic benefits are remote. When some or all of the economic benefits required to settle, a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 1.2 Other Accounting Policies

### a. Revenue Recognition

As part of the adoption of Ind AS 115, contract liabilities are disclosed in the Balance Sheet. A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised using the effective interest rate method. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### b. Property, plant and equipment

#### Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items such as stores, spare parts and stand by equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

#### Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the item. Any gain or loss arising on disposal or retirement of item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the item and is recognized in the statement of profit and loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

### c. Intangible assets and amortization

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. Computer software is amortized over a period of four years and other intangible assets are amortized over a period of 2 to 4 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## 1.2 Other Accounting Policies (Continued)

### d. Financial Instruments

#### *Financial asset*

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

#### *Measurement*

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### *Subsequent measurement*

For subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### *Financial liabilities*

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value minus, in case of financial liabilities not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial liabilities.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using effective interest method.

#### *Offsetting*

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts in the normal course of business and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### *Impairment of financial assets (other than trade receivables)*

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since its initial recognition. Note 38 details how the Company determines whether there has been a significant increase in credit risk.

#### *Derecognition of financial assets and financial liabilities*

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. The difference between the carrying amount and the financial liability extinguished and the new liability with modified terms is recognized in the Statement of Profit and Loss.



## 1.2 Other Accounting Policies (Continued)

### d. Financial Instruments (Continued)

#### *Measurement of fair values*

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (level 3 inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### e. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal / external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### f. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

### g. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting and are based on monitoring of operating results by the Chief Operating Decision Maker, separately for making decision about resource allocation and performance assessment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

## 1.2 Other Accounting Policies (Continued)

### h. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

### i. Foreign Currency

Transactions in foreign currencies are translated in to currency of the primary economic environment in the which the entity operates (the 'functional currency' of the Company) using the exchange rates prevailing on the date of transaction. Monetary items in foreign currencies are stated at the closing exchange rate.

Gains / losses on conversion / translation are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### j. Employee Benefits

#### Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the Statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

#### Post Employment Employee Benefits

The Company's contributions to defined contribution plans such as Superannuation Fund (administered through BASF India Limited Superannuation Fund Trust), Employee State Insurance and Labour Welfare Fund are recognized as expense in the Statement of Profit and Loss on an accrual basis. The Company does not have any further obligation beyond this contribution.

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling if any (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is recognised immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Provident Fund (upto August 31, 2022)

Eligible employees receive benefits from a provident fund which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the BASF India Limited Provident Fund Trust ('the Trust'). The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations.

# Notes to the Standalone Financial Statements for the year ended March 31, 2024

## 1.2 Other Accounting Policies (Continued)

### j. Employee Benefits (Continued)

#### Provident Fund (effective September 1, 2022)

Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### Other Long Term Employee Benefits

The Company's liabilities towards Compensated Absences and Long Service Awards to employees are determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

#### Termination Benefits

Compensation paid to employees under Voluntary Retirement Scheme / Severance payments are recognised as an expense in the Statement of Profit and Loss when employees accept the scheme / payments.

#### Share based payments

The Ultimate Holding Company ('BASF SE') offers Share Price based compensation program (Long term incentive program - 'LTI') for senior executives of BASF group. Participation in this program is voluntary.

LTI plans mentioned above are offered by BASF SE and the cost of such plans is not recharged to the Company. However, the Company recognises these share based payment transactions of BASF SE in accordance with the requirement of paragraph 43 A and 43 B of Ind AS 102 - Share Based Payments. As required under para 43B of Ind AS 102, since the Company receives the services of the employees to whom the options have been granted by BASF SE and the Company has no obligation to settle these options, the Company accounts for these services as an equity settled share based payment transaction.

### K. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with relevant provisions of Income Tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax charge or credit and correspondingly deferred tax liability or asset is recognised using tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is recognised, subject to the consideration of prudence, on temporary differences, being the difference between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized to the extent that it probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

## 1.2 Other Accounting Policies (Continued)

### k. Taxation (Continued)

Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and these relate to income taxes levied by the same tax authorities and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

Current tax assets and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on net a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### l. Earnings per share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### m. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### n. Derivative financial instruments

The Company enters majorly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately. Derivative assets and derivative liabilities are presented on gross basis in the Balance Sheet.

### o. Dividends

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### p. Exceptional items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

### q. Investments in subsidiary

Subsidiary:

Subsidiaries are all entities over which the Company has control, including through its subsidiaries. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Investments in subsidiaries are accounted at cost less provision for impairment.

### r. New and amended standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 1(A). Property, plant and equipment

(Refer Note 33)

Rs. in million

Particulars	Gross Block			Depreciation / Amortisation					Net Block
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Freehold land	54.4	—	0.1	54.3	—	—	—	—	54.3
Buildings [Refer Note (a) below]	3,442.6	111.7	0.6	3,553.7	1,044.0	156.8	0.4	1,200.4	2,353.3
Plant & machinery and Computers	12,478.0	362.0	45.9	12,794.1	8,234.0	1,142.1	43.9	9,332.2	3,461.9
Furniture and fixtures	291.0	33.9	4.4	320.5	217.8	21.1	4.3	234.6	85.9
Vehicles	133.6	19.5	42.9	110.2	94.8	17.0	42.9	68.9	41.3
Office equipment	267.7	23.5	18.5	272.7	236.8	19.5	18.4	237.9	34.8
<b>Total</b>	<b>16,667.3</b>	<b>550.6</b>	<b>112.4</b>	<b>17,105.5</b>	<b>9,827.4</b>	<b>1,356.5</b>	<b>109.9</b>	<b>11,074.0</b>	<b>6,031.5</b>

### 1(B). Right-of-use assets

(Refer Notes 42)

Rs. in million

Particulars	Gross Block			Depreciation / Amortisation					Net Block
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Right-of-use land	192.4	1.3	—	193.7	23.3	5.3	—	28.6	165.1
Right-of-use Buildings	736.2	376.8	18.0	1,095.0	363.9	218.0	6.4	575.5	519.5
Right-of-use Plant & machinery and Computers	1,118.6	532.3	21.2	1,629.7	680.5	252.4	3.6	929.3	700.4
Right-of-use Vehicles	195.6	141.3	—	336.9	117.5	55.2	—	172.7	164.2
<b>Total</b>	<b>2,242.8</b>	<b>1,051.7</b>	<b>39.2</b>	<b>3,255.3</b>	<b>1,185.2</b>	<b>530.9</b>	<b>10.0</b>	<b>1,706.1</b>	<b>1,549.2</b>

### 1(C). Capital work-in-progress

(Refer Note 34)

Rs. in million

Particulars	As at April 1, 2023	Additions	Amounts Capitalised	As at March 31, 2024
Capital work-in-progress	187.7	977.7	550.6	614.8

### 1(D). Intangible assets

Rs. in million

Particulars	Gross Block			Amortisation					Net Block
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Other intangible assets	8.0	—	—	8.0	1.9	0.4	—	2.3	5.7
Software	171.4	—	2.6	168.8	146.1	24.3	2.6	167.8	1.0
<b>Total</b>	<b>179.4</b>	<b>—</b>	<b>2.6</b>	<b>176.8</b>	<b>148.0</b>	<b>24.7</b>	<b>2.6</b>	<b>170.1</b>	<b>6.7</b>

#### Note:

- a) Includes gross block of Rs. 8.3 million and net block Rs. 1.8 million for which LIC Housing Finance Ltd. (LICHFL) has claimed a charge on the apartment building, which was disputed. The Company was in process of settling ongoing litigation with LICHFL for which no-lien certificate is received from LICHFL on April 29, 2024 and withdrawal of pending suit at Karnataka High Court has been initiated. On account of this settlement, the Company will have clear title to the property.



## Notes to the Standalone Financial Statements as at March 31, 2024

### 1(A). Property, plant and equipment

(Refer Note 33)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023	
Freehold land	54.4	—	—	54.4	—	—	—	—	54.4	
Buildings [Refer Note (a) below]	3,044.8	403.5	5.7	3,442.6	898.5	147.7	2.2	1,044.0	2,398.6	
Plant & machinery and Computers	11,242.0	1,320.3	84.3	12,478.0	7,209.5	1,099.0	74.5	8,234.0	4,244.0	
Furniture and fixtures	278.3	22.0	9.3	291.0	205.1	22.0	9.3	217.8	73.2	
Vehicles	115.9	27.2	9.5	133.6	90.7	13.6	9.5	94.8	38.8	
Office equipment	263.4	8.4	4.1	267.7	216.8	23.7	3.7	236.8	30.9	
<b>Total</b>	<b>14,998.8</b>	<b>1,781.4</b>	<b>112.9</b>	<b>16,667.3</b>	<b>8,620.6</b>	<b>1,306.0</b>	<b>99.2</b>	<b>9,827.4</b>	<b>6,839.9</b>	

### 1(B). Right-of-use assets

(Refer Notes 42)

Rs. in million

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023	
Right-of-use land	212.5	1.4	21.5	192.4	39.8	5.0	21.5	23.3	169.1	
Right-of-use Buildings	921.1	177.0	361.9	736.2	526.6	191.7	354.4	363.9	372.3	
Right-of-use Plant & machinery and Computers	1,042.1	147.4	70.9	1,118.6	501.3	242.5	63.3	680.5	438.1	
Right-of-use Vehicles	198.7	40.9	44.0	195.6	112.9	48.6	44.0	117.5	78.1	
<b>Total</b>	<b>2,374.4</b>	<b>366.7</b>	<b>498.3</b>	<b>2,242.8</b>	<b>1,180.6</b>	<b>487.8</b>	<b>483.2</b>	<b>1,185.2</b>	<b>1,057.6</b>	

### 1(C). Capital work-in-progress

(Refer Note 34)

Rs. in million

Particulars	As at April 1, 2022	Additions	Amounts Capitalised	As at March 31, 2023
Capital work-in-progress	1,001.0	968.9	1,782.2	187.7

### 1(D). Intangible assets

Rs. in million

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023	
Other intangible assets	8.0	—	—	8.0	1.5	0.4	—	1.9	6.1	
Software	170.6	0.8	—	171.4	119.5	26.6	—	146.1	25.3	
<b>Total</b>	<b>178.6</b>	<b>0.8</b>	<b>—</b>	<b>179.4</b>	<b>121.0</b>	<b>27.0</b>	<b>—</b>	<b>148.0</b>	<b>31.4</b>	

#### Note:

- a) Includes gross block of Rs 8.3 million and net block Rs. 2.0 million for which LIC Housing Finance Ltd. (LICHFL) has claimed a charge on the apartment building, which is disputed. The Company is in process of settling ongoing litigation with LICHFL for which the suit is pending at Karnataka High Court and basis settlement thereof, the Company will have clear title to the property.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 2A. Investments (non-current)

(Unsecured, considered good)

Unquoted Investments

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Investment in equity shares of wholly owned subsidiary company 10,000 equity shares of Rs.10 each fully paid-up (March 31, 2023: Nil) in BASF India Coatings Private Limited	0.1	—
	0.1	—

Globally, BASF's Coatings division has decided to migrate from the existing Enterprise Resource Planning (ERP) system to a new ERP system, i.e., S/4HANA. Due to this intended migration and to capture the potential benefits of the new ERP system, the Coatings businesses worldwide, which are part of legal entities with multiple operating divisions, will be transferred to separate legal entities.

In view of the above, BASF India Limited incorporated BASF India Coatings Private Limited ("the Subsidiary") as its wholly owned subsidiary on December 11, 2023. The Subsidiary has share capital consisting of equity shares of Rs 1,00,000/- which are subscribed by the Holding Company on January 11, 2024.

The Board of Directors of the Company at its meeting held on February 12, 2024 has approved the transfer of Company's Coatings business to its wholly owned subsidiary, on slump sale and at arm's length basis as determined by an Independent Valuer i.e., for a consideration of Rs. 1,820 million, subject to necessary adjustments, as may be required, on the closing date in accordance with the conditions specified in the Business Transfer Agreement. The closing of the transaction is expected until the end of calendar year 2024.

Since the transaction is merely a restructuring and no commercial substance / sale consideration is expected out of the transaction, the same is not considered as held for sale or discontinued operation as per Ind AS 105 "Non current Asset Held for Sale and Discontinued operations".

### 2B. Loans (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Loan to employees	0.5	0.6
	0.5	0.6

### 3. Other financial assets (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Security deposits	235.9	165.1
	235.9	165.1
Less: Loss allowance on Security deposits	15.7	15.7
	220.2	149.4

## Notes to the Standalone Financial Statements as at March 31, 2024

### 4. Deferred tax assets (net)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax assets</b>		
Temporary differences on account of:		
Loss allowance on trade receivables	166.4	175.7
Payment towards Voluntary Retirement Scheme	—	3.2
Impact of lease liabilities	405.1	301.2
MTM revaluation	1.1	—
Carrying value of property plant and equipment	3.7	—
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	289.9	291.9
<b>Total deferred tax assets</b>	<b>866.2</b>	<b>772.0</b>
<b>Deferred tax liabilities</b>		
Temporary differences on account of:		
Impact of right-of-use assets	(389.9)	(266.2)
MTM revaluation	—	(10.7)
Carrying value of property plant and equipment	—	(100.2)
<b>Total deferred tax liabilities</b>	<b>(389.9)</b>	<b>(377.1)</b>
<b>Deferred tax assets (net)</b>	<b>476.3</b>	<b>394.9</b>

### 5. Income tax assets (net)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Opening balance	1,896.0	1,755.4
Add: Taxes paid (net)	55.6	1,543.4
Add: Interest receivable on income tax refund	—	16.2
Less: Tax Provision (created) / reversed for current year	—	(1,393.2)
Add: Tax Provision (created) / reversed for earlier years (including interest)	(1.5)	(25.8)
Closing balance	1,950.1	1,896.0

### 6. Other non-current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Capital advances	57.7	10.0
Other Advances:		
— Prepayments	3.5	9.6
— Amount recoverable from tax authorities	453.6	446.6
	<b>514.8</b>	<b>466.2</b>

## Notes to the Standalone Financial Statements as at March 31, 2024

### 7. Inventories

(Valued at lower of cost and net realisable value)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Raw materials	5,450.1	6,063.6
Finished goods	5,116.1	5,171.4
Stock-in-trade	9,953.6	10,352.6
Work-in-progress	56.1	64.2
Others		
Packing materials	172.7	173.7
Stores and spares	411.9	346.7
	21,160.5	22,172.2
<b>Goods in transit (included above)</b>		
Raw materials	2,870.4	2,487.0
Stock-in-trade	6,320.8	4,738.1
Finished goods	223.8	588.5
Packing materials	0.5	—

#### Amounts recognised in Statement of Profit and Loss

Write back of inventories to net realisable value amounted to Rs. 93.8 million (Previous year: write down of Rs. 365.6 million). These were recognised in the Statement of Profit and Loss during the year under the heads 'cost of materials consumed' and 'Changes in inventories of finished goods, stock-in-trade and work-in-progress'.

### 8. Trade receivables

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Considered good:		
Secured	18.5	25.3
Unsecured	25,200.8	23,420.0
	25,219.3	23,445.3
Credit impaired	661.2	697.9
	25,880.5	24,143.2
Less : Loss allowance on trade receivables	661.2	697.9
	25,219.3	23,445.3
<i>Of the above, dues from companies where directors are interested</i>	40.9	37.9

For Trade receivables from related parties, refer Note 50.

For aging of Trade receivables, refer Note 35.

### 9. Cash and bank balances

Rs. in million

	As at March 31, 2024	As at March 31, 2023
<b>Cash and cash equivalents</b>		
Cheques on hand	17.2	—
Balances with banks:		
– In current accounts	189.3	159.1
Deposits with original maturity of less than three months	6,012.1	3,506.8
	6,218.6	3,665.9
<b>Bank balances other than cash and cash equivalents</b>		
– In unpaid dividend account	6.9	5.7
– Corporate social responsibility ("CSR") unspent account	17.1	—
– Deposits with original maturity of more than three months but less than twelve months	0.2	0.3
	24.2	6.0
	6,242.8	3,671.9
Of the above		
Earmarked bank balances (unpaid dividend account and CSR Unspent account)	24.0	5.7

## Notes to the Standalone Financial Statements as at March 31, 2024

### 10. Loans (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Loan to employees	0.5	0.3
Inter Corporate Deposits ("ICDs") given (Refer Note 50)	5,450.0	1,500.0
	5,450.5	1,500.3

Inter Corporate Deposit is given to fellow subsidiaries during the year:

- BASF Catalysts India Private Limited in the range of 7.15% - 7.55% interest rate (Previous Year 7.45% interest rate); repayable by June 2024 for working capital requirement. The maximum outstanding during the year is Rs 5,100.0 million (Previous Year Rs. 1500.0 million), and
- BASF Chemicals India Private Limited in the range of 7.20% - 7.75% interest rate; repayable by June 2024 for working capital requirement. The maximum outstanding during the year is Rs 400.0 million.

### 11. Other financial assets (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Derivatives with positive fair values	93.0	38.9
Derivatives pending settlement	—	290.6
Security deposits	2.8	21.4
Refund receivable from government authorities	116.9	304.7
Interest accrued on Bank deposits	9.2	0.6
Interest accrued on ICDs to related parties	29.1	0.9
Others receivable including related parties	99.2	99.6
	350.2	756.7

### 12. Other current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Prepayments	239.8	145.9
Advances to vendors	93.3	451.1
Balances with government authorities	2,206.4	2,475.2
Advances to employees	2.6	4.0
	2,542.1	3,076.2

### 13. Assets classified as held for sale

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Assets held for sale	—	—
	—	—
<b>Asset held for sale includes following:</b>		
Non core assets (residential apartments)	—	—
	—	—
<b>Fair value measurement:</b>		
Non core assets (residential apartments)	138.5	137.4
	138.5	137.4

#### Notes:

- (i) The Company intends to dispose off non core residential apartment as it no longer intends to utilise this asset. A search for a buyer is underway. The Company expects the fair value less cost to sell to be higher than carrying amount.



## Notes to the Standalone Financial Statements as at March 31, 2024

### 14. Share capital

Rs. in million

	As at March 31, 2024	As at March 31, 2023
<b>Authorised (Refer Note (i) below):</b>		
71,559,715 (Previous Year 71,559,715) Equity Shares of Rs.10/- each	715.6	715.6
<b>Issued:</b>		
43,285,640 (Previous Year 43,285,640) Equity Shares of Rs.10/- each	432.9	432.9
<b>Subscribed and paid-up:</b>		
43,284,958 (Previous Year 43,284,958) Equity Shares of Rs.10/- each fully paid	432.9	432.9
	432.9	432.9

#### a. Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Rs. in million	Number	Rs. in million
Shares outstanding at the beginning and at the end of the year	43,284,958	432.9	43,284,958	432.9

#### b. Rights, preferences and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### c. Equity shares held by Ultimate Holding Company / Holding Company and / or their associates or subsidiaries

Name of Shareholder	Relationship	As at March 31, 2024	As at March 31, 2023
BASF Societas Europea	Ultimate Holding Company	22,835,320	22,835,320
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	8,907,900

#### d. Equity shares in the Company held by each Shareholder holding more than 5% shares

Name of Shareholder	Relationship	As at March 31, 2024		As at March 31, 2023	
		Number	Percentage	Number	Percentage
BASF Societas Europea	Ultimate Holding Company	22,835,320	52.75%	22,835,320	52.75%
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	20.58%	8,907,900	20.58%

#### e. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

None

## Notes to the Standalone Financial Statements as at March 31, 2024

### 14. Share capital (Continued)

#### f. Details of shareholding of promoters:

Name of the promoter	As at March 31, 2024			As at March 31, 2023		
	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2024	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2023
BASF Societas Europea	22,835,320	52.75%	—	22,835,320	52.75%	—
BASF Schweiz AG	8,907,900	20.58%	—	8,907,900	20.58%	—
Total	31,743,220	73.33%	—	31,743,220	73.33%	—

### 15. Other equity

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Securities premium	2,203.2	2,203.2
Amalgamation reserve	371.7	371.7
Share options outstanding account	35.0	54.2
General reserve	10,046.9	10,046.9
Retained earnings	22,003.5	16,760.3
Capital reserve	(2,857.4)	(2,857.4)
	31,802.9	26,578.9

#### (a) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

Rs. in million

Securities premium	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	2,203.2	2,203.2
Balance at end of the year	2,203.2	2,203.2

#### (b) Amalgamation reserve

Amalgamation reserve is used to record difference between the share capital of the amalgamating companies. It is utilised in accordance with the provisions of the Act.

Rs. in million

Amalgamation reserve	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	371.7	371.7
Balance at end of the year	371.7	371.7

#### (c) Share options outstanding account

Share Options Outstanding Account is used to account for effects from employee stock option expense.

Rs. in million

Share options outstanding account	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	54.2	45.1
Add: Employee stock option charge / (credit) (Refer Note 48)	(19.2)	9.1
Balance at end of the year	35.0	54.2

## Notes to the Standalone Financial Statements as at March 31, 2024

### 15. Other equity (Continued)

#### (d) General reserve

General reserves are the retained earnings of the Company which are kept aside out of the profits to meet future (known or unknown) obligations.

Rs. in million

General reserve	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	10,046.9	10,046.9
Balance at end of the year	10,046.9	10,046.9

#### (e) Retained earnings

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	16,760.3	13,118.4
Add: Profit for the year	5,633.5	4,028.9
Items of other comprehensive income / (loss):		
Add / (Less): Remeasurement of the net defined benefit asset / liability, net of tax effect	(44.0)	(127.3)
Appropriations:		
Less: Dividend (Refer Note 39(b))	(346.3)	(259.7)
Balance at end of the year	22,003.5	16,760.3

#### (f) Capital reserve

The excess of carrying value of investments in erstwhile Basf Performance Polyamides India Private Limited over net value of assets, liabilities and reserves has been debited to Capital reserve.

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	(2,857.4)	(2,857.4)
Balance at end of the year	(2,857.4)	(2,857.4)

### 16. Other financial liabilities (non-current)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Deposits from customers	32.4	37.2
Accrual for employee benefits	71.5	98.1
	103.9	135.3

### 17. Provisions (non-current)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits (Refer Note 48)		
– Long service award	46.7	43.6
– Gratuity	391.6	241.2
Other provisions (Refer Note 46)	263.8	472.8
	702.1	757.6

## Notes to the Standalone Financial Statements as at March 31, 2024

### 18. Other non-current liabilities

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Accrual for CSR Unspent Balance (Refer Note 47)	21.9	18.0
	21.9	18.0

### 19. Trade payables

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Micro and Small Enterprises (Refer Note 43)	303.6	297.4
Others	35,175.7	33,432.2
	35,479.3	33,729.6

For payables to related parties, refer Note 50.

For aging of Trade payables, refer Note 36.

### 20. Other financial liabilities (current)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Unpaid dividends*	6.9	5.7
Capital creditors	62.7	46.6
Derivatives with negative fair values	4.4	126.9
Accrual for employee benefits	386.7	769.5
	460.7	948.7

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

### 21. Provisions (current)

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits (Refer Note 48)		
– Compensated absences	469.7	480.0
– Long service award	4.9	5.7
	474.6	485.7

### 22. Current tax liabilities

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Opening balance	–	–
Add: Current tax payable for the year	2,021.1	–
Less: Taxes paid	1,979.6	–
	41.5	–

### 23. Other current liabilities

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Advances received from customers	214.4	748.5
Accrual for customer incentive schemes (Refer Note 51)	538.8	403.2
Accrual for CSR Unspent Balance (Refer Note 47)	80.8	45.5
Statutory dues payable	415.1	303.9
	1,249.1	1,501.1

## Notes to the Standalone Financial Statements as at March 31, 2024

### 24. Other income

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	478.9	135.0
Interest on income tax refunds	—	16.2
Profit on sale of property plant and equipment (net)	15.9	123.1
Write back of other provisions	87.6	—
Miscellaneous income	175.4	100.1
	757.8	374.4

### 25. Cost of materials consumed

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials :		
Stock at the beginning of the year	6,063.6	5,265.3
Add: Purchases	43,700.8	46,900.3
Less: Stock at the end of the year	(5,450.1)	(6,063.6)
Cost of raw materials consumed	44,314.3	46,102.0
Packing materials consumed	1,052.5	1,014.4
	45,366.8	47,116.4

### 26. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Stock at the end of the year:		
Finished goods	5,116.1	5,171.4
Stock-in-trade	9,953.6	10,352.6
Work-in-progress	56.1	64.2
Sub-total	15,125.8	15,588.2
Stock at the beginning of the year:		
Finished goods	(5,171.4)	(4,049.8)
Stock-in-trade	(10,352.6)	(9,587.6)
Work-in-progress	(64.2)	(10.7)
Sub-total	(15,588.2)	(13,648.1)
	462.4	(1,940.1)

### 27. Employee benefit expenses

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	3,361.6	3,451.4
Contribution to provident and other funds (Refer Note 48)	327.2	277.1
Employee stock option charge (Refer Note 48)	—	9.1
Gratuity (Refer Note 48)	91.6	67.9
Staff welfare expense	141.0	115.6
	3,921.4	3,921.1



## Notes to the Standalone Financial Statements as at March 31, 2024

### 28. Finance costs

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	59.3	55.2
Interest on income tax	0.3	—
Interest on lease liabilities	83.7	74.2
Interest- others	12.0	9.7
	155.3	139.1

### 29. Depreciation and amortisation expenses

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, plant and equipment	1,356.5	1,306.0
Depreciation of Right-of-use assets	530.9	487.8
Amortisation of intangible assets	24.7	27.0
	1,912.1	1,820.8

### 30. Other expenses

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight and handling charges	2,322.6	2,439.8
Power and fuel	1,024.5	1,102.0
Professional charges (Refer Note 32)	1,677.1	1,619.2
Communication / system expenses	1,225.6	1,089.8
Foreign exchange loss (net)	379.0	748.0
[Includes net gain Rs. 176.6 million (Previous Year: net gain of Rs. 21.5 million) on fair valuation of trade derivatives]		
Sales promotion expenses	899.7	935.7
Travelling	327.2	277.7
Subcontracting charges	308.2	376.8
Rent (Refer Note 42)	116.0	83.0
Royalty	666.1	669.1
Consumption of stores and spare parts	162.5	164.0
Service fees	41.4	44.0
Repairs – Machinery	116.5	114.2
– Buildings	213.9	132.4
– Others	110.6	99.8
Insurance	219.8	250.6
Rates and taxes	113.9	148.9
Bad debts written-off	75.4	9.3
Less: Utilisation of loss allowance on trade receivables	(75.4)	(9.3)
	—	—
Loss allowance on trade receivables (net)	38.7	6.9
Corporate Social Responsibility expenses (Refer Note 47)	119.0	86.0
Miscellaneous expenses	560.4	503.9
	10,642.7	10,891.8

## Notes to the Standalone Financial Statements as at March 31, 2024

### 31. Tax expense

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax	2,035.9	1,436.0
Income tax for previous periods	1.5	25.8
Income tax impact on items included in Other comprehensive income	(14.8)	(42.8)
<b>Total current tax expense</b>	<b>2,022.6</b>	<b>1,419.0</b>
<b>Deferred tax (including tax on Other comprehensive income)</b>		
(i) (Increase) / Decrease in deferred tax assets:		
Loss allowance on trade receivables	9.3	0.6
Payment towards Voluntary Retirement Scheme	3.2	17.5
Compensation towards Realignment of Service units	—	7.2
Impact of lease liabilities	(103.9)	(0.7)
MTM revaluation	(11.8)	19.5
Carrying value of property plant and equipment	(103.9)	—
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	2.0	(47.9)
	(205.1)	(3.8)
(ii) Increase / (Decrease) in deferred tax liabilities		
Impact of right-of-use assets	123.7	(34.3)
MTM revaluation	—	10.7
Carrying value of property plant and equipment	—	(29.3)
	123.7	(52.9)
<b>Total deferred tax (credit) / expense [(i)+(ii)]</b>	<b>(81.4)</b>	<b>(56.7)</b>
<b>Total tax (credit) / expense</b>	<b>1,941.2</b>	<b>1,362.3</b>
Income tax impact on items included in Other comprehensive income		
<b>Total income tax (credit) / expense</b>		
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Profit before income tax expense	7,589.5	5,434.0
Other comprehensive income (before tax)	(58.8)	(170.1)
<b>Total</b>	<b>7,530.7</b>	<b>5,263.9</b>
<b>Income tax rate</b>	<b>25.17%</b>	<b>25.17%</b>
Tax on income	1,895.5	1,324.9
<b>Tax effect of items in reconciliations</b>		
Income tax for previous periods	1.5	25.8
Impact of Corporate Social Responsibility expenses and others	44.2	11.6
<b>Total tax expense</b>	<b>1,941.2</b>	<b>1,362.3</b>

## Notes to the Standalone Financial Statements as at March 31, 2024

### 32. Payment to auditors

Professional charges in Note 30 includes payment to auditors as follows:

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditors :		
- Statutory Audit Including Limited Review and Corporate Governance	12.5	12.7
- Tax Audit	1.2	1.2
- Group Audit	5.3	5.3
For other services	—	—
For reimbursement of expenses	1.3	1.3
<b>Total</b>	<b>20.3</b>	<b>20.5</b>

### 33. Title deeds of Immovable Properties not held in the name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as on March 31, 2024 (Rs. in million)	Gross carrying value as on March 31, 2023 (Rs. in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold Land held at Mangalore location	48.3	48.3	Karnataka Industrial Areas Development Board	No	October 21, 2014	The Company has submitted the necessary documents to Karnataka Industrial Areas Development Board for execution of the Sale Deed for land at Mangalore and the process is ongoing

### 34. Aging of Capital work-in-progress (CWIP)

(a) Aging of CWIP:

Rs. in million

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	570.1	42.6	2.1	—	614.8
	<i>182.5</i>	<i>5.2</i>	<i>—</i>	<i>—</i>	<i>187.7</i>
<b>Total</b>	<b>570.1</b>	<b>42.6</b>	<b>2.1</b>	<b>—</b>	<b>614.8</b>
	<i>182.5</i>	<i>5.2</i>	<i>—</i>	<i>—</i>	<i>187.7</i>

The previous year's figures are given in italic light type below each item.

There were no temporarily suspended projects as on Balance Sheet date of current year as well as previous year.

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Rs. in million

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
i) Performance Materials Lab	98.5	—	—	—	98.5
	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
ii) Routine Small Capex	156.7	—	—	—	156.7
	<i>49.0</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>49.0</i>
<b>Total</b>	<b>255.2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>255.2</b>
	<i>49.0</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>49.0</i>

The previous year's figures are given in italic light type below each item.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 35. Aging of Trade Receivables:

Rs. in million

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	<b>22,811.8</b>	<b>2,347.8</b>	<b>35.0</b>	<b>5.4</b>	<b>5.6</b>	<b>13.7</b>	<b>25,219.3</b>
	<i>21,522.4</i>	<i>1,864.7</i>	<i>29.9</i>	<i>4.1</i>	<i>13.6</i>	<i>10.6</i>	<i>23,445.3</i>
Credit impaired	<b>118.6</b>	<b>23.4</b>	<b>38.2</b>	<b>8.8</b>	<b>2.7</b>	<b>33.9</b>	<b>225.6</b>
	<i>110.8</i>	<i>19.1</i>	<i>30.7</i>	<i>4.2</i>	<i>11.3</i>	<i>66.5</i>	<i>242.6</i>
<b>Disputed Trade Receivables</b>							
Credit impaired	—	—	—	<b>20.4</b>	<b>266.9</b>	<b>148.3</b>	<b>435.6</b>
	—	<i>0.1</i>	<i>2.8</i>	<i>266.8</i>	<i>114.7</i>	<i>70.9</i>	<i>455.3</i>
<b>Total</b>	<b>22,930.4</b>	<b>2,371.2</b>	<b>73.2</b>	<b>34.6</b>	<b>275.2</b>	<b>195.9</b>	<b>25,880.5</b>
	<i>21,633.2</i>	<i>1,883.9</i>	<i>63.4</i>	<i>275.1</i>	<i>139.6</i>	<i>148.0</i>	<i>24,143.2</i>

The previous year's figures are given in italic light type below each item.

### 36. Aging of Trade Payables:

Rs. in million

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
Micro enterprises and small enterprises	<b>23.7</b>	<b>251.4</b>	<b>28.0</b>	<b>0.5</b>	—	—	<b>303.6</b>
	<i>12.9</i>	<i>247.3</i>	<i>36.8</i>	<i>0.4</i>	—	—	<i>297.4</i>
Others	<b>1,875.1</b>	<b>27,453.3</b>	<b>4,781.0</b>	<b>580.7</b>	<b>399.7</b>	<b>85.9</b>	<b>35,175.7</b>
	<i>1,680.1</i>	<i>27,014.4</i>	<i>4,052.0</i>	<i>555.1</i>	<i>114.4</i>	<i>16.2</i>	<i>33,432.2</i>
<b>Disputed Trade Payables</b>							
Micro enterprises and small enterprises	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
<b>Total</b>	<b>1,898.8</b>	<b>27,704.7</b>	<b>4,809.0</b>	<b>581.2</b>	<b>399.7</b>	<b>85.9</b>	<b>35,479.3</b>
	<i>1,693.0</i>	<i>27,261.7</i>	<i>4,088.8</i>	<i>555.5</i>	<i>114.4</i>	<i>16.2</i>	<i>33,729.6</i>

The previous year's figures are given in italic light type below each item.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 37. Financial Ratios:

Ratio	Numerator	Denominator	Current year ended March 31, 2024	Previous year ended March 31, 2023	% variance	Reason for variance (wherever % variance is > 25%)
Current Ratio (times)	Current Assets	Current Liabilities	1.6	1.5	8%	
Return on Equity (net worth) (%)	Profit After Tax (PAT)	Average Total Equity	19.0%	16.0%	19%	Increased on account of higher profits for the year
Inventory Turnover Ratio (times)	Cost of goods sold [Refer Note (i) below]	Average Inventory	5.3	5.5	-4%	
Trade Receivables Turnover Ratio (times)	Revenue from Operations	Average Trade Receivables	5.7	5.5	3%	
Trade Payables Turnover Ratio (times)	Total Purchases [Refer Note (ii) below]	Average Trade Payables	3.2	3.5	-7%	
Net Capital Turnover Ratio (times)	Revenue from Operations	Average working capital (Current assets - Current liabilities)	6.8	8.8	-23%	Improved on account of better working capital management
Net Profit Ratio (%)	Profit After Tax (PAT)	Revenue from Operations	4.1%	3.0%	39%	Increased on account of higher profits for the year
Return on Capital Employed (%)	Earnings Before Interest & Tax before exceptional items	Average Capital Employed (Shareholder's Equity + borrowings)	26.1%	21.5%	21%	Increased on account of higher profits for the year
Operating Profit Margin (%)	Earnings Before Interest & Tax (EBIT) before exceptional items	Revenue from Operations	5.6%	4.0%	42%	Increased on account of higher profits for the year
Interest Coverage Ratio (times)	Earnings Before Interest Tax & Depreciation (EBITDA) before exceptional items	Finance cost	62.2	52.1	19%	Increased on account of higher profits for the year

#### Notes:

- (i) Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress.
- (ii) Total purchases = Purchase of Raw Materials (as disclosed in Note 25) + Purchase of stock-in-trade.
- (iii) Average balances are derived by taking average of Opening balance and closing balance.

### 38. Fair value measurement

#### Financial instruments

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Indian accounting standard 113 - 'Fair value measurement'.

#### Explanation of each

Level 1: Determination of the fair value based on quoted, unadjusted prices on active markets.

Level 2: Determination of fair value based on parameters for which directly or indirectly quoted prices on active market are available.

Level 3: Determination of fair value based on parameters for which there is no observable market data.

Fair values for financial assets and liabilities (other than those disclosed below) approximates the carrying amount. All other financial assets and financial liabilities are carried at amortised costs.

Rs. in million

	Fair value hierarchy	Valuation category and technique	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>				
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	93.0	38.9
<b>Financial liabilities</b>				
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	4.4	126.9

There are no reclassification between different levels during the year.



## Notes to the Standalone Financial Statements as at March 31, 2024

### 38. Fair value measurement (Continued)

#### Risk Exposure:

#### (i) Foreign currency risk

The Company is exposed to foreign-currency risks during the normal course of business. These risks are hedged through a determined strategy employing derivative instruments. Hedging is only employed for underlying items from the operating business. The risks from the underlying transactions and the derivatives are constantly monitored. Where the derivatives have a positive value, the Company is exposed to credit risks from the derivative transactions in the event of nonperformance of the other party. To minimise the default risk on derivatives with the positive market values, transactions are exclusively conducted with credit worthy banks and partners and are subject to predefined credit limits. The contracting and execution of derivative financial instruments for hedging purposes are conducted according to internal guidelines and subject to strict control mechanism.

The sensitivity analysis is conducted by simulating a 10% appreciation / depreciation of the functional currency against respective other currencies.

#### (a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

Rs. in million

	As at March 31, 2024	As at March 31, 2023
<b>Trade payable</b>		
USD	28,982.0	28,254.0
EUR	412.6	34.4
<b>Capital Creditors</b>		
USD	2.4	0.6
EUR	5.5	10.8
<b>Trade receivables</b>		
USD	708.8	723.1
EUR	403.5	54.5
<b>Cash and cash equivalents (EEFC account)</b>		
USD	33.1	0.3

	As at March 31, 2024	As at March 31, 2023
<b>Forward contracts</b>		
USD	26,406.6	25,939.7

	As at March 31, 2024	As at March 31, 2023
<b>Net exposure (after forward contracts)</b>		
USD	1,835.9	1,591.5
EUR	14.6	(9.3)

#### (b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates by 10%\* arises mainly from foreign currency denominated financial instruments. Impact of sensitivity on net exposure for major currency balances is as follows:

Rs. in million

Currency	As at March 31, 2024		As at March 31, 2023	
	Increase in exchange rate	Decrease in exchange rate	Increase in exchange rate	Decrease in exchange rate
USD	183.6	(183.6)	159.2	(159.2)
EUR	1.5	(1.5)	(0.9)	0.9

\* Holding all other variables constant

#### (ii) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. To hedge interest rate risk, mix of variable and fixed instruments is judiciously applied for financing the Company's requirements.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 38. Fair value measurement (Continued)

#### (iii) Liquidity risk

The Company recognises any risk from cash flow fluctuations as a part of liquidity planning. The Company has access to sufficient liquidity from unutilised credit lines from banks and ongoing commercial paper programme.

#### (a) Financing arrangements

The Company has access to undrawn borrowing facilities from banks for Rs. 12,682.9 million (Previous Year: Rs. 9,188 million) as on March 31, 2024. The Company also has unused Commercial Papers limit of Rs. 7,500 million (Previous Year: Rs. 7,500 million).

#### (b) Maturities of financial liabilities

The interest and principal payments as well as other payments for derivative financial instruments are relevant for the presentation of the maturities of the contractual cash flows from financial liabilities. Derivatives are included using their net cash flow, provided they have a negative fair value and therefore represent a liability. Derivatives with positive fair values are assets and are therefore not considered. Trade accounts payable are generally interest-free and due within one year. Therefore, the carrying amount of trade accounts payable equals the sum of future cash flows. Contractual maturities of lease liabilities are disclosed on an undiscounted basis.

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2024	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
<b>Non-derivatives</b>					
Trade payables	35,479.3	—	—	—	35,479.3
Lease liabilities	643.3	451.8	249.8	415.4	1,760.3
Other financial liabilities	456.3	103.9	—	—	560.2
<b>Total non-derivative liabilities</b>	<b>36,578.9</b>	<b>555.7</b>	<b>249.8</b>	<b>415.4</b>	<b>37,799.8</b>
<b>Derivatives</b>					
Derivatives with negative fair values	4.4	—	—	—	4.4
<b>Total derivative liabilities</b>	<b>4.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4.4</b>

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2023	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
<b>Non-derivatives</b>					
Trade payables	33,729.6	—	—	—	33,729.6
Lease liabilities	501.6	342.5	201.4	140.2	1,185.7
Other financial liabilities	821.8	135.3	—	—	957.1
<b>Total non-derivative liabilities</b>	<b>35,053.0</b>	<b>477.8</b>	<b>201.4</b>	<b>140.2</b>	<b>35,872.4</b>
<b>Derivatives</b>					
Derivatives with negative fair values	126.9	—	—	—	126.9
<b>Total derivative liabilities</b>	<b>126.9</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>126.9</b>

#### (iv) Credit risk

##### Trade receivables

Credit risk arise when counterparties do not fulfil their contractual obligations. The Company regularly analyses the credit worthiness of relevant customers and grants credit limits on the basis of this analysis. Due to the diversified customer structure of the Company, there is no significant concentration of default risk. The company uses simplified approach for trade receivables whereby the loss allowance is measured at an amount equal to the lifetime expected credit losses. The carrying amount of all receivables subject to expected credit loss and default risk represents the maximum default risk for the Company. The expected credit losses are calculated taking into consideration the credit rating of the customer, probability of default for various different credit ratings and loss given default.

Counterparties generally considered as stage 3 when they becomes insolvent or are in a finance related legal dispute with the company. Receivable are derecognised when they are definitively found to be uncollectable such as in the event of concluded insolvency proceedings.

Accordingly expected credit loss is recognised under two stages as follows :

Stage 2 - Loss allowance at an amount equivalent lifetime expected credit losses at the reporting date for the customers with High, Medium and Low rating based on internal and external credit ratings

Stage 3 - Loss allowance on account of credit impaired at the reporting date

## Notes to the Standalone Financial Statements as at March 31, 2024

### 38. Fair value measurement (Continued)

#### (iv) Credit risk (Continued)

##### Loans to related parties

The company considers the probability of default upon initial recognition of loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a counterparty is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

##### Cash and bank balances

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

##### Security deposits and other receivables

The Company periodically monitors the recoverability and credit risks of its security deposits and other receivables. The Company evaluates 12 month expected credit losses of all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

Accordingly, Loans to related parties, Cash and bank balances, Security deposits and other receivables, are subject to the impairment requirements of Ind AS 109 and the identified impairment loss was immaterial.

#### (a) Provision for expected credit loss:

Rs. in million

For trade receivables	Gross carrying amount	
	As at March 31, 2024	As at March 31, 2023
Creditworthiness		
High / medium credit rating	16,981.5	15,594.4
Low credit rating	8,363.2	7,972.2

#### - For trade receivables under life time expected credit loss model (simplified approach)

Year ended March 31, 2024

Rs. in million

Ageing	Stage 2	Stage 3	Total
Gross carrying amount	25,344.7	535.8	25,880.5
Expected loss rate	0.5%	100.0%	
Expected credit losses (loss allowance provision)	125.4	535.8	661.2
Carrying amount of trade receivable (net of impairment)	25,219.3	—	25,219.3

Year ended March 31, 2023

Rs. in million

Ageing	Stage 2	Stage 3	Total
Gross carrying amount	23,566.6	576.6	24,143.2
Expected loss rate	0.5%	100.0%	
Expected credit losses (loss allowance provision)	121.3	576.6	697.9
Carrying amount of trade receivable (net of impairment)	23,445.3	—	23,445.3

## Notes to the Standalone Financial Statements as at March 31, 2024

### 38. Fair value measurement (Continued)

#### (iv) Credit risk (Continued)

- For other financial assets – High quality assets, negligible credit risk (under 12 months expected credit loss)

Rs. in million

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
March 31, 2024	12,279.9	0.1%	15.7	12,264.2
March 31, 2023	6,094.6	0.3%	15.7	6,078.9

#### (b) Reconciliation of loss allowance provision for Trade Receivables

Rs. in million

Loss allowance on March 31, 2022	700.3
Less: Utilisation towards bad debts	(9.3)
Add: Changes in loss allowance	6.9
Loss allowance on March 31, 2023	697.9
Less: Utilisation towards bad debts	(75.4)
Add: Changes in loss allowance	38.7
Loss allowance on March 31, 2024	661.2

### Significant estimates and judgements

#### Impairment of financial assets

The impairment provision for the financial assets disclosed above are based on credit ratings, assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

### 39. Capital management

#### (a) Risk management

The aim of capital structure management is to maintain the financial flexibility needed to further develop the Company's business portfolio and take advantage of strategic opportunities. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Company's capital structure is managed using equity and debt ratios as a part of the Company's financial planning.

Generally a mix of commercial paper programme, inter corporate deposits, overdraft facilities and bank loans are used for short term financing while group external commercial borrowings are used for financing long term requirements.

The goal is to optimise the Company's capital cost financing conditions.

The Company monitors capital on the basis of the following ratios:

1. Equity ratio - Total equity divided by Total assets

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Total equity	32,235.8	27,011.8
Total assets	72,329.6	65,646.3
Equity ratio	44.6%	41.1%

#### (b) Dividends

Rs. in million

	As at March 31, 2024	As at March 31, 2023
(i) Equity shares		
Dividend for the year ended March 31, 2023 of Rs. 8 (March 31, 2022 of Rs. 6) per fully paid share	346.3	259.7
Proposed dividend		
(ii) Dividend not recognised at the end of reporting year		
In addition to the above dividends, since year end, the Board of Directors have recommended the payment of a dividend of Rs. 15 for the year ended March 31, 2024 (Previous year: Rs. 8) per fully paid share. This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting.	649.3	346.3

## Notes to the Standalone Financial Statements as at March 31, 2024

### 40. Contingent liabilities

Rs. in million

Nature	As at March 31, 2024	As at March 31, 2023
Contingent liabilities (excluding interest & penalties)		
a) Claims against the Company not acknowledged as debts	27.3	31.0
In respect of which the Company has counterclaim	—	—
b) Demand for taxes and duties in respect of which the company has preferred appeals with appropriate authorities		
a. Income tax	1,854.3	1,955.3
b. Sales tax and Goods and Service Tax	145.8	27.7
<b>Total</b>	<b>2,027.4</b>	<b>2,014.0</b>

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above matters, pending resolution of the respective proceedings.

### 41. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for Rs. 465.0 million (Previous Year Rs. 232.2 million)
- The company has a lease contract that has been committed but not yet commenced as at March 31, 2024. The future lease payment for this contract amounting to Rs. 576.5 million is payable within next 5 years
- The company has entered into a power purchase agreement on April 1, 2024 for purchase of renewable power with a lock-in period of 10 years for 100% offtake of electricity produced with the estimated amount of Rs. 30.0 million annually. The operations shall commence once necessary licences / permissions are obtained.

### 42. Leases

The Company has adopted modified retrospective approach as per para C8 (c) (ii) of Ind AS 116 – Leases. The Company leases warehouses, vehicles, office facilities, storage tanks, equipments etc.

The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average incremental borrowing rate used to discount the gross lease liability additions during the current year & previous year was 4 to 9%.

- Amounts recognised in the Statement of Profit and Loss:

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Depreciation charge on Right-of-use assets (Refer Notes 1(B) and 29)	530.9	487.8
(ii) Interest expense for lease liabilities (Refer Note 28)	83.7	74.2
(iii) Rent expense (Refer Note 30):		
– Expenses for variable lease payments not included in lease liabilities	5.1	4.5
– Expenses for short-term leases and others	110.9	78.5
<b>Total</b>	<b>116.0</b>	<b>83.0</b>



## Notes to the Standalone Financial Statements as at March 31, 2024

### 42. Leases (Continued)

b) Other disclosures:

(i) Lease liabilities:

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities	1,000.6	610.6
Current lease liabilities	560.1	447.9
<b>Total lease liabilities</b>	<b>1,560.7</b>	<b>1,058.5</b>

For maturity profile of Lease liabilities, refer Note 38(iii)(b)

(ii) Additions to the right-of-use assets and carrying values of right-of-use assets as at end of reporting period are disclosed in Note 1(B).

c) Net debt Reconciliation

Rs. in million

Net debt Reconciliation	As at March 31, 2024		As at March 31, 2023	
	Cash and Cash Equivalents	Liabilities from financing activities	Cash and Cash Equivalents	Liabilities from financing activities
Opening Net debt	3,665.9	—	1,256.0	—
Cash inflow (net)	2,552.7	—	2,409.9	—
Interest expense	—	71.6	—	64.9
Interest Paid	—	(71.6)	—	(64.9)
<b>Closing Net debt (I)</b>	<b>6,218.6</b>	<b>—</b>	<b>3,665.9</b>	<b>—</b>
Opening lease liabilities	—	1,058.5	—	1,215.2
Interest on leases liabilities	—	83.7	—	74.2
Change in lease liabilities during the year (net of deletions / transfers)	—	1,022.5	—	351.6
Repayment of lease liabilities	—	(604.0)	—	(582.5)
<b>Closing lease liabilities (II)</b>	<b>—</b>	<b>1,560.7</b>	<b>—</b>	<b>1,058.5</b>
<b>Total closing Net debt (I+II)</b>	<b>6,218.6</b>	<b>1,560.7</b>	<b>3,665.9</b>	<b>1,058.5</b>

## Notes to the Standalone Financial Statements as at March 31, 2024

### 43. Micro, Small and Medium Enterprises Development Act, 2006

On the basis of information and records available with the Management, the following disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities:

Rs. in million

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act as at the end of the year.		
– Principal amount	279.9	284.5
– Interest amount	0.4	1.3
The interest paid / settled by the buyer in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payments made beyond the appointed date during each account year		
– Principal amount	872.9	582.7
– Interest amount	–	36.3
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	10.4	7.1
The amount of interest accrued and remaining unpaid at the end of each accounting year.	10.8	8.4
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro, small and medium enterprise.	23.7	12.9

### 44. Exceptional items

Rs. in million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit on sale of its non-core assets (i.e. residential properties)	–	153.1
<b>Total</b>	<b>–</b>	<b>153.1</b>

### 45. Offsetting financial assets and financial liabilities

Rs. in million

	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in balance sheet
	(Financial Assets - Trade Receivables)	(Financial Liabilities - Rebates / Discounts)*	(Net Financial Assets - Trade Receivables)
March 31, 2024	27,099.8	1,880.5	25,219.3
<b>Total</b>	<b>27,099.8</b>	<b>1,880.5</b>	<b>25,219.3</b>
March 31, 2023	24,934.5	1,489.2	23,445.3
<b>Total</b>	<b>24,934.5</b>	<b>1,489.2</b>	<b>23,445.3</b>

\* Amounts set off under "Not due" aging bucket in Note 35.

#### Trade receivables

The Company gives rebates / discounts for certain business units. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment of credit notes towards rebates / discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 46. Other provisions

Rs. in million

	As at March 31, 2024	As at March 31, 2023
At the commencement of the year	472.8	429.6
Add: Provisions made / (reversed) during the year (net)	(87.6)	51.7
Less: Utilisation during the year	121.4	8.5
At the end of the year	263.8	472.8

Other provisions represents provisions for certain income tax, indirect taxes and other legal matters, the outflow of which would depend on settlement / conclusion of these matters with the relevant authorities or cessation of the respective events.

### 47. Corporate Social Responsibility ('CSR')

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities, sanitation and making available safe drinking water. A CSR committee has been formed by the Company as per the Act.

- (a) Gross amount required to be spent by the Company during the year: **Rs. 119.0 million** (Previous Year: Rs. 86.0 million)
- (b) The areas of CSR activities and contributions made thereto are as follows:

Rs. in million

Amount spent during the year on:	For the year ended March 31, 2024	For the year ended March 31, 2023
1) Construction / Acquisition of any assets	—	—
2) For purposes other than (1) above:		
– Promoting sanitation and making available safe drinking water	38.8	5.0
– Promoting education facilities & rural infrastructure	36.0	14.6
– Administration Expenses	5.0	1.2
	79.8	20.8

- (c) Details of excess CSR expenditure under Section 135(5) of the Act:

Rs. in million

	Amount required to be spent during the year	Amount spent during the year	Amount b/f from previous year	Funds towards Ongoing Projects deposited to CSR unspent bank account
For the year ended March 31, 2024 ##*	119.0	33.4	—	85.6
For the year ended March 31, 2023 #	86.0	20.8	1.7	63.5

# Subsequently deposited to CSR unspent bank account as on April 25, 2023

## Subsequently deposited to CSR unspent bank account as on April 12, 2024

Details of CSR expenditure on ongoing projects under Section 135(6) of the Act:

Rs. in million

	Opening Balance (In Separate CSR Bank Account)	Amount Spent during the year (From Separate CSR Bank Account)	Closing Balance (In Separate CSR Bank Account)
For the year ended March 31, 2024*	63.5	46.4	17.1

\* Refer Note 18 and 23

## Notes to the Standalone Financial Statements as at March 31, 2024

### 48. Employee Benefits

#### (a) Defined contribution plans:

The Company's contribution to defined contribution funds comprising of Superannuation fund, provident fund, Employees' State Insurance Schemes and National Pension System (NPS) scheme amounting to Rs. 327.2 million (Previous Year Rs. 85.1 million) (net of recoveries) has been charged to the Statement of Profit and Loss.

Further effective September 1, 2022 provident fund contribution due to transition to Employees' Provident Fund Organisation (EPFO) from own managed trust amounting to Rs 103.2 million has been charged to the Statement of Profit and Loss for the previous year ended March 31, 2023.

#### (b) Defined benefit plans:

##### (i) Gratuity

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of provisions of the Payment of Gratuity Act, 1972, or as per the Company's scheme whichever is more beneficial. The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

Rs. in million

	Gratuity Funded	
	As at March 31, 2024	As at March 31, 2023
<b>I) Reconciliation of present value of defined benefit obligation</b>		
Balance at the beginning of the year	853.2	809.2
Benefits paid from plan	(85.1)	(101.8)
Current service cost	73.3	60.1
Interest cost	61.4	53.8
Actuarial gain / loss recognised in other comprehensive income		
– Changes in financial assumptions	20.2	(40.3)
– Changes of experience adjustments	38.9	72.2
<b>Balance at the end of the year</b>	<b>961.9</b>	<b>853.2</b>
<b>II) Reconciliation of present value of plan assets</b>		
Balance at the beginning of the year	612.0	705.0
Contributions paid into plan	—	—
Benefits paid	(85.1)	(101.8)
Return on plan assets (excluding interest income)	0.3	(37.2)
Interest income	43.1	46.0
<b>Balance at the end of the year</b>	<b>570.3</b>	<b>612.0</b>
<b>Net liability (I-II)</b>	<b>391.6</b>	<b>241.2</b>
<b>III) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	73.3	60.1
Interest cost	61.4	53.8
Interest income	(43.1)	(46.0)
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>91.6</b>	<b>67.9</b>
<b>IV) Remeasurements recognised in other comprehensive income</b>		
Actuarial loss / (gain) on defined benefit obligation	59.1	31.9
Return on plan assets excluding interest income	(0.3)	37.2
	<b>58.8</b>	<b>69.1</b>

## Notes to the Standalone Financial Statements as at March 31, 2024

### 48. Employee Benefits (Continued)

#### (b) Defined benefit plans: (Continued)

The plan assets under the Gratuity scheme are deposited under approved securities. The major categories of plan assets as a percentage of total plan assets are provided below :-

	As at March 31, 2024	As at March 31, 2023
Government of India securities	25%	25%
State government securities	18%	22%
Public Sector Unit bonds	30%	28%
Private sector bonds	0%	0%
Fixed deposit and others	14%	15%
Special deposit scheme	4%	4%
Mutual funds	9%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The assumptions used for actuarial valuation are as follows:-

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.24%	7.58%
Expected salary increase rate	6% - 8% p.a.	6% - 8% p.a.
Attrition Rate	2% - 9% p.a.	2% - 9% p.a.
In-service mortality rates	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Rs. in million

Expected total benefit payments	As at March 31, 2024	As at March 31, 2023
Year 1	105.6	95.0
Year 2	101.0	95.4
Year 3	104.3	74.7
Year 4	137.2	79.1
Year 5	95.0	87.5
Next 5 years	503.8	301.6

Sensitivity analysis - defined benefit obligation end of period

Rs. in million

	As at March 31, 2024	As at March 31, 2023
Discount rate +100 basis points	903.1	802.2
Discount rate -100 basis points	1,024.9	910.3
Salary Increase Rate +1%	1,022.3	905.4
Salary Increase Rate -1%	906.8	805.6
Attrition Rate +1%	957.4	851.6
Attrition Rate -1%	967.0	855.1

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The method and type of assumptions used in preparing the sensitivity analysis for current year are in line with previous year.

The contribution expected to be made by the Company during the financial year 2024-25 is Rs. Nil (Previous Year Rs. Nil).



## Notes to the Standalone Financial Statements as at March 31, 2024

### 48. Employee Benefits (Continued)

#### (b) Defined benefit plans: (Continued)

##### (ii) Provident Fund

Eligible employees were receiving benefits from a provident fund administered through the Company managed BASF India Limited Provident Fund Trust ('the Trust'). During the previous year, the Company filed an application for surrender of exemption granted from the EPF Scheme, 1952 w.e.f. August 31, 2022. The surrender application was filed with Regional Provident Fund Commissioner (RPFC) Bandra. The applications were accepted by the RPFC effective September 1, 2022. As a process of transfer of activities to RPFC, all the investments held by the trust were liquidated and the liabilities as on September 1, 2022 were transferred to the EPFO. A deficit funding of Rs 241.8 million was made by the Company during the previous year prior to surrender of the trust.

The details of transfer of fund to EPFO is as below:

Rs. in million

	As at August 31, 2022
Total Contribution Liability	3,518.9
Realisation on sale of Trust investments	3,277.1
Deficit of plan obligation over plan assets	241.8
<b>Net liability funded by the Company</b>	<b>241.8</b>
Less: Opening Provision as on April 1, 2022	140.8
<b>Net Charge for the year 2022-23</b>	<b>101.0</b>

The details of fund and plan assets positions as at previous year end is given below:

	As at March 31, 2022
Plan assets as year end, at fair value	3,437.5
Present value of benefit obligation at year end	3,532.0
Deficit of plan obligation over plan assets	94.5
Cost of shortfall in interest rate guarantee	46.3
<b>Net liability</b>	<b>140.8</b>
Assumptions used in determining the present value obligation to the interest rate guarantee under the Deterministic Approach:	
Discount rate	4.56%
Average remaining tenure of the investment portfolio	1 year
Expected guaranteed interest rate	8.1%

During the previous year ended March 31, 2023, amount recognised in the Statement of Profit and Loss for the Company's Contribution to Employee provident fund (net of recoveries, if any) is Rs. 88.8 million prior to transfer to EPFO.

#### Risk exposure

The fund assets for Gratuity are maintained by BASF trust fund, a legally independent funded plan, which is financed by contribution of employees and the employer as well as the return on plan asset.

#### Following risk-mitigating strategies are adopted for the Funds:

Being managed passively, the debt segments of the portfolios are predominantly exposed to Credit Risk and Reinvestment Risk. These risks are managed in the following manner:

**Reinvestment risk:** Reinvestment risk is minimized by spreading maturities of debt investments across various years. Here a balance is struck between minimizing reinvestment risk and maximizing yield given the term structure of interest rates, issuance pattern of debt instruments and their liquidity.

Owing to the investment regulation, the Funds have also invested in Equity Mutual Funds which are exposed to Market Risk.

**Market risk:** Market risk is minimized by (a) ensuring that schemes selected for investment have high-ranking by independent agencies (b) large-cap orientation and (c) have a track record of superior downside management. Further, volatilities in returns of these schemes are minimized by staggering deployment in the schemes across months which bring in cost-averaging. Performance of the schemes is monitored on a monthly basis. Corrective action, if required, is recommended for schemes that underperform their peers and the benchmark consistently.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 48. Employee Benefits (Continued)

#### (b) Defined benefit plans: (Continued)

**Credit risk:** Credit risk is minimized by spreading exposure to multiple debt issuers, i.e. by not allowing exposure to an individual debt issuer to exceed by 5%-10% (depending on the issuer type) of the total portfolio at any time. Further, investments are made only in high grade bonds. Rating migrations in the instruments held in the portfolios are tracked regularly and are reported to the Trustees in case of downgrades. Corrective action on downgrades is suggested, if deemed necessary.

#### (c) Share-based payments (Long Term Incentive):

The Ultimate Holding Company ('BASF SE') offers following two types of Share Price based compensation program for senior executives of BASF group. Participation in these programs is voluntary.

##### (i) BASF Option Program ('BOP'):

The option program starts every year on July 1. After the two-year vesting period, the options can be exercised for a period of four years. Options that have not been exercised by the end of the exercise period of the respective program are forfeited, without any subsequent payment obligations towards the bearer. BOP was offered for the last time in 2020. All option rights granted during the BOP program years remain valid until the end of their respective exercise periods.

The model used in the valuation of the option plans are based on the arbitrage-free valuation model according to Black-Scholes. The fair values of the options are determined using the binomial model.

##### (ii) 'Strive!' – Performance Share Units (PSUs):

Since 2020, a new Long term incentive program, known as Strive!, is established in the form of a performance share plan. The new plan is based on achievement of strategic targets and takes into account BASF SE's share price and dividend performance (total shareholder return) over a four-year period.

A Strive! plan includes a four-year performance period with a fixed disbursement date. A target amount is determined at the beginning of a new Strive! plan for every participant. This target amount is converted into a preliminary number of virtual performance share units (PSUs) by dividing it by the average BASF share price. The number of PSUs that are ultimately paid out at the end of the performance period depends on the achievement of the strategic targets.

Since the Company receives the services of the employees to whom the options have been granted by BASF SE and the Company has no obligation to settle these options, the Company has recognized both the above plans as equity settled share based payment transactions in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments. Charge for the year and related assumptions are summarised in below tables:

#### BASF Option Program ('BOP'):

		For the year ended March 31, 2024	For the year ended March 31, 2023
Charge / (Credit) included in employee benefit expense (net of reversals)	Rs. in million	(16.0)	3.9
Options outstanding at the beginning of the year	Nos	22,545.0	24,156.0
Options granted during the year	Nos	–	–
Options forfeited, exercised or expired during the year	Nos	(8,172.0)	(1,611.0)
<b>Outstanding at the end of the year</b>	<b>Nos</b>	<b>14,373.0</b>	<b>22,545.0</b>

## Notes to the Standalone Financial Statements as at March 31, 2024

### 48. Employee Benefits (Continued)

#### (c) Share-based payments (Long Term Incentive): (Continued)

##### 'Strive!' – Performance Share Units (PSUs):

		For the year ended March 31, 2024	For the year ended March 31, 2023
Charge / (Credit) included in employee benefit expense	Rs. in million	(3.2)	5.2
PSUs outstanding at the beginning of the year	Nos	4,009.0	3,327.0
PSUs granted during the year	Nos	1,823.0	682.0
PSUs forfeited, exercised or expired during the year	Nos	—	—
<b>Outstanding at the end of the year</b>	<b>Nos</b>	<b>5,832.0</b>	<b>4,009.0</b>
<b>Fair value of options and parameters used for valuation</b>		<b>As at December 31, 2023</b>	<b>As at December 31, 2022</b>
Fair value / PSU	Euro	43.3	36.0
Weighted target achievement	%	100.0	83.3
Base price of BASF SE's shares	Euro	46.5	61.8

#### (d) Other long term employee benefits:

##### (i) Long service awards:

Long Service Awards are payable to employees on completion of specified years of service.

##### (ii) Compensated absences:

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation as per Company's policy.

For compensated absences, the amount of the provision of **Rs. 469.7 million** (Previous Year: Rs. 480.0 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Leave obligations not expected to be settled within the next 12 months is **Rs. 358.3 million** (Previous Year: Rs. 420.9 million).

### 49. Operating Segments

The Company has following business segments for reporting purpose. The divisions are allocated to the segments based on their business models.

#### Details of type of products included in each segment:

- Agricultural Solution - The Agricultural Solutions segment consists of the Crop Protection division. Agricultural Solution is seasonal in nature
- Materials - The Materials segment comprises Performance Materials divisions, the Monomers divisions and Polyamides business
- Industrial Solutions - The Industrial Solutions segment consists of the Dispersions & Pigments divisions and Performance Chemicals divisions
- Surface Technologies - The Surface Technologies segment comprises of Catalysts and Coatings divisions
- Nutrition & Care - The Nutrition & Care segment consists of the Care Chemicals and Nutrition & Health divisions
- Chemicals - The Chemicals segment consists of the Petrochemicals and Intermediates divisions
- Others - Others includes activities that are not allocated to any of the continued operating divisions. These includes remaining activities after divestiture of leather and textile chemicals business, paper wet-end and water chemicals business, technical and service charges other than those specifically identifiable to above segments.

Un-allocable Corporate Assets mainly includes Current tax assets (net), Deferred tax assets (net), Cash and cash equivalents, Inter corporate deposits and other un-allocable assets.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 49. Operating Segments (Continued)

Un-allocable Corporate Liabilities mainly includes Current tax liabilities (net) and other un-allocable liabilities.

#### (a) Business Segments

The previous year's figures are given in italic light type below each item

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
Segment revenue	<b>20,064.6</b>	<b>41,195.0</b>	<b>21,475.4</b>	<b>8,070.1</b>	<b>28,454.5</b>	<b>17,326.9</b>	<b>1,088.3</b>	—	<b>137,674.8</b>
	<i>17,971.1</i>	<i>38,402.3</i>	<i>23,498.2</i>	<i>6,971.7</i>	<i>27,583.1</i>	<i>20,955.1</i>	<i>1,066.2</i>	—	<i>136,447.7</i>
Less : Inter-segment revenue	—	—	—	—	—	—	—	—	—
<b>Sales / Revenue from operations</b>	<b>20,064.6</b>	<b>41,195.0</b>	<b>21,475.4</b>	<b>8,070.1</b>	<b>28,454.5</b>	<b>17,326.9</b>	<b>1,088.3</b>	—	<b>137,674.8</b>
	<i>17,971.1</i>	<i>38,402.3</i>	<i>23,498.2</i>	<i>6,971.7</i>	<i>27,583.1</i>	<i>20,955.1</i>	<i>1,066.2</i>	—	<i>136,447.7</i>
<b>Segment result</b>	<b>4,354.7</b>	<b>1,051.5</b>	<b>1,650.3</b>	<b>149.5</b>	<b>359.8</b>	<b>538.8</b>	<b>18.0</b>	—	<b>8,122.6</b>
	<i>2,314.8</i>	<i>584.3</i>	<i>1,321.5</i>	<i>132.8</i>	<i>1,038.1</i>	<i>397.3</i>	<i>56.7</i>	—	<i>5,845.5</i>
Finance costs								<b>155.3</b>	<b>155.3</b>
								<i>139.1</i>	<i>139.1</i>
Other un-allocable expenditure (net of un-allocable income)								<b>377.8</b>	<b>377.8</b>
								<i>425.5</i>	<i>425.5</i>
<b>Profit / (Loss) before tax and exceptional item</b>									<b>7,589.5</b>
									<i>5,280.9</i>
Exceptional item gain / (loss) (net) (Refer note 44)							—		—
							<i>153.1</i>		<i>153.1</i>
Tax									<b>1,956.0</b>
									<i>1,405.1</i>
<b>Profit / (Loss) after tax</b>									<b>5,633.5</b>
									<i>4,028.9</i>

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
<b>OTHER INFORMATION</b>									
Segment assets	<b>9,830.4</b>	<b>18,510.3</b>	<b>9,693.1</b>	<b>3,812.3</b>	<b>9,942.9</b>	<b>5,510.7</b>	<b>910.8</b>	<b>14,119.1</b>	<b>72,329.6</b>
	<i>10,833.5</i>	<i>17,805.9</i>	<i>10,224.7</i>	<i>3,774.3</i>	<i>9,769.5</i>	<i>4,808.3</i>	<i>967.2</i>	<i>7,462.9</i>	<i>65,646.3</i>
Segment liabilities	<b>5,351.3</b>	<b>13,487.0</b>	<b>6,196.5</b>	<b>1,903.7</b>	<b>7,295.2</b>	<b>5,696.3</b>	<b>115.4</b>	<b>48.4</b>	<b>40,093.8</b>
	<i>4,962.5</i>	<i>11,935.3</i>	<i>6,282.9</i>	<i>2,038.6</i>	<i>7,603.3</i>	<i>5,568.4</i>	<i>237.7</i>	<i>5.8</i>	<i>38,634.5</i>
Capital expenditure	<b>35.6</b>	<b>353.6</b>	<b>172.8</b>	<b>265.2</b>	<b>102.6</b>	<b>1.3</b>	<b>46.6</b>	—	<b>977.7</b>
	<i>36.9</i>	<i>293.5</i>	<i>435.1</i>	<i>129.3</i>	<i>64.2</i>	<i>5.8</i>	<i>4.1</i>	—	<i>968.9</i>
Depreciation and amortisation	<b>208.3</b>	<b>637.2</b>	<b>511.0</b>	<b>133.5</b>	<b>343.5</b>	<b>77.3</b>	<b>1.3</b>	—	<b>1,912.1</b>
	<i>202.0</i>	<i>615.1</i>	<i>473.8</i>	<i>128.3</i>	<i>340.4</i>	<i>59.9</i>	<i>1.3</i>	—	<i>1,820.8</i>
Non-cash charges – Loss allowance on trade receivables	<b>37.3</b>	<b>1.9</b>	<b>0.5</b>	<b>8.1</b>	<b>(10.6)</b>	<b>2.5</b>	<b>(1.0)</b>	—	<b>38.7</b>
	<i>30.5</i>	<i>(9.9)</i>	<i>(6.9)</i>	<i>2.6</i>	<i>(4.2)</i>	<i>(6.8)</i>	<i>1.6</i>	—	<i>6.9</i>

#### (b) Geographic Segments

Rs. in million

	Domestic	Exports	Total
Revenues	<b>134,602.1</b>	<b>3,072.7</b>	<b>137,674.8</b>
	<i>133,375.4</i>	<i>3,072.3</i>	<i>136,447.7</i>
Non-current assets (excluding financial instruments & deferred / income tax asset)	<b>8,717.0</b>	—	<b>8,717.0</b>
	<i>8,582.8</i>	—	<i>8,582.8</i>

#### Note:

##### Revenue from major customer:

The Company is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenue from transactions with any single external customers.

# Notes to the Standalone Financial Statements as at March 31, 2024

## 50. Related Party Disclosure

### a) Parties where control exists

BASF Societas Europaea ('SE')	Ultimate holding company
BASF Schweiz AG	Subsidiary of Ultimate Holding Company

### b) Wholly owned Subsidiary

BASF India Coatings Private Limited (w.e.f December 11, 2023)

### c) Other related parties with whom transactions have taken place during the year or balances outstanding at the year end

#### Parties under common control

BASF Advanced Chemicals Co. Ltd.	BASF Nederland B.V.
BASF Agricultural Solutions Seed US LLC	BASF Pakistan (Pvt.) Limited
BASF Agro B.V.	BASF Paper Chemicals (Huizhou) Co. Ltd.
BASF Agrochemical Products B.V.	BASF Paper Chemicals (Jiangsu) Co., Ltd.
BASF Asia-Pacific Service Centre Sdn .Bhd.	BASF Performance Polyamides Korea Co. Ltd.
BASF Australia Ltd.	BASF PETRONAS Chemicals Sdn. Bhd.
BASF Bangladesh Ltd	BASF Philippines INC
BASF Care Chemicals (Shanghai) Co. Ltd.	BASF Plant Science Company GmbH
BASF Catalysts Germany GmbH	BASF PLC
BASF Catalysts (Shanghai) Co.Ltd.	BASF Poliuretanos Ltda.
BASF Catalysts India Private Limited	BASF Polyurethane Specialties (China) Co., Ltd.
BASF Chemicals Company, Ltd.	BASF Polyurethanes (China) Co.Ltd
BASF Chemicals India Private Limited	BASF Polyurethanes (Chongqing) Co., Ltd
BASF (China) Company Ltd.	BASF Polyurethanes GmbH
BASF Coatings GmbH	BASF S.A.
BASF Coatings (Guangdong) Co. Limited	BASF Saudi Arabia Limited Company
BASF Company Ltd.	BASF Schwarzheide GmbH
BASF Construction Additives GmbH	BASF Services Europe GmbH
BASF Corporation	BASF Shanshan Battery Materials Co.
BASF Crop Protection (Jiangsu) Co. Ltd.	BASF Shanghai Coatings Co. Ltd.
BASF Digital Farming GmbH	BASF South East Asia Pte. Ltd.
BASF Digital Solutions GmbH (earlier known as BASF Business Services GmbH)	BASF Specialty Chemicals (Nanjing) Co. Ltd.
BASF East Asia Regional Headquarters Ltd.	BASF Taiwan Ltd.
BASF Engineering Plastics (Shanghai) Co., Ltd.	BASF (Thai) Limited
BASF Espanola S.L.U.	BASF Tuerk Kimya Sanayi ve Ticaret Ltd. Sti.
BASF France S.A.S.	BASF - YPC Company Limited
BASF FZE	Chemetall India Private Limited
BASF Hong Kong Ltd.	Cognis IP Management GmbH
BASF Integrated Site (Guangdong) Co. Ltd.	Isobionics B.V.
BASF IP Licensing GmbH	Nunhems India Private Limited
BASF Italia S.p.A.	OOO BASF
BASF Japan Ltd.	P.T. BASF Distribution Indonesia
BASF Lanka (Private) Limited	P.T. BASF Indonesia
BASF (Malaysia) Sdn. Bhd.	Shanghai BASF Polyurethane Co. Ltd.
BASF Metals LLC	Thai Ethoxylate Co., Ltd.
BASF Mexicana, S.A. de C.V.	hte GmbH

## Notes to the Standalone Financial Statements as at March 31, 2024

### 50. Related Party Disclosure (Continued)

- d) **Post employment benefit plans**  
 BASF India Ltd. Provident Fund (till August 31, 2022)  
 BASF India Ltd. Employees Gratuity Fund  
 BASF India Ltd. Superannuation Fund Trust
- e) **Key management personnel**  
 Mr. Pradip P. Shah (Chairman, Independent director till March 31, 2024 and Chairman, Non-Executive Non-Independent director w.e.f. April 1, 2024)  
 Mr. Alexander Gerding (Managing Director) (w.e.f. January 1, 2023)  
 Mr. Narayan Krishnamohan (Managing Director) (till December 31, 2022)  
 Dr. Ramkumar Dhruva (Non-Executive Director)  
 Mr. Marcelo Rocha Lu (Non-Executive Director) (w.e.f. February 12, 2024)  
 Dr. Carola Richter (Non-Executive Director) (till January 31, 2024)  
 Mr. R. A. Shah (Independent Director) (till March 31, 2024)  
 Mr. Arun Bewoor (Independent Director) (till March 31, 2024)  
 Mrs. Shyamala Gopinath (Independent Director)  
 Mr. Bahram Vakil (Independent Director) (w.e.f. April 1, 2024)  
 Ms. Sonia Singh (Independent Director) (w.e.f. April 1, 2024)  
 Mr. Narendranath J. Baliga (Chief Financial Officer & Alternate Director)  
 Mr. Anil Kumar Choudhary (Manufacturing Head & Whole time Director) (w.e.f. January 1, 2023)  
 Mr. Rajesh Naik (Manufacturing Head and Whole time Director) (till December 12, 2022)  
 Mr. Manohar Kamath (Company Secretary)
- f) **Details of transactions with parties where control exists / under common control for the year ended March 31, 2024**

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Sale of Goods</b>						
BASF SE	28.7	4.2	—	—	28.7	4.2
BASF Hong Kong Ltd.	—	—	865.5	816.6	865.5	816.6
Others	—	—	505.5	343.5	505.5	343.5
<b>Sub-Total</b>	<b>28.7</b>	<b>4.2</b>	<b>1,371.0</b>	<b>1,160.1</b>	<b>1,399.7</b>	<b>1,164.3</b>
<b>Services Rendered (including reimbursements)</b>						
BASF SE	581.8	464.2	—	—	581.8	464.2
BASF Corporation	—	—	218.5	214.2	218.5	214.2
BASF Chemicals India Private Limited	—	—	167.8	181.5	167.8	181.5
Others	—	—	319.9	353.6	319.9	353.6
<b>Sub-Total</b>	<b>581.8</b>	<b>464.2</b>	<b>706.2</b>	<b>749.3</b>	<b>1,288.0</b>	<b>1,213.5</b>
<b>Interest Income on Inter Corporate Deposits given</b>						
BASF Chemicals India Private Limited	—	—	16.8	9.3	16.8	9.3
BASF Catalysts India Private Limited	—	—	178.5	0.9	178.5	0.9
<b>Sub - Total</b>	<b>—</b>	<b>—</b>	<b>195.3</b>	<b>10.2</b>	<b>195.3</b>	<b>10.2</b>
<b>Purchase of Goods / Materials</b>						
BASF SE	4,797.7	7,080.8	—	—	4,797.7	7,080.8
BASF Hong Kong Ltd.	—	—	37,283.9	35,668.0	37,283.9	35,668.0
BASF South East Asia Pte. Ltd.	—	—	12,148.2	10,637.0	12,148.2	10,637.0
BASF Petronas Chemicals Sdn Bhd	—	—	8,930.2	10,464.2	8,930.2	10,464.2
BASF Company Ltd.	—	—	11,268.8	12,286.6	11,268.8	12,286.6
Others	—	—	13,058.5	13,448.6	13,058.5	13,448.6
<b>Sub-Total</b>	<b>4,797.7</b>	<b>7,080.8</b>	<b>82,689.6</b>	<b>82,504.4</b>	<b>87,487.3</b>	<b>89,585.2</b>
<b>Services Received (including reimbursements)</b>						
BASF SE	1,238.7	886.5	—	—	1,238.7	886.5
BASF Asia-Pacific Service Centre Sdn. Bhd.	—	—	494.1	644.8	494.1	644.8
BASF Digital Solutions GmbH	—	—	539.3	528.9	539.3	528.9
Others	—	—	554.3	388.6	554.3	388.6
<b>Sub-Total</b>	<b>1,238.7</b>	<b>886.5</b>	<b>1,587.7</b>	<b>1,562.3</b>	<b>2,826.4</b>	<b>2,448.8</b>



## Notes to the Standalone Financial Statements as at March 31, 2024

### 50. Related Party Disclosure (Continued)

f) Details of transactions with parties where control exists / under common control for the year ended March 31, 2024 (Continued)

Rs. in million

Nature of Transactions	Parties where control exists		Parties under common control		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Royalty</b>						
BASF SE	10.7	9.5	—	—	10.7	9.5
BASF IP Licensing GmbH	—	—	501.8	491.3	501.8	491.3
BASF Coatings GmbH	—	—	111.9	108.1	111.9	108.1
Cognis IP Management GmbH	—	—	41.7	60.3	41.7	60.3
<b>Sub-Total</b>	<b>10.7</b>	<b>9.5</b>	<b>655.4</b>	<b>659.7</b>	<b>666.1</b>	<b>669.2</b>
<b>Dividend</b>						
BASF SE	182.7	137.0	—	—	182.7	137.0
BASF Schweiz AG	71.3	53.4	—	—	71.3	53.4
<b>Sub-Total</b>	<b>254.0</b>	<b>190.4</b>	<b>—</b>	<b>—</b>	<b>254.0</b>	<b>190.4</b>
<b>Inter Corporate Deposits given during the year (including renewals during the year)</b>						
BASF Chemicals India Private Limited	—	—	1,300.0	450.0	1,300.0	450.0
BASF Catalysts India Private Limited	—	—	13,700.0	1,500.0	13,700.0	1,500.0
<b>Sub – Total</b>	<b>—</b>	<b>—</b>	<b>15,000.0</b>	<b>1,950.0</b>	<b>15,000.0</b>	<b>1,950.0</b>
<b>Inter Corporate Deposits repayment received during the year (including renewals during the year)</b>						
BASF Chemicals India Private Limited	—	—	950.0	450.0	950.0	450.0
BASF Catalysts India Private Limited	—	—	10,100.0	—	10,100.0	—
<b>Sub-Total</b>	<b>—</b>	<b>—</b>	<b>11,050.0</b>	<b>450.0</b>	<b>11,050.0</b>	<b>450.0</b>
<b>Sale of Assets</b>						
BASF Chemicals India Pvt. Ltd.	—	—	—	5.5	—	5.5
BASF Polyurethanes GmbH	—	—	—	1.4	—	1.4
<b>Sub-Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6.9</b>	<b>—</b>	<b>6.9</b>
<b>Outstanding Receivables</b>						
BASF SE	167.8	153.2	—	—	167.8	153.2
BASF Italia S.p.A.	—	—	—	264.8	—	264.8
BASF Hong Kong Ltd.	—	—	125.4	134.5	125.4	134.5
BASF Corporation	—	—	69.9	57.8	69.9	57.8
Others	—	—	254.6	228.1	254.6	228.1
<b>Sub-Total</b>	<b>167.8</b>	<b>153.2</b>	<b>449.9</b>	<b>685.2</b>	<b>617.7</b>	<b>838.4</b>
<b>Outstanding Payables</b>						
BASF SE	2,467.9	3,480.1	—	—	2,467.9	3,480.1
BASF Hong Kong Ltd.	—	—	10,841.9	8,598.0	10,841.9	8,598.0
BASF South East Asia Pte. Ltd.	—	—	3,032.4	3,012.5	3,032.4	3,012.5
BASF Petronas Chemicals Sdn Bhd	—	—	2,119.5	1,889.7	2,119.5	1,889.7
BASF Company Ltd.	—	—	3,624.5	3,724.8	3,624.5	3,724.8
Others	—	—	8,120.8	7,743.5	8,120.8	7,743.5
<b>Sub-Total</b>	<b>2,467.9</b>	<b>3,480.1</b>	<b>27,739.1</b>	<b>24,968.5</b>	<b>30,207.0</b>	<b>28,448.6</b>
<b>Inter Corporate Deposits Given Outstanding (including interest accrued not due)</b>						
BASF Chemicals India Private Limited	—	—	351.9	—	351.9	—
BASF Catalysts India Private Limited	—	—	5,127.2	1,500.9	5,127.2	1,500.9
<b>Sub-Total</b>	<b>—</b>	<b>—</b>	<b>5,479.1</b>	<b>1,500.9</b>	<b>5,479.1</b>	<b>1,500.9</b>

## Notes to the Standalone Financial Statements as at March 31, 2024

### 50. Related Party Disclosure (Continued)

g) Details of transactions with wholly owned subsidiary Company for the year ended March 31, 2024

Rs. in million

Nature of transactions	2023-24	2022-23
<b>Investment</b>		
BASF India Coatings Private Limited	0.1	—
<b>Total</b>	<b>0.1</b>	<b>—</b>

h) Details of Contributions to post employment benefit plan

Rs. in million

Name of the post employment benefit plan	2023-24	2022-23
BASF India Ltd. Provident Fund	—	406.1
BASF India Ltd. Superannuation Fund Trust	10.0	35.9
<b>Total</b>	<b>10.0</b>	<b>442.0</b>

i) Details of transactions with Key Management Personnel

Rs. in million

Particulars	2023-24	2022-23
Short term employee benefits	154.0	174.0
Post-employment benefits	16.7	8.5
Employee share based payments *	3.3	8.1
<b>Total</b>	<b>174.0</b>	<b>190.6</b>

\* Key managerial personnel Mr. Narayan Krishnamohan (upto December 31, 2022), Mr. Alexander Gerding and Mr. Narendranath J. Baliga are eligible for share price based payments (Long Term Incentive) of the Ultimate Holding Company for which there is no cash outflow from the Company.

j) Payments to independent directors

Rs. in million

Particulars	2023-24	2022-23
Sitting fees	6.4	5.7
Commission	5.3	5.3
<b>Total</b>	<b>11.7</b>	<b>11.0</b>

k) Terms and conditions

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.

### 51. Disclosure under Indian Accounting Standard 115

(a) Contract liability:

- Contract liability in respect of amount collected in advance towards satisfaction of performance obligations for goods / services to customers has been reflected as "Advances received from customers" in Note 23 - Other Current Liabilities.
- The Company operates a customer incentive programme where retail customers accumulate reward points for purchases made which entitle them to incentives. A contract liability for the reward points is recognised at the time of the sale. Contract liability in respect of customer incentive schemes has been adjusted in Revenue and reflected as "Accrual for customer incentive schemes" in Note 23 - Other Current Liabilities.

## Notes to the Standalone Financial Statements as at March 31, 2024

### 51. Disclosure under Indian Accounting Standard 115 (Continued)

#### (b) Reconciliation of Revenue recognised with contract price

Rs. in million

	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Price	142,043.8	139,932.9
Adjustment for: Rebates / discounts / customer incentive scheme	(4,369.0)	(3,485.2)
Revenue from operations	137,674.8	136,447.7

### 52. Relationship with Struck off Companies

#### a) Struck off companies holding shares of the Company as at year end:

Rs. in million

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2024	Balance outstanding as on March 31, 2023	Relationship with the Struck off company
Inventa Investments Pvt. Ltd.*	Shares held by struck off company	—*	—*	Not applicable
Popular Stock & Share Services Ltd.*	Shares held by struck off company	—*	—*	Not applicable

\* Value of shares held is below rounding off norm.

#### b) Struck off companies having transactions during the year:

The company did not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current and previous financial year.

**53.** The company uses SAP as ERP which has audit trail functionality embedded and has worked effectively throughout the year. The company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review in place for changes made by users with specific privilege access rights and direct changes if any made on database level.

Further, the Company has been maintaining daily backup of books of account and other records, on servers physically located in India throughout the year, except backup of audit trail records. Effective February 21, 2024, the Company has started maintaining the daily local backup of audit trail records in India (except for certain records, which are in the process of being implemented).

**54.** The Company has entered into a 25-year long-term Power Purchase Agreement (“PPA”) with Clean Renewable Energy KK 2C Private Limited (‘Special purpose vehicle’ or ‘SPV’) incorporated by Hero Rooftop Energy Private Limited(“the Developer”) for 2.7 MW of renewable power at its Mangalore site under the prevailing renewable energy policy of the State of Karnataka and the Electricity Act 2003 and the Rules thereunder. This agreement stipulates a lock-in period of 10 years for 100% offtake by the Company of electricity produced by the SPV at agreed rates.

The Company, SPV and the developer have signed a Share Subscription and Shareholder Agreement on April 1, 2024, pursuant to which the Company will hold 27% equity share capital of SPV as required under the Applicable Laws for an amount not exceeding Rs. 15 million.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No: 012754N/N500016  
Chartered Accountants

Jeetendra Mirchandani  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of

BASF India Limited  
(CIN No.: L33112MH1943FLC003972)

Pradip P. Shah  
Chairman  
DIN : 00066242

Narendranath J. Baliga  
Chief Financial Officer  
DIN : 07005484

Alexander Gerding  
Managing Director  
DIN : 09797186

Manohar Kamath  
Company Secretary  
ACS No: 19749

Anil Choudhary DIN: 07733817  
Bahram Vakil DIN: 00283980  
Sonia Singh DIN: 07108778  
Directors

Place : Mumbai  
Date : May 14, 2024

# Independent Auditor's Report to the Members of BASF India Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of BASF India Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), (refer Notes 1.1 and 51 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of Contingent liabilities and Provisions against litigations (Refer Notes 17, 40 and 45 to the consolidated financial statements)</b></p> <p>The Holding Company undergoes assessment proceedings from time to time with direct and indirect tax authorities and litigations with certain other parties. As at March 31, 2024, in respect of certain direct and indirect tax and other litigations (comprising various claims filed by other parties not acknowledged as debt), the Holding Company carries provisions of Rs. 263.8 million and has disclosed contingent liability of Rs. 2,027.4 million.</p> <p>There is a significant level of management judgement involved in estimating the possible outflow of economic resources and the level of provisioning and / or the disclosures required in the consolidated financial statements. The management's assessment is supported by advice from independent tax and legal consultants, where considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Holding Company's reported profit and financial position.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the process and controls designed and implemented by the management around assessment of tax and other litigations including testing of operating effectiveness of the relevant controls;</li> <li>• Enquired with the relevant Holding Company personnel including the Holding Company's tax and regulatory department heads to obtain a complete list of matters under litigation;</li> <li>• Obtaining details of the litigation matters, inspecting the supporting evidence and critically assessing management's evaluation through enquiry with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources;</li> <li>• Understanding the current status of the tax assessments and other litigations;</li> <li>• Reading recent orders and / or communication received from the tax authorities and with certain other parties, and management's responses to such communication;</li> <li>• Where relevant, reading the independent tax / legal advice obtained by management and evaluating the grounds presented therein;</li> <li>• Evaluating independence, objectivity and competence of the management's tax / legal consultants;</li> <li>• Obtaining direct written confirmations from the Holding Company's legal / tax consultants to confirm the facts and circumstances and assessment of the likely outcome;</li> </ul>

# Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these tax and litigation matters and application of judgement in the interpretation of related laws.	<ul style="list-style-type: none"> <li>• Together with the auditor's tax experts, assessing the management's evaluation of the likelihood of the outcomes of the litigations and potential financial exposure; and</li> <li>• Evaluating the appropriateness of the presentation and adequacy of disclosures in the consolidated financial statements.</li> </ul> <p>Based on the above procedures performed, we did not identify any material exceptions to management's assessment of provisions and contingent liabilities.</p>

## Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises they annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the report of the other auditor as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



# Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

14. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 0.1 million and net assets of Rs. (-) 0.7 million as at March 31, 2024, total revenue of Rs. Nil, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 0.8 million and net cash outflows amounting to Rs. 0.1 million for the period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

## Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxii) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we report that the auditors of following Companies have given adverse remarks in their CARO 2020 report on the standalone financial statements of the respective companies included in the consolidated financial statements of the Holding Company, as reproduced below:



# Independent Auditor's Report

S. No.	Name of the Company	Date of the respective Auditor's Report	Paragraph number and Comment in the CARO report reproduced below
1.	BASF India Limited (Holding Company) CIN: L33112MH1943FLC003972	May 14, 2024	(i) (c) - The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 1A and 33 to the standalone financial statements, are held in the name of the Company, except for land at Mangalore location having gross carrying value of Rs. 48.3 million held in the name of Karnataka Industrial Areas Development Board since October 21, 2014. The Company has submitted the necessary documents to Karnataka Industrial Areas Development Board for execution of the Sale Deed for land at Mangalore and the process is ongoing.
2.	BASF India Limited (Holding Company) CIN: L33112MH1943FLC003972	May 14, 2024	(iii) (c) - In respect of the loans and inter-corporate deposits, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, except for inter-corporate deposits of Rs. 7,800.0 million renewed during the year and are also regular in payment of interest as applicable. The Company has not charged any interest on loans to employees as per the Company's policy.
3.	BASF India Coatings Private Limited (Subsidiary Company) CIN: U20220MH2023PTC415224	May 13, 2024	(xvii) - The Company was incorporated on December 11, 2023 and has incurred cash losses amounting to Rs. 775 thousand during the financial period covered by our audit.

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor except that the backup of certain records maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules"). Also, Refer Note 52 to the consolidated financial statements.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group. Refer Notes 17, 40 and 45 to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts as at March 31, 2024 for which there were any material foreseeable losses and the Group did not have any long-term derivative contracts as at March 31, 2024.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India during the year.

- iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. The Subsidiary Company has not declared / paid dividend during the year.
- vi. Based on our examination, which included test checks, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit log of modification does not capture the pre-modified values in case of modification by certain users with specific access and that no audit trail has been enabled at the database level for accounting software to log any direct data changes. For maintaining its payroll records, the Holding Company has used services of a third party software service provider, and in the absence of SOC 2 report, we are unable to comment whether the audit trail feature in the software used was enabled and operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, we did not notice any instance of audit trail feature being tampered with, except for aforesaid instances where the question of our commenting on whether there was any instance of the audit trail feature being tampered with, does not arise. Also, Refer Note 52 to the consolidated financial statements.

The following remark was included in the audit report dated May 13, 2024, containing an unmodified audit opinion on the financial statements of BASF India Coatings Private Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants, which is reproduced as under:

"We draw the reference to Note 15 to the financial statements which states that the Company has not used any accounting software for maintaining its books of account for the period from December 11, 2023 till March 31, 2024. Accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable to the Company.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial period from December 11, 2023 till March 31, 2024."

Note 15 as described above is included in Note 52 to the consolidated financial statements for the year ended March 31, 2024.

17. The Group has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership Number: 048125  
UDIN: 24048125BKGOU1463

Place: Mumbai  
Date: May 14, 2024

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the Members of BASF India Limited on the consolidated financial statements for the year ended March 31, 2024

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of BASF India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Board of Directors of the Holding Company and its subsidiary Company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance

## Annexure A to Independent Auditors' Report

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership Number 048125  
UDIN : 24048125BKGOUE1463

Place: Mumbai  
Date : May 14, 2024

# Consolidated Balance Sheet as at March 31, 2024

Rs. in million

	Notes	March 31, 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1 A	6,031.5
Right-of-use assets	1 B	1,549.2
Capital work-in-progress	1 C	614.8
Intangible assets	1 D	6.7
<b>Financial assets</b>		
(i) Loans	2	0.5
(ii) Other financial assets	3	220.2
Deferred tax assets (net)	4	476.3
Income tax assets (net)	5	1,950.1
Other non-current assets	6	514.8
<b>Total non-current assets</b>		<b>11,364.1</b>
<b>Current assets</b>		
Inventories	7	21,160.5
<b>Financial assets</b>		
(i) Trade receivables	8	25,219.3
(ii) Cash and cash equivalents	9	6,218.7
(iii) Bank balances other than cash and cash equivalents	9	24.2
(iv) Loans	10	5,450.5
(v) Other financial assets	11	350.2
Other current assets	12	2,542.1
Assets classified as held for sale	13	-
<b>Total current assets</b>		<b>60,965.5</b>
<b>Total assets</b>		<b>72,329.6</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	14	432.9
Other equity	15	31,802.1
<b>Total equity</b>		<b>32,235.0</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
(i) Lease liabilities	42	1,000.6
(ii) Other financial liabilities	16	103.9
Provisions	17	702.1
Other non-current liabilities	18	21.9
<b>Total non-current liabilities</b>		<b>1,828.5</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
(i) Lease liabilities	42	560.1
(ii) Trade payables	19	
(a) Outstanding dues to Micro Enterprises and Small Enterprises		303.6
(b) Outstanding dues to creditors other than Micro Enterprises and Small Enterprises		35,176.5
(iii) Other financial liabilities	20	460.7
Provisions	21	474.6
Current tax liabilities	22	41.5
Other current liabilities	23	1,249.1
<b>Total current liabilities</b>		<b>38,266.1</b>
<b>Total liabilities</b>		<b>40,094.6</b>
<b>Total equity and liabilities</b>		<b>72,329.6</b>

Material accounting policies

1.1

The accompanying notes form an integral part of the Consolidated financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No: 012754N/N500016  
Chartered Accountants

Jeetendra Mirchandani  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of

BASF India Limited  
CIN No.: L33112MH1943FLC003972

Pradip P. Shah  
Chairman  
DIN : 00066242

Alexander Gerding  
Managing Director  
DIN : 09797186

Narendranath J Baliga  
Chief Financial Officer  
DIN : 07005484

Manohar Kamath  
Company Secretary  
ACS No: 19749

Anil Choudhary DIN: 07733817  
Bahram Vakil DIN: 00283980  
Sonia Singh DIN: 07108778  
Directors

Place : Mumbai  
Date : May 14, 2024

# Consolidated Statement of Profit and Loss for the year ended March 31, 2024

Rs. in million

	Notes	Year ended March 31, 2024
<b>Revenue from operations (Refer Notes 50)</b>		
Sale of products		136,323.4
Sale of services		1,189.3
Other operating revenues		162.1
		137,674.8
<b>Other income</b>	<b>24</b>	<b>757.8</b>
<b>Total Income</b>		<b>138,432.6</b>
<b>Expenses</b>		
Cost of materials consumed	<b>25</b>	<b>45,366.8</b>
Purchase of stock-in-trade		<b>68,382.4</b>
Changes in inventories of finished goods, stock-in-trade and work-in-progress	<b>26</b>	<b>462.4</b>
Employee benefit expenses	<b>27</b>	<b>3,921.4</b>
Finance costs	<b>28</b>	<b>155.3</b>
Depreciation and amortisation expenses	<b>29</b>	<b>1,912.1</b>
Other expenses	<b>30</b>	<b>10,643.5</b>
<b>Total Expenses</b>		<b>130,843.9</b>
<b>Profit before tax</b>		<b>7,588.7</b>
<b>Tax expense / (credit):</b>	<b>31</b>	
Current tax		2,035.9
Deferred tax		(81.4)
Income tax for previous periods		1.5
		1,956.0
<b>Profit for the year</b>		<b>5,632.7</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to statement of profit and loss		
Gain / (Loss) on remeasurement of post employment benefit plan		(58.8)
Income tax relating to these items		14.8
<b>Other comprehensive income for the year, net of tax</b>		<b>(44.0)</b>
<b>Total comprehensive income for the year</b>		<b>5,588.7</b>
Weighted average number of equity shares outstanding during the year		43,284,958
Basic and diluted earnings per share (in Rs.)		130.1
Face value per share (in Rs.)		10.0

Material accounting policies

1.1

The accompanying notes form an integral part of the Consolidated financial statements.

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No: 012754N/N500016  
Chartered Accountants

Jeetendra Mirchandani  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of  
BASF India Limited  
CIN No.: L33112MH1943FLC003972

Pradip P. Shah  
Chairman  
DIN : 00066242

Narendranath J Baliga  
Chief Financial Officer  
DIN : 07005484

Alexander Gerding  
Managing Director  
DIN : 09797186

Manohar Kamath  
Company Secretary  
ACS No: 19749

Anil Choudhary DIN: 07733817  
Bahram Wakil DIN: 00283980  
Sonia Singh DIN: 07108778  
Directors

Place : Mumbai  
Date : May 14, 2024



## Consolidated Statement of Cash Flows for the year ended March 31, 2024

Rs. in million

	For the year ended March 31, 2024
<b>A. Cash flow from operating activities</b>	
Profit before tax	7,588.7
Adjustments for:	
Depreciation / amortisation	1,912.1
Finance costs	155.3
Profit on sale of property plant and equipment (net)	(15.9)
Interest income	(478.9)
Write back of other provisions	(87.6)
Unrealised loss / (gain) on derivative transactions (net)	(176.6)
Unrealised loss / (gain) on foreign exchange (net)	17.0
Employee stock option charge / (credit)	(19.2)
Provision for loss allowance on trade receivables (net)	38.7
<b>Operating cash flow before working capital changes</b>	<b>8,933.6</b>
Adjustments for changes in working capital:	
(Increase) / Decrease in trade receivables	(1,804.2)
(Increase) / Decrease in other financial assets	408.2
(Increase) / Decrease in other current and non-current assets	533.2
(Increase) / Decrease in inventories	1,011.7
Increase / (Decrease) in other financial liabilities	(414.2)
Increase / (Decrease) in long term provisions	(114.3)
Increase / (Decrease) in trade payables	1,725.2
Increase / (Decrease) in other current and non-current liabilities	(248.1)
Increase / (Decrease) in short-term provisions	76.5
<b>Cash generated from operations</b>	<b>10,107.6</b>
Income taxes paid (net)	(2,035.2)
<b>Net cash generated from operating activities</b>	<b>8,072.4</b>
<b>B. Cash flow from investing activities:</b>	
Acquisition of property plant and equipment (net of capital creditors and including capital advances)	(1,009.3)
Realisation on sale of property, plant and equipment and residential properties	18.4
Interest received from others	275.0
Interest received from Inter Corporate deposits given	167.1
Deposits matured	(0.1)
Inter Corporate deposits given (Refer Note 49) (excluding renewals during the year)	(7,200.0)
Inter Corporate deposits repaid (Refer Note 49) (excluding renewals during the year)	3,250.0
<b>Net cash (used in) investing activities</b>	<b>(4,498.9)</b>

## Consolidated Statement of Cash Flows for the year ended March 31, 2024

Rs. in million

	For the year ended March 31, 2024
<b>C. Cash flow from financing activities</b>	
Dividend paid	(345.1)
Interest paid	(71.6)
Payment of lease liabilities	(604.0)
<b>Net cash (used in) financing activities</b>	<b>(1,020.7)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>2,552.8</b>
Cash and cash equivalents at the beginning of the financial year	3,665.9
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6,218.7</b>

Rs. in million

	As at March 31, 2024
<b>Opening cash and cash equivalents</b>	
Balances with banks:	
– In current accounts	159.1
Deposits with original maturity of less than three months	3,506.8
	3,665.9
<b>Closing cash and cash equivalents</b>	
Cheques on hand	17.2
Balances with banks:	
– In current accounts	189.4
Deposits with original maturity of less than three months	6,012.1
(Refer Note 9 for cash and cash equivalents)	6,218.7

### Notes:

- The above Consolidated Cash Flow Statement has been prepared under the “Indirect Method” setout in Indian Accounting Standard - 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the Consolidated financial statements.

In terms of our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

**For and on behalf of Board of Directors of  
BASF India Limited**  
CIN No.: L33112MH1943FLC003972

**Pradip P. Shah**  
Chairman  
DIN : 00066242

**Narendranath J Baliga**  
Chief Financial Officer  
DIN : 07005484

**Alexander Gerding**  
Managing Director  
DIN : 09797186

**Manohar Kamath**  
Company Secretary  
ACS No: 19749

Place : Mumbai  
Date : May 14, 2024

Anil Choudhary DIN: 07733817  
Bahram Vakil DIN: 00283980  
Sonia Singh DIN: 07108778  
Directors

## Consolidated Statement of changes in equity as at March 31, 2024

Rs. in million

	Notes	Total
<b>A. Equity share capital</b>		
As at April 1, 2023		432.9
Changes in equity share capital	14	—
As at March 31, 2024		432.9

Rs. in million

	Reserves and Surplus						Capital reserve	Total
	Share options outstanding account	Securities premium	Amalgamation reserve	General reserve	Retained earnings			
<b>B. Other equity (Refer Note 15)</b>								
Balance at April 1, 2023	54.2	2,203.2	371.7	10,046.9	16,760.3	(2,857.4)	26,578.9	
Profit for the year	—	—	—	—	5,632.7	—	5,632.7	
Other comprehensive income:								
– Remeasurement of the net defined benefit asset / liability, net of tax effect	—	—	—	—	(44.0)	—	(44.0)	
<b>Total</b>	<b>54.2</b>	<b>2,203.2</b>	<b>371.7</b>	<b>10,046.9</b>	<b>22,349.0</b>	<b>(2,857.4)</b>	<b>32,167.6</b>	
Transactions with owners in their capacity as owners:								
– Dividends	—	—	—	—	(346.3)	—	(346.3)	
– Employee stock option charge / (credit)	(19.2)	—	—	—	—	—	(19.2)	
<b>Balance at March 31, 2024</b>	<b>35.0</b>	<b>2,203.2</b>	<b>371.7</b>	<b>10,046.9</b>	<b>22,002.7</b>	<b>(2,857.4)</b>	<b>31,802.1</b>	

For material accounting policies, refer Note 1.1

The accompanying notes form an integral part of the Consolidated financial statements.

In terms of our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754N/N500016  
Chartered Accountants

**Jeetendra Mirchandani**  
Partner  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of

**BASF India Limited**  
CIN No.: L33112MH1943FLC003972

**Pradip P. Shah**  
Chairman  
DIN : 00066242

**Alexander Gerding**  
Managing Director  
DIN : 09797186

Anil Choudhary DIN: 07733817

Bahram Wakil DIN: 00283980

Sonia Singh DIN: 07108778

Directors

**Narendranath J Baliga**  
Chief Financial Officer  
DIN : 07005484

**Manohar Kamath**  
Company Secretary  
ACS No: 19749

Place : Mumbai  
Date : May 14, 2024

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

## Background of the Company

BASF India Limited (the 'Company' or the 'Parent' or the 'Holding Company') and its subsidiary company BASF India Coatings Private Limited together comprises the "Group". The Company is a public limited Company domiciled in India with its registered office located in Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Group portfolio consists of six segments: Agricultural Solutions, Materials, Industrial solutions, Surface Technologies, Nutrition & Care and Chemicals.

## 1.1. Material accounting policies

### a. Basis of preparation

#### (i) Compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions and amendments of the Act.

The consolidated financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. The Group has identified twelve months as its operating cycle.

#### (ii) Principles of consolidation

The Holding Company incorporated BASF India Coatings Private Limited ('the Subsidiary') as its wholly owned subsidiary on December 11, 2023. Refer notes 51 and 54 to the consolidated financial statements. Subsidiary is the entity over which the Company has control. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The financial statements of subsidiary are included in the consolidated financial statements from the date of which control commences until the date on which control ceases.

Following subsidiary has been considered in the preparation of consolidated financial statements:

Entity	Country of incorporation / Place of business	% of Holding as on March 31, 2024
BASF India Coatings Private Limited	India	100%

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiary used in consolidation is drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2024.

#### (iii) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and on a historical cost basis, except for the following items:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value,
- assets held for sale – measured at carrying amount or fair value less cost to sale whichever is low,
- Net defined benefit (asset) / liability – Fair value of plan assets less present value of defined benefit obligations; and
- share-based payments measured at fair value on grant date with no subsequent adjustment to the payments recognised.

#### (iv) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 1, 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

## 1.1. Material accounting policies (Continued)

### b. Use of estimates and judgements

The presentation of consolidated financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a. Measurement of defined benefit obligations – Note 47
- b. Measurement and likelihood of occurrence of provisions and contingencies - Note 40, 45 and 1.1(i)
- c. Measurement of useful lives for property, plant and equipment & intangible assets and impairment- Note 1.1(d), 1.2(c) and 1.2(e)
- d. Loss allowance on trade receivables and other financial assets – Note 1.1(g) and Note 1.2(d)
- e. Determination of lease terms and incremental borrowing rate – Note 42 and Note 1.1(h)

### c. Revenue Recognition

Sales of products are recognised when control of the products has transferred based on the agreed terms. Sales are net of returns, trade discounts, rebates, sales tax and goods and service tax (GST), as applicable.

Sale of services includes indent commission and revenue from technical and service charges to group and other companies based on terms of the respective agreement. Revenue from sale of services are recognised as and when the services are provided.

The Group evaluates the arrangement with customers / suppliers whether it is acting as a principal or an agent of the customers / suppliers, considering underlying substance and terms and conditions of the arrangements. Accordingly, revenue is accounted either on gross or net basis based on the fulfillment of criteria of principal or agency.

The Group operates Customer incentive programs where direct / indirect customers accumulate points for purchases made of the Group's products, which entitle them for rewards in form of gift cards equal to the value of such points. A contract liability for the award points is recognised at the time of sale.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in Ind AS 115 have been applied and accordingly:

- The Group does not adjust the promised amount of consideration for the effects of a significant financing component
- The Group recognises the incremental costs of obtaining a contract as an expense when incurred
- No information on remaining performance obligations as of March 31, 2024 that have an expected original term of one year or less was reported

### d. Depreciation on Property, Plant and Equipment

Depreciation on property plant and equipment is calculated on a straight-line basis considering the following useful lives estimated by the Management based on technical evaluation or those prescribed under Schedule II of the Act:

Assets Category	Useful life
Buildings	10-33 years
Plant and machinery	5-20 years
Computers	4 years
Vehicles	4 years
Furniture and fixtures	5-10 years
Office equipment	5 years

Property, Plant and Equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions / deletions is calculated on a monthly pro-rata basis.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

## 1.1. Material accounting policies (Continued)

### d. Depreciation on Property, Plant and Equipment (Continued)

Leasehold land and Leasehold Improvements are amortised over the period of lease or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

### e. Inventories

Inventories including raw materials, packing materials, work-in-progress, stores and spares, traded and finished goods are valued at cost or estimated net realisable value, whichever is lower. The costs are determined on weighted average basis and includes expenditure incurred in acquiring inventories, production of conversion costs and other costs incurred in bringing them to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Goods and service tax (GST) is excluded from valuation of finished goods. The comparison of cost and net realisable value is made on an item-by-item basis.

### f. Financial instruments

The Group classifies its financial asset at amortised cost only when if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The amortised cost of a financial asset is also adjusted for impairment loss, if any.

### g. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognized in statement of profit and loss.

### h. Leases

#### *As a Lessee*

As a lessee, the Group generally recognises for all leases a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group separates non-lease components, such as services from lease payments. Lease liabilities are measured at the present value of the remaining lease payments, taking into account the incremental borrowing rate.

Lease payments are discounted using the interest rate implicit in the lease contracts if that rate can be determined from the lease contracts. If the discount rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a risk free rate of interest which is adjusted for lease term, country risk and currency risk.

A right-of-use asset is recognized at the same amount as the lease liability. After capitalization at commencement date, whereby the right-of-use asset is measured at cost, the right-of-use asset is generally depreciated over the lease term using the straight-line method. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

A number of leases include extension and termination options. Extension and termination options are taken into account on recognition of the lease liability only if the Group is reasonably certain that these options will be exercised in the future. Estimates and expectations which are asserted at the commencement date of the lease liability and the right-of-use asset and pertain to future payments not yet determined on the date of provision are assessed continuously during the lease term. If subsequently improved or changed knowledge influences the expected payment profile over time, the lease liability is remeasured. Any amount on account of re-measurement of lease liabilities is adjusted to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in the income statement.



# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

## 1.1. Material accounting policies (Continued)

### h. Leases (Continued)

Initial direct costs are excluded for the measurement of right-of-use assets at the date of initial application. The Group exercises the exemption for lease arrangements with a maximum term of 12 months (short-term leases) and low-value assets. Payments associated with such short-term leases and low-value assets are recognised as an expense in Statement of Profit and Loss. Variable lease payments that depend on usage and / or other variable conditions are recognised in the Statement of Profit and Loss in the period in which the conditions that trigger those payments occur.

### i. Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, unless the possibility of outflow of resources embodying economic benefits are remote. When some or all of the economic benefits required to settle, a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 1.2 Other Accounting Policies

### a. Revenue Recognition

As part of the adoption of Ind AS 115, contract liabilities are disclosed in the Balance Sheet. A contract liability is the Group's obligation to transfer goods or services to a customer, for which the Group has already received consideration from customers.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised using the effective interest rate method. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### b. Property, plant and equipment

#### Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items such as stores, spare parts and stand by equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

#### Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the item. Any gain or loss arising on disposal or retirement of item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the item and is recognized in the statement of profit and loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss

## 1.2. Other Accounting Policies (Continued)

### c. Intangible assets and amortization

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. Computer software is amortized over a period of four years and other intangible assets are amortized over a period of 2 to 4 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### d. Financial Instruments

#### *Financial asset*

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument

#### *Measurement*

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### *Subsequent measurement*

For subsequent measurement, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### *Financial liabilities*

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value minus, in case of financial liabilities not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial liabilities.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using effective interest method.

#### *Offsetting*

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts in the normal course of business and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### *Impairment of financial assets (other than trade receivables)*

The Group assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since its initial recognition. Note 38 details how the Group determines whether there has been a significant increase in credit risk.

#### *Derecognition of financial assets and financial liabilities*

A financial asset is derecognised only when:

The Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. The difference between the carrying amount and the financial liability extinguished and the new liability with modified terms is recognized in the Statement of Profit and Loss.

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

## 1.2. Other Accounting Policies (Continued)

### d. Financial instruments (Continued)

#### *Measurement of fair values*

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (level 3 inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

### e. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal / external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### f. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

### g. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting and are based on monitoring of operating results by the Chief Operating Decision Maker, separately for making decision about resource allocation and performance assessment. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

### h. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

## 1.2. Other Accounting Policies (Continued)

### h. Non-current assets (or disposal groups) held for sale (Continued)

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

### i. Foreign Currency

Transactions in foreign currencies are translated in to currency of the primary economic environment in the which the entity operates (the 'functional currency' of the Group) using the exchange rates prevailing on the date of transaction. Monetary items in foreign currencies are stated at the closing exchange rate.

Gains / losses on conversion / translation are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### j. Employee Benefits

#### Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the Statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

#### Post Employment Employee Benefits

The Group's contributions to defined contribution plans such as Superannuation Fund (administered through BASF India Limited Superannuation Fund Trust), Employee State Insurance and Labour Welfare Fund are recognized as expense in the Statement of Profit and Loss on an accrual basis. The Group does not have any further obligation beyond this contribution.

The Group's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling if any (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is recognised immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Provident Fund (upto August 31, 2022)

Eligible employees receive benefits from a provident fund which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the BASF India Limited Provident Fund Trust ('the Trust'). The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations.

#### Provident Fund (effective September 1, 2022)

Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

## 1.2. Other Accounting Policies (Continued)

### j. Employee Benefits (Continued)

#### Other Long Term Employee Benefits

The Group's liabilities towards Compensated Absences and Long Service Awards to employees are determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

#### Termination Benefits

Compensation paid to employees under Voluntary Retirement Scheme / Severance payments are recognised as an expense in the Statement of Profit and Loss when employees accept the scheme / payments.

#### Share based payments

The Ultimate Holding Company ('BASF SE') offers Share Price based compensation program (Long term incentive program - 'LTI') for senior executives of BASF group. Participation in this program is voluntary.

LTI plans mentioned above are offered by BASF SE and the cost of such plans is not recharged to the Group. However, the Group recognises these share based payment transactions of BASF SE in accordance with the requirement of paragraph 43 A and 43 B of Ind AS 102 - Share Based Payments. As required under para 43B of Ind AS 102, since the Group receives the services of the employees to whom the options have been granted by BASF SE and the Group has no obligation to settle these options, the Group accounts for these services as an equity settled share based payment transaction.

### k. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with relevant provisions of Income Tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax charge or credit and correspondingly deferred tax liability or asset is recognised using tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is recognised, subject to the consideration of prudence, on temporary differences, being the difference between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized to the extent that it probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and these relate to income taxes levied by the same tax authorities and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

Current tax assets and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on net a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



## 1.2. Other Accounting Policies (Continued)

### i. Earnings per share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### m. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### n. Derivative financial instruments

The Group enters majorly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately. Derivative assets and derivative liabilities are presented on gross basis in the Balance Sheet.

### o. Dividends

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

### p. Exceptional items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Group's performance.

### q. New and amended standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the period ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.



## Notes to the Consolidated Financial Statements as at March 31, 2024

### 1(A). Property, plant and equipment

(Refer Note 33)

Rs. in million

Particulars	Gross Block			Depreciation / Amortisation					Net Block	
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024	
Freehold land	54.4	—	0.1	54.3	—	—	—	—	54.3	
Buildings [Refer Note (a) below]	3,442.6	111.7	0.6	3,553.7	1,044.0	156.8	0.4	1,200.4	2,353.3	
Plant & machinery and Computers	12,478.0	362.0	45.9	12,794.1	8,234.0	1,142.1	43.9	9,332.2	3,461.9	
Furniture and fixtures	291.0	33.9	4.4	320.5	217.8	21.1	4.3	234.6	85.9	
Vehicles	133.6	19.5	42.9	110.2	94.8	17.0	42.9	68.9	41.3	
Office equipment	267.7	23.5	18.5	272.7	236.8	19.5	18.4	237.9	34.8	
<b>Total</b>	<b>16,667.3</b>	<b>550.6</b>	<b>112.4</b>	<b>17,105.5</b>	<b>9,827.4</b>	<b>1,356.5</b>	<b>109.9</b>	<b>11,074.0</b>	<b>6,031.5</b>	

### 1(B). Right-of-use assets

(Refer Notes 42)

Rs. in million

Particulars	Gross Block			Depreciation / Amortisation					Net Block	
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024	
Right-of-use land	192.4	1.3	—	193.7	23.3	5.3	—	28.6	165.1	
Right-of-use Buildings	736.2	376.8	18.0	1,095.0	363.9	218.0	6.4	575.5	519.5	
Right-of-use Plant & machinery and Computers	1,118.6	532.3	21.2	1,629.7	680.5	252.4	3.6	929.3	700.4	
Right-of-use Vehicles	195.6	141.3	—	336.9	117.5	55.2	—	172.7	164.2	
<b>Total</b>	<b>2,242.8</b>	<b>1,051.7</b>	<b>39.2</b>	<b>3,255.3</b>	<b>1,185.2</b>	<b>530.9</b>	<b>10.0</b>	<b>1,706.1</b>	<b>1,549.2</b>	

### 1(C). Capital work-in-progress

(Refer Note 34)

Rs. in million

Particulars	As at April 1, 2023	Additions	Amounts Capitalised	As at March 31, 2024
Capital work-in-progress	187.7	977.7	550.6	614.8

### 1(D). Intangible assets

Rs. in million

Particulars	Gross Block			Amortisation					Net Block	
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024	
Other intangible assets	8.0	—	—	8.0	1.9	0.4	—	2.3	5.7	
Software	171.4	—	2.6	168.8	146.1	24.3	2.6	167.8	1.0	
<b>Total</b>	<b>179.4</b>	<b>—</b>	<b>2.6</b>	<b>176.8</b>	<b>148.0</b>	<b>24.7</b>	<b>2.6</b>	<b>170.1</b>	<b>6.7</b>	

#### Note:

- a) Includes gross block of Rs 8.3 million and net block Rs. 1.8 million for which LIC Housing Finance Ltd. (LICHFL) has claimed a charge on the apartment building, which was disputed. The Company was in process of settling ongoing litigation with LICHFL for which no-lien certificate is received from LICHFL on April 29, 2024 and withdrawal of pending suit at Karnataka High Court has been initiated. On account of this settlement, the Company will have clear title to the property.

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 2. Loans (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024
Loan to employees	0.5
	0.5

### 3. Other financial assets (non-current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024
Security deposits	235.9
	235.9
Less: Loss allowance on Security deposits	15.7
	220.2

### 4. Deferred tax assets (net)

Rs. in million

	As at March 31, 2024
<b>Deferred tax assets</b>	
Temporary differences on account of:	
Loss allowance on trade receivables	166.4
Impact of lease liabilities	405.1
MTM revaluation	1.1
Carrying value of property plant and equipment	3.7
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	289.9
<b>Total deferred tax assets</b>	866.2
<b>Deferred tax liabilities</b>	
Temporary differences on account of:	
Impact of right-of-use assets	(389.9)
<b>Total deferred tax liabilities</b>	(389.9)
<b>Deferred tax assets (net)</b>	476.3

### 5. Income tax assets (net)

Rs. in million

	As at March 31, 2024
Opening balance	1,896.0
Add: Taxes paid (net)	55.6
Add: Tax Provision (created) / reversed for earlier years (including interest)	(1.5)
Closing balance	1,950.1

### 6. Other non-current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024
Capital advances	57.7
Other Advances:	
– Prepayments	3.5
– Amount recoverable from tax authorities	453.6
	514.8

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 7. Inventories

(Valued at lower of cost and net realisable value)

Rs. in million

	As at March 31, 2024
Raw materials	5,450.1
Finished goods	5,116.1
Stock-in-trade	9,953.6
Work-in-progress	56.1
Others	
Packing materials	172.7
Stores and spares	411.9
	21,160.5
<b>Goods in transit (included above)</b>	
Raw materials	2,870.4
Stock-in-trade	6,320.8
Finished goods	223.8
Packing materials	0.5

#### Amounts recognised in Statement of Profit and Loss

Write back of inventories to net realisable value amounted to **Rs. 93.8 million**. These were recognised in the consolidated statement of Profit and Loss during the year under the heads 'cost of materials consumed' and 'Changes in inventories of finished goods, stock-in-trade and work-in-progress'.

### 8. Trade receivables

Rs. in million

	As at March 31, 2024
Considered good:	
Secured	18.5
Unsecured	25,200.8
	25,219.3
Credit impaired	661.2
	25,880.5
Less : Loss allowance on trade receivables	661.2
	25,219.3
<i>Of the above, dues from companies where directors are interested</i>	40.9

For Trade receivables from related parties, refer Note 49.

For aging of Trade receivables, refer Note 35.

### 9. Cash and bank balances

Rs. in million

	As at March 31, 2024
<b>Cash and cash equivalents</b>	
Cheques on hand	17.2
Balances with banks:	
– In current accounts	189.4
Deposits with original maturity of less than three months	6,012.1
	6,218.7
<b>Bank balances other than cash and cash equivalents</b>	
– In unpaid dividend account	6.9
– Corporate social responsibility ("CSR") unspent account	17.1
– Deposits with original maturity of more than three months but less than twelve months	0.2
	24.2
	6,242.9
Of the above	
Earmarked bank balances (unpaid dividend account and CSR Unspent account)	24.0

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 10. Loans (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024
Loan to employees	0.5
Inter Corporate Deposits ("ICDs") given (Refer Note 49)	5,450.0
	5,450.5

Inter Corporate Deposit is given to fellow subsidiaries during the year:

- BASF Catalysts India Private Limited in the range of 7.15% - 7.55% interest rate; repayable by June 2024 for working capital requirement. The maximum outstanding during the year is Rs 5,100.0 million, and
- BASF Chemicals India Private Limited in the range of 7.20% - 7.75% interest rate; repayable by June 2024 for working capital requirement. The maximum outstanding during the year is Rs 400.0 million.

### 11. Other financial assets (current)

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024
Derivatives with positive fair values	93.0
Security deposits	2.8
Refund receivable from government authorities	116.9
Interest accrued on Bank deposits	9.2
Interest accrued on ICDs to related parties	29.1
Others receivable including related parties	99.2
	350.2

### 12. Other current assets

(Unsecured, considered good)

Rs. in million

	As at March 31, 2024
	239.8
Advances to vendors	93.3
Balances with government authorities	2,206.4
Advances to employees	2.6
	2,542.1

### 13. Assets classified as held for sale

Rs. in million

	As at March 31, 2024
Assets held for sale	–
	–
<b>Asset held for sale includes following:</b>	
Non core assets (residential apartments)	–
	–
<b>Fair value measurement:</b>	
Non core assets (residential apartments)	138.5
	138.5

#### Notes:

- (i) The Company intends to dispose off non core residential apartment as it no longer intends to utilise this asset. A search for a buyer is underway. The Company expects the fair value less cost to sell to be higher than carrying amount.

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 14. Share capital

Rs. in million

	As at March 31, 2024
<b>Authorised (Refer Note (i) below):</b>	
71,559,715 Equity Shares of Rs.10/- each	715.6
<b>Issued:</b>	
43,285,640 Equity Shares of Rs.10/- each	432.9
<b>Subscribed and paid-up:</b>	
43,284,958 Equity Shares of Rs.10/- each fully paid	432.9
	432.9

#### a. Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting year

	As at March 31, 2024	
Particulars	Number	Rs. in million
Shares outstanding at the beginning and at the end of the year	43,284,958	432.9

#### b. Rights, preferences and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### c. Equity shares held by Ultimate Holding Company / Holding Company and / or their associates or subsidiaries

Name of Shareholder	Relationship	As at March 31, 2024
BASF Societas Europea	Ultimate Holding Company	22,835,320
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900

#### d. Equity shares in the Company held by each Shareholder holding more than 5% shares

Name of Shareholder	Relationship	As at March 31, 2024	
		Number	Percentage
BASF Societas Europea	Ultimate Holding Company	22,835,320	52.75%
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	20.58%

#### e. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

None

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 14. Share capital (Continued)

#### f. Details of shareholding of promoters:

Name of the promoter	As at March 31, 2024		
	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2024
BASF Societas Europea	22,835,320	52.75%	—
BASF Schweiz AG	8,907,900	20.58%	—
Total	31,743,220	73.33%	—

### 15. Other equity

Rs. in million

	As at March 31, 2024
Securities premium	2,203.2
Amalgamation reserve	371.7
Share options outstanding account	35.0
General reserve	10,046.9
Retained earnings	22,002.7
Capital reserve	(2,857.4)
	31,802.1

#### (a) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

Rs. in million

Securities premium	As at March 31, 2024
Balance at beginning of the year	2,203.2
Balance at end of the year	2,203.2

#### (b) Amalgamation reserve

Amalgamation reserve is used to record difference between the share capital of the amalgamating companies. It is utilised in accordance with the provisions of the Act.

Rs. in million

Amalgamation reserve	As at March 31, 2024
Balance at beginning of the year	371.7
Balance at end of the year	371.7

#### (c) Share options outstanding account

Share Options Outstanding Account is used to account for effects from employee stock option expense.

Rs. in million

Share options outstanding account	As at March 31, 2024
Balance at beginning of the year	54.2
Add: Employee stock option charge / (credit) (Refer Note 47)	(19.2)
Balance at end of the year	35.0



## Notes to the Consolidated Financial Statements as at March 31, 2024

### 15. Other equity (Continued)

#### (d) General reserve

General reserves are the retained earnings of the Company which are kept aside out of the profits to meet future (known or unknown) obligations.

Rs. in million

General reserve	As at March 31, 2024
Balance at beginning of the year	10,046.9
Balance at end of the year	10,046.9

#### (e) Retained earnings

Rs. in million

	As at March 31, 2024
Balance at beginning of the year	16,760.3
Add: Profit for the year	5,632.7
Items of other comprehensive income / (loss):	
Add / (Less): Remeasurement of the net defined benefit asset / liability, net of tax effect	(44.0)
Appropriations:	
Less: Dividend (Refer Note 39(b))	(346.3)
Balance at end of the year	22,002.7

#### (f) Capital reserve

The excess of carrying value of investments in erstwhile BASF Performance Polyamides India Private Limited over net value of assets, liabilities and reserves has been debited to Capital reserve.

Rs. in million

	As at March 31, 2024
Balance at the beginning of the year	(2,857.4)
Balance at end of the year	(2,857.4)

### 16. Other financial liabilities (non-current)

Rs. in million

	As at March 31, 2024
Deposits from customers	32.4
Accrual for employee benefits	71.5
	103.9

### 17. Provisions (non-current)

Rs. in million

	As at March 31, 2024
Provision for employee benefits (Refer Note 47)	
– Long service award	46.7
– Gratuity	391.6
Other provisions (Refer Note 45)	263.8
	702.1

### 18. Other non-current liabilities

Rs. in million

	As at March 31, 2024
Accrual for CSR Unspent Balance (Refer Note 46)	21.9
	21.9

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 19. Trade payables

Rs. in million

	As at March 31, 2024
Micro and Small Enterprises (Refer Note 43)	303.6
Others	35,176.5
	35,480.1

For payables to related parties, refer Note 49.

For aging of Trade payables, refer Note 36.

### 20. Other financial liabilities (current)

Rs. in million

	As at March 31, 2024
Unpaid dividends*	6.9
Capital creditors	62.7
Derivatives with negative fair values	4.4
Accrual for employee benefits	386.7
	460.7

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

### 21. Provisions (current)

Rs. in million

	As at March 31, 2024
Provision for employee benefits (Refer Note 47)	
– Compensated absences	469.7
– Long service award	4.9
	474.6

### 22. Current tax liabilities

Rs. in million

	As at March 31, 2024
Opening balance	–
Add: Current tax payable for the year	2,021.1
Less: Taxes paid	1,979.6
	41.5

### 23. Other current liabilities

Rs. in million

	As at March 31, 2024
Advances received from customers	214.4
Accrual for customer incentive schemes (Refer Note 50)	538.8
Accrual for CSR Unspent Balance (Refer Note 46)	80.8
Statutory dues payable	415.1
	1,249.1

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 24. Other income

Rs. in million

	For the year ended March 31, 2024
Interest income	478.9
Profit on sale of property plant and equipment (net)	15.9
Write back of other provisions	87.6
Miscellaneous income	175.4
	757.8

### 25. Cost of materials consumed

Rs. in million

	For the year ended March 31, 2024
Raw materials:	
Stock at the beginning of the year	6,063.6
Add: Purchases	43,700.8
Less: Stock at the end of the year	(5,450.1)
Cost of raw materials consumed	44,314.3
Packing materials consumed	1,052.5
	45,366.8

### 26. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. in million

	For the year ended March 31, 2024
Stock at the end of the year:	
Finished goods	5,116.1
Stock-in-trade	9,953.6
Work-in-progress	56.1
Sub-total	15,125.8
Stock at the beginning of the year:	
Finished goods	(5,171.4)
Stock-in-trade	(10,352.6)
Work-in-progress	(64.2)
Sub-total	(15,588.2)
	462.4

### 27. Employee benefit expenses

Rs. in million

	For the year ended March 31, 2024
Salaries, wages and bonus	3,361.6
Contribution to provident and other funds (Refer Note 47)	327.2
Gratuity (Refer Note 47)	91.6
Staff welfare expense	141.0
	3,921.4

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 28. Finance costs

Rs. in million

	For the year ended March 31, 2024
Interest on borrowings	59.3
Interest on income tax	0.3
Interest on lease liabilities	83.7
Interest- others	12.0
	155.3

### 29. Depreciation and amortisation expenses

Rs. in million

	For the year ended March 31, 2024
Depreciation of Property, plant and equipment	1,356.5
Depreciation of Right-of-use assets	530.9
Amortisation of intangible assets	24.7
	1,912.1

### 30. Other expenses

Rs. in million

	For the year ended March 31, 2024
Freight and handling charges	2,322.6
Power and fuel	1,024.5
Professional charges (Refer Note 32)	1,677.9
Communication / system expenses	1,225.6
Foreign exchange loss (net)	379.0
[Includes net gain Rs. 176.6 million on fair valuation of trade derivatives]	
Sales promotion expenses	899.7
Travelling	327.2
Subcontracting charges	308.2
Rent (Refer Note 42)	116.0
Royalty	666.1
Consumption of stores and spare parts	162.5
Service fees	41.4
Repairs – Machinery	116.5
– Buildings	213.9
– Others	110.6
Insurance	219.8
Rates and taxes	113.9
Bad debts written-off	75.4
Less: Utilisation of loss allowance on trade receivables	(75.4)
	–
Loss allowance on trade receivables (net)	38.7
Corporate Social Responsibility expenses (Refer Note 46)	119.0
Miscellaneous expenses	560.4
	10,643.5

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 31. Tax expense

Rs. in million

	For the year ended March 31, 2024
<b>(a) Income tax expense</b>	
<b>Current tax</b>	
Current tax	2,035.9
Income tax for previous periods	1.5
Income tax impact on items included in Other comprehensive income	(14.8)
<b>Total current tax expense</b>	<b>2,022.6</b>
<b>Deferred tax (including tax on Other comprehensive income)</b>	
<b>(i) (Increase) / Decrease in deferred tax assets:</b>	
Loss allowance on trade receivables	9.3
Payment towards Voluntary Retirement Scheme	3.2
Impact of lease liabilities	(103.9)
MTM revaluation	(11.8)
Carrying value of property plant and equipment	(103.9)
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	2.0
	<b>(205.1)</b>
<b>(ii) Increase in deferred tax liabilities</b>	
Impact of right-of-use assets	123.7
	<b>123.7</b>
<b>Total deferred tax (credit) / expense [(i)+(ii)]</b>	<b>(81.4)</b>
<b>Total tax (credit) / expense</b>	<b>1,941.2</b>
Income tax impact on items included in Other comprehensive income	
<b>Total income tax (credit) / expense</b>	
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>	
Profit before income tax expense	7,588.7
Other comprehensive income (before tax)	(58.8)
<b>Total</b>	<b>7,529.9</b>
<b>Income tax rate</b>	<b>25.17%</b>
Tax on income	1,895.3
<b>Tax effect of items in reconciliations</b>	
Income tax for previous periods	1.5
Impact of Corporate Social Responsibility expenses and others	44.4
<b>Total tax expense</b>	<b>1,941.2</b>

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 32. Payment to auditors

Professional charges in Note 30 includes payment to auditors as follows:

Rs. in million

	For the year ended March 31, 2024
As auditors :	
– Statutory Audit Including Limited Review and Corporate Governance	12.5
– Tax Audit	1.2
– Group Audit	5.3
For other services	-
For reimbursement of expenses	1.3
<b>Total</b>	<b>20.3</b>

### 33. Title deeds of Immovable Properties not held in the name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as on March 31, 2024 (Rs. in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land held at Mangalore location	48.3	Karnataka Industrial Areas Development Board	No	October 21, 2014	The Company has submitted the necessary documents to Karnataka Industrial Areas Development Board for execution of the Sale Deed for land at Mangalore and the process is ongoing.

### 34. Aging of Capital work-in-progress (CWIP)

(a) Aging of CWIP:

Rs. in million

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Projects in progress	570.1	42.6	2.1	–	614.8
<b>Total</b>	<b>570.1</b>	<b>42.6</b>	<b>2.1</b>	<b>–</b>	<b>614.8</b>

There were no temporarily suspended projects as on Balance Sheet date of current year.

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Rs. in million

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	
Projects in progress:					
i) Performance Materials Lab	98.5	–	–	–	98.5
ii) Routine Small Capex	156.7	–	–	–	156.7
<b>Total</b>	<b>255.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>255.2</b>



## Notes to the Consolidated Financial Statements as at March 31, 2024

### 35. Aging of Trade Receivables:

Rs. in million

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	22,811.8	2,347.8	35.0	5.4	5.6	13.7	25,219.3
Credit impaired	118.6	23.4	38.2	8.8	2.7	33.9	225.6
<b>Disputed Trade Receivables</b>							
Credit impaired	—	—	—	20.4	266.9	148.3	435.6
<b>Total</b>	<b>22,930.4</b>	<b>2,371.2</b>	<b>73.2</b>	<b>34.6</b>	<b>275.2</b>	<b>195.9</b>	<b>25,880.5</b>

### 36. Aging of Trade Payables:

Rs. in million

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
Micro enterprises and small enterprises	23.7	251.4	28.0	0.5	-	-	303.6
Others	1,875.7	27,453.3	4,781.2	580.7	399.7	85.9	35,176.5
<b>Disputed Trade Payables</b>							
Micro enterprises and small enterprises	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
<b>Total</b>	<b>1,899.4</b>	<b>27,704.7</b>	<b>4,809.2</b>	<b>581.2</b>	<b>399.7</b>	<b>85.9</b>	<b>35,480.1</b>

### 37. Relationship with Struck off Companies

#### a) Struck off companies holding shares of the Company as at year end:

Rs. in million

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2024	Relationship with the Struck off company, if any, to be disclosed
Inventa Investments Pvt. Ltd.*	Shares held by struck off company	—*	Not applicable
Popular Stock & Share Services Ltd.*	Shares held by struck off company	—*	Not applicable

\* Value of shares held is below rounding off norm.

#### b) Struck off companies having transactions during the year:

The company did not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current and previous financial year.

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 38. Fair value measurement

#### Financial instruments

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under Indian accounting standard 113 - 'Fair value measurement'.

#### Explanation of each

Level 1: Determination of the fair value based on quoted, unadjusted prices on active markets.

Level 2: Determination of fair value based on parameters for which directly or indirectly quoted prices on active market are available.

Level 3: Determination of fair value based on parameters for which there is no observable market data.

Fair values for financial assets and liabilities (other than those disclosed below) approximates the carrying amount. All other financial assets and financial liabilities are carried at amortised costs.

Rs. in million

	Fair value hierarchy	Valuation category and technique	As at March 31, 2024
<b>Financial assets</b>			
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	93.0
<b>Financial liabilities</b>			
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	4.4

There are no reclassification between different levels during the year.

#### Risk exposure:

##### (i) Foreign currency risk

The Group is exposed to foreign-currency risks during the normal course of business. These risks are hedged through a determined strategy employing derivative instruments. Hedging is only employed for underlying items from the operating business. The risks from the underlying transactions and the derivatives are constantly monitored. Where the derivatives have a positive value, the Group is exposed to credit risks from the derivative transactions in the event of nonperformance of the other party. To minimise the default risk on derivatives with the positive market values, transactions are exclusively conducted with credit worthy banks and partners and are subject to predefined credit limits. The contracting and execution of derivative financial instruments for hedging purposes are conducted according to internal guidelines and subject to strict control mechanism.

The sensitivity analysis is conducted by simulating a 10% appreciation / depreciation of the functional currency against respective other currencies.

##### (a) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period is as follows:

Rs. in million

	As at March 31, 2024
<b>Trade payable</b>	
USD	28,982.0
EUR	412.6
<b>Capital Creditors</b>	
USD	2.4
EUR	5.5
<b>Trade receivables</b>	
USD	708.8
EUR	403.5
<b>Cash and cash equivalents (EEFC account)</b>	
USD	33.1

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 38. Fair value measurement (Continued)

#### (i) Foreign currency risk (Continued)

Rs. in million

	As at March 31, 2024
<b>Forward contracts</b>	
USD	26,406.6
<b>Net exposure (after forward contracts)</b>	
USD	1,835.9
EUR	14.6

#### (b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates by 10%\* arises mainly from foreign currency denominated financial instruments. Impact of sensitivity on net exposure for major currency balances is as follows:

Rs. in million

Currency	As at March 31, 2024	
	Increase in exchange rate	Decrease in exchange rate
USD	183.6	(183.6)
EUR	1.5	(1.5)

\* Holding all other variables constant.

#### (ii) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. To hedge interest rate risk, mix of variable and fixed instruments is judiciously applied for financing the Group's requirements.

#### (iii) Liquidity risk

The Group recognises any risk from cash flow fluctuations as a part of liquidity planning. the Group has access to sufficient liquidity from unutilised credit lines from banks and ongoing commercial paper programme.

##### (a) Financing arrangements

The Group has access to undrawn borrowing facilities from banks for Rs. 12,682.9 million as on March 31, 2024. The Group also has unused Commercial Papers limit of Rs. 7,500 million.

##### (b) Maturities of financial liabilities

The interest and principal payments as well as other payments for derivative financial instruments are relevant for the presentation of the maturities of the contractual cash flows from financial liabilities. Derivatives are included using their net cash flow, provided they have a negative fair value and therefore represent a liability. Derivatives with positive fair values are assets and are therefore not considered. Trade accounts payable are generally interest-free and due within one year. Therefore, the carrying amount of trade accounts payable equals the sum of future cash flows. Contractual maturities of lease liabilities are disclosed on an undiscounted basis.

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2024	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
<b>Non derivatives</b>					
Trade payables	35,480.1	—	—	—	35,480.1
Lease liabilities	643.3	451.8	249.8	415.4	1,760.3
Other financial liabilities	456.3	103.9	—	—	560.2
<b>Total non derivative liabilities</b>	<b>36,579.7</b>	<b>555.7</b>	<b>249.8</b>	<b>415.4</b>	<b>37,800.6</b>
<b>Derivatives</b>					
Derivatives with negative fair values	4.4	—	—	—	4.4
<b>Total derivative liabilities</b>	<b>4.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4.4</b>

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 38. Fair value measurement (Continued)

#### (iv) Credit risk

##### Trade receivables

Credit risk arise when counterparties do not fulfil their contractual obligations. The Group regularly analyses the credit worthiness of relevant customers and grants credit limits on the basis of this analysis. Due to the diversified customer structure of the Group, there is no significant concentration of default risk. The Group uses simplified approach for trade receivables whereby the loss allowance is measured at an amount equal to the lifetime expected credit losses. The carrying amount of all receivables subject to expected credit loss and default risk represents the maximum default risk for the Group. The expected credit losses are calculated taking into consideration the credit rating of the customer, probability of default for various different credit ratings and loss given default.

Counterparties generally considered as stage 3 when they becomes insolvent or are in a finance related legal dispute with the Group. Receivable are derecognised when they are definitively found to be uncollectable such as in the event of concluded insolvency proceedings.

Accordingly expected credit loss is recognised under two stages as follows :

Stage 2 - Loss allowance at an amount equivalent lifetime expected credit losses at the reporting date for the customers with High, Medium and Low rating based on internal and external credit ratings

Stage 3 - Loss allowance on account of credit impaired at the reporting date

##### Loans to related parties

The Group considers the probability of default upon initial recognition of loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a counterparty is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

##### Cash and bank balances

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

##### Security deposits and other receivables

The Group periodically monitors the recoverability and credit risks of its security deposits and other receivables. the Group evaluates 12 month expected credit losses of all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Group considers life time expected credit losses for the purpose of impairment provisioning.

Accordingly, Loans to related parties, Cash and bank balances, Security deposits and other receivables, are subject to the impairment requirements of Ind AS 109 and the identified impairment loss was immaterial.

#### (a) Provision for expected credit loss:

Rs. in million

For trade receivables	Gross carrying amount
	As at March 31, 2024
<b>Creditworthiness</b>	
High / medium credit rating	16,981.5
Low credit rating	8,363.2

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 38. Fair value measurement (Continued)

#### (iv) Credit risk (Continued)

- For trade receivables under life time expected credit loss model (simplified approach)

Year ended March 31, 2024

Rs. in million

Ageing	Stage 2	Stage 3	Total
Gross carrying amount	25,344.7	535.8	25,880.5
Expected loss rate	0.5%	100.0%	
Expected credit losses (loss allowance provision)	125.4	535.8	661.2
Carrying amount of trade receivable (net of impairment)	25,219.3	—	25,219.3

- For other financial assets - High quality assets, negligible credit risk (under 12 months expected credit loss)

Rs. in million

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
March 31, 2024	12,280.0	0.1%	15.7	12,264.3

#### (b) Reconciliation of loss allowance provision for Trade Receivables

Rs. in million

Loss allowance on April 1, 2023	697.9
Less: Utilisation towards bad debts	(75.4)
Add: Changes in loss allowance	38.7
Loss allowance on March 31, 2024	661.2

#### Significant estimates and judgements

##### Impairment of financial assets

The impairment provision for the financial assets disclosed above are based on credit ratings, assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

### 39. Capital management

#### (a) Risk management

The aim of capital structure management is to maintain the financial flexibility needed to further develop the Group's business portfolio and take advantage of strategic opportunities. The objective of the Group's financing policy are to secure solvency, limit financial risks and optimise the cost of capital.

The Group's capital structure is managed using equity and debt ratios as a part of the Group's financial planning.

Generally a mix of commercial paper programme, inter corporate deposits, overdraft facilities and bank loans are used for short term financing while group external commercial borrowings are used for financing long term requirements.

The goal is to optimise the Group's capital cost financing conditions.

The Group monitors capital on the basis of the following ratios:

1. Equity ratio - Total equity divided by Total assets

Rs. in million

	As at March 31, 2024
Total equity	32,235.0
Total assets	72,329.6
Equity ratio	44.6%

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 39. Capital management (Continued)

#### (b) Dividends

Rs. in million

	As at March 31, 2024
(i) Equity shares	
Dividend for the year ended March 31, 2023 of Rs. 8 per fully paid share	346.3
<b>Proposed dividend</b>	
(ii) Dividend not recognised at the end of reporting year	
In addition to the above dividends, since year end, the Board of Directors have recommended the payment of a dividend of Rs. 15 for the year ended March 31, 2024 per fully paid share. This proposed dividend is subject to the approval of Shareholders in the ensuing annual general meeting.	649.3

### 40. Contingent liabilities

Rs. in million

Nature	As at March 31, 2024
Contingent liabilities (excluding interest & penalties)	
a) Claims against the Group not acknowledged as debts	27.3
In respect of which the Group has counterclaim	—
b) Demand for taxes and duties in respect of which the Group has preferred appeals with appropriate authorities	
a. Income tax	1,854.3
b. Sales tax and Goods and Service Tax	145.8
<b>Total</b>	<b>2,027.4</b>

It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above matters, pending resolution of the respective proceedings.

### 41. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for Rs. 465.0 million.
- The Group has a lease contract that has been committed but not yet commenced as at March 31, 2024. The future lease payment for this contract amounting to Rs. 576.5 million is payable with in next 5 years
- The company has entered into a power purchase agreement on April 1, 2024 for purchase of renewable power with a lock-in period of 10 years for 100% offtake of electricity produced with the estimated amount of Rs. 30.0 million annually. The operations shall commence once necessary licences / permissions are obtained.

### 42. Leases

The Company has adopted modified retrospective approach as per para C8 (c) (ii) of Ind AS 116 – Leases. The Company leases warehouses, vehicles, office facilities, storage tanks, equipments etc.

The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average incremental borrowing rate used to discount the gross lease liability additions during the current year & previous year was 4 to 9%.

#### a) Amounts recognised in the Statement of Profit and Loss:

Rs. in million

	For the year ended March 31, 2024
(i) Depreciation charge on Right-of-use assets (Refer Notes 1(B) and 29)	530.9
(ii) Interest expense for lease liabilities (Refer Note 28)	83.7
(iii) Rent expense (Refer Note 30):	
– Expenses for variable lease payments not included in lease liabilities	5.1
– Expenses for short-term leases and others	110.9
<b>Total</b>	<b>116.0</b>



## Notes to the Consolidated Financial Statements as at March 31, 2024

### 42. Leases (Continued)

#### b) Other disclosures:

##### (i) Lease liabilities:

Rs. in million

	As at March 31, 2024
Non-current lease liabilities	1,000.6
Current lease liabilities	560.1
<b>Total lease liabilities</b>	<b>1,560.7</b>

For maturity profile of Lease liabilities, refer Note 38(iii)(b)

- (ii) Additions to the right-of-use assets and carrying values of right-of-use assets as at end of reporting period are disclosed in Note 1(B).

#### c) Net debt Reconciliation

Rs. in million

Net debt Reconciliation	As at March 31, 2024	
	Cash and Cash Equivalents	Liabilities from financing activities
Opening Net debt	3,665.9	—
Cash inflow (net)	2,552.8	—
Interest expense	—	71.6
Interest Paid	—	(71.6)
<b>Closing Net debt (I)</b>	<b>6,218.7</b>	<b>—</b>
Opening lease liabilities	—	1,058.5
Interest on leases liabilities	—	83.7
Change in lease liabilities during the year (net of deletions / transfers)	—	1,022.5
Repayment of lease liabilities	—	(604.0)
<b>Closing lease liabilities (II)</b>	<b>—</b>	<b>1,560.7</b>
<b>Total closing Net debt (I+II)</b>	<b>6,218.7</b>	<b>1,560.7</b>

### 43. Micro, Small and Medium Enterprises Development Act, 2006

On the basis of information and records available with the Management, the following disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities:

Rs. in million

Particulars	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act as at the end of the year.	
– Principal amount	279.9
– Interest amount	0.4
The interest paid / settled by the buyer in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payments made beyond the appointed date during each account year	
– Principal amount	872.9
– Interest amount	—
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	10.4
The amount of interest accrued and remaining unpaid at the end of each accounting year.	10.8
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro, small and medium enterprise.	23.7

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 44. Offsetting financial assets and financial liabilities

Rs. in million

	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in balance sheet
	(Financial Assets - Trade Receivables)	(Financial Liabilities - Rebates / Discounts)*	(Net Financial Assets - Trade Receivables)
March 31, 2024	27,099.8	1,880.5	25,219.3
<b>Total</b>	<b>27,099.8</b>	<b>1,880.5</b>	<b>25,219.3</b>

\* Amounts set off under "Not due" aging bucket in Note 35.

#### Trade receivables

The Group gives rebates / discounts for certain business units. Under the terms of contract, the amounts payable by the Group are offset against receivables from customers and only the net amount is settled (i.e. after adjustment of credit notes towards rebates / discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

### 45. Other provisions

Rs. in million

	As at March 31, 2024
At the commencement of the year	472.8
Add: Provisions made / (reversed) during the year (net)	(87.6)
Less: Utilisation during the year	121.4
At the end of the year	263.8

Other provisions represents provisions for certain income tax, indirect taxes and other legal matters, the outflow of which would depend on settlement / conclusion of these matters with the relevant authorities or cessation of the respective events.

### 46. Corporate Social Responsibility ('CSR')

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities, sanitation and making available safe drinking water. A CSR committee has been formed by the Company as per the Act.

(a) Gross amount required to be spent by the Company during the year: **Rs. 119.0 million**

(b) The areas of CSR activities and contributions made thereto are as follows:

Rs. in million

Amount spent during the year on:	For the year ended March 31, 2024
1) Construction / Acquisition of any assets	—
2) For purposes other than (1) above:	
– Promoting sanitation and making available safe drinking water	38.8
– Promoting education facilities & rural infrastructure	36.0
– Administration Expenses	5.0
	79.8

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 46. Corporate Social Responsibility ('CSR') (Continued)

(c) Details of excess CSR expenditure under Section 135(5) of the Act:

Rs. in million

	Amount required to be spent during the year	Amount spent during the year	Amount b/f from previous year	Funds towards Ongoing Projects deposited to CSR unspent bank account
For the year ended March 31, 2024 #*	119.0	33.4	—	85.6

# Subsequently deposited to CSR unspent bank account as on April 12, 2024

Details of CSR expenditure on ongoing projects under Section 135(6) of the Act:

Rs. in million

	Opening Balance (In Separate CSR Bank Account)	Amount Spent during the year (From Separate CSR Bank Account)	Closing Balance (In Separate CSR Bank Account)
For the year ended March 31, 2024*	63.5	46.4	17.1

\* Refer Note 18 and 23

### 47. Employee benefits

(a) Defined contribution plans:

The Company's contribution to defined contribution funds comprising of Superannuation fund, provident fund, Employees' State Insurance Schemes and National Pension System (NPS) scheme amounting to Rs. 327.2 million (net of recoveries) has been charged to the Statement of Profit and Loss.

(b) Defined benefit plans:

(i) Gratuity

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of provisions of the Payment of Gratuity Act, 1972, or as per the Company's scheme whichever is more beneficial. The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

Rs. in million

	Gratuity Funded
	As at March 31, 2024
<b>I) Reconciliation of present value of defined benefit obligation</b>	
Balance at the beginning of the year	853.2
Benefits paid from plan	(85.1)
Current service cost	73.3
Interest cost	61.4
Actuarial gain / loss recognised in other comprehensive income	
– Changes in financial assumptions	20.2
– Changes of experience adjustments	38.9
<b>Balance at the end of the year</b>	<b>961.9</b>
<b>II) Reconciliation of present value of plan assets</b>	
Balance at the beginning of the year	612.0
Contributions paid into plan	—
Benefits paid	(85.1)
Return on plan assets (excluding interest income)	0.3
Interest income	43.1
<b>Balance at the end of the year</b>	<b>570.3</b>
<b>Net liability (I-II)</b>	<b>391.6</b>

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 47. Employee benefits (Continued)

#### (b) Defined benefit plans: (Continued)

Rs. in million

	Gratuity Funded
	As at March 31, 2024
<b>III) Expenses recognised in the Statement of Profit and Loss</b>	
Current service cost	73.3
Interest cost	61.4
Interest income	(43.1)
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>91.6</b>
<b>IV) Remeasurements recognised in other comprehensive income</b>	
Actuarial loss / (gain) on defined benefit obligation	59.1
Return on plan assets excluding interest income	(0.3)
	<b>58.8</b>

The plan assets under the Gratuity scheme are deposited under approved securities. The major categories of plan assets as a percentage of total plan assets are provided below :-

	As at March 31, 2024
Government of India securities	25%
State government securities	18%
Public Sector Unit bonds	30%
Private sector bonds	0%
Fixed deposit and others	14%
Special deposit scheme	4%
Mutual funds	9%
	<b>100%</b>

The assumptions used for actuarial valuation are as follows:-

	As at March 31, 2024
Discount rate	7.24%
Expected salary increase rate	6% - 8% p.a.
Attrition Rate	2% - 9% p.a.
In-service mortality rates	Indian Assured Lives Mortality (2012-14) Ultimate

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Rs. in million

Expected total benefit payments	As at March 31, 2024
Year 1	105.6
Year 2	101.0
Year 3	104.3
Year 4	137.2
Year 5	95.0
Next 5 years	503.8

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 47. Employee benefits (Continued)

#### (b) Defined benefit plans: (Continued)

Sensitivity analysis – defined benefit obligation end of period

Rs. in million

	As at March 31, 2024
Discount rate +100 basis points	903.1
Discount rate -100 basis points	1,024.9
Salary Increase Rate +1%	1,022.3
Salary Increase Rate -1%	906.8
Attrition Rate +1%	957.4
Attrition Rate -1%	967.0

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The method and type of assumptions used in preparing the sensitivity analysis for current year are in line with previous year.

The contribution expected to be made by the Company during the financial year 2024-25 is **Rs. Nil**

#### Risk exposure

The fund assets for Gratuity are maintained by BASF trust fund, a legally independent funded plan, which is financed by contribution of employees and the employer as well as the return on plan asset.

Following risk-mitigating strategies are adopted for the Funds:

Being managed passively, the debt segments of the portfolios are predominantly exposed to Credit Risk and Reinvestment Risk. These risks are managed in the following manner:

**Reinvestment risk:** Reinvestment risk is minimized by spreading maturities of debt investments across various years. Here a balance is struck between minimizing reinvestment risk and maximizing yield given the term structure of interest rates, issuance pattern of debt instruments and their liquidity.

Owing to the investment regulation, the Funds have also invested in Equity Mutual Funds which are exposed to Market Risk.

**Market risk:** Market risk is minimized by (a) ensuring that schemes selected for investment have high-ranking by independent agencies (b) large-cap orientation and (c) have a track record of superior down-side management. Further, volatilities in returns of these schemes are minimized by staggering deployment in the schemes across months which bring in cost-averaging. Performance of the schemes is monitored on a monthly basis. Corrective action, if required, is recommended for schemes that underperform their peers and the benchmark consistently.

**Credit risk:** Credit risk is minimized by spreading exposure to multiple debt issuers, i.e. by not allowing exposure to an individual debt issuer to exceed by 5%-10% (depending on the issuer type) of the total portfolio at any time. Further, investments are made only in high grade bonds. Rating migrations in the instruments held in the portfolios are tracked regularly and are reported to the Trustees in case of downgrades. Corrective action on downgrades is suggested, if deemed necessary.

#### (c) Share-based payments (Long Term Incentive):

The Ultimate Holding Company ('BASF SE') offers following two types of Share Price based compensation program for senior executives of BASF group. Participation in these programs is voluntary.

##### (i) BASF Option Program ('BOP'):

The option program starts every year on July 1. After the two-year vesting period, the options can be exercised for a period of four years. Options that have not been exercised by the end of the exercise period of the respective program are forfeited, without any subsequent payment obligations towards the bearer. BOP was offered for the last time in 2020. All option rights granted during the BOP program years remain valid until the end of their respective exercise periods.

The model used in the valuation of the option plans are based on the arbitrage-free valuation model according to Black-Scholes. The fair values of the options are determined using the binomial model.

##### (ii) 'Strive!' - Performance Share Units (PSUs):

Since 2020, a new Long term incentive program, known as Strive!, is established in the form of a performance share plan. The new plan is based on achievement of strategic targets and takes into account BASF SE's share price and dividend performance (total shareholder return) over a four-year period.

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 47. Employee Benefits (Continued)

#### (c) Share-based payments (Long Term Incentive): (Continued)

A Strive! plan includes a four-year performance period with a fixed disbursement date. A target amount is determined at the beginning of a new Strive! plan for every participant. This target amount is converted into a preliminary number of virtual performance share units (PSUs) by dividing it by the average BASF share price. The number of PSUs that are ultimately paid out at the end of the performance period depends on the achievement of the strategic targets.

Since the Company receives the services of the employees to whom the options have been granted by BASF SE and the Company has no obligation to settle these options, the Company has recognized both the above plans as equity settled share based payment transactions in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments. Charge for the year and related assumptions are summarised in below tables:

#### BASF Option Program ('BOP'):

		For the year ended March 31, 2024
Charge / (Credit) included in employee benefit expense (net of reversals)	Rs. in million	(16.0)
Options outstanding at the beginning of the year	Nos	22,545.0
Options granted during the year	Nos	—
Options forfeited, exercised or expired during the year	Nos	(8,172.0)
<b>Outstanding at the end of the year</b>	<b>Nos</b>	<b>14,373.0</b>

#### 'Strive!' - Performance Share Units (PSUs):

		For the year ended March 31, 2024
Charge / (Credit) included in employee benefit expense	Rs. in million	(3.2)
PSUs outstanding at the beginning of the year	Nos	4,009.0
PSUs granted during the year	Nos	1,823.0
PSUs forfeited, exercised or expired during the year	Nos	—
<b>Outstanding at the end of the year</b>	<b>Nos</b>	<b>5,832.0</b>
<b>Fair value of options and parameters used for valuation</b>		<b>As at December 31, 2023</b>
Fair value / PSU	Euro	43.3
Weighted target achievement	%	100.0
Base price of BASF SE's shares	Euro	46.5

#### (d) Other long term employee benefits:

##### (i) Long service awards:

Long Service Awards are payable to employees on completion of specified years of service.

##### (ii) Compensated absences:

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation as per Company's policy.

For compensated absences, the amount of the provision of Rs. 469.7 million is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Leave obligations not expected to be settled within the next 12 months is Rs. 358.3 million.



## Notes to the Consolidated Financial Statements as at March 31, 2024

### 48. Operating Segments

The Group has following business segments for reporting purpose. The divisions are allocated to the segments based on their business models.

#### Details of type of products included in each segment:

- Agricultural Solution – The Agricultural Solutions segment consists of the Crop Protection division. Agricultural Solution is seasonal in nature
- Materials – The Materials segment comprises Performance Materials divisions, the Monomers divisions and Polyamides business
- Industrial Solutions – The Industrial Solutions segment consists of the Dispersions & Pigments divisions and Performance Chemicals divisions
- Surface Technologies – The Surface Technologies segment comprises of Catalysts and Coatings divisions
- Nutrition & Care - The Nutrition & Care segment consists of the Care Chemicals and Nutrition & Health divisions
- Chemicals – The Chemicals segment consists of the Petrochemicals and Intermediates divisions
- Others – Others includes activities that are not allocated to any of the continued operating divisions. These includes remaining activities after divestiture of leather and textile chemicals business, paper wet-end and water chemicals business, technical and service charges other than those specifically identifiable to above segments.

Un-allocable Corporate Assets mainly includes Current tax assets (net), Deferred tax assets (net), Cash and cash equivalents, Inter corporate deposits and other un-allocable assets.

Un-allocable Corporate Liabilities mainly includes Current tax liabilities (net) and other un-allocable liabilities.

#### (a) Business Segments

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
Segment revenue	20,064.6	41,195.0	21,475.4	8,070.1	28,454.5	17,326.9	1,088.3	–	137,674.8
Less : Inter-segment revenue	–	–	–	–	–	–	–	–	–
Sales / Revenue from operations	20,064.6	41,195.0	21,475.4	8,070.1	28,454.5	17,326.9	1,088.3	–	137,674.8
Segment result	4,354.7	1,051.5	1,650.3	148.7	359.8	538.8	18.0	–	8,121.8
Finance costs								155.3	155.3
Other un-allocable expenditure (net of un-allocable income)								377.8	377.8
Profit / (Loss) before tax									7,588.7
Tax									1,956.0
Profit / (Loss) after tax									5,632.7

Rs. in million

	Agricultural Solution	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Chemicals	Others	Un-allocated	Total
<b>OTHER INFORMATION</b>									
Segment assets	9,830.4	18,510.3	9,693.1	3,812.3	9,942.9	5,510.7	910.8	14,119.1	72,329.6
Segment liabilities	5,351.3	13,487.0	6,196.5	1,904.5	7,295.2	5,696.3	115.4	48.4	40,094.6
	35.6	353.6	172.8	265.2	102.6	1.3	46.6	–	977.7
Depreciation and amortisation	208.3	637.2	511.0	133.5	343.5	77.3	1.3	–	1,912.1
Non cash charges - Loss allowance on trade receivables	37.3	1.9	0.5	8.1	(10.6)	2.5	(1.0)	–	38.7

#### (b) Geographic Segments

Rs. in million

	Domestic	Exports	Total
Revenues	134,602.1	3,072.7	137,674.8
Non-current assets (excluding financial instruments & deferred / income tax asset)	8,717.0	–	8,717.0
	8,582.8	–	8,582.8

#### Note:

#### Revenue from major customer:

The Group is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenue from transactions with any single external customers.

# Notes to the Consolidated Financial Statements as at March 31, 2024

## 49. Related Party Disclosure

### a) Parties where control exists

BASF Societas Europaea ('SE')	Ultimate holding company
BASF Schweiz AG	Subsidiary of Ultimate Holding Company

### b) Other related parties with whom transactions have taken place during the year or balances outstanding at the year end

#### Parties under common control

BASF Advanced Chemicals Co. Ltd.	BASF Nederland B.V.
BASF Agricultural Solutions Seed US LLC	BASF Pakistan (Pvt.) Limited
BASF Agro B.V.	BASF Paper Chemicals (Huizhou) Co. Ltd.
BASF Agrochemical Products B.V.	BASF Paper Chemicals (Jiangsu) Co., Ltd.
BASF Asia-Pacific Service Centre Sdn .Bhd.	BASF Performance Polyamides Korea Co. Ltd.
BASF Australia Ltd.	BASF PETRONAS Chemicals Sdn. Bhd.
BASF Bangladesh Ltd	BASF Philippines INC
BASF Care Chemicals (Shanghai) Co. Ltd.	BASF Plant Science Company GmbH
BASF Catalysts Germany GmbH	BASF PLC
BASF Catalysts (Shanghai) Co.Ltd.	BASF Poliuretanos Ltda.
BASF Catalysts India Private Limited	BASF Polyurethane Specialties (China) Co., Ltd.
BASF Chemicals Company, Ltd.	BASF Polyurethanes (China) Co.Ltd
BASF Chemicals India Private Limited	BASF Polyurethanes (Chongqing) Co., Ltd
BASF (China) Company Ltd.	BASF Polyurethanes GmbH
BASF Coatings GmbH	BASF S.A.
BASF Coatings (Guangdong) Co. Limited	BASF Saudi Arabia Limited Company
BASF Company Ltd.	BASF Schwarzheide GmbH
BASF Construction Additives GmbH	BASF Services Europe GmbH
BASF Corporation	BASF Shanshan Battery Materials Co.
BASF Crop Protection (Jiangsu) Co. Ltd.	BASF Shanghai Coatings Co. Ltd.
BASF Digital Farming GmbH	BASF South East Asia Pte. Ltd.
BASF Digital Solutions GmbH (earlier known as BASF Business Services GmbH)	BASF Specialty Chemicals (Nanjing) Co. Ltd.
BASF East Asia Regional Headquarters Ltd.	BASF Taiwan Ltd.
BASF Engineering Plastics (Shanghai) Co., Ltd.	BASF (Thai) Limited
BASF Espanola S.L.U.	BASF Tuerk Kimya Sanayi ve Ticaret Ltd. Sti.
BASF France S.A.S.	BASF - YPC Company Limited
BASF FZE	Chemetall India Private Limited
BASF Hong Kong Ltd.	Cognis IP Management GmbH
BASF Integrated Site (Guangdong) Co. Ltd.	Isobionics B.V.
BASF IP Licensing GmbH	Nunhems India Private Limited
BASF Italia S.p.A.	OOO BASF
BASF Japan Ltd.	P.T. BASF Distribution Indonesia
BASF Lanka (Private) Limited	P.T. BASF Indonesia
BASF (Malaysia) Sdn. Bhd.	Shanghai BASF Polyurethane Co. Ltd.
BASF Metals LLC	Thai Ethoxylate Co., Ltd.
BASF Mexicana, S.A. de C.V.	hte GmbH

### c) Post employment benefit plans

BASF India Ltd. Provident Fund (till August 31, 2022)
BASF India Ltd. Employees Gratuity Fund
BASF India Ltd. Superannuation Fund Trust

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 49. Related Party Disclosure (Continued)

d) **Key management personnel**

Mr. Pradip P. Shah (Chairman, Independent director till March 31, 2024 and Chairman, Non-Executive Non-Independent director w.e.f. April 1, 2024)  
 Mr. Alexander Gerding (Managing Director) (w.e.f. January 1, 2023)  
 Dr. Ramkumar Dhruva (Non-Executive Director)  
 Mr. Marcelo Rocha Lu (Non-Executive Director) (w.e.f. February 12, 2024)  
 Dr. Carola Richter (Non-Executive Director) (till January 31, 2024)  
 Mr. R. A. Shah (Independent Director) (till March 31, 2024)  
 Mr. Arun Bewoor (Independent Director) (till March 31, 2024)  
 Mrs. Shyamala Gopinath (Independent Director)  
 Mr. Bahram Vakil (Independent Director) (w.e.f. April 1, 2024)  
 Ms. Sonia Singh (Independent Director) (w.e.f. April 1, 2024)  
 Mr. Narendranath J. Baliga (Chief Financial Officer & Alternate Director)  
 Mr. Anil Kumar Choudhary (Manufacturing Head & Whole time Director) (w.e.f. January 1, 2023)  
 Mr. Manohar Kamath (Company Secretary)

e) **Details of transactions with parties where control exists / under common control for the year ended March 31, 2024**

Rs. in million

Nature of Transactions	Parties where control exists	Parties under common control	Total
	March 31, 2024	March 31, 2024	March 31, 2024
<b>Sale of Goods</b>			
BASF SE	28.7	—	28.7
BASF Hong Kong Ltd.	—	865.5	865.5
Others	—	505.5	505.5
<b>Sub-Total</b>	<b>28.7</b>	<b>1,371.0</b>	<b>1,399.7</b>
<b>Services Rendered (including reimbursements)</b>			
BASF SE	581.8	—	581.8
BASF Corporation	—	218.5	218.5
BASF Chemicals India Private Limited	—	167.8	167.8
Others	—	319.9	319.9
<b>Sub-Total</b>	<b>581.8</b>	<b>706.2</b>	<b>1,288.0</b>
<b>Interest Income on Inter Corporate Deposits given</b>			
BASF Chemicals India Private Limited	—	16.8	16.8
BASF Catalysts India Private Limited	—	178.5	178.5
<b>Sub - Total</b>	<b>—</b>	<b>195.3</b>	<b>195.3</b>
<b>Purchase of Goods / Materials</b>			
BASF SE	4,797.7	—	4,797.7
BASF Hong Kong Ltd.	—	37,283.9	37,283.9
BASF South East Asia Pte. Ltd.	—	12,148.2	12,148.2
BASF Petronas Chemicals Sdn Bhd	—	8,930.2	8,930.2
BASF Company Ltd.	—	11,268.8	11,268.8
Others	—	13,058.5	13,058.5
<b>Sub-Total</b>	<b>4,797.7</b>	<b>82,689.6</b>	<b>87,487.3</b>
<b>Services Received (including reimbursements)</b>			
BASF SE	1,238.7	—	1,238.7
BASF Asia-Pacific Service Centre Sdn. Bhd.	—	494.1	494.1
BASF Digital Solutions GmbH	—	539.3	539.3
Others	—	554.3	554.3
<b>Sub-Total</b>	<b>1,238.7</b>	<b>1,587.7</b>	<b>2,826.4</b>
<b>Royalty</b>			
BASF SE	10.7	—	10.7
BASF IP Licensing GmbH	—	501.8	501.8
BASF Coatings GmbH	—	111.9	111.9
Cognis IP Management GmbH	—	41.7	41.7
<b>Sub-Total</b>	<b>10.7</b>	<b>655.4</b>	<b>666.1</b>

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 49. Related Party Disclosure (Continued)

- e) Details of transactions with parties where control exists / under common control for the year ended March 31, 2024 (Continued)

Rs. in million

Nature of Transactions	Parties where control exists	Parties under common control	Total
	March 31, 2024	March 31, 2024	March 31, 2024
<b>Dividend</b>			
BASF SE	182.7	—	182.7
BASF Schweiz AG	71.3	—	71.3
<b>Sub-Total</b>	<b>254.0</b>	<b>—</b>	<b>254.0</b>
<b>Inter Corporate Deposits given during the year (including renewals during the year)</b>			
BASF Chemicals India Private Limited	—	1,300.0	1,300.0
BASF Catalysts India Private Limited	—	13,700.0	13,700.0
<b>Sub – Total</b>	<b>—</b>	<b>15,000.0</b>	<b>15,000.0</b>
<b>Inter Corporate Deposits repayment received during the year (including renewals during the year)</b>			
BASF Chemicals India Private Limited	—	950.0	950.0
BASF Catalysts India Private Limited	—	10,100.0	10,100.0
<b>Sub – Total</b>	<b>—</b>	<b>11,050.0</b>	<b>11,050.0</b>
<b>Outstanding Receivables</b>			
BASF SE	167.8	—	167.8
BASF Italia S.p.A.	—	—	—
BASF Hong Kong Ltd.	—	125.4	125.4
BASF Corporation	—	69.9	69.9
Others	—	254.6	254.6
<b>Sub-Total</b>	<b>167.8</b>	<b>449.9</b>	<b>617.7</b>
<b>Outstanding Payables</b>			
BASF SE	2,467.9	—	2,467.9
BASF Hong Kong Ltd.	—	10,841.9	10,841.9
BASF South East Asia Pte. Ltd.	—	3,032.4	3,032.4
BASF Petronas Chemicals Sdn Bhd	—	2,119.5	2,119.5
BASF Company Ltd.	—	3,624.5	3,624.5
Others	—	8,120.8	8,120.8
<b>Sub-Total</b>	<b>2,467.9</b>	<b>27,739.1</b>	<b>30,207.0</b>
<b>Inter Corporate Deposits Given Outstanding (including interest accrued not due)</b>			
BASF Chemicals India Private Limited	—	351.9	351.9
BASF Catalysts India Private Limited	—	5,127.2	5,127.2
<b>Sub – Total</b>	<b>—</b>	<b>5,479.1</b>	<b>5,479.1</b>

- f) Details of Contributions to post employment benefit plan

Rs. in million

Name of the post employment benefit plan	2023-24
BASF India Ltd. Superannuation Fund Trust	10.0
<b>Total</b>	<b>10.0</b>

## Notes to the Consolidated Financial Statements as at March 31, 2024

### 49. Related Party Disclosure (Continued)

#### g) Details of transactions with Key Management Personnel

Rs. in million

Particulars	2023-24
Short term employee benefits	154.0
Post-employment benefits	16.7
Employee share based payments*	3.3
<b>Total</b>	<b>174.0</b>

\* Key managerial personnel Mr. Alexander Gerding and Mr. Narendranath J. Baliga are eligible for share price based payments (Long Term Incentive) of the Ultimate Holding Company for which there is no cash outflow from the Group.

#### h) Payments to Independent Directors

Rs. in million

Particulars	2023-24
Sitting fees	6.4
Commission	5.3
<b>Total</b>	<b>11.7</b>

#### i) Terms and conditions

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.

### 50. Disclosure under Indian Accounting Standard 115

#### (a) Contract liability:

- Contract liability in respect of amount collected in advance towards satisfaction of performance obligations for goods / services to customers has been reflected as "Advances received from customers" in Note 23 - Other Current Liabilities.
- The Group operates a customer incentive programme where retail customers accumulate reward points for purchases made which entitle them to incentives. A contract liability for the reward points is recognised at the time of the sale. Contract liability in respect of customer incentive schemes has been adjusted in Revenue and reflected as "Accrual for customer incentive schemes" in Note 23 - Other Current Liabilities.

#### (b) Reconciliation of Revenue recognised with contract price

Rs. in million

	For the year ended March 31, 2024
Contract Price	142,043.8
Adjustment for: Rebates / discounts / customer incentive scheme	(4,369.0)
<b>Revenue from operations</b>	<b>137,674.8</b>

### 51. Additional regulatory information required by Schedule III in respect of Subsidiary

Name of the Entity	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in million	As % of consolidated profit or (loss)	Amount Rs. in million	As % of consolidated other comprehensive income	Amount Rs. in million	As % of consolidated total comprehensive income	Amount Rs. in million
<b>Parent</b>								
BASF India Limited								
March 31, 2024	100%	32,235.8	100%	5,633.5	100%	(44.0)	100%	5,589.5
<b>Subsidiary</b>								
BASF India Coatings Private limited								
March 31, 2024	0%	(0.8)	0%	(0.8)	—	—	0%	(0.8)
<b>March 31, 2024 (Total)</b>	<b>100%</b>	<b>32,235.0</b>	<b>100%</b>	<b>5,632.7</b>	<b>100%</b>	<b>(44.0)</b>	<b>100%</b>	<b>5,588.7</b>

## Notes to the Consolidated Financial Statements as at March 31, 2024

52. The Holding company uses SAP as ERP which has audit trail functionality embedded and has worked effectively throughout the year. The company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review in place for changes made by users with specific privilege access rights and direct changes if any made on database level.

Further, the Company has been maintaining daily backup of books of account and other records, on servers physically located in India throughout the year, except backup of audit trail records. Effective February 21, 2024, the Company has started maintaining the daily local backup of audit trail records in India (except for certain records, which are in the process of being implemented).

The Subsidiary Company is in process of setting up ERP system, i.e., S/4HANA which is expected to go live by end of calendar year 2024. Accordingly, the Company has maintained its books of accounts for the period commencing on December 11, 2023, and ending on March 31, 2024 manually. Hence provisions of audit trail is not applicable for the company.

53. The Company has entered into a 25-year long-term Power Purchase Agreement (“PPA”) with Clean Renewable Energy KK 2C Private Limited (‘Special purpose vehicle’ or ‘SPV’) incorporated by Hero Rooftop Energy Private Limited( “the Developer”) for 2.7 MW of renewable power at its Mangalore site under the prevailing renewable energy policy of the State of Karnataka and the Electricity Act 2003 and the Rules thereunder. This agreement stipulates a lock-in period of 10 years for 100% offtake by the Company of electricity produced by the SPV at agreed rates.

The Company, SPV and the developer have signed a Share Subscription and Shareholder Agreement on April 1, 2024, pursuant to which the Company will hold 27% equity share capital of SPV as required under the Applicable Laws for an amount not exceeding Rs.15 million.

54. Globally, BASF’s Coatings division has decided to migrate from the existing Enterprise Resource Planning (ERP) system to a new ERP system, i.e., S/4HANA. Due to this intended migration and to capture the potential and benefits of the new ERP system, the Coatings businesses worldwide, which are part of legal entities with multiple operating divisions, will be transferred to separate legal entities.

In view of the above, the Holding Company incorporated BASF India Coatings Private Limited (‘the Subsidiary’) as its wholly owned subsidiary on December 11, 2023. The Board of Directors of the Company at its meeting held on February 12, 2024 has approved the transfer of Company’s Coatings business to its wholly owned subsidiary, on slump sale and at arm’s length basis as determined by an Independent Valuer i.e., for a consideration of Rs. 1,820 million, subject to necessary adjustments, as may be required, on the closing date in accordance with the conditions specified in the Business Transfer Agreement. The closing of the transaction is expected until the end of calendar year 2024.

Since the subsidiary was incorporated on December 11, 2023, the Holding Company is required to prepare its first consolidated financials for the financial year ended March 31, 2024. Accordingly, the corresponding figures for the previous year ended March 31, 2023 are not applicable for the consolidated financials.

In terms of our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754N/N500016  
*Chartered Accountants*

**Jeetendra Mirchandani**  
*Partner*  
Membership No: 048125

Place : Mumbai  
Date : May 14, 2024

For and on behalf of Board of Directors of

**BASF India Limited**  
CIN No.: L33112MH1943FLC003972

**Pradip P. Shah**  
*Chairman*  
DIN : 00066242

**Narendranath J Baliga**  
*Chief Financial Officer*  
DIN : 07005484

**Alexander Gerding**  
*Managing Director*  
DIN : 09797186

**Manohar Kamath**  
*Company Secretary*  
ACS No: 19749

Place : Mumbai  
Date : May 14, 2024

**Anil Choudhary** DIN: 07733817  
**Bahram Wakil** DIN: 00283980  
**Sonia Singh** DIN: 07108778  
Directors



# BASF India Limited

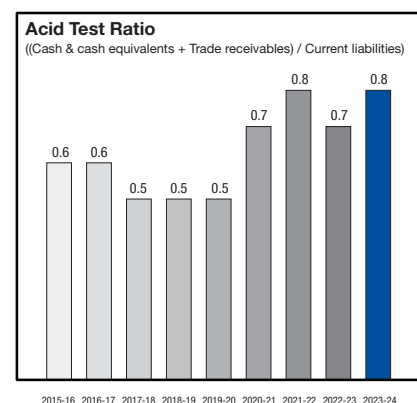
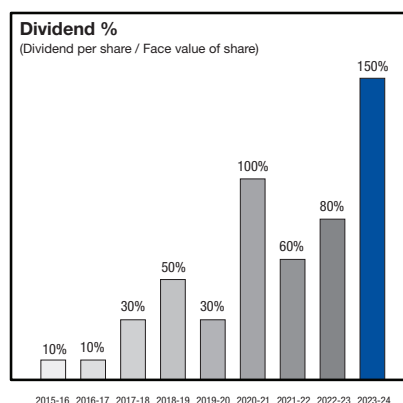
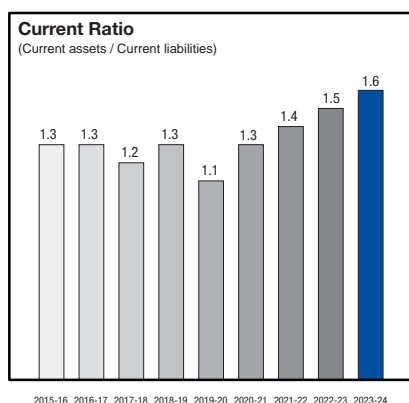
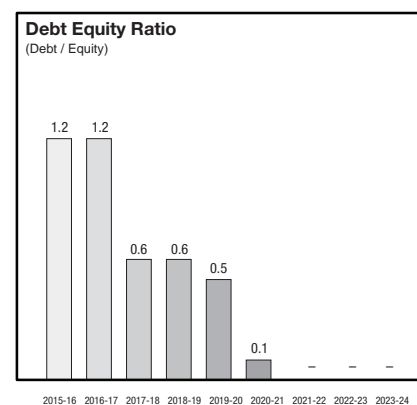
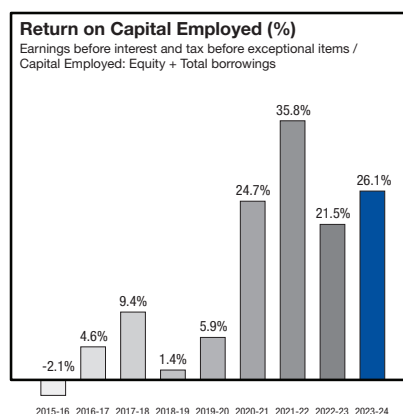
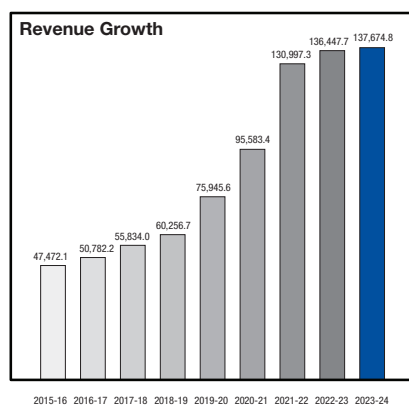
## Highlights – At a glance

Rs. in million

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>Revenue and Earnings</b>									
Revenue from operations (net of excise duty / GST)	47,472.1	50,782.2	55,834.0	60,256.7	75,945.6	95,583.4	130,997.3	136,447.7	137,674.8
Earnings before interest and tax (EBIT) (before exceptional items)	(544.2)	1,121.6	2,154.2	309.1	1,258.1	4,754.4	7,648.3	5,420.0	7,744.8
Profit / (Loss) before tax (before exceptional items)	(2,024.8)	(294.8)	1,024.6	(542.0)	423.6	4,378.7	7,473.6	5,280.9	7,589.5
Profit / (Loss) after tax	(303.7)	(141.3)	2,465.0	817.2	228.7	5,526.1	5,948.4	4,028.9	5,633.5
Earnings per share (Rs. per share)	(7.0)	(3.3)	56.9	18.9	5.3	127.7	137.4	93.1	130.1
<b>Capital expenditure, depreciation and amortisation</b>									
Capital expenditure	1,117.8	834.4	679.4	674.5	743.4	647.4	1,316.4	968.9	977.7
Depreciation and amortisation	1,630.9	1,690.3	1,533.9	1,470.9	1,808.6	1,739.2	1,705.7	1,820.8	1,912.1
<b>Number of employees and personnel cost</b>									
Number of employees at year-end	1,904	1,868	1,804	1,673	1,502	1,315	1,327	1,378	1,413
Personnel cost	3,275.8	3,219.6	3,514.3	3,764.7	3,625.6	3,449.6	3,806.5	3,921.1	3,921.4
<b>Key Balance Sheet numbers</b>									
Total assets	37,765.6	38,745.5	38,463.6	38,494.8	48,298.9	51,441.1	61,099.3	65,646.3	72,329.6
Borrowings	13,492.2	12,745.5	8,676.9	9,122.1	6,629.5	1,517.7	–	–	–
Shareholder's equity	11,160.1	11,022.6	13,438.8	14,128.9	12,439.8	17,861.5	23,360.8	27,011.8	32,235.8
<b>Appropriation of profits</b>									
Dividend amount	43.3	43.3	129.9	216.4	129.9	432.9	259.7	346.3	649.3
Dividend per share (Rs. per share)	1.0	1.0	3.0	5.0	3.0	10.0	6.0	8.0	15.0

### Notes:

- Financial highlights are given only for nine years on account of non-comparability of data due to Ind AS transition w.e.f April 1, 2015.
- Previous year figures have been regrouped / reclassified, wherever necessary to conform to current year classification.
- Revenue from operations has been adjusted with excise duty / GST for relevant periods for coherent comparison.





Over 900 employees and their family members came together to celebrate “Family Day 2023” at Dahej site making it a very special and enjoyable event.



The blood donation camp at Innovation Campus, Mumbai had a significant turnout and garnered strong employee participation.



International Women's Day was celebrated with the theme #InspireInclusion, fostering diversity, inclusion and recognizing the unique perspectives of every individual.



Leadership teams from various sites came together to delve on key topics including EHS, talent development, D&I, sustainability, and digitalization to chart road map for continuous business improvements.



Employees at your Company organized and participated in sporting events at different locations. Seen here are the Annual Sports Day at the Mangalore Site (left) and the Cricket League at Dahej site (right).



**BASF**  
We create chemistry

Know more about  
**Crops | Our Products | Farmers Safety**  
and much more...

FOLLOW US ON



**BASF Agro India**

**SUBSCRIBE**



Now it's more convenient to



Find



View



Share

Follow us on



#farming  
#thebiggestjobonEarth

BASF Agro India