

NOTICE

NOTICE is hereby given that the SEVENTIETH ANNUAL GENERAL MEETING OF BASF INDIA LIMITED will be held at "Yashwantrao Chavan Pratishthan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai 400021 on Wednesday, 27th August, 2014 at 3:00 p.m. to transact the following business, namely:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2014, including the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares @ 40% i.e. Rs. 4/- per equity share for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Dr. Rainer Diercks (DIN: 01725080), who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Andrew Postlethwaite (DIN: 03532678), who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.
5. To appoint M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held for the financial year 2016-17 (subject to ratification of their appointment by the members at every Annual General Meeting) and to authorize the Board of Directors to fix their remuneration for the financial year ending 31st March, 2015.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Gops Pillay (DIN: 06599533), whose term of office as Director of the Company expires at this meeting under Section 161(4) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing, together with the necessary deposit under Section 160 of the Companies Act, 2013 from a member intimating his intention to propose Mr. Gops Pillay as a candidate for the office of Director, be and is hereby appointed as Director of the Company."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and/or any other guidelines issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if and to the extent necessary, consent of the Company be and is hereby accorded to the appointment of Dr. Raman Ramachandran (DIN: 00200297) as the Managing Director of the Company and to his receiving remuneration, benefits and amenities as the Managing Director for a period from 1st October, 2013 to 31st March, 2018, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Dr. Raman Ramachandran, a draft whereof is placed before the meeting and initialled by the Chairman for the purpose of identification;

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment, including determination of remuneration payable to Dr. Raman Ramachandran, in such manner as the Board may in its absolute discretion deem fit, provided, however, that the remuneration payable to Dr. Raman Ramachandran

shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time or the maximum limits for payment of managerial remuneration as may be prescribed in accordance with the laws, policies, rules, regulations and guidelines in force from time to time;

RESOLVED FURTHER THAT where in any financial year during the tenure of office of Dr. Raman Ramachandran, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Dr. Raman Ramachandran as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Dr. Raman Ramachandran by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. In that event, the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove:

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

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

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and/or any other guidelines for managerial remuneration issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government or any other statutory authorities, if and to the extent necessary and in partial modification of the resolution(s) passed at the Annual General Meeting of the Company held on 30th August, 2013, consent of the Company be and is hereby accorded to increase the maximum limits of perquisites, forming part of the remuneration, payable to the Managing Director of the Company from the existing Rs. 1,00,00,000/- per annum to Rs. 1,50,00,000/- per annum effective 1st April, 2014 and the Board and/or a duly constituted Committee thereof are hereby authorized to pay perquisites to the Managing Director from time to time, within the above mentioned limits;

RESOLVED FURTHER THAT subject to the above, all other terms and conditions of maximum limits of remuneration payable to the Managing Director as earlier approved shall remain unchanged;

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of Resolution No. 9 concerning appointment and remuneration of Mr. S. Regunathan as a Whole-time Director of the Company, passed at the Annual General Meeting of the Company held on August 12, 2010, and in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and/or any other guidelines issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for

the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to extend the tenure of appointment of Mr. S. Regunathan (DIN: 01437534), Whole-time Director of the Company, for a period from 1st June, 2014 to 31st December, 2014, upon the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed upon between the Board of Directors and Mr. S. Regunathan;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and/or any other guidelines issued by the Central Government from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to the appointment of Mr. Rajesh Naik (DIN: 06935998) as a Whole-time Director of the Company and to his receiving remuneration, benefits and amenities as a Whole-time Director for a period of 5 years from 1st August, 2014 to 31st July, 2019, upon the terms, conditions and stipulations contained in the Agreement to be entered into between the Company and Mr. Rajesh Naik, a draft whereof is placed before the meeting and initialled by the Chairman for the purpose of identification;

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment, including determination of remuneration payable to Mr. Rajesh Naik, in such manner as the Board may, in its absolute discretion deem fit, provided, however, that the remuneration payable to Mr. Rajesh Naik shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time or the maximum limits for payment of managerial remuneration as may be prescribed in accordance with the laws, policies, rules, regulations and guidelines in force from time to time;

RESOLVED FURTHER THAT in the event of Mr. Rajesh Naik ceasing to be an Alternate Director at any time during the aforesaid period of service and being appointed as a Director of the Company, whether as an Alternate or otherwise, Mr. Rajesh Naik shall continue as a Whole-time Director of the Company on the aforesaid terms and conditions upon such re-appointment except that during the period that he ceases to be a Director of the Company, he shall continue as an employee of the Company on the same terms and conditions as aforesaid;

RESOLVED FURTHER THAT where, in any financial year, during the tenure of office of Mr. Rajesh Naik, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Rajesh Naik as specified in the draft Agreement referred to above, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Mr. Rajesh Naik by way of salary, dearness allowance, perquisites and any other allowances within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. In that event, the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove;

- (a) Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;

- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) Encashment of leave at the end of the tenure;

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

11. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri R. A. Shah (DIN: 00009851), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation."

12. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri R. R. Nair (DIN: 00202551), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation."

13. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri Pradip P. Shah (DIN: 00066242), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation."

14. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, as may be amended from time to time, Shri Arun Bewoor (DIN: 00024276), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing together with the necessary deposit

from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”

15. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 111 of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the payment and distribution of a sum not exceeding 1% of the net profits of the Company for each financial year commencing from 1st April, 2014, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, by way of commission (including sitting fees, if any, for attending the meetings of the Board of Directors or Committees thereof) to and amongst the Non-executive Independent Directors of the Company, in such amounts or proportion and in such manner as may be determined by the Board of Directors from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the precise quantum of commission payable to each of such Non-executive Independent Directors of the Company on a year to year basis and to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

16. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 13 lacs (plus reimbursement of out of pocket expenses) payable to M/s. R. Nanabhoy & Co., Cost Accountants, for conducting the cost audit of the products of the Company for the financial year ending 31st March, 2015 be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

17. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier ordinary resolution passed by the members at the Annual General Meeting of the Company held on 30th August, 2013 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), of the Companies Act, 2013 and Article 144 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, for and on behalf of the Company, any sum or sums of monies, from time to time, upon such terms and conditions and with or without security as the Board of Directors may think fit for the purposes of the Company's business, so that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed the limit of Rs.2,500 Crores (Rupees Two Thousand Five Hundred Crores only) in excess of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, as per the latest annual audited financial statements;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby severally authorized to take all such steps as may be required and to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to borrowing(s) as aforesaid or any other matter in this regard.”

18. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier ordinary resolution passed by the members at the Annual General Meeting of the Company held on 26th August, 2011 and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to the mortgaging and/or charging by the Board of Directors (hereinafter referred to as “the Board” which expression shall include a Committee of the Board) of all or any of the properties and assets of the Company, both movable and immovable, present and future, wheresoever situated and/or the whole or substantially the whole of the undertaking or undertakings of the Company, in such form and in such manner as the Board may deem fit, for securing the issue of redeemable non-convertible debentures by the Company, in one or more tranches of the aggregate value not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only), by way of private placement, to financial institutions, banks, mutual funds, any other bodies corporate and/or person/s as may be agreed by the Board together with all interest, compound/additional interest, commitment charge, premium on pre-payment or on redemption, trustees’ remuneration, costs, charges, expenses and all other monies payable by the Company in terms of the agreements, trust deeds/other documents as may be entered into by the Company with such financial institutions/banks/mutual funds/bodies corporate/persons and/or debenture trustees;

RESOLVED FURTHER THAT subject to such approvals as may be necessary, the Board be and is hereby authorized to issue for cash, secured redeemable non-convertible debentures in one or more tranches of the aggregate value not exceeding Rs.200 Crores (Rupees Two Hundred Crores only), by way of private placement to financial institutions, banks, mutual funds, any other bodies corporate and/or person/s, as the Board may, in its absolute discretion, deem fit and on such terms and conditions as the Board may at any time hereafter decide;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the holders of the debentures/the debenture trustees, all agreements, deeds, documents or writings for the issue of the said debentures, creation of the aforesaid mortgage and/or charges and to do and perform all acts, deeds, matters and things and execute all such documents and writings as may be necessary, expedient, usual or proper, for the purpose of giving effect to this resolution.”

19. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination & Remuneration Committee but subject to the approval of the Central Government (Ministry of Corporate Affairs, New Delhi), consent of the shareholders of the Company be and is hereby accorded to the Board for payment of remuneration by way of salary, performance salary and perquisites to Dr. Raman Ramachandran, Chairman & Managing Director of the Company, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company within the maximum limits of remuneration detailed hereunder, as minimum remuneration in case if the Company has, in any financial year, no profits or if its profits are inadequate, during the three financial years commencing from 1st April, 2014

as may be agreed mutually between the Board of Directors and the said Dr. Raman Ramachandran, Chairman & Managing Director of the Company, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company;

Particulars	Managing Director	Whole-time Directors	
		Mr. S. Regunathan (till 31 st December, 2014)	Mr. Rajesh Naik (from 1 st August, 2014)
Salary, additional/adhoc salary, special allowances and other allowances as may be determined by the Directors from time to time.	Rs. 2,50,00,000/- p.a. (Present monthly basic salary being Rs. 9,87,500)	Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 6,71,250)	Rs. 2,25,00,000/- p.a. (Present monthly basic salary being Rs. 4,31,800)
Performance salary as may be determined by the Board of Directors from time to time.	Rs. 1,50,00,000/- p.a.	Rs. 1,00,00,000/- p.a.	Rs. 1,00,00,000/- p.a.
Perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursement for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.	Rs. 1,50,00,000/- p.a.	Rs. 1,50,00,000/- p.a.	Rs. 1,50,00,000/- p.a.

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

By Order of the Board of Directors

PRADEEP CHANDAN
Company Secretary

Registered Office:

VIBGYOR Towers, 1st Floor,
Plot No. C-62, 'G' Block,
Bandra Kurla Complex,
Mumbai 400 051.

CIN: L33112MH1943FLC003972

Dated: 31st July, 2014

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON A POLL ONLY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT ONE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
3. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/ authorization, as applicable.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business proposed to be transacted at the Meeting is annexed hereto.
5. The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 19th August, 2014 to Wednesday, 27th August, 2014 (both days inclusive) for the purpose of determining the eligibility of the members entitled to dividend (subject to the approval of the members at the Annual General Meeting).
6. Dividend as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or after 1st September, 2014 in respect of shares held in physical form, to those members whose names appear in the Company's Register of Members as on Wednesday, 27th August, 2014 and in respect of shares held in the electronic form, to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) at the close of business hours on Monday, 18th August, 2014.
7. Members are requested to intimate their queries/requirements for clarification on the Annual Report so as to reach the Company by Monday, 18th August, 2014 which will enable the Company to furnish the replies at the Annual General Meeting.
8. The members are requested to notify (a) the Depository Participants in case of shares held in electronic form; or (b) the Company's Registrar & Share Transfer Agent, Sharepro Services (India) Private Limited ("Sharepro"), 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, in case of shares held in physical form, of any change in their address. Members holding shares in electronic form are hereby informed that the Bank particulars against their respective depository accounts will be used by the Company for payment of dividend. The Company or Sharepro cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates.
9. Members holding shares under multiple folios are requested to submit their applications to Sharepro for consolidation of folios into a single folio.
10. Pursuant to the provisions of sub section (5) of Section 205A of the Companies Act, 1956 or the applicable provisions of the Companies Act, 2013 and the rules framed thereunder as and when notified, any money transferred to the unpaid dividend account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid dividend account, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, the Company has transferred Rs. 4,60,908/- and Rs. 3,60,843/-, being the unclaimed dividend amounts for the financial year ended 31st March, 2006 pertaining to the Company and erstwhile Ciba India Limited respectively, to the IEPF of the Central Government on 10th September, 2013 & 24th September, 2013, respectively.

The Company has sent separate reminders to all those shareholders of the Company and erstwhile Ciba India Limited on 29th January, 2014 & 15th July, 2014 respectively, requesting them to claim their dividend for the financial year ended 31st March, 2007. Those members who have so far not encashed their dividend warrants for the following years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, on the respective dates mentioned there against.

Financial Year ended	Dates by which unpaid dividend amount will be credited/transferred to the Investor Education and Protection Fund
31.03.2007	06.09.2014
31.03.2007	03.10.2014*
31.03.2008	15.09.2015
31.03.2008	29.09.2015*
31.03.2009	15.09.2016*
31.03.2009	23.09.2016
31.03.2010	15.09.2017
31.03.2011	28.09.2018
31.03.2012	29.09.2019
31.03.2013	05.10.2020

* Refers to dividend declared by the erstwhile Ciba India Limited, now merged with the Company.

11. The Securities and Exchange Board of India (SEBI) vide its Circular No. MRD/DoP/SE/Dep/Cir-4/2005 dated January 28, 2005 has reviewed the dematerialization charges being levied to investors. Pursuant to the said Circular, with effect from 1st April 2005, the Depositories will collect the custody charges from the Issuers on per folio (ISIN position) basis and the same will not be levied on investors. Accordingly, the Company has paid the custody charges levied by the Central Depository Services (India) Limited and the National Securities Depository Limited for the financial year 2014-15.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by each participant of securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. The Company's Equity Shares are listed on the BSE Limited, P.J. Towers, Dalal Street, Mumbai 400001 and The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 and the Company has paid the annual listing fees for the financial year 2014-2015 to both the Stock Exchanges.
14. With respect to payment of dividend, the Company provides the facility of Electronic Clearing Services (ECS) to all shareholders holding shares in electronic and physical forms, residing in the following cities:
Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Hyderabad, Jaipur, Kolkata, Mumbai, New Delhi, Patna, Pune and Trivandrum.

The Company also provides the facility of National Electronic Clearing Services (NECS) to all shareholders holding shares in electronic and physical forms. Shareholders holding shares in physical form who wish to avail ECS/NECS facility, may authorize the Company with their ECS/NECS mandate in the prescribed form, which can be obtained from the Company's Registrar & Share Transfer Agent, Sharepro Services (India) Private Limited (Sharepro), 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. Requests for payment of dividend through ECS/NECS for the year 2013-2014 should be lodged with Sharepro on or before 18th August, 2014.

15. In terms of Section 72 of the Companies Act, 2013, and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, every holder of securities of the Company, may at any time nominate, in the prescribed manner, a person to whom his/her securities in the Company shall vest in the event of his/her death. Members who wish to avail of this facility, may fill in the prescribed Form No. SH-13 and forward the same to Sharepro.
16. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form an integral part of this Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
17. Electronic copy of the Annual Report 2013-2014 along with the Notice shall be sent to all those members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2013-2014 are being sent in the permitted mode. Members may also note that the Notice of the 70th Annual General Meeting, Attendance Slip and the Annual Report will also be available on the Company's website www.india.basf.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.
18. Members who desire to take part in the Green Initiative of the Company, are requested to register their e-mail addresses with the Company by filling up the 'E-communication Registration' Form, which is available on the website of the Company www.india.basf.com. Members are requested to send the duly filled in Form to M/s. Sharepro Services (India) Private Limited, Registrar & Share Transfer Agent of the Company for registration. On registration, all the communication will be sent to the e-mail address of the member registered with the Company. Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants. Even after registering for e-communication, Members are entitled to receive such communication in physical form by post, free of cost, upon making a request for the same.
19. Members are requested to bring their copy of the Annual Report along with them to the meeting.

20. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the Members to cast votes electronically on all resolutions set forth in the Notice convening the 70th Annual General Meeting. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facilities.

The Instructions for e-Voting are provided in the Attendance Slip which is enclosed along with the Annual Report. Members are advised to read the instructions carefully before exercising their vote.

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013.

Item No. 6

Mr. Gops Pillay was appointed as a Director of the Company on 30th April, 2013 in the casual vacancy caused by the resignation of Ms. Saori Dubourg.

Mr. Gops Pillay has graduated from the University of Natal, Durban, South Africa in Chemistry and holds a Diploma in Marketing Management from the Institute of Marketing Management, South Africa. Mr. Gops Pillay completed his executive business education at INSEAD Business School, Fontainebleau, France. Mr. Gops Pillay joined BASF South Africa as Manager in 1995 and then in 1998 worked as Regional Manager, Marketing in BASF South East Asia Pte. Ltd., Singapore. In 2004, Mr. Gops Pillay was appointed as Senior Manager for Strategic Planning in BASF SE, Germany. From 2006 to 2008, Mr. Gops Pillay worked as Director in BASF Japan Limited for Business Management Specialties and Polymers Division. In 2009, Mr. Gops Pillay was appointed as Group Vice President of the Dispersions Business, Asia Pacific and later as Senior Vice President of the Dispersions and Pigments Business for Asia Pacific. Presently, Mr. Gops Pillay is the President – AS Division, Asia Pacific.

In terms of Section 161(4) of the Companies Act, 2013 and Article 122 of the Articles of Association of the Company, Mr. Gops Pillay holds office up to the date of the forthcoming Annual General Meeting, being the date on which Ms. Saori Dubourg would have retired by rotation, had she continued to be a Director of the Company.

The Company has received a notice in writing along with the deposit of the requisite amount from a shareholder under Section 160(1) of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Gops Pillay for the office of Director liable to retire by rotation.

Mr. Gops Pillay does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is neither a Director nor a member of any other Company registered in India.

The Board recommends his appointment as a Director of the Company whose period of office is liable to retire by rotation.

Other than Mr. Gops Pillay, none of the Directors and Key Managerial Personnel of the Company along with their relatives are concerned or interested or deemed to be interested, in the passing of this resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

1. The Board of Directors (the Board) of the Company at their meeting held on 30th September, 2013, appointed Dr. Raman Ramachandran as the Managing Director of the Company, subject to the approval of the members and the Central Government, if and to the extent necessary, and on the terms and conditions detailed in para 3 below. A brief profile of Dr. Raman Ramachandran in terms of Clause 49 IV(G)(i) of the Listing Agreement relating to the Corporate Governance is detailed in para 2 below.
2. Dr. Raman Ramachandran has completed his Bachelors' and Masters' degree in Science (Agriculture) from Tamilnadu Agricultural University, Coimbatore and Indian Agricultural Research Institute, New Delhi, respectively. Dr. Raman Ramachandran holds a doctorate degree from the University of Adelaide, Australia. Dr. Raman Ramachandran started his career as a Scientist with the National Chemical Laboratory, Pune and worked as Collaborative Research Scientist and Senior Research Associate with IRRI, Philippines and the University of Wisconsin, Madison, USA, respectively. Dr. Raman Ramachandran also worked in the Research & Development Department of Sandoz India Limited and later as General Manager, Technical with erstwhile Cynamid India Limited. Dr. Raman Ramachandran joined BASF in August, 2000 pursuant to the merger of erstwhile Cynamid India Limited with BASF India Limited. Thereafter in January, 2005, Dr. Raman Ramachandran was appointed as Chief Executive of the Agricultural Products Division and also served as

Director on the Board of BASF India Limited from April, 2006 till April, 2008. In January, 2008, Dr. Raman Ramachandran was appointed as Vice President, Marketing, Asia Pacific and thereafter in March, 2012 was appointed as the Senior Vice President, Crop Protection, Asia Pacific, BASF South East Asia Pte. Limited, Singapore. Having regard to his qualifications, experience and association with the Company, the Directors consider that it will be in the business interest of the Company to appoint Dr. Raman Ramachandran as the Managing Director of the Company for the period from 1st October, 2013 to 31st March, 2018. Dr. Raman Ramachandran presently holds membership in the Nomination & Remuneration Committee and Shareholders'/ Investors' Grievance Committee of the Company.

3. The essential terms and conditions of appointment of Dr. Raman Ramachandran are as under:
- (i) Dr. Raman Ramachandran shall exercise and perform all such powers and duties as the Board of Directors of the Company shall, from time to time, determine, and subject to the superintendence, control, direction, and restriction from time to time given and imposed by the Board and/or the Articles of Association of the Company. He shall have control of and full executive responsibility for the general conduct and management of the business and affairs of the Company. He shall have the power to enter into contracts on behalf of the Company in the ordinary course of the business and to do and perform all other acts and things, which in the ordinary course of business, he may consider necessary and proper or in the interest of the Company. He shall devote sufficient time and whole-time attention to the business of the Company for which he is made accountable and shall use his best endeavours to promote the Company's interests and welfare.
 - (ii) Period of Agreement: From 1st October, 2013 to 31st March, 2018.
 - (iii) Remuneration: The remuneration payable to Dr. Raman Ramachandran as the Managing Director, by way of salary, additional salary, special allowances, perquisites and other allowances, performance salary/ performance linked incentive shall be determined by the Board from time to time on the recommendation of the Nomination & Remuneration Committee but shall not exceed the maximum limits prescribed in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Dr. Raman Ramachandran as determined by the Board based on the recommendation of the Nomination & Remuneration Committee is as under:
 - (a) Salary, including additional salary, special allowance and any other allowances as may be determined by the Board from time to time not exceeding Rs. 2,50,00,000/- per annum, the current basic salary being Rs. 9,87,500/- per month with effect from 1st January, 2014.
 - (b) Perquisites: In addition to remuneration payable under (a) above, Dr. Raman Ramachandran is entitled to perquisites including furnished/unfurnished accommodation/house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursements for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time. The monetary value of the perquisites aforesaid not exceeding Rs. 1,00,00,000/- per annum.
 - (c) Performance salary/performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,50,00,000/- per annum.
 - (d) Company's contribution to provident fund, superannuation fund and benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will be paid, in accordance with the rules of the Company. Company's contribution to provident fund and superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act, 1961.

The Company shall provide car with driver to the Managing Director and telephone facility at the residence of the Managing Director and expenses connected therewith to be borne by the Company. These perquisites will not be included in the computation of the ceiling on perquisites.

For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules, 1962 wherever applicable.

- (e) Where in any financial year during the tenure of office of Dr. Raman Ramachandran, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Dr. Raman Ramachandran as specified in the Agreement, subject to the recommendation of the Nomination & Remuneration Committee and the approval of the Central Government, if and to the extent necessary or in the alternative pay remuneration to Dr. Raman Ramachandran by way of salary, dearness allowance, perquisites and any other allowances, within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. In that event the following perquisites shall, however, not be included in the computation of the ceiling on remuneration specified hereinabove:
- (i) Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
 - (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - (iii) Encashment of leave at the end of the tenure;
- (f) The total remuneration payable by way of salary, additional salary, performance salary/performance linked incentive, special allowance, perquisites and other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme to the Managing and Whole-time Directors taken together shall not exceed 10% of the net profits of the Company calculated in accordance with Sections 197 and 198 of the Companies Act, 2013.

(iv) Other Terms:

1. Dr. Raman Ramachandran shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of Company's business.
2. Dr. Raman Ramachandran shall be entitled to housing loan as per the rules of the Company and if permitted under the Companies Act, 2013.
3. Dr. Raman Ramachandran shall be entitled to fully paid leave as per the rules of the Company.
4. Dr. Raman Ramachandran would be entitled to any other benefits or privileges as may be available to the other senior executives of the Company.
5. Dr. Raman Ramachandran shall not directly or indirectly engage himself in any business or occupation other than BASF's.
6. Dr. Raman Ramachandran shall observe the secrecy obligations with regard to the business and operations of the Company.
7. The appointment may be terminated by either party by giving to the other 6 months' notice in writing.

Notwithstanding anything contained hereinabove, if any notice of determination or termination is issued by the Company or its successor in business to the Managing Director, Dr. Raman Ramachandran, within 18 months from the date of any Change of Control taking place in the Company, for any reasons not attributable to the Managing Director or his conduct, the said notice period of 6 months shall stand extended until the end of the 36th month from the date of Change of Control.

Further, in such an event, the Managing Director shall be entitled to a lump-sum severance payment, calculated in the following manner, i.e. for each full calendar month between the date of notice and 18 months after the date of Change of Control, the Managing Director will be entitled to receive one month's gross basic salary as compensation payment. Such lump-sum severance payment shall be disbursed at the end of the 18th month after the Change of Control.

Taxes and other applicable deductions on such payment shall be borne by the Managing Director.

Change of Control shall mean the happening of one or more of the following events, viz.,

- (a) The Control of the Company changes viz. more than 50% of the equity holdings in the Company stand transferred in favour of any person or entity other than BASF Societas Europaea (BASF SE) or affiliates of the BASF Group;
- (b) Any shareholder of BASF SE declares that he/she/they hold at least 25% of the equity shares in BASF SE or has/have further increased his/her/their stake in the equity capital of BASF SE.

In compliance with the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013, the ordinary resolution set out in Item No. 7 of the accompanying notice is now being placed before the members for their approval.

An abstract of the terms of appointment, remuneration and perquisite payable to Dr. Raman Ramachandran as the Managing Director of the Company under Section 302 of the Companies Act, 1956 was sent to every member of the Company on 17th October, 2013.

A copy of the draft Agreement to be executed between the Company and Dr. Raman Ramachandran would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

The Company has filed an application to the Central Government for appointment of Dr. Raman Ramachandran as the Managing Director, as he was not staying in India for at least twelve months preceding the date of his appointment as the Managing Director of the Company and the same has been taken on record by the Central Government.

Dr. Raman Ramachandran does not hold, by himself or for any other person on a beneficial basis, any shares in the Company.

The Board of Directors recommends the passing of the resolution set out in Item No. 7 of the accompanying Notice as an Ordinary Resolution.

Except Dr. Raman Ramachandran, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 7 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

At the Sixty Ninth Annual General Meeting held on 30th August, 2013, the shareholders had, inter-alia, approved the maximum limits for payment of remuneration to the Managing Director and Whole-time Director(s) of the Company and empowered the Board of Directors to vary the terms of remuneration in such manner as the Board in their absolute discretion deems fit, provided that the remuneration payable to the Managing Director and Whole-time Director(s) is within the limits of payment of managerial remuneration specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto, as may be made from time to time or the Companies Act, 1956 as may be recodified.

The maximum limits of remuneration payable to the Managing Director earlier approved by the members at the Annual General Meeting held on 30th August, 2013 and the proposed revision in the said limits for approval of the members are given below:

Description	Managing Director	
	Existing limits as approved by the members on 30 th August, 2013	Proposed limits
Salary, additional/adhoc salary, special allowances and other allowances as may be determined by the Directors from time to time.	Not exceeding Rs. 2,50,00,000 p.a.	Not exceeding Rs. 2,50,00,000 p.a.
Performance salary as may be determined by the Board of Directors from time to time.	Not exceeding Rs. 1,50,00,000 p.a.	Not exceeding Rs. 1,50,00,000 p.a.
Perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursement for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company to the Managing Director from time to time.	Monetary value not exceeding Rs. 1,00,00,000 p.a.	Monetary value not exceeding Rs. 1,50,00,000 p.a.

Subject to the above, all other terms and conditions of maximum limits of remuneration payable to Managing Director, as approved by the shareholders at the Annual General Meeting held on 30th August, 2013, shall remain unchanged.

This is only an enabling resolution with a view to gain flexibility in the emerging environment.

The Board of Directors recommends the passing of the resolution set out in Item No. 8 of the accompanying Notice as an Ordinary Resolution.

Except Dr. Raman Ramachandran, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 8 of this Notice.

Item No. 9

- At the Sixty Sixth Annual General Meeting of the Company held on 12th August, 2010, the Members of the Company had approved the appointment and terms of remuneration of Mr. S. Regunathan as a Whole-time Director of the Company for the period from 16th July, 2010 to 31st May, 2014.
- The Board of Directors (the Board) of the Company at its meeting held on 29th April, 2014, on the recommendation of Nomination and Remuneration Committee, subject to the approval of the members, extended the tenure of appointment of Mr. S. Regunathan as Whole-time Director for a period from 1st June, 2014 to 31st December, 2014, on the terms and conditions detailed in para 4 below, with authority to the Board to fix his salary within the said maximum limit. A brief profile of Mr. S. Regunathan in terms of Clause 49 IV(G)(i) of the Listing Agreement relating to the Corporate Governance is furnished in para 3 below.
- Mr. S. Regunathan is a graduate in Science and a Chartered Accountant. He also holds a Diploma in Management Accountancy. He is associated with BASF since 1982 and has valuable experience of over 27 years in the BASF Group, including 6 years in Singapore as Director – Finance & Controlling, Asia Pacific and 3 years as Representative & Managing Director, Finance & Corporate Services, BASF Japan Limited. Mr. S. Regunathan has been working with the Company as Vice President – Finance & Corporate Processes, South Asia with effect from 1st May, 2010 and is on the Board of the Company as a Whole-time Director

since 16th July, 2010. He is also on the Board of other BASF Group Companies in India. Mr. S. Regunathan is presently a member of the Shareholders'/Investors' Grievance Committee and Corporate Social Responsibility Committee of the Company.

Having regard to his qualifications, experience and association with the Company, the Directors consider that it will be in the business interest of the Company to extend the tenure of appointment of Mr. S. Regunathan as a Whole-time Director of the Company for a period from 1st June, 2014 to 31st December, 2014.

4. The essential terms and conditions of his appointment and remuneration payable are as under:
- (i) Mr. S. Regunathan shall carry out such functions, exercise such powers of management and carry out such duties as may be entrusted to him by the Managing Director of the Company from time to time.
 - (ii) Period of Agreement: For the period from 1st June, 2014 to 31st December, 2014.
 - (iii) Remuneration: The remuneration payable to Mr. S. Regunathan by way of salary, additional/adhoc salary, special allowance, perquisites and other allowances, performance salary/performance linked incentive shall be determined by the Board, from time to time, on the recommendation of the Nomination & Remuneration Committee but shall not exceed the maximum limits prescribed in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. S. Regunathan as determined by the Directors, based on the recommendation of Nomination & Remuneration Committee, is as under:
 - (a) Salary, additional/adhoc salary, special allowance and any other allowances not exceeding Rs. 2,25,00,000/- p.a., the current basic salary w.e.f. 1st June, 2014 being Rs. 6,71,250/- per month.
 - (b) In addition to remuneration payable under (a) above, Mr. Regunathan is entitled to perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursements for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

The monetary value of the perquisites aforesaid not exceeding Rs. 1,50,00,000/- p.a.
 - (c) Performance salary/performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,00,00,000/- p.a.
 - (d) Company's contribution to provident fund, superannuation fund and benefit under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company. Company's contribution to provident fund and superannuation fund benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites stated in 4(iii)(b) above to the extent these singly or put together are not taxable under the Income Tax Act, 1961. The Company shall provide a car to Mr. S. Regunathan and telecommunication facilities at his residence (including payment of local calls and long distance official calls) and the expenses connected therewith will be borne by the Company. These perquisites will also not be included in the computation of the ceiling on perquisites. For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules, 1962, wherever applicable.
 - (e) Where in any financial year during the tenure of office of Mr. S. Regunathan, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. S. Regunathan as specified in the draft Agreement, subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Mr. S. Regunathan by way of salary, dearness allowance, perquisites and any other allowances, within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.

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

- (i) Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (iii) Encashment of leave at the end of the tenure;
- (f) The total remuneration payable by way of salary, additional/adhoc salary, performance salary/performance linked incentive, special allowance, perquisites and other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme to the Managing and Whole-time Directors taken together shall not exceed 10% of the net profits of the Company calculated in accordance with Sections 197 and 198 of the Companies Act, 2013.

(iv) Other Terms:

1. Mr. S. Regunathan shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
2. Mr. S. Regunathan shall be entitled to housing loan as per the rules of the Company and if permitted under the Companies Act, 2013.
3. Mr. S. Regunathan shall be entitled to reimbursement of actual expenses incurred in the course of Company's business.
4. Mr. S. Regunathan shall be entitled to fully paid leave as per the rules of the Company.
5. The appointment may be terminated by the Company or Mr. S. Regunathan by giving not less than 6 months' notice in writing.
6. Mr. S. Regunathan shall observe the secrecy obligations with regard to the business and operations of the Company.
7. The Agreement also sets out the mutual rights and obligations of the Company and Mr. S. Regunathan.

In compliance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the ordinary resolution as set out in Item No. 9 of the accompanying notice is now being placed before the members for their approval.

A copy of the draft Agreement to be executed between the Company and Mr. S. Regunathan would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

Mr. S. Regunathan does not hold, by himself or for any other person on a beneficial basis, any shares in the Company.

The Board of Directors recommends the passing of the resolution set out in Item No. 9 of the accompanying Notice as an Ordinary Resolution.

Except Mr. S. Regunathan, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 9 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 10

1. The Board of Directors (the Board) of the Company at its meeting held on 31st July, 2014, on the recommendation of Nomination and Remuneration Committee, subject to the approval of the members, appointed Mr. Rajesh Naik as a Whole-time Director of the Company for the period from 1st August, 2014 to 31st July, 2019, on the terms and conditions as detailed in para 3 below, with authority to the Board to fix his remuneration. A brief profile of Mr. Rajesh Naik in terms of Clause 49 IV(G)(i) of the Listing Agreement relating to the Corporate Governance is detailed in para 2 below.

2. Mr. Rajesh Naik is a Chemical Engineer from MS University, Vadodara. Mr. Rajesh Naik joined BASF on 7th April, 2014. He has valuable experience of over 22 years and has worked with companies like Asian Paints, EI Dupont India Private Limited, etc. Prior to joining the Company, Mr. Rajesh Naik was working as Vice President – Marketing with English Indian Clay Limited (EICL) based at Bangalore.

Having regard to his qualifications, experience and association with the Company, the Directors consider that it will be in the business interest of the Company to appoint Mr. Rajesh Naik as a Whole-time Director of the Company for a period of 5 years from 1st August, 2014 to 31st July, 2019.

3. The essential terms and conditions of his appointment and remuneration payable are as under:

(i) Mr. Rajesh Naik shall carry out such functions, exercise such powers of management and carry out such duties as may be entrusted to him by the Managing Director of the Company from time to time.

(ii) Period of Agreement: For a period of 5 years from 1st August, 2014 to 31st July, 2019.

(iii) Remuneration: The remuneration payable to Mr. Rajesh Naik by way of salary, additional/adhoc salary, special allowance, perquisites and other allowances, performance salary/performance linked incentive shall be determined by the Board from time to time on the recommendation of the Nomination & Remuneration Committee but shall not exceed the maximum limits prescribed in Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time. The remuneration payable to Mr. Rajesh Naik as determined by the Directors, based on the recommendation of Nomination & Remuneration Committee, is as under:

(a) Salary, additional/adhoc salary, special allowance and any other allowances not exceeding Rs. 2,25,00,000/- p.a., the current basic salary w.e.f. 1st August, 2014 being Rs. 4,31,800/- per month.

(b) In addition to remuneration payable under (a) above, Mr. Rajesh Naik is entitled to perquisites including furnished/unfurnished accommodation, house rent allowance in lieu thereof, utilities, gas, electricity, water, furnishings, medical reimbursements for self and family, leave travel concession for self and family, club fees, personal accident insurance, medical insurance, group insurance and other benefits and amenities payable in accordance with the rules of the Company from time to time.

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

(c) Performance salary/performance linked incentive as may be determined by the Board from time to time, not exceeding Rs. 1,00,00,000/- p.a.

(d) Company's contribution to provident fund, superannuation fund and benefit under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company. Company's contribution to provident fund and superannuation fund benefits under the Company's pension scheme, gratuity and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites stated in 3(iii)(b) above to the extent these, singly or put together are not taxable under the Income Tax Act, 1961. The Company shall provide a car to Mr. Rajesh Naik and telephone facilities at his residence (including payment of local calls and long distance official calls) and the expenses connected therewith will be borne by the Company. These perquisites will also not be included in the computation of the ceiling

on perquisites. For the purpose of computing the ceiling on perquisites, the same would be valued as per the Income Tax Rules, 1962, wherever applicable.

- (e) Where in any financial year during the tenure of office of Mr. Rajesh Naik, the Company has no profits or its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Rajesh Naik as specified in the draft Agreement, subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration to Mr. Rajesh Naik by way of salary, dearness allowance, perquisites and any other allowances, within the ceiling limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.

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

- (a) Contribution to provident fund, superannuation fund or annuity fund and benefits under the Company's Pension Scheme, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961;
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) Encashment of leave at the end of the tenure;
- (f) The total remuneration payable by way of salary, additional/adhoc salary, performance salary/performance linked incentive, special allowance, perquisites and other allowances, contribution to provident fund, superannuation fund and benefits under the Company's pension scheme to the Managing and Whole-time Directors taken together shall not exceed 10% of the net profits of the Company calculated in accordance with Sections 197 and 198 of the Companies Act, 2013.

(iv) Other Terms:

1. Mr. Rajesh Naik shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
2. Mr. Rajesh Naik shall be entitled to housing loan as per the rules of the Company and if permitted under the Companies Act, 2013.
3. Mr. Rajesh Naik shall be entitled to reimbursement of actual expenses incurred in the course of Company's business.
4. Mr. Rajesh Naik shall be entitled to fully paid leave as per the rules of the Company.
5. The appointment may be terminated by the Company or Mr. Rajesh Naik by giving not less than 6 months' notice in writing.
6. Mr. Rajesh Naik shall observe the secrecy obligations with regard to the business and operations of the Company.
7. The Agreement also sets out the mutual rights and obligations of the Company and Mr. Rajesh Naik.

In compliance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the ordinary resolution in terms as set out in Item No. 10 of the accompanying notice is now being placed before the members for their approval.

A copy of the draft Agreement to be executed between the Company and Mr. Rajesh Naik would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

Mr. Rajesh Naik does not hold, by himself or for any other person, on a beneficial basis, any shares in the Company.

The Board of Directors recommends the passing of the resolution set out in Item No.10 of the accompanying Notice as an Ordinary Resolution.

Except Mr. Rajesh Naik, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No.10 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item Nos. 11 to 14

The Securities and Exchange Board of India (SEBI) has, vide a circular dated 17th April, 2014, sought to amend Clause 49 of the Listing Agreement, inter alia, stipulating the conditions for appointment of Independent Directors by a Listed Company. This amendment will come into force with effect from 1st October, 2014. Pursuant to such amendment, Non-Executive Directors who have served as Independent Directors of the Company for more than 5 (five) years, shall be eligible for appointment for one more term up to five years only.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ('the Act'), which came into effect from 1st April, 2014, every listed public Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

The Company has received individual notices in writing from members under the provisions of Section 160(1) of the Act and the rules framed thereunder, with the deposit of Rs.1,00,000/- each, proposing the candidature of Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor for the office of Director at the forthcoming Annual General Meeting.

Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor, non-executive Directors of the Company have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and Rules framed thereunder for appointment of Independent Director and they are independent of the management.

The Board considers that the continued association of the above mentioned non-executive Directors would be of immense benefit to the Company and it is desirable to continue to avail of their services as Independent Directors. Hence the Board has appointed Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor, non-executive Directors as Independent Directors, in compliance with the requirements of the provisions of Clause 49 of the Listing Agreements (as it currently stands and as sought to be amended) entered into with the Stock Exchanges. In terms of the provisions of Section 149(13) of the Act, Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah and Mr. Arun Bewoor shall not be liable to retire by rotation.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Clause 49 of the Listing Agreement (as it currently stands and as sought to be amended), the appointment of the above-mentioned non-executive Directors as Independent Directors is now being placed before the members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of persons to be appointed as Independent Directors is given below:

Mr. R. A. Shah is a non-executive Independent Director of the Company. Mr. R. A. Shah is a member of the Audit Committee and Nomination & Remuneration Committee of the Company. Mr. R. A. Shah is a Solicitor and a senior partner of M/s. Crawford Bayley & Co., a reputed firm of Advocates & Solicitors, Mumbai. He has specialized in a broad spectrum of Corporate Laws in general with special focus on Foreign Investments,

Joint Ventures, Technology and Licence Agreements, Intellectual Property rights, Mergers & Acquisitions, Industrial Licensing, Anti Trust and Competition Law.

Mr. R. A. Shah is also the Member of Managing Committees of various Commerce & Industry Associations such as Bombay Chamber of Commerce and Industry, Indo German Chamber of Commerce and the President of the Society of Indian Law Firms (Western Region).

Presently, Mr. R. A. Shah is on the Board of following public limited companies viz.

1.	Godfrey Phillips India Limited (Phillip Morris affiliate)	Chairman
2.	Clariant Chemicals (India) Limited	Chairman
3.	Pfizer Limited	Chairman
4.	Procter & Gamble Hygiene and Healthcare Limited	Chairman
5.	Colgate Palmolive India Limited	Vice Chairman
6.	Abbott India Limited	Director
7.	The Bombay Dyeing and Manufacturing Company Limited	Director
8.	Century Enka Limited	Director
9.	Deepak Fertilizers & Petrochemicals Corporation Limited	Director
10.	Lupin Limited	Director
11.	Wockhardt Limited	Director
12.	Atul Limited	Director
13.	Modicare Limited	Alternate Director
14.	RPG Life Sciences Limited	Alternate Director
15.	Schrader Duncan Limited	Alternate Director

Presently, Mr. R. A. Shah is Chairman/Member of the Audit Committees of the following public limited companies viz.

1.	Pfizer Limited	Chairman
2.	Colgate Palmolive (India) Limited	Chairman
3.	Procter & Gamble Hygiene & Healthcare Limited	Chairman
4.	Clariant Chemicals (India) Limited	Chairman
5.	Abbott India Limited	Member
6.	The Bombay Dyeing & Manufacturing Company Limited	Member
7.	Century Enka Limited	Member
8.	Wockhardt Limited	Member

Mr. R. R. Nair is a non-executive Independent Director of the Company. He joined the Board of Directors of the Company on 3rd March, 2001. Mr. R. R. Nair is the Chairman of the Audit Committee, Shareholders' Grievance/ Stakeholders' Relationship Committee and Nomination & Remuneration Committee of the Company. Mr. Nair is also a member of the Corporate Social Responsibility Committee of the Company. Mr. Nair has a Masters Degree in Psychology with a 1st class and 1st rank from Kerala University and a Post Masters' Diploma with Distinction in Industrial Psychology from IIT Kharagpur. He is an alumnus of Stanford and Michigan Universities through their executive education programmes. Mr. Nair's professional experience spanning over 30 years in Human Resource and Organisation Development was mainly with Hindustan Unilever Limited and later Unilever. He was the first HR professional who was seconded to Unilever London, where he was responsible for organization structure review and management development in over a dozen countries. He also served as Director HR in Brooke Bond Lipton India Limited and Unilever Arabia.

Widely exposed to businesses in Europe, Latin America, Central Asia and Middle East, Mr. Nair is a specialist in Business HR Strategy, Executive Coaching and Leadership Development. He contributes to teaching efforts at various B schools including the Indian School of Business. He, therefore, brings to the business and the academic scene both local and international perspectives. He is a member of Schneider-Electric India's Advisory Board. He served on the Board of Union Bank of India, the HR Technical Committee of Reserve Bank of India and CII's HR Council. He was chosen by the National HRD Network for the National Award for outstanding contribution to the profession, and also conferred with the Lifetime Achievement Award. In 2009 he was chosen by CNBC-KPMG for their Lifetime Achievement Award. He is a co-editor of a publication entitled "Managing Transition". Mr. Nair is an Honorary Fellow of the Coaching Foundation India Ltd. Presently, Mr. R. R. Nair is a Director on the Board of GMR Energy Limited.

Mr. Pradip P. Shah is a non-executive Independent Director of the Company. Mr. Pradip P. Shah is the member of the Audit Committee and Nomination & Remuneration Committee of the Company. Mr. Shah holds an MBA from the Harvard Business School and a Bachelor's degree in Commerce from Sydenham College, Mumbai. He is a qualified Chartered Accountant and a Cost Accountant and ranked first in India in the Chartered Accountancy examinations.

He is the founder Managing Director of CRISIL, India's first and largest credit rating agency. He has served as a member of various committees of the Government on matters concerning Finance. Mr. Shah is the Chairman of IndAsia Fund Advisors Private Limited, a private equity investment and corporate finance advisory Company.

Presently, Mr. Pradip P. Shah is on the Board of following public limited companies viz.

1.	Shah Foods Limited	Chairman
2.	Sonata Software Limited	Chairman
3.	Wyeth Limited	Chairman
4.	Grindwell Norton Limited	Chairman
5.	Godrej & Boyce Manufacturing Company Limited	Director
6.	Kansai Nerolac Paints Limited	Director
7.	KSB Pumps Limited	Director
8.	Mukand Limited	Director
9.	Panasonic Energy India Co. Limited	Director
10.	Pfizer Limited	Director
11.	Tata Investment Corporation Limited	Director
12.	Hardy Oil & Gas Limited (Foreign Company)	Director
13.	Supra Advisors (BVI) Limited (Foreign Company)	Director

Presently, Mr. Pradip P. Shah is Chairman/Member of the Audit Committees of the following public limited companies viz.

1.	Kansai Nerolac Paints Limited	Chairman
2.	Panasonic Energy India Company Limited	Member
3.	Pfizer Limited	Member
4.	Sonata Software Limited	Member
5.	Tata Investment Corporation Limited	Member

Mr. Arun Bewoor is a non-executive Independent Director of the Company. Mr. Bewoor is a member of the Audit Committee, Shareholders' Grievance/Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company. Mr. Bewoor holds a Bachelor's degree in Science from Pune University. He has also done his Advance Management Education from IIM, Ahmedabad and Columbia University, New York, USA.

Mr. Bewoor is also the Member of Managing Committee of Bombay Gymkhana Limited and a member of the Advisory Board of International Market Assessment India Private Limited. Presently, Mr. Arun Bewoor is a Director of the following public limited Companies viz.

1. Agro Tech Foods Limited
2. Underwater Services Company Limited, Bombay
3. Hindustan Polyamides and Fibres Limited

Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah & Mr. Arun Bewoor do not, by themselves or for any other person on a beneficial basis, hold any shares of the Company.

The Board recommends the resolutions as set out in Item Nos.11 to 14 of the Notice for appointment of Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah & Mr. Arun Bewoor, as Independent Directors for the approval of the Members of the Company.

Except Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah & Mr. Arun Bewoor, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions set out at Item Nos.11 to 14. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 15

The members of the Company at its 65th Annual General Meeting held on 21st August, 2009 approved by way of a Special Resolution under Section 309 of the Companies Act, 1956, the payment of remuneration by way of commission to the non-executive Independent Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956, for a period of five financial years commencing from 1st April, 2009. The said approval was valid up to the financial year ended 31st March, 2014.

Pursuant to the provisions of Sections 149, 197, 198 and/or any other relevant provisions of the Companies Act, 2013 and taking into account the Company's operations and its increased activities and the additional responsibilities of the non-executive Independent Directors as also the time devoted by them to the affairs of the Company, it is proposed that the non-executive Independent Directors of the Company be paid for each financial year commencing from 1st April, 2014, remuneration by way of commission (including sitting fees, if any, for attending the meetings of the Board of Directors or Committees thereof), not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013. This remuneration will be distributed amongst all the non-executive Independent Directors of the Company in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013.

Accordingly, fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission (including sitting fees, if any, for attending the meetings of the Board of Directors or Committees thereof) at a rate not exceeding one percent of the net profits of the Company, to the non-executive Independent Directors of the Company for each financial year commencing from 1st April, 2014 as set out in Item No. 15 of the accompanying Notice.

The Board of Directors recommend the passing of the Special Resolution set out in Item No. 15 of the accompanying Notice.

Other than the non-executive Independent Directors, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out in Item No.15 of the Notice.

Item No. 16

M/s. R. Nanabhoy & Co., Cost Accountants were appointed as the Cost Auditors of the Company to conduct cost audit in respect of the Company's products viz., Insecticides, Dyes, Paints, Varnishes & Chemicals for the financial year 2013-2014. In connection with the Cost Audit for the year ending 31st March, 2015, M/s. R. Nanabhoy & Co., Cost Accountants have conveyed their willingness to act as cost auditor of the Company and their appointment, if made, would be within the limits provided in Section 141(3)(g) or any other applicable provisions of the Companies Act, 2013, for the year ending 31st March, 2015.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the shareholders. The remuneration payable to M/s. R. Nanabhoy & Co., Cost Auditors of the Company for conducting the cost audit of the Company's products for the financial year ending 31st March, 2015, as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 29th April, 2014, is Rs.13,00,000/- per annum plus applicable taxes and out of pocket expenses.

Accordingly, consent of the members of the Company is sought for passing an Ordinary Resolution as set out in Item no. 16 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company / its relatives are, in any way, concerned or interested, in the resolution set out at Item No. 16 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.16 of the Notice for the approval of the Members.

Item No. 17

The Members/Shareholders of the Company at their 69th meeting held on 30th August, 2013, had accorded their consent to the Board by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for borrowing up to Rs. 2,000 Crores from Banks/Financial Institutions, etc. notwithstanding that the money or monies to be borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Section 180(1)(c) of the Companies Act, 2013 states that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the members of the Company accorded by way of a Special Resolution.

The Ministry of Corporate Affairs vide their circular dated 25th March, 2014 has clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12th September, 2013 with respect to borrowings (subject to the limits prescribed) will be valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014.

It is therefore, necessary for the Company to pass a Special Resolution under Section 180(1)(c) and any other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder, as set out at Item No.17 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company in order to augment the working capital requirement for Dahej project and other projects which are likely to come in future.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution set out at Item No. 17 of this Notice.

Item No. 18

The Members of the Company at their 67th meeting held on 26th August, 2011, had accorded their consent to the Board by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for issuing secured redeemable non-convertible debentures in one or more tranches not exceeding Rs.100 Crores, on such terms and conditions, including face value, issue price, rate of interest, redemption period, manner of redemption as the Board may, at its discretion, deem fit, by way of private placement with financial institutions, banks, mutual funds, any other bodies corporate and/or person/s as may be decided by the Board of Directors, by creating a mortgage and/or charge on the Company's properties.

Section 180(1)(a) of the Companies Act, 2013 requires that the Board of Directors shall not dispose of the whole or substantially the whole of the undertaking(s) of the Company, except with the consent of the members of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the Company to pass a Special Resolution under Section 180(1)(a) and any other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder, as set out at Item No. 18 of the Notice, to enable the Company to issue secured redeemable non-convertible debentures, in one or more tranches, not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only), on such terms and conditions including face value, issue price, rate of interest, redemption period, manner of redemption as the Board may at its discretion deemed fit, by way of private placement, with financial institutions, banks, mutual funds, any other bodies corporate and/or person/s as may be decided by the Board of Directors. Approval of members is being sought to create the mortgage and/or charge on the Company's properties in terms of the resolution proposed under Item No. 18 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution set out at Item No.18 of this Notice.

Item No. 19

Due to the start-up of the Dahej plants, there would be additional depreciation, interest and start-up costs expected during the current financial year. Moreover, contribution margins of certain businesses are expected to be lower due to pre-marketing sales for Dahej. Deficient monsoon during the financial year will also impact the performance of the Agricultural Solutions business.

All the above factors will have an impact on the profitability and financial performance of the Company, which may lead to inadequacy of profits during the financial year 2014-2015.

In terms of Section II of Part II of Schedule V of the Companies Act, 2013, payment of minimum remuneration to a managerial person in any financial year where the Company has inadequate profits or losses, requires the prior approval of the shareholders and Central Government.

Considering the role and the contributions made by Dr. Raman Ramachandran, Chairman & Managing Director, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company, in the growth of the Company and also taking into account similar sized companies in India, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members & the Central Government, have approved payment of remuneration within the maximum limits as minimum remuneration to them for the three financial years commencing from 1st April, 2014, in case of adequacy of profits.

Statement containing additional information as per Category (iv) of Part II of Section II of Schedule V of the Companies Act, 2013 for Item No.19:

1. GENERAL INFORMATION:

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

(Rs. million)

Particulars	2013-14	2012-13	2011-12
Sales	46,694	40,608	36,011
Profit Before Tax	2,048	1,786	1,497
Profit After Tax	1,279	1,141	1,009
Dividend on Equity %	40%	40%	40%

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

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

2. INFORMATION ABOUT THE APPOINTEES:

- (i) Background Details –

The background details of Dr. Raman Ramachandran, Chairman & Managing Director, and Mr. S. Regunathan & Mr. Rajesh Naik, both Whole-time Directors of the Company, have been provided in the explanatory statement under Item Nos. 7, 9 & 10 respectively.

- (ii) Past Remuneration –

As Dr. Raman Ramachandran was appointed as Chairman & Managing Director of the Company with effect from 1st October, 2013, he was paid Rs. 1.82 crores as remuneration for the period from 1st October, 2013 to 31st March, 2014.

The remuneration paid to Mr. S. Regunathan, Whole-time Director of the Company for the financial year 2013-2014 was Rs. 1.96 Crores

Mr. Rajesh Naik has been appointed as Whole-time Director of the Company with effect from 1st August, 2014 and hence details of his proposed remuneration are provided in Item No. 10 of this Notice.

- (iii) Job Profile and suitability -

The details in respect of job profile and suitability of Dr. Raman Ramachandran, Chairman & Managing Director, and, Mr. S. Regunathan and Mr. Rajesh Naik, both Whole-time Directors of the Company have been provided in the explanatory statement under Item Nos. 7, 9 & 10 respectively.

- (iv) Remuneration proposed

The remuneration proposed is detailed in the resolution.

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

Taking into consideration the size of the Company, their individual profiles and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level positions in other Companies in the industry.

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

Dr. Raman Ramachandran has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Chairman & Managing Director of the Company.

Mr. S. Regunathan and Mr. Rajesh Naik have no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than their remuneration in the capacity of Whole-time Directors of the Company.

OTHER INFORMATION:

- (a) Reason for expected losses:

- Additional depreciation, interest and start-up costs on account of Dahej plant.
- Pre-marketing sales of products to be manufactured at Dahej plant will have an impact on the contribution margins for certain businesses.
- Deficient monsoon impacting the Agricultural solutions business.

- (b) Steps taken or proposed to be taken for improvement:

- Profit situation is expected to improve in future years with better capacity utilisation from the Dahej Plant.

- (c) Expected increase in productivity and profit in measurable terms:

- Dahej plant is expected to ramp-up its capacity utilisation over the course of 3 years, which is expected to improve profits of the Company.

The Special Resolution as set out at Item No. 19 of the Notice is in the interest of the Company and the Board recommends the same for the approval of the members.

Except Dr. Raman Ramachandran, Mr. S. Regunathan and Mr. Rajesh Naik, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 19 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

By Order of the Board of Directors

PRADEEP CHANDAN
Company Secretary

Registered Office:

VIBGYOR Towers, 1st Floor,
Plot No.C-62, 'G' Block,
Bandra Kurla Complex,
Mumbai 400 051.

CIN: L33112MH1943FLC003972

Dated: 31st July, 2014

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Form No. MGT – 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered Address : _____

E-mail ID : _____ *Folio No./DP ID and Client ID : _____

* For details with respect to your Folio No./DP ID, Client ID and number of shares, please refer to the Attendance Slip enclosed along with the Annual Report.

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____

Signature: _____, or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company, to be held on Wednesday, the 27th day of August, 2014 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements, Directors' Report & Auditors' Report for the year ended 31 st March, 2014.		
2.	Declaration of dividend for financial year 2013-2014.		
3.	Re-appointment of Dr. Rainer Diercks (DIN: 01725080) as Director, who retires by rotation.		
4.	Re-appointment of Mr. Andrew Postlethwaite (DIN: 03532678) as Director, who retires by rotation.		
5.	Re-appointment of M/s. B S R & Co. LLP, as Statutory Auditors of the Company for a period of 3 years.		
Special Business			
6.	Appointment of Mr. Gops Pillay (DIN: 06599533) as a Director.		
7.	Appointment of Dr. Raman Ramachandran (DIN: 00200297) as the Managing Director and fixation of remuneration.		
8.	Revision in the maximum limits of perquisites payable to the Managing Director.		
9.	Extension in tenure of appointment of Mr. S. Regunathan (DIN: 01437534) as Wholetime Director.		
10.	Appointment of Mr. Rajesh Naik (DIN: 06935998) as Wholetime Director and fixation of remuneration.		
11.	Appointment of Mr. R. A. Shah (DIN: 00009851) as Independent Director.		
12.	Appointment of Mr. R. R. Nair (DIN: 00202551) as Independent Director.		
13.	Appointment of Mr. Pradip P. Shah (DIN: 00066242) as Independent Director.		
14.	Appointment of Mr. Arun Bewoor (DIN: 00024276) as Independent Director.		
15.	Special Resolution for payment of commission to the Independent Directors.		
16.	Ratification of remuneration payable to Cost Auditor, M/s. R. Nanabhoy & Co., Cost Accountants, for the financial year ending 31 st March, 2015.		
17.	Special Resolution for increasing the borrowing powers as per provisions of Section 180(1)(c) of the Companies Act, 2013.		
18.	Special Resolution for creation of charge over movable/immovable assets as per the provisions of Section 180(1)(a) of the Companies Act, 2013.		
19.	Special Resolution for payment of minimum remuneration to Managing Director and Wholetime Directors, in case of inadequacy of profits.		

Signed this _____ day of _____ 2014.

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

- A Proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
- *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 70th Annual General Meeting of the Company.
- This form of Proxy, to be effective, should be duly completed and deposited at the Registered Office of the Company at VIBGYOR Towers, 1st Floor, Plot No. C-62, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, not later than 48 hours before the commencement of the aforesaid meeting.

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NOTES

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Annual Report 2013-2014

BASF India Limited



The Chemical Company

We create chemistry
for a sustainable future





Message from the Chairman & Managing Director

Dear Shareholders,

As my first address to you, I am honored and humbled in equal measure, to lead and contribute to this great Company that you have built. Over the years, the company has grown consistently and has ensured value for its stakeholders. My vision is clear – build on the strengths of your company, sharpen its productivity, enlarge market access and energize its spirit to achieve ambitious growth. I know the task ahead is challenging, but I have great faith in my team and in you, to partner in this interesting journey.

Financial year 2013-14 has been an interesting but a challenging year. We were able to face these challenges with a steady and healthy growth backed by impressive performance of our Agricultural Solutions and Performance Products business divisions. To stay competitive in the market, we leveraged our customer-centric approach to its maximum and improved our export sales during the year. This has been amply demonstrated in our results for the financial year 2013-14. Your Company achieved sales growth of 12% in financial year 2013-2014 and profit growth of 15% over the previous year. Your Company has also declared a dividend of Rs. 4/- per equity share of Rs.10/- each for the financial year ended March 31, 2014, subject to the approval of the members at the ensuing Annual General Meeting of the Company.

We enhanced our investments during this financial year. We launched Asia's first metal-based fine chemical catalysts production plant and product development laboratory at our Mangalore site and Agricultural Research Station at Lonikand in Pune. Construction work at Dahej site, your Company's single largest investment, is nearing completion. Considering the investments in a green-field project, challenges were many. Nevertheless your Company's team is fully geared to face these challenges. Most of the commercial production is expected by August 2014. Additionally, your Company is also expanding its construction chemicals operations at Nellore in Andhra Pradesh and Kharagpur in West Bengal. We expect an era of accelerated growth in our country and I believe, we have made these investments at the right time to capture the opportunities in the market we will soon witness.

During the year, your Company received several accolades. To name a few: the Samruddhi project by the Agricultural Solutions business was recognized by the Indian Institute of Corporate Affairs as an example of responsible corporate engagement in rural development in 2013; your company also received the Aditya Birla Award for Best Responsible Care Committed Company by the Indian Chemical Council; the Thane site was adjudged the first runner up in the 'chemicals' sub-category of industrial units at the 8th State-level Energy Conservation Awards. Global safety week was observed across all sites and offices during the year displaying your Company's continued commitment on safety of the employees and the society in which it operates.

As we set our sights for the future, on behalf of the Board, the Executive Management Committee and the entire BASF team in India, I thank you for your valuable trust and seek your continued interest and support for all future endeavors.

With Best Wishes,

Raman Ramachandran, Ph.D

Wednesday, 27th August, 2014
at 3.00 p.m. at Yashwantrao Chavan
Pratishthan Auditorium, Y. B. Chavan Centre,
General Jagannath Bhosale Marg,
Nariman Point, Mumbai-400 021.

Agenda

1. Presentation of Financial Statements and the Directors' / Auditors' Report
 2. Declaration of Dividend
 - 3-4. Appointment of Directors
 5. Appointment of Auditors
 - 6-19. Special Business
- The Notice of the Meeting is enclosed.

BASF India Limited**Registered Office:**

1st Floor, VIBGYOR Towers, Plot No. C-62, 'G' Block,
Bandra Kurla Complex, Mumbai-400 051.
Telephone : +91 022 66618000
Website : www.india.basf.com

Corporate Identification Number:
L33112MH1943FLC003972

Works**Maharashtra (Navi Mumbai)**

- (1) Plot Nos. 12 & 13, TTC Industrial Area,
Thane-Belapur Road, Turbhe, Navi Mumbai-400 705.
- (2) Plot Nos. C-68 & C-68 Pt., TTC Industrial Area, MIDC,
Thane Belapur Road, Turbhe, Navi Mumbai-400 613.

Karnataka

- (1) **Mangalore**
Bala/Thokur Village, Surathkal-Bajpe Road,
Mangalore Taluka, Dakshina Kannada District,
Karnataka-575 030.
- (2) **Bangalore**
Bommasandra Industrial Area,
Anekal Taluka, Bangalore, Karnataka.

Gujarat

- (1) **Ankleshwar**
Unit I: Plot Nos. 6214/6216, GIDC Phase IV
Ankleshwar-393 002, Gujarat.
Unit II: Plot No. 8001, GIDC Phase VI
Ankleshwar-393 002, Gujarat.
- (2) **Dahej**
4B, Dahej Industrial Estate, Village Dahej,
Taluka Vagra, District Bharuch, Gujarat-392 130.

Himachal Pradesh

Khasra No. 87/1, Village: Beer Plassis,
Nalagarh, District: Solan, Himachal Pradesh.

West Bengal (Kolkata)

Gate No. 3, Jalan Industrial Complex,
46/48/49/53, Jangalpur, Howrah, West Bengal.

Branches

Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad,
Kolkata, Pune.

Registrar & Share Transfer Agent

Sharepro Services (India) Private Ltd.,
Unit : BASF India Limited,
13AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road, Andheri (East), Mumbai-400 072.
Tel. No. : 022-6772 0300, 6772 0400
Fax No. : 022-2859 1568
Email : sharepro@shareproservices.com

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Board of Directors

Dr. Raman Ramachandran
Chairman & Managing Director

Mr. Gops Pillay

Mr. Thilo Bischoff (upto 30th April, 2014)
Alternate to Mr. Gops Pillay

Dr. Rainer Diercks

Dr. G. Ramaseshan (upto 31st July, 2014)
Alternate to Dr. Rainer Diercks

Mr. Rajesh Naik (w.e.f. 1st August, 2014)
Alternate to Dr. Rainer Diercks

Mr. Andrew Postlethwaite

Mr. S. Regunathan
Alternate to Mr. Andrew Postlethwaite

Mr. R. A. Shah

Mr. R. R. Nair

Mr. Pradip P. Shah

Mr. Arun Bewoor

Management Committee

Dr. Raman Ramachandran

Mr. Thilo Bischoff

Mr. S. Regunathan

Dr. Rajan Venkatesh

Mr. Yatindra Borkar

Mr. Pradeep Chandan

Mr. Prabir Das

Mr. Sandeep Gadre

Mr. Ajai Gupta

Mr. Susheel Mittal

Mr. Rajesh Naik

Dr. G. Ramaseshan (upto 31st July, 2014)

Mr. P. P. Srees

Mr. V. Srinivasan

Mr. K. Thyagarajan

Mr. Pradeep Chandan
Chief Executive - Legal, Compliance & Company Secretary

Auditors

B S R & Co. LLP
Chartered Accountants
1st Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalakshmi
Mumbai-400 011, India.

Solicitors

Messrs Crawford Bayley & Co.
Advocates & Solicitors
State Bank Building, 4th Floor,
N. G. N. Vaidya Marg, Fort,
Mumbai-400 023.

Messrs Udvardia Udeshi & Argus Partners,
Solicitors & Advocates
Elphinstone House, 1st Floor
17, Murzban Road
Mumbai-400 001.

Bankers

Citibank N.A
Deutsche Bank AG
The Honkong and Shanghai Banking Corporation Limited
HDFC Bank Limited
BNP Paribas
The Bank of Tokyo and Mitsubishi UFJ Limited

Internal Auditors

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

Cost Auditors

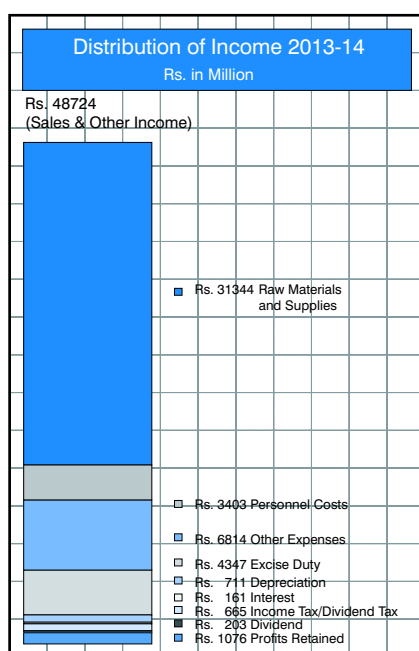
Messrs R. Nanabhoy & Co.
Cost Accountants
Jer Mansion
70 August Kranti Marg
Mumbai-400 036.

Directors' Report



Dr. Raman Ramachandran, Chairman & Managing Director, BASF India Limited along with the BASF Responsible Care team, receiving the Aditya Birla Award for Best Responsible Care Committed Company by the Indian Chemical Council, in the presence of Mr. Indrajit Pal, Secretary, Ministry of Chemicals and Fertilizers, Govt. of India (extreme left).

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2014.



Financial Results

(Rs. in Million)

Description	Year ended 31.3.2014	Year ended 31.3.2013
Sales (net of excise)	44298.9	39406.3
Profit before tax	1943.6	1690.3
Tax	664.9	549.5
Profit after tax	1278.7	1140.8
Balance brought forward	810.0	808.0
Available for appropriation	2088.7	1948.8
This has been appropriated as follows:		
Proposed Dividend	173.1	173.1
Corporate Tax on Dividend	29.4	29.4
General Reserve	886.2	936.3
Balance carried forward	1000.0	810.0

Activities

Despite the challenging economic scenario, the sales of your Company during the year under report registered good growth over the previous year. Sales, net of excise at Rs. 44,298.9 million, represent an increase of 12.4%, over the previous year. Profit before tax for the year ended 31st March, 2014 stood at Rs. 1,943.6 million as compared to Rs. 1,690.3 million for the previous year which represents an increase of 15.0%.

Profit after tax at Rs. 1,278.7 million during the year ended 31st March, 2014 was higher by 12.1% compared to the previous year.

The Agricultural Solutions Segment has shown good growth in sales and significant increase in profits during the year ended 31st March, 2014 mainly on account of introduction of new products and adoption of innovative marketing initiatives.

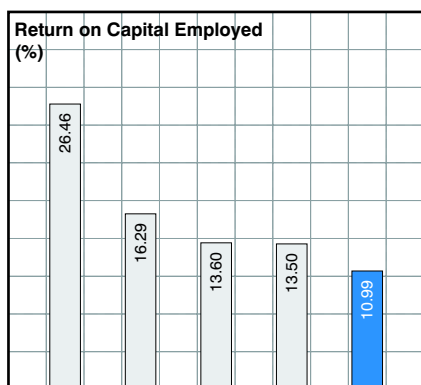
Financial Ratios		
	2013-14	2012-13
Equity vs Total Assets (%)	30.99	40.72
Return on Capital Employed (%)	10.99	13.50
before interest and taxes		
Current Ratio	1.34	1.36
current assets:		
short term liabilities and provisions		
Acid Test Ratio	0.70	0.69
short term receivables plus		
cash and cash items:		
short term liabilities and provisions		

The Performance Products Segment which includes textile chemicals, leather chemicals, paper chemicals and nutrition & health businesses registered an increase in sales and profits during the year under review. However, margins were under pressure for care chemicals, performance chemicals and dispersion & pigments businesses.

The Chemicals Segment of your Company comprises of intermediates, petrochemicals & monomers businesses. The sales and profits of the Chemicals Segment were lower as compared to the previous year. This was mainly on account of marginal growth in sales of intermediates and petrochemicals businesses.

The Functional Materials & Solutions Segment of your Company comprises of coatings, construction chemicals, performance materials and process catalyst technologies businesses. The sales of the Functional Materials & Solutions Segment registered growth during the year under review. However, margins were impacted mainly on account of slowdown in the automotive & construction industries and infrastructure investment, rising interest rates, liquidity crunch and weakening of the dollar against the rupee.

Exports sales stood at Rs. 4,026.1 million during the year under report and represented an increase of 50% over the previous year. This was mainly on account of higher exports of fluorescent whitening agents and paper dyes.



*2009-10 *2010-11 2011-12 2012-13 2013-14
* Include Figures from amalgamated Companies.

Re-alignment of the Business Segments

Your Company has adopted the new segment structure with effect from 1st April, 2013. Accordingly, your Company has reduced the number of Business Segments from five to four in order to serve its customers more effectively and to enhance its operational and technological excellence. With effect from 1st April, 2013, the new Business Segment structure consists of Agricultural Solutions, Performance Products, Chemicals and Functional Materials & Solutions.

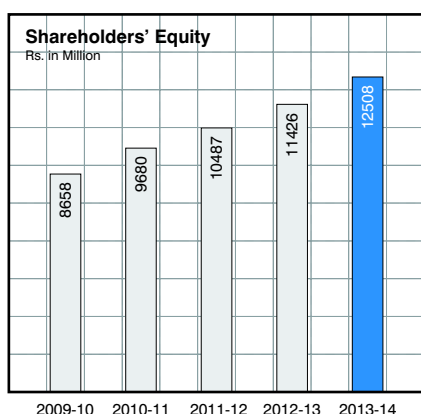
Status of new chemical production site at Dahej, Gujarat

Your Company is in the process of constructing a new chemical production site at Dahej, Gujarat. The project, involving an investment of Rs. 1,000 crore was inaugurated in April 2012 and marks your Company's single largest investment in India so far. The new Dahej Site will be an integrated hub for Polyurethanes manufacturing and will also house production facilities for Care Chemicals and Polymer Dispersions for the Coatings and Paper businesses. It will strengthen your Company's support to key industries such as appliances, footwear, automotive, construction, architectural coatings and personal care, as well as paper.

Construction work at Dahej site is nearing completion. Mechanical completion of some plants has already been achieved and the balance is expected to be completed by June 2014. Commercial production in the said plants is expected to commence by July/August 2014.

Setting up of precious metal catalyst plant at Mangalore

Your Company has set up a precious metal catalyst plant and product development laboratory at its Mangalore site. The project was financed through internal accruals. The catalysts manufactured at this plant will allow customers to produce fine chemicals including Active Pharmaceutical Ingredients (API), agrochemicals and flavors and fragrances. Production of precious metal catalysts at the Mangalore site has already commenced in the first quarter of 2014.



Setting up of Agricultural Research Station (ARS) at Pune

Your Company has taken on lease approximately 30 acres of agricultural land at Lonikand near Pune for a period of 20 years to set up an Agricultural Research Station for testing new agro chemical compounds on agricultural crops and to examine their efficacy under local climatic conditions. Your Company will conduct field trials in all major crops such as corn, soybean, rice, cereals, fruits and vegetables. The Agricultural Research Station in Pune will be designed and operated as a state-of-the-art facility.

Cessation of manufacturing operations at the Automotive Coatings Blending plant at Khuskhera in Rajasthan

Your Company has ceased manufacturing operations at the Automotive Coatings Blending plant at Khuskhera in Rajasthan due to high safety risks, which had made the continuance of manufacturing operations at the said plant difficult. There is no material impact on the performance of the Company due to cessation of manufacturing operations at Khuskhera as the products are now being supplied from the Company's Mangalore plant.

Corporate Social Responsibility

As a successful corporate, your Company has a moral and ethical responsibility to work towards supporting the society within which it functions. As required by the provisions of the new Companies Act, 2013, the Board of Directors of your Company constituted a Corporate Social Responsibility (CSR) Committee on 30th April, 2013.

Mr. R.R.Nair and Mr. Arun Bewoor, Independent Directors along with Mr. S. Regunathan are members of the CSR Committee.

Mr. Pradeep Chandan, Chief Executive – Legal, Compliance & Company Secretary was appointed as Secretary to 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 the revised Schedule VII of the Companies Act, 2013. This Policy encompasses the Company's Strategy of "We create chemistry for a sustainable future" and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, especially the deprived, under-privileged and differently abled persons.

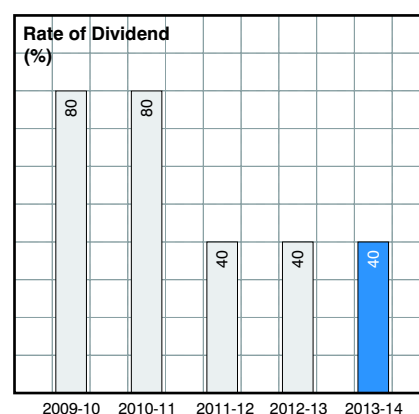
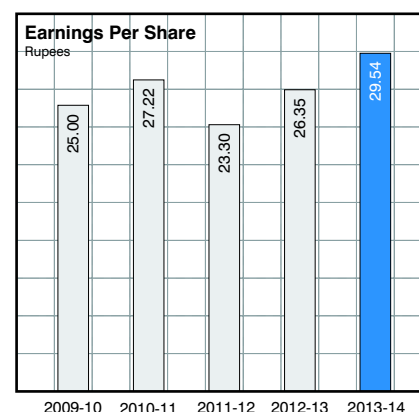
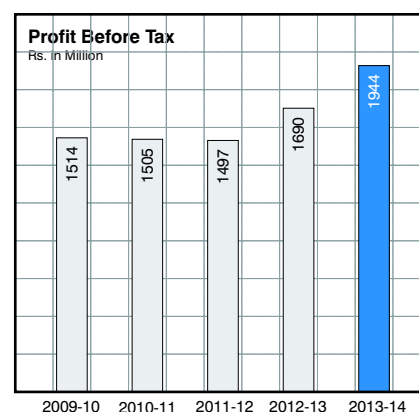
Projects to be implemented under CSR for the financial year 2014-2015 shall be reviewed by the CSR Committee from time to time and thereafter recommended to the Board of Directors of your Company for their approval.

Dividend

Considering the investment of Rs.1,000 crores for setting up of a new chemicals production site at Dahej, your Directors recommend a dividend of Rs. 4/- per equity share of Rs. 10/- each (i.e. 40%) for the financial year ended 31st March, 2014, subject to the approval of the shareholders at the forthcoming 70th Annual General Meeting of the Company to be held on 27th August, 2014. The dividend will absorb Rs. 173.1 million. The dividend distribution tax borne by the Company would amount to Rs. 29.4 million.

Finance & Accounts

Your Company continued to optimise bank borrowings during the year by focusing on cash flows and working capital management. By availing of alternate funding options like issuance of Commercial Papers, it ensured efficiency in its borrowing costs.



Your Company follows a prudent financing policy and aims to maintain optimum financial gearing at all times. Your Company's total debt to equity ratio was 0.84 as at 31st March, 2014.

Your Company secured External Commercial Borrowings (ECB) loan for the Dahej Project on competitive terms.

Capital Expenditure

Capital Expenditure incurred during the year aggregated to Rs. 6,172.8 million.

Fixed Deposits

Your Company continued to maintain the highest rating of 'AAA/Stable/A1+' awarded by CRISIL on its short term & long term debt programs.

Your Company did not accept any fixed deposits during the year under report. There were no deposits, except unclaimed interest on deposits of Rs. 0.14 million as at 31st March, 2014.

Management Discussion & Analysis Report

In terms of Clause 49 of the Listing Agreements with the Stock Exchanges, the Management Discussion & Analysis Report is appended to this Report.

Corporate Governance

Your Company is committed to maintaining the highest standards of Corporate Governance. Your Company has complied with the Corporate Governance requirements as per Clause 49 of the Listing Agreements with the Stock Exchanges.

A separate report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements along with a Certificate of Compliance from the Statutory Auditors, forms part of this Report.

Directors' Responsibility Statement

Your Directors confirm that:

- (i) in the preparation of the annual accounts, 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 31st March, 2014 and of the profits 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, 1956, for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the annexure to this Report.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. Rainer Diercks and Mr. Andrew Postlethwaite retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, Mr. Prasad Chandran relinquished his position as Chairman & Managing Director of your Company with effect from 30th September, 2013. The Board of Directors of your Company placed on record its sincere appreciation of the invaluable contribution made by Mr. Chandran in the growth of the Company during his 17 years of distinguished service including 13 years as the Chairman & Managing Director.

Dr. Raman Ramachandran was appointed as the Chairman & Managing Director of your Company with effect from 1st October, 2013, subject to the approval of shareholders of the Company and the Central Government. Dr. Ramachandran has completed his Bachelors' and Masters' degree in Science (Agriculture) from Tamilnadu Agricultural University, Coimbatore and Indian Agricultural Research Institute, New Delhi, respectively. Dr. Ramachandran holds a doctorate degree from the University of Adelaide, Australia. Dr. Ramachandran has valuable experience of over 25 years in the area of Crop Protection and has been associated with BASF since 2000.

The tenure of appointment of Mr. S. Regunathan as Wholetime Director of the Company was extended for a period from 1st June, 2014 to 31st December, 2014, subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting scheduled on 27th August, 2014.

As required under Clause 49 of the Listing Agreements with the Stock Exchanges, the details of Directors seeking re-appointment at the ensuing Annual General Meeting are provided in the Corporate Governance Report, forming part of this Annual report.

Auditors

M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed to the Company that their re-appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified from re-appointment within the meaning of the said Act.

Cost Audit

The Board of Directors, in pursuance to the Orders issued by the Central Government under Section 148 of the Companies Act, 2013, have appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, for conducting the audit of the cost accounting records maintained by the Company for its products for the financial year 2014-2015. The Cost Auditors have certified that their appointment was within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

Particulars of Employees

The particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the Statement of Particulars of Employees, is being sent to all shareholders of the Company. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

Personnel and Welfare

Your Directors place on record their sincere appreciation for the contribution made by the employees of the Company at all levels.

Industrial Relations at all our factories remained cordial.

Acknowledgements

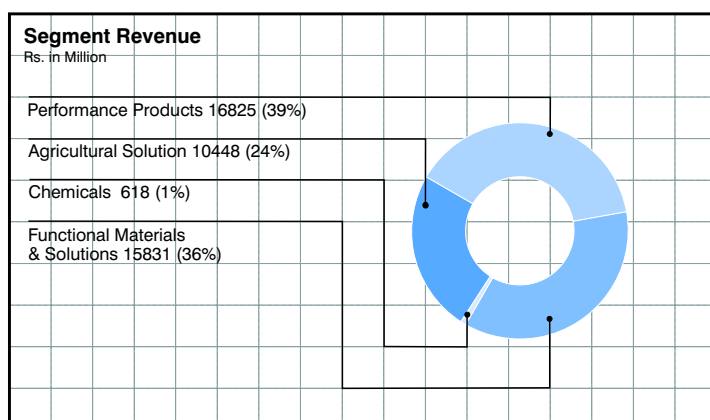
The Board of Directors take this opportunity to thank BASF SE, the parent Company, customers, suppliers, bankers, financial institutions, business partners/associates, Central and State Governments, regulatory authorities and the society at large for their consistent support and co-operation to the Company. Your Directors thank the shareholders and investors for their confidence in the Company.

On behalf of the Board of Directors

RAMAN RAMACHANDRAN
Chairman & Managing Director

Mumbai

Dated : 29th April, 2014



Annexure to the Directors' Report

Statement containing particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

A. Conservation of Energy

The Company continued its policy of giving priority to energy conservation measures including regular review of energy generation, distribution and consumption and effective control on utilization of energy in its manufacturing facilities at Navi Mumbai (Maharashtra), Mangalore & Bangalore (Karnataka), Ankleshwar & Dahej (Gujarat), Howrah (West Bengal) and Nalagarh (Himachal Pradesh).

During the year under report, the following energy saving measures were implemented in the Company's factories:

- Installation of Variable Frequency Drive (VFD) to save electrical energy.
- Installation of timers in air conditioners.
- Increase in water set-up temperature of chiller.
- Implementation of Nitrogen purging for reduction in cleaning solvent consumption.
- Optimization of boiler burner by monitoring & controlling fuel gases.
- Optimization of De-mineralisation (DM) water supply & distribution system.
- Installation of timers on reaction vessel for agitator to reduce idle running.
- Installation of energy efficient agitator in reaction vessels to save electrical energy.
- Installation of solar street lights to save energy.
- Installation of energy efficient cooling tower in Auxiliaries and Utilities.
- Constant monitoring of power factor to save energy.
- Reduction of process water consumption.

In addition to the above, an energy conservation awareness drive was conducted at all levels.

Reduction in consumption of power was achieved by implementing the following measures/modifications:

- Installation of high efficiency motors in plant reactors.
- Installation of filter press in waste water treatment plant.

Reduction in consumption of process water was achieved by:

- Recycling of Multiple Effect Evaporator (MEE) distilled water
- Minimizing the water consumption in water softening & DM water plant
- Recycling of waste water inside the plants to reduce load.
- Reduction of effluent water load from plants to Effluent Treatment Plant (ETP).

The above measures not only resulted in significant savings in the total energy consumed but also had a positive impact on the environment.

In addition, the Company is actively considering the following energy conservation measures:

- Installation of energy efficient screw air compressors.
- Installation of energy efficient motors for critical and continuous operations.
- Installation of waste heat recovery unit to improve efficiency and conserve energy.
- Installation of additional energy efficient cooling towers.
- Installation of solar LED street lights.
- Study on conversion of High Speed Diesel HSD burners to Furnace Oil (FO) burners for spray drying.
- Modification of dosing system from pumping based to gravity based dosing.
- Optimization of multiple effective evaporative plant & spray dryer efficiency to reduce gas consumption.

Requisite data in respect of Energy Consumption is given below:

	Current Year 1.4.2013 to 31.3.2014	Previous Year 1.4.2012 to 31.3.2013
(a) Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (in '000 kwh)	34129	32814
Total amount (Rs. in million)	234	226
Rate per unit (Rs.)	6.86	6.88
(b) Own generation		
• Through diesel generator		
Units (in '000 kwh)	637	558
Units per litre of oil	3.68	3.28
Cost per unit (Rs.)	18.40	14
• Through Steam Turbine/Generator units		
Units per litre of fuel oil/gas	N.A.	N.A.
Cost per unit (Rs.)	N.A.	N.A.
2. Coal (specify quality and where used)	N.A.	N.A.
Qty. (tonnes)		
Total cost		
Average rate		
3. Furnace oil/fuels		
Qty. (k. litres)	1477	1582
Total Amount (Rs. in million)	59.4	66
Average rate (Rs./litre)	40.21	41.74
4. Natural Gas		
Qty. (KNCM)	8879	6187
Total Cost	331.2	180.1
Average rate	37.32	29.11
5. Others/Internal Generation (Qty.)	N.A.	N.A.
Total cost rate/unit		
(b) Consumption per unit of production		
Products		
Expandable polystyrene (Plant shut down in December, 2012)		
Unit M.T.		
Electricity (kwh)	N.A.	66
Furnace oil/fuels (litres)	N.A.	0
Coal	N.A.	N.A.
Others - Natural Gas (M3)	N.A.	21.8
Leather chemicals, auxiliaries, pigments tanning and finishing agents including metal complex dyes, acrylic polymers and carboxylated styrene butadiene lattices, coatings & construction chemicals.		
Unit M.T.		
Electricity (kwh)	42.75	55.67
Furnace oil/fuels (litres)	N.A.	15
Coal	N.A.	N.A.
Others - Natural Gas (M3)	25.6	25.5
Engineering Plastics Compounding Unit		
Unit M.T.		
Electricity (kwh)	440	435
Furnace oil/fuels (litres)	N.A.	N.A.
Coal	N.A.	N.A.
Others	N.A.	N.A.

B. Technology Absorption

RESEARCH & DEVELOPMENT (R&D):

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

During the year, the R&D Centre of the Company was engaged in supporting all the businesses through innovations and undertook multifold research activities including:

- Carrying out ongoing research.
- Introducing new products in existing production lines.
- Developing cost effective processes and streamlining existing processes in the areas of paper, leather, textile chemicals and other specialty chemicals/auxiliaries.
- Optimizing effluent treatment processes.
- Developing new analytical methods.
- Supporting indenting activities.
- Developing new formulations and products based on customer/market requirements.

Some of the areas of work on Global Research projects include:

- Collaborative research with BASF SE, BASF Schweiz AG and BASF Corporation in USA in the areas of performance chemicals, intermediates, agrochemicals and other organic materials, ionic liquids, etc.
- New organic chemical intermediates for specific applications.
- Textile auxiliaries.
- Leather chemicals.
- UV absorbers.

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

The R&D Centre remained focused on its mission to explore and apply new and innovative chemistry, expand the product offering and strengthen the infrastructure facilities and technology.

The R&D initiatives resulted in multifold benefits during the year including:

- Development of new products and some of these have been introduced in the market.
- Development of new textile auxiliaries as part of Global Research projects.
- Development of innovative products by Industry Target Groups which worked on cross-functional innovations.
- Improvisation of plant processes, which led to higher efficiency and sustainability.
- Completion of the annual/intensive annual review of processes with respect to safety, efficiency, quality, quantity and sustainability.

3. Future plan of action:

The R&D Centre is committed to remain focused on the following initiatives:

- Enhancing global collaborative research with BASF SE, BASF Schweiz AG and BASF Corporation, USA.
- Focusing on development activities.
- Further modernization of R&D facilities.
- Developing innovative products and processes.
- Focusing on cross-functional innovations.

4. Expenditure on R&D: Rs. 104.6 million.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

The R&D Centre of the Company is recognized by the Ministry of Science and Technology, Government of India. The Centre is ISO 9000 and 9014 certified and undertakes research in several areas including:

- New Organic Chemical Intermediates for various applications.
- Process development and scale-up.
- Agricultural Solutions.
- Textile Auxiliaries.
- Leather Chemicals.
- Polymers and other chemicals.
- 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.

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:

During the last 5 years, the Company entered into agreements with BASF SE for sourcing the following technical know-how:

- In 2009 for manufacture of Performance Products.
- In 2010 for activities in Special Performance Products.
- In 2011 for activities in Agrochemicals.
- In 2012 for activities in High Performance Products.
- In 2013 for manufacture of Performance Products and Monomers at Dahej site.

The Company has an excellent relationship with its parent Company, BASF SE and receives proprietary technical information and support on an ongoing basis. As a result, the Company introduced a range of new products in different business segments.

C. Foreign Exchange Earnings and Outgo:

The particulars with regard to foreign exchange earnings and outgo appear on page 48 of the Annual Report and Accounts.

On behalf of the Board of Directors

Mumbai
Dated : 29th April, 2014.

RAMAN RAMACHANDRAN
Chairman & Managing Director

Management Discussion and Analysis Report



Interested potential customers listen to the benefits accrued due to BASF's Leather Chemicals at the India International Leather Fair. BASF displayed solutions for premium leather market in India during the event.

The Indian economy recorded growth of 4.5% (revised) in 2012-2013 and is estimated to continue its subdued growth of less than 5% in 2013-2014. Good monsoon is estimated to lead to a healthy growth rate of 3.6% in agriculture, up from 1.5% a year earlier. However, high interest rate, rising inflation, sharp depreciation of rupee against the dollar and weak global market lead to low industrial and services growth. Manufacturing sector is estimated to remain flat in 2013-2014 compared to growth of 1.1% in the previous year.

During 2013-2014, the domestic automotive industry was hit adversely by high inflation and rising interest rates. Two-wheeler segment grew at 7%, while the passenger and commercial vehicles declined by 3.9% and 18.7%, respectively.

The domestic pharmaceutical market is estimated to have increased at 8% due to increased opportunities in the exports of generic medicines and greater penetration in rural markets.

Indian construction industry is expected to grow by 2.6% in 2013-2014.

The products manufactured by your Company serve several sectors including agriculture, automobiles, construction, pharmaceuticals, consumer durables, consumer care, paint, paper, leather and textiles. In a challenging year which saw many market segments remain flat or decline, your Company continued to strengthen its position in the market.

AGRICULTURAL SOLUTIONS

The Agricultural Solutions business includes agrochemicals like insecticides, herbicides, fungicides and specialties.

The Crop Protection industry in which this business of your Company operates is dependent on the monsoon. The Agricultural Solutions business registered a good growth in sales and profits during the year under review mainly on account of introduction of new products and adoption of innovative marketing initiatives.

The SAMRUDDHI™ (prosperity) programme, where your Company operates as a total solution provider to the farmers contributed significantly to this growth. This program was recognized as a good example of corporate engagement in rural India by the German Society of International Cooperation and the Indian Institute of Corporate Affairs.

With appropriate pricing policies for agricultural commodities and higher investment and production, the agricultural sector is expected to perform better.

PERFORMANCE PRODUCTS

The Performance Products business includes performance chemicals, dispersions & pigments, care chemicals, nutrition & health products and paper chemicals. The business caters to the requirements of a wide spectrum of industries, including textiles, leather, plastics & coatings, detergent formulators, pharmaceuticals, automobile and oil.

During the year under review, the Leather Chemicals business witnessed a growth in sales, both in volume and value terms. New opportunities in the area of automotive upholstery systems were identified. The business continued its efforts to work closely with its customers. New concepts viz., low emission, process innovation and premium leather were also introduced during the year.

Closure of tanneries on account of stringent pollution norms, currency fluctuations, import regulations on hides and skins, fluctuation in raw material prices and acute water shortage in tanneries are major concerns for this business.

Despite the difficult market conditions, outlook for the Leather Chemicals business looks optimistic as your Company focuses on serving high value markets with innovative products and services.

The Indian textile industry is one of the major contributors to the Indian industry contributing 4% to GDP, 14% to industrial production and 11% to export earnings. During the year, your Company's Textile Chemicals business achieved good growth in sales & profits.

Demand for home textiles and denims are expected to grow during the year. Technical textiles would also witness significant investments. Innovation in process optimization and resource savings would lead to further growth opportunities in this segment.

Lack of innovation in textiles, credit crunch, high transportation and utilities costs and stringent pollution control norms are the major concerns for this business.

The outlook for the Textile Chemicals business looks challenging due to rising raw material cost, higher local capacities, weakening of rupee and stiff competition in the domestic market.

The Care Chemicals business of your Company mainly caters to personal care, home care and formulation technology sectors. During the year, the Care Chemicals business of your Company registered healthy sales growth but margins were under pressure mainly due to exchange rate impact. Higher demand for increased functionalities in personal care products during the year was well-supported by launch of new concepts and solutions in the personal care segment. Investments made by leading personal care players in the industry will provide good opportunity for personal care ingredients supplied by your Company. Similarly, demand for better performing and higher efficiency products in the Home Care industry will drive the demand for polymers, fluorescent whitening agents, stain remover and surfactants of your Company. Growth opportunities for the formulation technologies were also seen in the emulsion polymerization, construction and paper industries. Increased demand is also seen in eco-friendly surfactants and chelating agents. The Care Chemicals business also achieved good growth in export sales on account of higher demand for export of fluorescent whitening agents.

The Plastic Additives business is categorised into anti-oxidants, light stabilizers and pigments for the plastic industry with customers broadly classified into upstream and downstream industries such as packaging and automotive industries. Expansion plans of major polymer producers and shift from natural fibres to plastic in the packaging sector will increase the demand for light stabilizers in the plastic additives business.

The Fuel and Lubricants business caters to the automotive, fuel, lubricants, refinery and refrigeration industries. In spite of challenging economic conditions, this business registered good growth in sales as compared to the previous year. This business continued to supply anti-freeze coolants to major manufacturers in India. With new product launches, this business is expected to grow.

The Water Solutions business of your Company provides offerings to raw water, industrial and municipal effluents. Significant growth in the municipal effluent sector is expected to offer good opportunity for our products; flocculants and coagulants. Global integration of INGE water technologies with advanced ultra-filtration membranes will further enhance the offerings of your Company in the water sector.

Oilfield solutions cater to the service companies that carry out work for the oil sector. Growth areas have been identified in the enhanced oil recovery areas in future.

Mining solutions is mainly focused on the coal and alumina mining sectors. With expected reforms in the mining sector, this business is expected to grow.

The Nutrition & Health business of your Company offers a comprehensive range of products and solutions for the Human Nutrition, Animal Nutrition, Pharma Ingredients, Application Services and Flavours & Fragrances. The Nutrition & Health business performed well over the previous year. This business offered solutions to the base of the pyramid market segment in the area of healthcare and also continued promotion of innovative solutions through joint development projects with key pharma Companies.

The Dispersions & Pigments business of your Company comprises of pigments, resins, dispersions and additives which cater to the needs of the adhesives, paints & coatings, printing & packaging and construction industries. This business registered moderate growth in sales during the year on account of slowdown in the automotive, paints & coatings industries. Discontinuance of some of the products in the printing range due to low profitability impacted the sales of this business to the printing & packaging industries. However, strong growth was witnessed in the products of this business supplied to the construction industry. The Dispersions & Pigments business is also proposing to increase its volume growth once the new plant at Dahej commences production in mid 2014.

The Paper Chemicals business of your Company caters to the paper industry comprising of writing & printing paper, coated paper, packaging paper and boards and newsprint. The Paper Chemicals business has a comprehensive product portfolio as well as the requisite technical expertise and grew in sales & profits during the year.



BASF employees explain the new and innovative technological solutions to interested customers of the paint industry, which focuses on sustainable development and environment protection, during Paint India.

A new product "XELOREX™", which helps reduce raw material usage in paper and improves productivity, was launched. However, financial liquidity in the paper industry is a concern for this business.

The dyes plant of your Company at Ankleshwar is running at full capacity and exports of PERGAFAST® continued to be good. The new production plant at Dahej will further help in catering to the customers in Northern and Western India. Despite the challenging environment, the Paper Chemicals business is expected to grow in the coming years on account of likely increase in export of paper dyes.

CHEMICALS

Your Company's Chemicals business includes intermediates, petrochemicals & monomers. The chemicals supplied by the BASF Group cater to the requirement of a wide range of user industries including coatings, life sciences, construction additives, food and feed, pharmaceuticals, agrochemicals, plastics and fibers, process chemicals and intermediates.

Sales of the chemicals business were lower as compared to the previous year.

During the year, the intermediates business of your Company witnessed marginal growth both in volume and value. Products supplied to the agrochemicals and pharmaceutical industries grew while rupee depreciation impacted imports of products to customers. The inorganics chemicals business was integrated with this business during the year, further strengthened the offerings to the life science industry.

The product portfolio of the petrochemicals business comprises of Oxo-alcohols, Solvents, Acrylics monomers & Plasticizers. The sales of this business grew marginally during the year despite an unplanned shutdown of the petrochemicals production plant in Malaysia and higher supply from new capacities being built-up for Oxo-alcohols & Acrylics in China & Middle East. In spite of this challenging environment, the petrochemicals business was able to maintain its position with key customers in the paints, coatings and plasticizers segments.

A new business division known as Monomers was created with effect from 1st April, 2013 under the Chemicals segment, which includes majority of the product group from the inorganics chemicals business, basic raw materials for polyurethane & polyamides and intermediates from Performance Polymers.

Major demand drivers for this business are in the areas of flexible packaging and spinning industries. However, increasing material inflow from countries, especially from Thailand with duty benefits and volatile raw material prices coupled with currency fluctuations are impacting this business.

The outlook for this business looks positive, especially in the area of mattress and footwear.

Your Company is also setting up an MDI splitter at Dahej which will help Indian customers to switch from imported MDI to local MDI.

FUNCTIONAL MATERIALS & SOLUTIONS

The Functional Materials & Solutions segment of your Company comprises of Coatings & Construction Chemicals, Performance Materials and Process Catalyst Technologies.

The Coatings business comprises of three segments viz., automotive OEM coatings, automotive refinish coatings and industrial coatings. The industrial coatings business includes pre-coatings, which comprises of coil coatings, foil coatings and panel coatings.

The automotive industry was hit by high inflation and rising interest rates during the year under review. Further, the increased raw material prices could not be fully passed on to the customers due to stiff competition in the market. This has led to a decline in the performance of the automotive coatings business of your Company.

Your Company has started supplying coil coatings to major coil coaters, who have started localization of the pre-coated metal sheets for home appliances. Further policy liberalization in the wind energy segment will increase the demand for the industrial coatings business. Your Company also introduced the wind repkit RELEST, a refinishing system for rotor blades. Your Company continues to work with its customers to develop innovative coatings processes through its research and development initiatives and is also providing technical services.

The outlook for the Coatings business looks positive.

The Construction Chemicals business of your Company supplies chemical systems and formulations to customers in the construction industry. The Admixture Systems business caters to customers from the ready-mix, precast, underground construction and the cement producing industries. In spite of a difficult market situation, the Admixture Systems business



BASF Paper Chemicals team unveiling Xelorex™, an innovative chemistry that significantly improves various performance parameters in papermaking, during Paperex 2013.

recorded a modest growth in sales due to introduction of new technology products, such as MASTER GLENIUM®, high range water reducer, Smart Dynamic Concrete coupled with focus on metro projects.

The Construction Systems business offers a wide range of products and solutions such as industrial floorings, grouting and anchoring systems, concrete repair and protection materials, crack repair and injection resins, joint sealants, tiling products, waterproofing membranes and exterior insulation and facade systems. New technology solutions, such as UCRETE®, MASTERPREN® and MASTERSEAL™, which form part of Construction Systems have gained acceptance thereby enhancing the market position of the Construction Systems segment. This business recorded marginal growth in sales during the year.

Slowdown in infrastructure investment and oversupply in the housing sector in some of the metro cities, limited availability of raw materials and volatility in exchange rates are major concerns for this business. With the approval of several infrastructure projects, growth prospects for this business are positive.

A new business known as Performance Materials was created with effect from 1st April, 2013 in the current Functional Solutions segment. The Performance Materials business bundles parts of the Performance Polymers and Polyurethanes businesses, which were earlier part of the Plastics segment.

The shutdown of the Styropor (EPS) business during the previous year impacted the volume & profitability of the Performance Materials business.

The performance polymers business caters to the requirement of the automotive and electrical industries. In spite of the slow growth in the automotive industry, volatility in exchange rate and high interest & input costs, the Performance Polymers business has achieved significant growth in volumes during the year through new business development.

The polyurethanes business is largely dependent on the demand for consumer products such as cars, white goods, furniture and footwear. During the year under review, high inflation, increased interest rates and poor consumer confidence dampened demand in the appliance, automotive & construction segments, which, in turn, affected the polyurethanes business. Volatility in exchange rates and dependence on imported raw materials are major concerns for this business. Additional capacity at Dahej will give this business added competitive edge in the market.

The Process Catalysts business of your Company caters to the petrochemicals industry. During the year, the sales of this business registered a moderate growth on account of new projects in the refining & petrochemicals segments. A new fine chemicals catalysts manufacturing plant was commissioned at the Mangalore site of your Company during the year. This plant will cater to the pharmaceutical & agrochemicals industry segment by supplying state-of-the-art precious metal based catalysts for manufacture of active ingredients. With major refining players planning to create an integrated refining and petrochemical hub by diversifying down into the value chain coupled with robust growth expected in the pharmaceuticals industry, the outlook for the process catalyst business looks optimistic.

TECHNICAL MANAGEMENT

During the year, production at all manufacturing sites of your Company adequately met the demand due to optimal utilization of assets through proper planning of production, manpower and other resources including energy & raw materials. These actions improved the quality of products as well as the standards of Environment, Health & Safety.

Work on the erection of the new plant at Dahej is proceeding satisfactorily.

Your Company continued its policy of giving priority to various energy conservation measures, including regular review of energy generation, distribution and consumption at all manufacturing sites. Use of cleaner & inexpensive fuel (PNG) got priority over conventional fuels, which resulted in cost savings coupled with a positive contribution to environment.

Your Company has been honoured with the Aditya Birla Award for the best Responsible Care during the year. Your Company's Thane site was awarded the 2nd prize in the 8th Excellence in Energy Conservation and Management organized by Maharashtra State Energy Development Association. Thane, Mangalore, Ankleshwar and other factories of your Company continued to work effectively and achieved record production during the year under review. Your Company has also collaborated with Indian Chemical Council to devise a community model for emergency response and transport safety.

The Dispersion & Dyes plant at Mangalore and the Admixture plant at Nalagarh in Himachal Pradesh were evaluated for maintenance of high standards of process safety based on upgraded technology and regulatory requirements. The evaluation will be rolled out at the other plants of your Company in the near future.



BASF India Limited signed a Memorandum of Understanding with National Academy of Construction (NAC) this year. As a partner in the association, BASF assists NAC in developing the curriculum in two broad areas: 'Rehabilitation & Repairs of buildings and Waterproofing' and 'Use of Construction Chemicals in Buildings'.

Global Safety Week was observed by over 2000 employees across all sites and offices of your Company in March, 2014.

RESEARCH AND DEVELOPMENT

During the year, your Company's Research and Development team was engaged in supporting all its businesses, locally as well as globally, through innovations and undertook multifold research activities including:

- Basic research.
- Introduction of new products in existing production lines.
- Development of new products/formulations.
- Up-gradation and improvement of safety instruments/aspects.
- Developing cost effective processes and streamlining existing processes in the areas of paper chemicals, leather chemicals, textile chemicals and other specialty chemicals/auxiliaries.
- Development of new analytical methods.
- Optimizing effluent treatment processes.
- Supporting indenting activities.
- Collaborative research with BASF SE, BASF Schweiz AG and BASF Corporation in the areas of performance chemicals, intermediates and agrochemicals.



Forklift drivers compete at the Forklift Competition scheduled during the Global Safety Week at our Mangalore site in March this year. The competition judged how safely and accurately these forklifts are operated. Other than this, almost all employees participated in various programs such as safety quiz competitions, an online game to increase safety awareness – Kaun Banega Safety Champion and a drawing competition on safety issues for the children of employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has established adequate internal control systems to ensure reliable financial reporting and compliance with 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 process efficiencies and effectiveness are being carried out on an ongoing basis. Your Company's internal control systems are supplemented by an extensive programme of internal audit by an independent firm of Chartered Accountants. Internal audits are conducted on a regular basis and a summary of the observations and recommendations of such audits are placed before the Board. In line with BASF Group policies, the Group's internal auditors also perform audits periodically in selected areas of operations. The principles of risk avoidance, such as segregation of duties and dual control of important processes form the basis for the internal control systems, which are periodically tested and certified by the internal auditors. The Audit Committee constituted by the Board reviews the internal control systems on an ongoing basis.

DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

The "Grow Smartly" strategy launched last year was successfully implemented during the year and will help to bring an improvement in performance and focus on higher growth.

Your Company has always believed in having a collaborative approach and works closely with the Trade Unions. Long term wage settlements were signed with the Trade Unions at Mangalore and Thane sites.

Industrial Relations were cordial at all the sites of the Company during the year under report.

The Company employed 2,130 persons as on 31st March, 2014.

During the year, your Company continued with its global advertising campaign to enhance brand awareness in relevant markets, covering print, television and online media. This campaign was well supported by media activities and market presence initiatives such as trade fairs, seminars, customer symposia and industry events.

On behalf of the Board of Directors

RAMAN RAMACHANDRAN
Chairman & Managing Director

Mumbai
Dated : 29th April, 2014



BASF's coatings division was named 'Best Supplier' in the paints category for the sixth time by Honda Motorcycle & Scooters India Limited (HMSI). Today, BASF is one of the leading suppliers of clear-coat and more than 10 base-coat colours to HMSI.

Report on Corporate Governance

The Company has complied with the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement.

1. **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

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

The commitment to good Corporate Governance is embodied in its values:-

- Creative
- Open
- Responsible
- Entrepreneurial

The value "Responsible" indicates that we act responsibly as an integral part of society and thereby adhere to our Compliance Standards.

The Company has consistently shown a high level of commitment towards effective Corporate Governance and has been at the forefront of benchmarking its internal systems and policies with global standards.

The Company's philosophy on Corporate Governance envisages attainment of higher levels of transparency, accountability and ethical conduct in all facets of its operations and interactions with its stakeholders including shareholders, employees, customers, suppliers, government, lenders and the community at large. It aims to increase and sustain its corporate value through growth and innovation.

The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time, in a socially responsible way.

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

2. BOARD OF DIRECTORS AS ON 29th April, 2014

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

EXECUTIVE DIRECTORS

Name	Date of Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	Number of Memberships in Boards of other Companies*	No. of Memberships/ Chairmanships in Committees of other Companies
Mr. Prasad Chandran	2 nd April, 2005 (re-appointed on 2 nd April, 2010)	Chairman & Managing Director till 30 th September, 2013 ***	6	3	1	2
Dr. Raman Ramachandran	1 st October, 2013	Chairman & Managing Director	6	3#	NIL	NIL
Mr. S. Regunathan (Alternate to Mr. Andrew Postlethwaite)	16 th July, 2010	Vice President– Finance & Corporate Processes, South Asia	6	6**	NIL	NIL
Mr. Thilo Bischoff (Alternate to Mr. Gops Pillay)	20 th October, 2010	Vice-President– Functional Materials & Agriculture, South Asia	6	6**	NIL	NIL
Dr. G. Ramaseshan (Alternate to Dr. Rainer Diercks)	1 st September, 2011	Chief Executive– Manufacturing	6	6**	NIL	NIL

* Excludes Directorships in Private Limited Companies, Foreign Companies, Section 25 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers/Bodies and Alternate Directorships.

** Were present at the Board Meeting held on 30th August, 2013 as invitees.

*** Mr. Prasad Chandran relinquished his position as Chairman & Managing Director of the Company with effect from 30th September, 2013 and Dr. Raman Ramachandran was appointed as the new Chairman & Managing Director with effect from 1st October, 2013.

Was present at the Board Meeting held on 30th September, 2013 as an invitee.

NON-EXECUTIVE DIRECTORS

Name	Date of Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	Number of Memberships in Boards of other Companies*	No. of Memberships/ Chairmanships in other Committees
Mr. Gops Pillay	30 th April, 2013	Director	6	1	NIL	NIL
Dr. Rainer Diercks	23 rd January, 2006	Director	6	1	NIL	NIL
Mr. Andrew Postlethwaite	28 th April, 2011	Director	6	1	NIL	NIL

* Excludes Directorships in Private Limited Companies, Foreign Companies, Section 25 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers/Bodies and Alternate Directorships.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Name	Date of Appointment	Designation	No. of Meetings held during the Last Financial Year	No. of Meetings Attended	Number of Memberships in Boards of other Companies*	No. of Memberships/ Chairmanships in Committees of other Companies
Mr. R. A. Shah	24 th April, 1968	Director	6	6	13	Membership – 4 Chairmanship – 4
Mr. R. R. Nair	3 rd March, 2001	Director	6	5	1	Membership – Nil Chairmanship – Nil
Mr. Pradip P. Shah	31 st January, 2000	Director	6	6	11	Membership – 7 Chairmanship – 1
Mr. Arun Bewoor	19 th January, 2010	Director	6	6	3	Membership – Nil Chairmanship – Nil

* Excludes Directorships in Private Limited Companies, Foreign Companies, Section 25 Companies, Bodies Corporate, Memberships of Managing Committees of various Chambers/Bodies and Alternate Directorships.

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

Six Board Meetings were held during the year 2013-14.

The dates on which the said Meetings were held are as follows:

- | | |
|---|--|
| (1) Tuesday, 30 th April, 2013 | (2) Monday, 29 th July, 2013 |
| (3) Friday, 30 th August, 2013 | (4) Monday, 30 th September, 2013 |
| (5) Monday, 11 th November, 2013 | (6) Thursday, 16 th January, 2014 |

B. All pecuniary relationship or transactions of the Non-executive Directors vis-à-vis, the Company.

Mr. R. A. Shah, Mr. R. R. Nair, Mr. Pradip P. Shah, and Mr. Arun Bewoor, Non-executive Independent Directors of the Company do not have any material pecuniary relationship with the Company other than the commission payable to them. Details of commission paid are given at Serial No. 4 of this report.

Mr. Gops Pillay, Dr. Rainer Diercks and Mr. Andrew Postlethwaite were not paid any commission during the financial year 2013-14. Mr. Gops Pillay, Dr. Rainer Diercks and Mr. Andrew Postlethwaite represent BASF SE ("Holding Company" of the Company).

3. AUDIT COMMITTEE

The Board of Directors of the Company constituted an Audit Committee on 1st March, 2001. The Chairman of the Audit Committee is a Non-executive Independent Director. During the financial year 2013-14, 4 Audit Committee Meetings were held on 30th April, 2013, 29th July, 2013, 11th November, 2013 and 16th January, 2014, respectively.

The present composition of the Audit Committee is as follows:

Name	Date of Appointment	No. of Meetings during FY 2013-14	
		Held	Attended
Mr. R. R. Nair, Chairman	12 th July, 2006	4	4
Mr. R. A. Shah	1 st March, 2001	4	4
Mr. Pradip P. Shah	1 st March, 2001	4	4
Mr. Arun Bewoor	19 th January, 2010	4	4

Mr. S. Regunathan & Mr. Thilo Bischoff were present at all the meetings of the Audit Committee as permanent invitees.

Mr. Pradeep Chandan, Chief Executive – Legal, Compliance & Company Secretary, was appointed as Secretary of the Audit Committee on 2nd April, 2010 and was present at all the meetings of the Audit Committee.

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956.

The minutes of the meetings of the Audit Committee were noted at the Board Meetings. The Chairman of the Audit Committee, Mr. R. R. Nair, was present at the 69th Annual General Meeting held on 30th August, 2013.

Statutory Auditors, Internal Auditors and Cost Auditors, as needed, are invitees to the meetings.

The terms of reference (stipulated by the Board) of the Audit Committee under Clause 49 of the Listing Agreement are described below:

- a. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors, fixation of the audit fees and approving payments for any other services.
- c. Review with the Management, the annual and quarterly financial statement 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 (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any in the accounting policies and 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.
 - Qualification in draft audit report.
- d. Review with Management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review the adequacy of 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.
- f. Discussions with the Internal Auditors of any significant findings and follow-up thereon.
- g. 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.
- h. 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.
- i. Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- j. Review the Company's financial and risk management policies.
- k. Review the functioning of Whistle Blower mechanism.
- l. Review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to the 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

The Board of Directors of the Company constituted a Nomination and Remuneration Committee on 29th July, 2013. The Chairman of the Nomination and Remuneration Committee is a Non-executive Independent Director. During the financial year 2013-14, 2 meetings of the Nomination and Remuneration Committee were held on 30th September, 2013 and 11th November, 2013, respectively.

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

Name	Date of Appointment	No. of Meetings during FY 2013-14	
		Held	Attended
Mr. R. R. Nair, Chairman	29 th July, 2013	2	2
Mr. R. A. Shah	29 th July, 2013	2	2
Mr. Pradip P. Shah	29 th July, 2013	2	2
Dr. Raman Ramachandran	1 st October, 2013	2	1

Mr. Pradeep Chandan, Chief Executive – Legal, Compliance & Company Secretary, was appointed as Secretary of the Nomination and Remuneration Committee on 29th July, 2013 and was present at all the meetings of the Nomination and Remuneration Committee.

The minutes of the meetings of the Nomination and Remuneration Committee were noted at the Board Meetings. The Chairman of the Nomination and Remuneration Committee, Mr. R. R. Nair, was present at the 69th Annual General Meeting held on 30th August, 2013.

The Committee looks into the nomination of eligible persons as Directors and also decides the criteria for payment of remuneration to Directors and Key Managerial Personnel.

- **Remuneration of Non-Executive Directors**

The remuneration of Non-Executive Directors is decided by the Board of Directors of the Company within the limits approved by the Members.

- **Criteria for payment of remuneration to Non-Executive Directors:**

The remuneration to Non-Executive Directors comprises of fixed commission. The criteria for payment of commission is broadly based on the Company's operations, responsibilities of the Non-Executive Directors, the time devoted by them for the Company's affairs at the Audit Committee and Board Meetings, periodic advice given by these Directors to the management and the commission paid by comparable Companies.

Details of remuneration paid to all the Directors for the year 2013-14 are as under:

(a) EXECUTIVE DIRECTORS

(Amount in Rupees per annum)

Remuneration	Mr. Prasad Chandran (From 1 st April, 2013 till 30 th September, 2013)	Dr. Raman Ramachandran (from 1 st October, 2013 till 31 st March, 2014)	Mr. Thilo Bischoff	Mr. S. Regunathan	Dr. G. Ramaseshan	Total
Salary & Benefits @	2,43,43,795	1,34,62,382	2,69,63,532	1,64,08,530	1,13,79,912	9,25,58,151
Performance Linked Incentive#	71,28,000	47,95,200	49,18,573	31,68,150	14,28,000	2,14,37,923
Total	3,14,71,795	1,82,57,582	3,18,82,105	1,95,76,680	1,28,07,912	11,39,96,074

@ Salary & Benefits includes Salary, Benefits, Provident Fund and Superannuation but excluding provision for contribution to Gratuity Fund and Group Insurance, leave encashment & long service awards.

Performance Linked Incentive is based on achievements against pre-agreed targets.

Mr. Prasad Chandran relinquished his position as the Chairman & Managing Director of the Company with effect from 30th September, 2013 and Dr. Raman Ramachandran was appointed as the new Chairman & Managing Director of the Company with effect from 1st October, 2013. Mr. Prasad Chandran was paid a lumpsum severance fee of Rs. 4.10 crores, subject to tax at source, as compensation for loss of office based on the recommendation of the Nomination & Remuneration Committee and duly approved by the Board of Directors of the Company. The agreement in respect of the appointment of Dr. Raman Ramachandran as Chairman & Managing Director (subject to the approval of the Central Government and the shareholders at the ensuing Annual General Meeting of the Company) is for a period from 1st October, 2013 to 31st March, 2018. The agreements in respect of the appointment of Mr. S. Regunathan, Mr. Thilo Bischoff and Dr. G. Ramaseshan as Wholtime Directors of the Company are for a period from 16th July, 2010 to 31st May, 2014, 20th October, 2010 to 30th April, 2014 and 1st September, 2011 to 1st April, 2015, respectively. The Board of Directors at its meeting held on 29th April, 2014 extended the tenure of appointment of Mr. S. Regunathan as Wholtime Director of the Company from 1st June, 2014 to 31st December, 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. Either of the parties to this agreement is entitled to terminate the agreement by giving six months' notice in writing.

Presently, the Company does not have a Scheme for grant of stock options to the Directors/employees.

(b) **INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Commission due to the Independent Non-Executive Directors for the financial year ended 31st March, 2014 is as follows:

Mr. R. A. Shah#	Mr. R. R. Nair	Mr. Pradip P. Shah	Mr. Arun Bewoor
Rs. 10,00,000	Rs. 10,00,000	Rs. 10,00,000	Rs. 10,00,000

M/s. Crawford Bayley & Co., one of the Solicitors of the Company in which Mr. R. A. Shah is a Senior Partner renders professional services to the Company.

Independent Non-Executive Directors do not hold any shares in the Company.

(c) No remuneration was paid to Non-Executive Foreign Directors for the financial year 2013-14.

5. **SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

The Board of Directors of the Company constituted a Shareholders'/Investors' Grievance Committee on 1st March, 2001. The Chairman of the Shareholders'/Investors' Grievance Committee is a Non-executive Independent Director. During the financial year 2013-14, 1 meeting of the Shareholders'/Investors' Grievance Committee was held on 16th January, 2014. Dr. Raman Ramachandran was appointed as a member of the Shareholders'/Investors' Grievance Committee on 1st October, 2013 in place of Mr. Prasad Chandran.

The present composition of the Shareholders'/Investors' Grievance Committee is as follows:

Name	Date of Appointment	No. of Meetings during FY 2013-14	
		Held	Attended
Mr. R. R. Nair, Chairman	7 th May, 2008	1	1
Dr. Raman Ramachandran	1 st October, 2013	1	1
Mr. Arun Bewoor	19 th January, 2010	1	1
Mr. S. Regunathan	16 th July, 2010	1	1

The Committee looks into redressal of shareholders' and investors' complaints/grievances. The Committee also looks into complaints concerning transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service.

The Company has a Share Transfer Committee comprising of Dr. Raman Ramachandran as Chairman, Mr. Arun Bewoor and Mr. S. Regunathan as members which approve all matters related to shares vis-à-vis transfers, deletions, transmissions, dematerialization and rematerialization of shares, etc. The Committee meets from time to time and approves the transfers and transmission of shares and deletion of names, issue of duplicate share certificates, etc.

Name, designation and address of the Compliance Head is as follows:

Mr. Pradeep Chandan
Chief Executive – Legal, Compliance & Company Secretary
BASF India Limited
1st Floor, VIBGYOR Towers
Plot No. C-62, 'G' Block
Bandra Kurla Complex
Mumbai-400051, India.

During the year, 2 complaints were received from the shareholders and both these complaints have been resolved as on date.

Outstanding complaints as on 31st March, 2014 were Nil.

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 for the financial year ended 31st March, 2014 was placed before the Board at its meeting held on 29th April, 2014.

6. ANNUAL GENERAL MEETINGS

- (a) During the last three years, your Company's Annual General Meetings (AGMs) were held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021 on the following dates:

1. Friday 30th August, 2013 at 3.00 p.m.
2. Friday 24th August, 2012 at 3.00 p.m.
3. Friday 26th August, 2011 at 3.00 p.m.

All resolutions, including the special resolutions, at AGMs are generally passed by way of show of hands. No postal ballots were used for voting at these meetings.

- (b) Attendance of Directors at AGM during the last financial year:

All the Directors of the Company were present at the last AGM held on 30th August, 2013.

7. DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Brief resumes of the Directors seeking appointment or re-appointment are as follows:

- Dr. Rainer Diercks was appointed as a Director of the Company on 23rd January, 2006 in the casual vacancy caused by the resignation of Dr. E. Baumgartner. Dr. Diercks has studied Chemistry at the Universities of Hamburg and Berkeley. Dr. Diercks has over 25 years of experience in the BASF Group. He was appointed as President, Inorganics Division in 2001 and thereafter President, Chemicals Research & Engineering Division in 2004. In 2007, he was appointed as Member of Board of DECHEMA e.V, Frankfurt. Since 2010, Dr. Diercks is the President of Petrochemicals Division of BASF.
- Mr. Andrew Postlethwaite was appointed as a Director of the Company on 28th April, 2011 in the casual vacancy caused by the resignation of Mr. Hermann Althoff. Mr. Andrew has graduated from the University of New England, Australia with a Masters in Business Administration. He joined BASF New Zealand Limited as a Management Trainee in 1986 and then in 1993 worked as Industry Manager in Paper Chemicals business. He took up assignments in Sales & Material Management and Regional Information Systems of BASF South East Asia Pte. Ltd., Singapore in 1997 and 2000 before being appointed as Director, Life Science & Functional Polymers, Corporate Strategy, BASF (Malaysia) Sdn. Bhd. In 2005, he was part of fine chemicals for BASF (China) Company Ltd. In 2008, Mr. Andrew Postlethwaite became Vice President, Nutrition & Health, Asia Pacific, BASF East Asia Regional Headquarters Ltd., Hong Kong. Presently, Mr. Andrew Postlethwaite is the Senior Vice President, Engineering Plastics, Asia Pacific.
- Mr. Gops Pillay has graduated from the University of Natal, Durban, South Africa in Chemistry and holds Diploma in Marketing Management from Institute of Marketing Management, South Africa. Mr. Gops completed his executive business education at INSEAD Business School, Fountainebleau, France. Mr. Gops joined BASF South Africa as Manager in 1995 and then in 1998 worked as Regional Manager, Marketing in BASF South East Asia Pte. Ltd., Singapore. In 2004, Mr. Gops was appointed as Senior Manager for Strategic Planning in BASF SE, Germany. Between 2006 to 2008, Mr. Gops worked as Director in BASF Japan Limited for Business Management Specialties and Polymers Division. In 2009, Mr. Gops was appointed as Group Vice President of the Dispersions Business, Asia Pacific and later as Senior Vice President of the Dispersions and Pigments Business. Presently, Mr. Gops is the President AS Division, Asia Pacific. Mr. Gops was appointed as a Director of the Company on 30th April, 2013 in the casual vacancy caused by the resignation of Ms. Saori Dubourg.
- Dr. Raman Ramachandran has completed his Bachelors' and Masters' degree in Science (Agriculture) from Tamilnadu Agricultural University, Coimbatore and Indian Agricultural Research Institute, New Delhi, respectively. Dr. Ramachandran holds a doctorate degree from the University of Adelaide, Australia. Dr. Raman Ramachandran started his career as a Scientist with the National Chemical Laboratory, Pune and worked as Collaborative Research Scientist and Senior Research Associate with IRRI, Philippines and University of Wisconsin, Madison, USA, respectively. Dr. Ramachandran also worked in the Research & Development Department of Sandoz India Limited and later as General Manager, Technical with erstwhile Cynamid India Limited. Dr. Ramachandran joined BASF in August, 2000 pursuant to the merger of erstwhile Cynamid India Limited with BASF India Limited. Thereafter in January, 2005, Dr. Ramachandran was appointed as Chief Executive of the Agricultural Products Division and also served as Director on the Board of BASF India Limited from April, 2006 till April, 2008. In January, 2008, Dr. Raman Ramachandran was appointed as Vice-President, Marketing, Asia Pacific, BASF South East Asia Pte. Limited, Singapore and thereafter in March, 2012 was appointed as the Senior Vice President, Crop Protection, Asia Pacific. Presently, Dr. Ramachandran is the Chairman & Managing Director of BASF India Limited and Head – South Asia. Dr. Ramachandran does not hold any Committee positions in any other Company in India. Dr. Ramachandran does not hold any equity shares in the Company, either in his own name or for any other person on a beneficial basis.

Non-Executive Directors seeking re-appointment do not hold any shares in the Company either in their own name or for any other person on a beneficial basis.

8. DISCLOSURES

- (a) There were no materially significant related party transactions made by the Company with its promoters, directors or relatives or the management, their subsidiaries, etc., which have potential conflict with the interests of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board at every Board Meeting for approval.

Transactions with related parties are disclosed in Note No. 28(17) to the Accounts in the Annual Report.

- (b) The Company has complied with the requirements of the Stock Exchanges, 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 market.
- (c) The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement. During the year, the Company has complied with the non-mandatory requirement provided in Clause 49 of the Listing Agreement with regard to constitution of the Nomination & Remuneration Committee.

- (d) Risk Management

The Company has in place a mechanism 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.

- (e) The Management Discussion & Analysis Report forms part of this Annual Report.

9. MEANS OF COMMUNICATION

- The Quarterly and Half-yearly Unaudited Financial results are generally published in the widely circulating national and local newspapers such as 'The Economic Times' (in English) and 'Maharashtra Times' (in Marathi). These results are not sent to each household of shareholders.
- 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.india.basf.com in the Investor's Relations section.

10. GENERAL SHAREHOLDERS INFORMATION

- (a) The Annual General Meeting of the Company will be held on Wednesday, 27th August, 2014 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021.

- (b) The Company's financial year begins on 1st April and ends on 31st March.

Financial Calendar — (tentative)	Results for quarter ending June 30, 2014	4 th week of July, 2014
	Annual General Meeting	27 th August, 2014
	Results for quarter ending September 30, 2014	4 th week of October, 2014
	Results for quarter ending December 31, 2014	4 th week of January, 2015
	Results for the year ending March 31, 2015	4 th week of April, 2015

- (c) Period of book closure: 19th August, 2014 to 27th August, 2014 (both days inclusive) for the purposes of Annual General Meeting and payment of dividend.

- (d) Dividend payment date: 1st September, 2014.

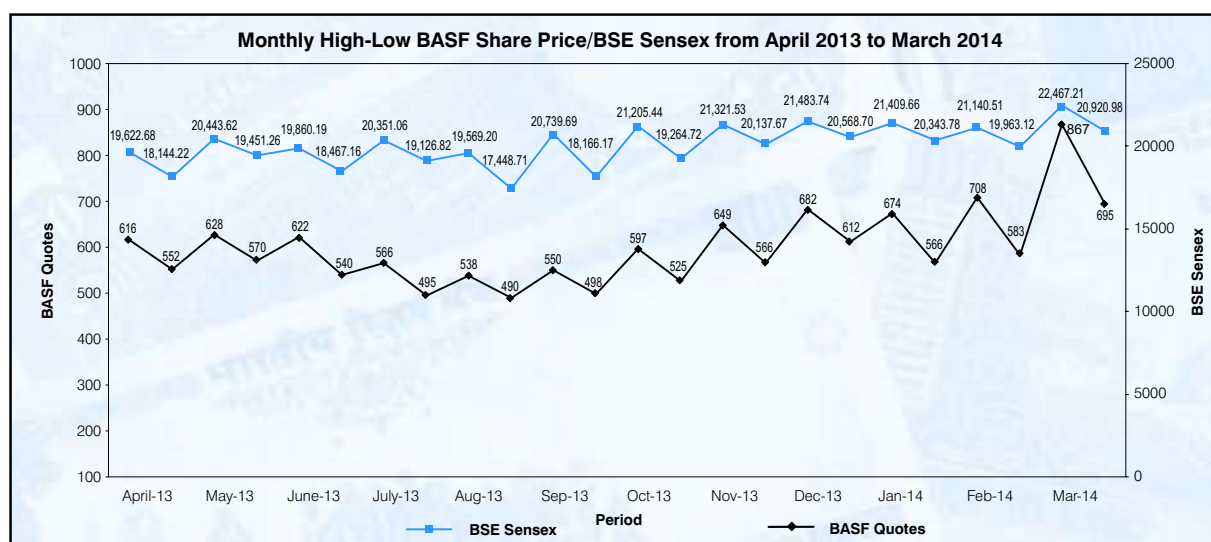
- (e) Listing on Stock Exchanges: The equity shares of the Company are listed on BSE Ltd. (BSE) and The National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the financial year 2014-15 to both the Stock Exchanges.

- (f) Stock Code : 500042
SYMBOL : BASF
Demat ISIN No. in NSDL : INE373A01013
Demat ISIN No. in 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 31st March, 2014 is furnished below along with a graph indicating the performance of Company's share price in comparison with the BSE Sensex:

SHARE PRICES (HIGH/LOW) OF BASF INDIA LIMITED FOR THE PERIOD APRIL 2013 TO MARCH 2014

AT BSE			AT NSE		
MONTH	HIGH (DATE)	LOW (DATE)	MONTH	HIGH (DATE)	LOW (DATE)
April	615.50 (30.04.2013)	552.00 (29.04.2013)	April	616.00 (30.04.2013)	550.25 (29.04.2013)
May	628.00 (31.05.2013)	570.00 (23.05.2013)	May	627.65 (31.05.2013)	571.00 (23.05.2013)
June	622.00 (03.06.2013)	540.20 (27.06.2013)	June	614.00 (03.06.2013)	538.00 (26.06.2013)
July	566.00 (24.07.2013)	495.35 (31.07.2013)	July	565.00 (17.07.2013)	492.10 (31.07.2013)
August	538.00 (26.08.2013)	490.00 (07.08.2013)	August	538.40 (26.08.2013)	490.50 (07.08.2013)
September	550.00 (12.09.2013)	498.00 (04.09.2013)	September	552.00 (12.09.2013)	497.40 (04.09.2013)
October	596.70 (31.10.2013)	525.15 (01.10.2013)	October	598.00 (31.10.2013)	502.60 (10.10.2013)
November	649.00 (27.11.2013)	566.05 (03.11.2013)	November	647.80 (28.11.2013)	562.00 (03.11.2013)
December	682.00 (27.12.2013)	612.20 (12.12.2013)	December	681.90 (27.12.2013)	600.00 (02.12.2013)
January	674.00 (09.01.2014)	566.00 (27.01.2014)	January	674.00 (09.01.2014)	551.15 (24.01.2014)
February	708.00 (28.02.2014)	583.00 (03.02.2014)	February	707.50 (28.02.2014)	587.40 (03.02.2014)
March	867.40 (31.03.2014)	694.45 (03.03.2014)	March	869.00 (31.03.2014)	690.00 (03.03.2014)



(h) Registrar & Share Transfer Agent: **Sharepro Services (India) Private Ltd. (Sharepro)**

Registered Office

Sharepro Services (India) Private Ltd.,
Unit : BASF India Limited
 13 AB, Samhita Warehousing Complex,
 2nd Floor, Near Sakinaka Telephone Exchange Lane,
 Off. Andheri Kurla Road, Sakinaka, Andheri (East),
 Mumbai-400 072.
 Tel. No. : 022-6772 0300, 6772 0400,
 Fax No. : 022-2859 1568
 Email : sharepro@shareproservices.com

Investors Relation Centre

Sharepro Services (India) Private Ltd.,
Unit : BASF India Limited
 912, Raheja Centre, Free Press Journal Road,
 Nariman Point,
 Mumbai-400 021.
 Tel. No. : 022-2282 5163
 Email : sharepro@vsnl.com

The details of contact persons of Sharepro are as follows:

Name	Phone Nos.	Fax Nos.
Mr. G. R. Rao	022-6772 0301/0302	022-2859 1568
Mrs. Indira P. Karkera/Mr. Gopal	022-6772 0360/0337	022-2859 1568

- (i) Share Transfer System: Presently, the share transfers which are received in physical form are processed by the Registrar & Share Transfer Agent and approved by the Share Transfer Committee which meets four times in a month and the share certificates are returned within a period of 15 days from the date of lodgement, subject to the transfer instruments being found proper and complete in all respects.
- (j) The distribution of the shareholdings of the Company as on 31st March, 2014 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-500	37,225	94.13%	24,81,228	5.73%
501-1000	1213	3.07%	9,22,872	2.13%
1001-2000	618	1.56%	8,93,884	2.06%
2001-3000	179	0.45%	4,43,276	1.03%
3001-4000	81	0.21%	2,86,378	0.66%
4001-5000	72	0.18%	3,29,823	0.76%
5001-10000	91	0.23%	6,39,226	1.48%
10001 and above	66	0.17%	3,72,88,953	86.15%
Total	39,545	100.00%	4,32,85,640	100.00%

- (k) The shareholding pattern of the Company as on 31st March, 2014 was as follows:

Category	No. of shares	% of total capital
Foreign Promoters	3,17,43,220	73.33%
Directors and relatives of Directors	100	0.00%
NRIs, OCBs and FIIs	5,57,428	1.28%
Financial Institutions and Mutual Funds	24,35,786	5.63%
Nationalised and other Banks	11,159	0.03%
Domestic Corporate Bodies/Trusts	24,91,745	5.76%
General Public including shares in transit	60,46,202	13.97%
Total	4,32,85,640	100.00%

- (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 31st March, 2014, 4,24,82,109 equity shares, representing 98.14% 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:

Ankleshwar	
Unit I Plot Nos. 6214/6216, GIDC Phase IV, Ankleshwar-393 002, Gujarat.	Unit II Plot No. 8001, GIDC Phase VI, Ankleshwar-393 002, Gujarat.
Bangalore Bommasandra Industrial Area, Anekal Taluka, Bangalore, Karnataka.	Dahej 4B, Dahej Industrial Estate, Village Dahej, Taluka Vagra, District Bharuch, Gujarat-392 130

Himachal Pradesh Khasra No. 87/1 Village: Beer Plassis, Nalagarh, District: Solan, Himachal Pradesh.	Kolkata Gate No. 3, Jalan Industrial Complex, 46/48/49/53, Jangalpur, Howrah, West Bengal.
Mangalore Bala/Thokur Village, Surathkal-Bajpe Road, Mangalore Taluka, Dakshina Kannada District, Karnataka-575 030.	
Navi Mumbai	
Plot Nos. 12 & 13, TTC Industrial Area, Thane-Belapur Road, Turbhe, Navi Mumbai-400 705. Maharashtra.	Plot Nos. C-68 & C-68 Pt., TTC Industrial Area, MIDC, Thane-Belapur Road, Turbhe, Navi Mumbai-400 613, Maharashtra.

(o) Address for correspondence:

Mr. Manohar Kamath
BASF India Limited,
VIBGYOR Towers, 1st Floor, 'G' Block,
Plot No. C-62,
Bandra Kurla Complex,
Mumbai-400 051.
Tel. : 6661 8000 / Fax: 6758 2752-53
Email : manohar.kamath@basf.com

(p) Top Ten Shareholders of the Company as on 31st March, 2014

Sr. No.	Name of the shareholder(s)	Holdings	% in the total capital
1.	BASF SOCIETAS EUROPAEA	2,09,39,259	48.37%
2.	BASF Schweiz AG	89,07,900	20.58%
3.	BASF Construction Solutions GmbH	18,96,061	4.38%
4.	Bajaj Allianz Life Insurance Company Limited	14,76,153	3.41%
5.	General Insurance Corporation of India	6,99,999	1.62%
6.	Life Insurance Corporation of India	5,76,588	1.33%
7.	IDFC Sterling Equity Fund	4,28,901	0.99%
8.	The New India Assurance Company Limited	2,68,488	0.62%
9.	Atul Limited	2,61,396	0.60%
10.	United India Insurance Company Limited	1,90,595	0.44%

(q) Share price: Rs. 784.10/- per share on the BSE Limited as on 29th April, 2014.

11. CODE OF CONDUCT

The Company has established Code of Conduct for its Board Members and Senior Management personnel.

The Code of Conduct for the Board Members and Senior Management personnel is posted on the Company's web site, www.india.basf.com.

All the Board members and Senior Management personnel have complied with the Code of Conduct.

On behalf of the Board of Directors

RAMAN RAMACHANDRAN
Chairman & Managing Director

Mumbai
Dated: 29th April, 2014.

Certification of compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement.

To

The Members of BASF India Limited

We have examined the compliance of conditions of Corporate Governance by BASF India Limited ('the Company') for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W

Vijay Mathur
Partner
Membership No: 046476

Mumbai

Date: 29 April 2014



Master Yash Raje and Master Atharva Amle, look in wonderment at the magic of chemistry while working on the Lotus Effect experiment. BASF Kids' Lab was scheduled in December 2013 at your Company's Thane site, wherein almost 400 school children from various schools across Thane and Navi Mumbai participated to understand the joys and the importance of chemistry.



Dr. Raman Ramachandran, CMD BASF India Limited and Mr. Chris Wai, Vice President, Production & Sales, BASF Asia Pacific, Process Catalysts and Technologies, unveil the precious metal-based fine chemical catalysts production plant and product development laboratory at your Company's manufacturing site in Mangalore, India. The plant is BASF's first precious metal-based fine chemical catalysts manufacturing and development operation in the Asia Pacific region.

Independent Auditors' Report to the Members of BASF India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of BASF India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31 March 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act').

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- ii. in case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have 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 appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
 - e. on the basis of written representations received from the directors of the Company, as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W

Vijay Mathur

Partner

Membership No: 046476

29 April 2014

Mumbai

Annexure to Independent Auditors' Report – 31 March 2014 (*Continued*)

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold and services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, except for purchases of certain items of inventories and fixed assets which are for the Company's specialised requirements and similarly for sale of certain goods and services rendered which are for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act in respect of all manufactured products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty and Excise duty which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Appendix to this report.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding debentures or dues to financial institutions during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W

Vijay Mathur

Partner

Membership No: 046476

Mumbai

29 April 2014

Name of the Statute	Nature of the Dues	Amounts (Rs million)	Amount paid in dispute (Rs million)	Period	Forum where the dispute is pending for CARO
Central Excise Act, 1944	Duty interest and penalty	5.64	—	2007-08	Commissioner of Central Excise
		3.12	—	1992-94 2000-01	High Court
		0.66	—	2007-08	Central Excise & Service Tax Appellate Tribunal
		2.04	—	2008-09	Commissioner (Appeals)
		1.82	—	1982-83 2008-09 2011-12	Assistant Commissioner of Central Excise
		0.09	—	2009-10	Deputy Commissioner of Central Excise
		13.37	—		
The Customs Act, 1962	Duty interest and penalty	95.00	—	2005-06	Supreme Court
		12.11	—	1992-93 2000-01	Central Excise & Service Tax Appellate Tribunal
		107.11	—		
The Service Tax Act, 1975	Tax, Interest and Penalty	0.05	—	2008-10 2010-11	Assistant Commissioner of Central Excise
		7.21	—	2005-10 2009-10 Jan 2005 to March 2008	Central Excise & Service Tax Appellate Tribunal
		1.56	—	Dec. 2007 – Sep. 2009	Commissioner (Appeals)
		21.86	—	2005-06 to 2009-10	Commissioner of Central Excise
		12.11	—	2008-09 2006-10	Commissioner of Service Tax
		42.79	—		
State and Central Sales Tax Act	Non Submission of Forms	0.38	—	2006-07	Additional Commissioner of Sales Tax
		1.59	—	2002-03 2006-07	Commissioner of Sales Tax
		6.17	4.76	2004-05 2008-09 2009-10 2010-11	Deputy Commissioner of Sales Tax
		21.60	—	2005-06 2006-07 2007-08 2008-09 2009-10	Joint Commissioner of Sales Tax
		0.07	—	2005-06	Tribunal
		29.81	4.76		

Name of the Statute	Nature of the Dues	Amounts (Rs million)	Amount paid in dispute (Rs million)	Period	Forum where the dispute is pending for CARO
	Tax Interest and Penalty	1.67	–	2006-07	Additional Commissioner of Sales Tax
		99.61	–	2002-03 2006-07	Commissioner (Appeals)
		30.10	6.87	2006-07 2007-08 2009-10 2010-11 April 2013 May 2013	Deputy Commissioner of Sales Tax
		326.49	0.24	2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2013-14	Joint Commissioner of Sales Tax
		0.62	–	2007-08	Sales Tax Officer
		3.34	0.07	1993-94 1994-95 2005-06 2006-07 2007-08	Tribunal
		461.83	7.18		
The Income Tax Act, 1961	Tax, Interest and Penalty	0.02	–	2010-11	Assistant Commissioner of Income Tax
		50.73	37.50	2006-07 2008-09 2009-10 2010-11	Commissioner of Income Tax (Appeals)
		70.22	23.67	2009-10	Deputy Commissioner Income Tax
		73.92	–	2010-11	Dispute Resolution Panel
		2.70	2.70	2000-01 2003-04 2006-07	High Court
		238.86	214.47	2000-01 2002-03 2003-04 2006-07 2007-08 2008-09 2009-10	Income Tax Appellate Tribunal
		5.03	4.88	2006-07	Transfer Pricing Officer
		441.48	283.22		

Balance Sheet as at March 31, 2014

Rs. in million

	Notes	March 31, 2014	March 31, 2013
EQUITY & LIABILITIES			
Shareholders' funds:			
Share capital	2	432.9	432.9
Reserves and surplus	3	12,068.8	10,992.6
		12,501.7	11,425.5
Non-current liabilities			
Long term borrowings	4	7,417.6	2,582.7
Deferred tax liabilities (net)	5	—	9.3
Other long-term liabilities	6	2,271.2	509.7
Long-term provisions	7	326.8	286.0
		10,015.6	3,387.7
Current liabilities			
Short-term borrowings	8	3,133.3	1,011.8
Trade payables	9	11,627.2	9,426.8
Other current liabilities	10	2,692.5	2,460.7
Short-term provisions	11	374.1	344.1
		17,827.1	13,243.4
Total		40,344.4	28,056.6
ASSETS			
Non-current assets			
Fixed assets:			
Tangible assets	12A	5,089.8	4,118.2
Intangible assets	12B	171.0	235.8
Capital work-in-progress	12C	7,921.4	3,193.2
		13,182.2	7,547.2
Deferred tax assets (net)	13	10.4	—
Long-term loans and advances	14	1,790.5	1,772.6
Other non-current assets	15	1,387.4	675.1
		16,370.5	9,994.9
Current assets			
Inventories	16	11,460.1	8,952.5
Trade receivables	17	8,597.6	6,815.3
Cash and bank balances	18	150.6	155.5
Short-term loans and advances	19	3,257.5	2,080.0
Other current assets	20	508.1	58.4
		23,973.9	18,061.7
Total		40,344.4	28,056.6

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W

Vijay Mathur

Partner

Membership No.: 046476

Mumbai

29th April 2014

For and on behalf of Board of Directors

Raman Ramachandran, Ph.D.

Chairman & Managing Director

Pradeep Chandan

Company Secretary

R. R. Nair

R. A. Shah

Pradip P. Shah

Arun Bewoor

S. Regunathan

Thilo Bischoff

G. Ramaseshan

Directors

29th April 2014

Statement of Profit and Loss for the year ended March 31, 2014

Rs. in million

	Notes	March 31, 2014	March 31, 2013
Revenue from operations:			
Sale of goods		46,694.3	40,608.0
Less: Excise duty		4,346.9	3,065.2
Sale of goods (net)		42,347.4	37,542.8
Service income		1,839.5	1,759.8
Other operating revenues		112.0	103.7
		44,298.9	39,406.3
Other income	21	78.3	39.2
		44,377.2	39,445.5
Expenditure:			
Cost of materials consumed	22	22,315.8	18,460.1
Purchase of traded goods		10,606.4	10,483.3
Changes in inventories	23	(1,578.3)	(922.7)
Employee benefits expenses	24	3,298.8	2,929.9
Finance costs	25	161.3	171.2
Depreciation and amortisation	26	711.0	601.8
Other expenses	27	6,814.3	5,936.2
		42,329.3	37,659.8
Profit before exceptional item and tax		2,047.9	1,785.7
Exceptional item	28(14)	104.3	95.4
Profit before tax		1,943.6	1,690.3
Tax expenses:			
Current tax		684.6	542.0
Deferred tax		(19.7)	7.5
		664.9	549.5
Profit after tax		1,278.7	1,140.8
Weighted average number of equity shares outstanding during the year		43,284,958	43,284,958
Basic and diluted earnings per share (in Rs.)		29.54	26.35
Face value per share (in Rs.)		10.00	10.00

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W

Vijay Mathur

Partner

Membership No.: 046476

Mumbai

29th April 2014

For and on behalf of Board of Directors

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G. Ramaseshan

Directors

29th April 2014

Cash Flow Statement for the year ended March 31, 2014

Rs. in million

	March 31, 2014		March 31, 2013	
A. Cash flow from operating activities				
Net profit before tax		1,943.6		1,690.3
Adjustments for:				
Exceptional item (Refer Note 28(14))	—		95.4	
Depreciation/amortisation	711.0		601.8	
Finance costs	161.3		171.2	
(Profit) on sale of fixed assets (net)	(3.6)		(2.7)	
Interest income	(4.7)		(6.1)	
Unrealised (gain)/loss on foreign exchange (net)	59.6		147.7	
Bad debts written off	3.9		46.3	
Provision for doubtful debts	69.3	996.8	3.6	1,057.2
Operating cash flow before working capital changes		2,940.4		2,747.5
(Increase)/decrease in:				
Trade receivables	(1,941.5)		(634.8)	
Loans and advances	(1,341.6)		(392.2)	
Other current and non current assets	(1,162.0)		(643.6)	
Inventories	(2,507.6)		(1,497.3)	
Other long term liabilities	2,261.6		19.8	
Long term provisions	40.8		84.2	
Trade payables	2,226.8		2,684.2	
Other current liabilities	243.5		460.4	
Short-term provisions	30.0	(2,150.0)	45.4	126.1
Cash generated from operations		790.4		2,873.6
Direct taxes paid (net)		(713.2)		(541.4)
Net cash from operating activities		77.2		2,332.2
B. Cash flow from investing activities				
Acquisition of fixed assets		(6,008.8)		(3,875.9)
Realisation on sale of fixed assets		4.6		3.6
Interest received		37.3		39.2
Net cash (used in) investing activities		(5,966.9)		(3,833.1)
C. Cash flow from financing activities				
(Repayments)/Proceeds from short term borrowings		2,121.5		(533.3)
Proceeds from long term borrowings		4,445.2		2,452.3
Repayment of long term borrowings		(98.2)		(201.7)
Interest paid		(381.9)		(199.3)
Dividend paid		(172.5)		(172.3)
Tax paid on above dividend		(29.4)		(28.1)
Net cash generated from financing activities		5,884.8		1,317.6
Net increase/(decrease) in cash and cash equivalents		(4.9)		(183.3)

Cash Flow Statement for the year ended March 31, 2014

Rs. in million

	March 31, 2014		March 31, 2013	
Opening cash and cash equivalents				
Cash in hand		0.1		0.1
Cheques on hand		35.0		—
Bank balances		119.8		338.0
		154.9		338.1
Closing cash and cash equivalents				
Cash in hand		—		0.1
Cheques on hand		85.3		35.0
Bank balances		64.7		119.8
(Refer Note 18 for Cash & cash equivalents)		150.0		154.9
Restricted cash and cash equivalents		9.8		9.2

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W

Vijay Mathur

Partner

Membership No.: 046476

Mumbai

29th April 2014

For and on behalf of Board of Directors

Raman Ramachandran, Ph.D.

Chairman & Managing Director

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R. R. Nair

R. A. Shah

Pradip P. Shah

Arun Bewoor

S. Regunathan

Thilo Bischoff

G. Ramaseshan

Directors

29th April 2014

Notes to Financial Statements for the year ended March 31, 2014

1. Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. The financial statements are presented in Millions of Indian Rupees.

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 VI to the Companies Act, 1956.

(b) Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities, revenue and expenses 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 result and estimates are recognized in the period in which the results are known/materialize.

(c) Revenue Recognition

Sales of products and Indent Commission are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. Revenue from technical and service charges are recognised as and when the services are provided. Sales include excise duty but exclude trade discounts, rebates and sales tax. Interest income is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

(d) Fixed assets and depreciation

Fixed Assets are recorded at cost net of Cenvat credit wherever eligible and are stated net of accumulated depreciation and impairment losses, if any. Cost includes all expenses attributable to the acquisition and installation till the date the asset is ready to use.

Depreciation is charged on straight-line basis at the following rates:

Buildings	—	3.34%
Plant & Machinery	—	10.34% – 20%
Computers	—	25.00%
Vehicles	—	25.00%
Furniture & Fixtures	—	12.50%
Office Equipments	—	12.50%
Assets Individually costing Rs. 5,000 or below	—	100.00%

Depreciation on additions/deletions is calculated on a monthly *pro-rata* basis. Accelerated depreciation is charged on certain assets based on periodic review of estimated useful life.

Leasehold land and Leasehold Improvements are amortised over the period of lease or useful life whichever is lower.

(e) 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. Goodwill is being amortized over a period of five years. Software is being amortized over a period of four years.

(f) Impairment

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. 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.

(g) Borrowing costs

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.

(h) Inventories

Inventories are valued at cost or estimated net realisable value, whichever is lower. The costs are worked out on weighted average basis. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Excise duty on goods manufactured by the Company and remaining in inventory is included as a part of valuation of finished goods.

(i) Foreign Currency

Transactions in foreign currencies are recorded at 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. All forward exchange contracts are backed by underlying transactions and the premium or discount arising at inception of such a forward exchange contract is amortised as expense or income over the life of the contract and the difference between the year end rate and rate on the date of the contract is recognised as exchange difference in the Statement of Profit and Loss.

With effect from 1st April, 2012, the Company has availed of the option provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011. Consequently,

the exchange differences on long-term foreign currency monetary items on account of depreciable assets, which were until now being recognized in the Statement of Profit and Loss, are being adjusted in the cost of the depreciable asset with effect from 1st April, 2012, and are being depreciated over the balance life of such assets. In other cases, if any, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term monetary asset/liability. Pursuant to this, foreign exchange differences amounting to Rs. 354.4 Million (Previous Year Rs. 76.5 Million) have been adjusted in the cost of the depreciable fixed assets/capital work in progress with corresponding increase in profits.

(j) **Employee Benefits**

(A) **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.

(B) **Post Employment Employee Benefits**

Company's contributions to defined contribution plans such as Superannuation Fund, Family Pension Fund, Group Mediclaim Insurance Policy, Employee State Insurance and Labour Welfare Fund are recognized in the Statement of Profit and Loss on an accrual basis.

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 independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

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 remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being administered 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.

(C) **Other Long Term Employee Benefits**

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 independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

(D) **Termination Benefits**

Compensation paid to employees under Voluntary Retirement Scheme/Severance payments are recognised as an expense when employees accept the scheme/payments.

(k) **Assets taken on lease**

Lease rentals payable as per agreements for assets taken on operating lease are charged as expenditure on straight line basis over the lease term.

(l) **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.

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of Minimum Alternate Tax (MAT) under the Income tax Act, 1961, the Company recognises MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

Deferred tax charge or credit and correspondingly deferred tax asset or liability 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 timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount i.e. reasonable/virtually certain (as the case may be) to be realised.

(m) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when there is a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognised in the financial statements.

(n) **Research & Development Expenditure**

Research expenditure is recognised as an expense in the period in which it is incurred and the expenditure on capital assets is capitalised and depreciated over the useful lives of the assets.

(o) **Earnings per share**

The basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

Notes to Financial Statements as at March 31, 2014

2. Share capital

Rs. in million

	March 31, 2014	March 31, 2013
Authorised:		
54,359,715 (Previous Year – 54,359,715) Equity Shares of Rs. 10/- each	543.6	543.6
Issued:		
43,285,640 (Previous Year – 43,285,640) Equity Shares of Rs. 10/- each	432.9	432.9
Subscribed and paid-up:		
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. Equity shares held by Ultimate Holding Company/Holding Company and/or their associates or subsidiaries

Name of Shareholder	Relationship	March 31, 2014	March 31, 2013
BASF Societas Europaea	Ultimate Holding Company	20,939,259	20,939,259
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	8,907,900
BASF Construction Solutions GmbH (Formerly known as BASF Construction Chemicals GmbH)	Subsidiary of Ultimate Holding Company	1,896,061	1,896,061

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 in the Company held by each shareholder holding more than 5% shares

Name of Shareholder	Relationship	March 31, 2014		March 31, 2013	
		Number	Percentage	Number	Percentage
BASF Societas Europaea	Ultimate Holding Company	20,939,259	48.37%	20,939,259	48.37%
BASF Schweiz AG	Subsidiary of Ultimate Holding Company	8,907,900	20.58%	8,907,900	20.58%

d. Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting period

Particulars	March 31, 2014		March 31, 2013	
	Number	Rs. in million	Number	Rs. in million
Shares outstanding at the beginning of the year	43,284,958	432.9	43,284,958	432.9
Shares Issued during the year	—	—	—	—
Shares outstanding at the end of the year	43,284,958	432.9	43,284,958	432.9

e. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

- **12,579,839** equity shares were allotted to the erstwhile shareholders of Ciba India Limited and Ciba Research (India) Private Limited consequent to the amalgamation w.e.f. February 1, 2010.
- **2,515,653** equity shares were allotted to the erstwhile shareholders of BASF Coatings India Private Limited and BASF Construction Chemicals India Private Limited consequent to the amalgamation w.e.f. April 1, 2010.

Notes to Financial Statements as at March 31, 2014

3. Reserves and surplus

Rs. in million

	March 31, 2014	March 31, 2013
Securities premium reserve		
Balance at beginning of the Year	646.5	646.5
Balance at end of the Year	646.5	646.5
Amalgamation reserve		
Balance at beginning of the Year	371.7	371.7
Balance at end of the Year	371.7	371.7
General reserve		
Balance at beginning of the Year	9,164.4	8,228.1
Add: Transfer from surplus	886.2	936.3
Balance at end of the Year	10,050.6	9,164.4
Surplus		
Balance at beginning of the Year	810.0	808.0
Add: Net Profit for the year	1,278.7	1,140.8
Less: Proposed Dividend	(173.1)	(173.1)
Less: Tax on Proposed Dividend	(29.4)	(29.4)
Less: Transfer to General Reserves	(886.2)	(936.3)
Balance at end of the Year	1,000.0	810.0
	12,068.8	10,992.6

4. Long term borrowings (unsecured)

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Term Loans from Related parties				
— External commercial borrowings from BASF SE*	—	109.9	122.1	109.9
— External commercial borrowings from BASF Belgium Coordination Center Comm. V.**	7,417.6	2,472.8	—	—
	7,417.6	2,582.7	122.1	109.9

Terms of repayment

* Repayment of USD 2 million due on 14th December 2014. Interest is payable half yearly on 31st March and 30th September at LIBOR plus 0.325%.

** USD 30 million repayable on 10th August 2017, USD 15 million on 15th January 2018, USD 15 million on 2nd April 2018, USD 20 million on 31st May 2018, USD 4 million on 2nd July 2018, USD 5 million on 13th September 2018, USD 15 million on 4th October 2018, USD 8 million on 5th November 2018, USD 4 million on 3rd December 2018, USD 3 million on 12th February 2019 and USD 2.5 million on 20th March 2019. Interest is payable half yearly on 15th June and 15th December at 4.93%.

5. Deferred tax liabilities (net)

	March 31, 2014	March 31, 2013
Deferred tax liabilities		
Timing differences on account of:		
Fixed assets/depreciation	—	230.4
Total deferred tax liabilities	—	230.4
Deferred tax assets		
Timing differences on account of:		
Provision for doubtful debts	—	70.3
Expenditure under Voluntary Retirement Scheme	—	13.9
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	—	136.9
Total deferred tax assets	—	221.1
Deferred tax liabilities (net)	—	9.3
	—	9.3

Notes to Financial Statements as at March 31, 2014

6. Other long term liabilities

Rs. in million

	March 31, 2014	March 31, 2013
Deposits from customers	307.4	260.7
Other Payables	1,963.8	249.0
	2,271.2	509.7

7. Long term provisions

	March 31, 2014	March 31, 2013
Leave Encashment	300.1	256.8
Long Service Award	26.7	29.2
	326.8	286.0

8. Short term borrowings (unsecured)

	March 31, 2014	March 31, 2013
Overdraft facilities from bank	1,133.3	1,011.8
Short term loan from bank	2,000.0	—
	3,133.3	1,011.8

Overdraft facilities and short term loan from banks carries interest ranging from 9% to 13% p.a. computed on daily basis on the actual amount utilised and is repayable on demand.

9. Trade payables

	March 31, 2014	March 31, 2013
Micro & Small Enterprises (Refer Note 28 (13))	10.7	5.7
Others	11,616.5	9,421.1
	11,627.2	9,426.8

10. Other current liabilities

	March 31, 2014	March 31, 2013
Capital creditors	200.6	298.7
Current maturities of long term debts*	122.1	109.9
Interest accrued but not due on borrowings	108.5	34.2
Advances received from customers	1,326.4	1,375.1
Unpaid dividends**	8.7	8.1
Unpaid matured deposits and interest accrued thereon**	0.1	0.1
Other payables		
— In the nature of statutory dues	166.9	185.0
— In the nature of accrual of expenses	759.2	449.6
	2,692.5	2,460.7

* represents current maturity of term loan taken (Refer Note 4)

** there are no amounts due and outstanding to be credited to the Investor Education and Protection Fund

11. Short term provisions

	March 31, 2014	March 31, 2013
Proposed Dividend	173.1	173.1
Corporate Tax on Dividend	29.4	29.4
Long Service Award	3.8	3.0
Leave Encashment	40.7	26.7
Gratuity	127.1	111.9
	374.1	344.1

Notes to Financial Statements as at March 31, 2014

12(A) Tangible assets

Rs. in million

	Gross Block				Depreciation					Net Block	Net Block
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	Depreciation for the year	Impairment during the year (Refer Note 28(14))	Deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Freehold land	92.3	0.8	—	93.1	—	—	—	—	—	93.1	92.3
Leasehold land	275.6	—	—	275.6	16.7	3.0	—	—	19.7	255.9	258.9
Buildings (Note 1)	1,719.7	346.8	—	2,066.5	488.7	79.2	—	—	567.9	1,498.6	1,231.0
Plant & machinery and computers (Note 2)	6,580.0	1,214.7	29.6	7,765.1	4,266.2	486.7	—	28.0	4,724.9	3,040.2	2,313.8
Furniture and fixtures	350.1	16.7	0.1	366.7	230.7	39.0	—	0.1	269.6	97.1	119.4
Vehicles	92.2	27.6	2.3	117.5	51.6	20.3	—	2.3	69.6	47.9	40.6
Office equipment	175.7	12.8	0.2	188.3	113.5	18.0	—	0.2	131.3	57.0	62.2
Total	9,285.6	1,619.4	32.2	10,872.8	5,167.4	646.2	—	30.6	5,783.0	5,089.8	4,118.2
Previous Year	8,542.7	916.3	173.4	9,285.6	4,669.2	575.3	95.4	172.5	5,167.4	4,118.2	3,873.5

12(B) Intangible assets

Rs. in million

	Gross Block				Amortisation					Net Block	Net Block
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	Amortisation for the year	Impairment during the year	Deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Software	203.8	—	—	203.8	12.7	51.0	—	—	63.7	140.1	191.1
Goodwill	68.8	—	—	68.8	24.1	13.8	—	—	37.9	30.9	44.7
Total	272.6	—	—	272.6	36.8	64.8	—	—	101.6	171.0	235.8
Previous Year	68.8	203.8	—	272.6	10.3	26.5	—	—	36.8	235.8	58.5

12(C) Capital work in progress

Rs. in million

	Gross Block			
	As at April 1, 2013	Additions	Amounts Capitalised	As at March 31, 2014
Capital work in progress (Note 3 and 4)	3,193.2	5,572.7	844.5	7,921.4
Previous Year	838.7	3,342.0	987.5	3,193.2

Notes:

- Buildings include **Rs. 0.03 million** (Previous Year Rs. 0.03 million) being the value of shares in various co-operative societies.
- Plant & machinery includes Gross Block **Rs. 73.1 million** (Previous Year Rs. 73.1 million), Accumulated Depreciation – **Rs. 73.1 million** (Previous Year Rs. 73.1 million) and Net Block **Rs. Nil** (Previous Year Rs. Nil) being the Company's share of an asset jointly owned with another company.
- Borrowing costs of **Rs. 262.3 million** (net of interest income **Rs. 32.6 million**) (Previous Year Rs. 27.7 million) (net of interest income Rs. 33.1 million) have been included in the additions to the capital work in progress.
- Exchange differences of **Rs. 354.4 million** (Previous Year Rs. 76.5 million) has been included in the additions to the capital work in progress/fixed assets post the exercise of option in terms of Para 46A of AS11 (pursuant to notification dated 29 December 2011 issued by the Ministry of Corporate Affairs.) (Refer Note 1(i) of significant accounting policies).

Notes to Financial Statements as at March 31, 2014

13. Deferred tax assets (net)

Rs. in million

	March 31, 2014	March 31, 2013
Deferred tax assets		
Timing differences on account of:		
Provision for doubtful debts	97.2	—
Expenditure under Voluntary Retirement Scheme	31.0	—
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	162.0	—
Total Deferred Tax Assets	290.2	—
Deferred tax liabilities		
Timing differences on account of:		
Fixed assets/depreciation	(279.8)	—
Total Deferred Tax Liabilities	(279.8)	—
Deferred tax assets (net)	10.4	—
	10.4	—

14. Long-term loans and advances

(Unsecured, Considered good)

	March 31, 2014	March 31, 2013
Capital advances	527.1	701.8
Security deposits	273.4	269.5
Other loans and advances		
— Prepaid expenses	23.0	20.5
— Refund receivable from government authorities	324.9	169.0
— Employee advances	2.6	2.2
— Deposit placed with tax authorities	53.2	51.8
— Advance tax (Net of provisions)	586.3	557.8
	1,790.5	1,772.6

15. Other non-current assets

(Unsecured, Considered good)

	March 31, 2014	March 31, 2013
Unamortised premium on forward contracts	1,343.3	631.0
Long term trade receivables	44.1	44.1
	1,387.4	675.1

16. Inventories

(Valued at lower of Cost and Net realisable value)

	March 31, 2014	March 31, 2013
Raw materials (includes goods in transit Rs. 2,632.3 million (Previous Year Rs. 2,325.5 million))	4,960.8	4,083.8
Finished goods	3,026.4	2,247.9
Traded goods (includes goods in transit Rs. 1,022.4 million (Previous Year Rs. 1,209.1 million))	3,275.0	2,463.7
Stock-in-process	39.3	50.8
Packing materials	147.9	99.0
Fuel oil	10.7	7.3
	11,460.1	8,952.5

Notes to Financial Statements as at March 31, 2014

17. Trade receivables

Rs. in million

	March 31, 2014	March 31, 2013
Outstanding for a period exceeding six months from the date due for payment		
Considered good:		
Secured	2.6	4.6
Unsecured	84.9	65.0
	87.5	69.6
Considered doubtful	253.4	183.8
	340.9	253.5
Less: Provision for doubtful receivables	253.4	183.8
	87.5	69.6
Other debts		
Considered good:		
Secured	139.2	112.4
Unsecured	8,370.9	6,633.3
	8,510.1	6,745.7
Considered doubtful	32.6	32.9
	8,542.7	6,778.6
Less: Provision for doubtful receivables	32.6	32.9
	8,510.1	6,745.7
	8,597.6	6,815.3

18. Cash and bank balances

	March 31, 2014	March 31, 2013
Cash and cash equivalents		
Cash on hand	—	0.1
Cheques on hand	85.3	35.0
Balances with banks:		
— In current accounts	54.9	110.6
— In unpaid dividend account	9.8	9.2
Other bank balances		
— Deposits with original maturity of more than three months but less than twelve months	0.6	0.6
	150.6	155.5
Of the above		
Restricted cash and cash equivalents (unpaid dividend account)	9.8	9.2

19. Short-term loans and advances (Unsecured, Considered good)

	March 31, 2014	March 31, 2013
To parties other than related parties		
Advances to vendors	501.7	175.3
Employee advance	5.3	8.2
Prepaid expenses	51.2	28.4
Security deposits	46.7	1.1
Balances with excise authorities	2,606.0	1,793.1
To related parties		
Receivable from group companies*	46.6	73.9
	3,257.5	2,080.0

* Includes dues from holding company and fellow subsidiaries.

20. Other current assets (Unsecured, Considered good)

	March 31, 2014	March 31, 2013
Unamortised premium on forward contracts	508.1	58.4
	508.1	58.4

Notes to Financial Statements as at March 31, 2014

21. Other income

Rs. in million

	March 31, 2014	March 31, 2013
Interest (Gross)	37.3	39.2
Less: Transferred to capital work in progress	(32.6)	(33.1)
Profit on sale of fixed assets (net)	3.6	2.7
Miscellaneous income	70.0	30.4
	78.3	39.2

22. Cost of materials consumed

	March 31, 2014	March 31, 2013
Raw materials:		
Stock at commencement	4,083.8	3,503.0
Add: Purchases	22,564.5	18,461.7
Less: Stock at close	(4,960.8)	(4,083.8)
	21,687.5	17,880.9
Packing materials consumed	628.3	579.2
	22,315.8	18,460.1

23. Changes in inventories

	March 31, 2014	March 31, 2013
Stock at close		
Finished goods	3,026.4	2,247.9
Traded goods	3,275.0	2,463.7
Stock-in-process	39.3	50.8
Sub-total	6,340.7	4,762.4
Stock at commencement		
Finished goods	(2,247.9)	(2,388.1)
Traded goods	(2,463.7)	(1,385.7)
Stock-in-process	(50.8)	(65.9)
Sub-total	(4,762.4)	(3,839.7)
	(1,578.3)	(922.7)

24. Employee benefit expenses

	March 31, 2014	March 31, 2013
Salaries, wages, bonus	2,808.8	2,333.8
Contribution to provident and other funds (Refer Note 28(15))	339.9	295.6
Staff welfare	408.3	397.9
Less: Transferred to capital work in progress	(258.2)	(97.4)
	3,298.8	2,929.9

Notes to Financial Statements as at March 31, 2014

25. Finance costs

Rs. in million

	March 31, 2014	March 31, 2013
Interest Expenses		
On Short Term Borrowings	48.7	94.9
On Overdrafts	46.7	54.7
On Others	360.8	82.4
Less: Transferred to capital work in progress	(294.9)	(60.8)
	161.3	171.2

26. Depreciation and amortisation

	March 31, 2014	March 31, 2013
Depreciation Expense	646.2	575.3
Amortisation Expense	64.8	26.5
	711.0	601.8

27. Other expenses

	March 31, 2014	March 31, 2013
Consumption of stores and spare parts	123.7	128.2
Power and fuel	739.1	578.7
Rent (Refer Note 28 (12))	486.8	418.1
Repairs — Machinery	83.8	72.0
— Buildings	63.5	51.7
— Others	29.9	38.5
Rates and taxes		
— Excise duty	112.0	74.4
— Others	34.5	31.9
Insurance	65.4	66.5
Bad debts written off	3.9	46.3
Provision for doubtful debts (net)	69.3	3.6
Service fees	92.1	97.5
Travelling	536.3	584.7
Freight and handling charges	1,106.8	1,004.6
Communication/system expenses	797.9	619.4
Foreign exchange loss	800.5	359.9
Sales promotion expenses	601.5	575.3
Professional charges	889.2	613.9
Royalty	351.7	329.5
Sundry expenses (Refer Note 28 (5))	543.6	366.0
Less: Transferred to capital work in progress	(717.3)	(124.5)
	6,814.3	5,936.2

28. Notes to financial statements for the year ended March 31, 2014

1. Value of direct import on C.I.F. basis during the year (including in-transit):

Rs. in million

	2013-14	2012-13
Raw Materials	15,367.0	12,076.1
Capital Goods	445.7	211.2
Components and Spare Parts	14.5	5.6
Traded Goods	6,833.0	5,695.3
Total	22,660.2	17,988.2

2. Expenses in foreign currencies during the year (on accrual basis):

Rs. in million

	2013-14	2012-13
Royalty (net of tax)	316.7	290.2
Communication/System Expenses (net of tax)	627.1	493.8
Foreign Travel	52.9	67.5
Service Fees	20.3	14.4
Professional charges	643.1	452.6
Interest	296.2	64.1
Others	102.9	64.5
Total	2,059.0	1,447.1

3. Amount remitted in foreign currencies during the year on account of dividends (after tax):

	2013-14	2012-13
Equity Shares:		
Amount remitted (Rs. million)	127.0	127.0
Number of non-resident shareholders	3	3
Number of equity shares of Rs. 10/- each held by non-resident on which dividends were due	31,743,220	31,743,220
Year to which dividend relates	2012-2013	2011-2012

4. Earnings in foreign currencies during the year (on accrual basis):

Rs. in million

	2013-14	2012-13
Exports of goods calculated on FOB basis (Excludes Rupee Exports to Nepal & Bhutan – Rs. 99.8 million – Previous Year Rs. 72.4 million.)	3,926.3	2,604.4
Indent Commission/Technical/Service charges	1,739.2	1,702.5
Others (Freight/Insurance/Claims)	89.5	70.6
Total	5,755.0	4,377.5

5. Payment to auditors (net of service tax):

Rs. in million

	2013-14	2012-13
As auditors	13.7	13.5
As reimbursement of out of pocket expenses	1.4	1.4
Total	15.1	14.9

6. Consumption of Raw Materials, Components and Spare Parts:

(a) Raw Materials:

	2013-14		2012-13	
	%	Rs. Million	%	Rs. Million
Imported	51.0	11,066.7	55.8	9,986.1
Indigenous	49.0	10,620.8	44.2	7,894.8
	100.0	21,687.5	100.0	17,880.9
		Rs. Million		Rs. Million
Monomer		2,320.7		2,977.4
Napthalene		117.3		97.0
Phenol		125.5		120.0
Lupranol		1,727.9		1,486.7
Resins		1,030.9		668.3
Beta Napthalene Sulphonate		220.9		253.8
Others		16,144.3		12,277.7
		21,687.5		17,880.9

(b) Components and Spare Parts:

	2013-14		2012-13	
	%	Rs. Million	%	Rs. Million
Imported	11.7	14.5	4.4	5.6
Indigenous	88.3	109.2	95.6	122.6
Total	100.0	123.7	100.0	128.2

7. Summary of closing stock of work in progress:

Rs. in million

Category	March 31, 2014	March 31, 2013
Paints & Coatings	18.0	20.2
Imaging Agents	10.8	6.8
Polyurethane	—	8.8
Optical Brightening Agents	8.4	6.7
Others	2.1	8.3
Total	39.3	50.8

8. Traded goods purchased:

Rs. in million

Category	2013-14	2012-13
Herbicides	1,857.4	2,812.9
Pigments	961.9	1,044.9
Polyurethane	2,360.4	1,286.5
Fungicides	891.3	496.0
Others	4,535.4	4,843.0
Total	10,606.4	10,483.3

9. Turnover and Stocks:

The Previous year figures are given in light type below each item

Rs. in million

Class of Goods	Sales Value	Closing Inventory	Opening Inventory
(a) Manufactured goods:			
Herbicides	4,088.6 3,689.6	1,252.1 644.5	644.5 1,091.5
Polyurethane	4,848.2 3,620.7	218.0 176.1	176.1 124.2
Auto. OEM Coatings	3,226.7 2,935.2	293.2 248.0	248.0 169.5
Admixture Systems	2,293.6 2,234.4	64.8 44.5	44.5 32.5
Others	12,278.9 12,367.4	1,198.3 1,134.8	1,134.8 970.4
Total	26,736.0 24,847.3	3,026.4 2,247.9	2,247.9 2,388.1

Rs. in million

Class of Goods	Sales Value	Closing Inventory	Opening Inventory
(b) Traded goods:			
Herbicides	4,021.5 3,531.7	1,071.4 773.8	773.8 195.4
Pigments	1,168.3 1,263.0	171.0 136.5	136.5 179.9
Polyurethane	2,185.6 1,106.8	555.3 355.5	355.5 105.4
Fungicides	1,789.9 956.9	106.8 60.9	60.9 76.3
Others	6,446.1 5,837.1	1,370.5 1,137.0	1,137.0 828.7
Total	15,611.4 12,695.5	3,275.0 2,463.7	2,463.7 1,385.7

Rs. in million

Category	2013-14	2012-13
(c) Service Income:		
Indent Commission	1,165.6	1,123.4
Technical/Service charges	673.8	636.4
Total	1,839.4	1,759.8

10. Contingent Liabilities

Rs. in million

Nature	2013-14	2012-13
Contingent Liabilities not Provided for		
(a) Claim against the Company not acknowledged as debt	38.8	24.1
In respect of which the Company has counterclaim	68.7	68.7
(b) Demand for taxes and duties in respect of which the company has preferred appeals with appropriate authority		
a. Income Tax	406.7	262.8
b. Customs, Excise, Service Tax and Sales Tax*	240.0	174.8

* Commercial taxes department has issued demand notices amounting to Rs. 36.0 million and Rs. 55.9 million (excludes interest and penalty) for the period Apr 06-June 06 and Apr 07-June 07 respectively by treating 100% of the stock transfers as interstate sales to unregistered dealer. The amounts in respect of subsequent periods, if any, are currently not determinable. The Company is in the process of filing an appeal against the aforesaid demand notices. The Company, on the basis of a legal opinion, does not consider these stock transfer as interstate sales.

11. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for **Rs. 676.7 million** (Previous Year Rs. 3,365.3 million).

12. Operating lease

The Company has taken vehicles and office facilities under operating leases.

(a) Total minimum lease payments in respect of non-cancellable leases are as follows:

Rs. in million

	2013-14	2012-13
Due		
Not later than one year	183.3	190.7
Later than one year but not later than five years	426.9	501.9
Later than five years	—	53.5
Total	610.2	746.1

(b) Lease rent of **Rs. 486.8 million** (Rs. 418.1 million) towards cancellable and non cancellable leases has been included under "Rent" in the Statement of Profit and Loss.

13. 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 above Act are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities:

Rs. in million

Particulars	2013-14	2012-13
The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier.	10.7	5.7
The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each account year	—	—
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	2.1	1.3
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.3	1.4
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 small/ micro enterprise.	6.2	3.9

14. Exceptional item

The Board of Directors on 18 September 2012 approved the proposal to shut down the Expandable Polystyrene business forming part of "Plastics" segment including the Company's Styropor® production facility at Thane. The Company has made a provision towards impairment of Rs. 95.4 million (based on estimated salvage value) in respect of the net fixed assets (mainly plant and machinery) related to this business which is forming part of exceptional item in the Statement of Profit and Loss in the previous year.

During the current year the Company had declared voluntary retirement scheme for the Thane site and accordingly compensation aggregating Rs. 104.3 million had been paid and disclosed as an exceptional item.

15. Employees benefits:

Defined contribution plans:

Company's contribution to defined contribution funds amounting to **Rs. 113.6 million** (Previous Year Rs. 95.8 million) has been charged to the Statement of Profit and Loss.

Defined benefit plans and other long term employee benefits:

Gratuity is payable to all eligible employees of the Company on superannuation, 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.

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation as per Company's policy.

Long Service Awards are payable to employees on completion of specified years of service.

Rs. in million

	Gratuity Funded	
	2013-14	2012-13
Expenses recognized in the Statement of Profit and Loss for the year ended 31st March		
Current service Cost	50.0	39.8
Interest cost	37.4	25.5
Expected Return on plan assets	(32.8)	(23.9)
Net Actuarial (gain)/loss recognised in the year	72.5	70.5
Expenses recognised in the Statement of Profit and Loss	127.1	111.9
Balance Sheet recognition as at 31st March		
Present value of obligation	516.6	441.0
Fair value of plan assets	389.5	329.1
Net Asset/(Liability) recognised in the Balance Sheet	(127.1)	(111.9)
Change in obligation during the year ended 31st March		
Present value of obligation beginning of the Year	441.0	320.1
Interest cost	37.4	25.5
Current service cost	50.0	39.8
Benefits paid	(61.3)	(20.8)
Actuarial (gain)/loss on obligation	49.5	76.4
Present value of obligation end of the year	516.6	441.0
Change in fair value of assets during the year ended 31st March		
Fair value of plan assets beginning of the Year	329.1	250.3
Expected return on plan assets	32.8	23.9
Contributions	111.9	69.8
Benefits paid	(61.3)	(20.8)
Actuarial gain/(loss) plan assets	(23.0)	5.9
Fair value of plan assets end of the Year	389.5	329.1
Total actuarial gain/(loss) to be recognised	(72.5)	(70.5)

Rs. in million

	Gratuity Funded	
	2013-14	2012-13
Actual return on plan assets		
Expected return on plan assets	32.8	23.9
Actuarial gain/(loss) plan Assets	(23.0)	5.9
Actual return on plan assets	9.8	29.8
Movement in the net liability recognised in the Balance Sheet		
Opening net liability	111.9	69.8
Expenses	127.1	111.9
Contribution	(111.9)	(69.8)
Closing net liability	127.1	111.9

Rs. in million

Experience Adjustments	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined Benefit Obligations	516.6	441.0	320.1	295.1	219.1
Plan Assets	389.5	329.1	250.3	255.9	213.1
Surplus/(Deficit)	(127.1)	(111.9)	(69.8)	(39.2)	(5.2)
Exp. Adj. on plan Liabilities	49.5	76.4	(7.1)	(18.4)	(6.5)
Exp. Adj. on plan Assets	(23.0)	5.9	(17.8)	(17.0)	0.2

The contribution expected to be made by the Company during the Financial Year 2014-15 is **Rs. 127.1 million** (2013-14 Rs. 111.9 million).

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:

	2013-14	2012-13
GOI Securities	12%	18%
State Government Securities	42%	36%
PSU Bonds	18%	15%
Private Sector Bonds	13%	16%
Fixed Deposit and others	8%	6%
Special Deposit Scheme	7%	9%
Total	100%	100%

The assumptions used for actuarial valuation as at 31st March are as follows:

	2013-14	2012-13
Expected rate of return on plan assets	9.12% p.a.	8.23% p.a.
Discount Rate	9.12% p.a.	8.23% p.a.
Expected salary increase rate	6% – 10% p.a.	6% – 10% p.a.
In-service mortality rates	Indian Assured Lives Mortality (2006-08) ultimate table	Indian Assured Lives Mortality (2006-08) ultimate table

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 account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Provident fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are notified by the Government annually. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation based on the below provided assumptions and there is no shortfall as at 31 March, 2014.

The details of fund and plan assets position as at 31 March is given below:

Rs. in million

	2013-14	2012-13
Plan assets as year end, at fair value	1,776.1	1,706.2
Present value of benefit obligation at year end	1,718.0	1,589.8
Cost of shortfall in interest rate guarantee	—	—
Assumptions used in determining the present value obligation to the interest rate guarantee under the Deterministic Approach:		
Discount rate	9.12%	7.87%
Average remaining tenure of the investment portfolio	7 years	7 years
Expected guaranteed interest rate	9.00%	8.60%

During the year ended 31st March 2014, amount recognised in the statement of profit and loss for Employee Provident Fund is **Rs. 103.7 million** (Previous Year Rs. 88.2 million).

16. Segment Information

(a) PRIMARY SEGMENT INFORMATION (by Business Segments)

The previous year's figures are given in light type below each item

Rs. in million

	Agricultural Solution	Performance Products	Chemicals	Functional Materials & Solution	Others	Un- allocated	Total
Segment Revenue	10,447.9	16,824.8	617.9	15,831.4	576.9	—	44,298.9
	9,229.4	14,171.7	888.2	14,503.4	613.6	—	39,406.3
Less: Inter-segment revenue	—	—	—	—	—	—	—
Sales/Revenue from operations	10,447.9	16,824.8	617.9	15,831.4	576.9	—	44,298.9
	9,229.4	14,171.7	888.2	14,503.4	613.6	—	39,406.3
Segment Result	1,427.1	1,415.9	235.8	(479.4)	87.1	—	2,686.5
	769.4	1,159.9	299.7	198.9	35.5	—	2,463.4
Interest Expense						161.3	161.3
						171.2	171.2
Interest Income						4.7	4.7
						6.1	6.1
Other un-allocable expenditure net of un-allocable income						482.0	482.0
						512.6	512.6
Profit Before Tax and Exceptional item							2,047.9
							1,785.7

Rs. in million

	Agricultural Solution	Performance Products	Chemicals	Functional Materials & Solution	Others	Un-allocated	Total
Exceptional item (Refer note 28(14))				104.3 95.4			104.3 95.4
Tax							664.9 549.5
Profit After Tax							1,278.7 1,140.8
OTHER INFORMATION							
Segment Assets	6,959.7 5,824.0	15,966.4 11,766.9	2,382.5 458.3	13,866.7 9,076.5	421.6 217.6	747.5 713.3	40,344.4 28,056.6
Segment Liabilities	3,752.0 3,129.2	10,174.7 6,283.3	1,501.2 109.6	9,063.8 5,875.6	5.4 1.6	3,345.6 1,231.8	27,842.7 16,631.1
Capital Expenditure	76.1 68.3	3,057.7 2,422.5	995.1 611.1	2,044.0 801.7	— —	— —	6,172.9 3,903.6
Depreciation and amortisation	54.5 44.0	416.2 347.7	17.9 9.9	222.4 200.1	— —	— —	711.0 601.8

(b) SECONDARY SEGMENT INFORMATION (by Geographic Segments)

Rs. in million

	Domestic	Exports	Total
Revenues	38,444.1 34,956.4	5,854.8 4,449.9	44,298.9 39,406.3
Total Assets	38,279.5 26,814.5	2,064.9 1,242.1	40,344.4 28,056.6
Capital Expenditure	6,172.9 3,903.6	— —	6,172.9 3,903.6

Notes on Segment Information:

- The Company had reorganised its segment structure with effect from 1st April, 2013 to better align to market needs. Accordingly, the Plastic Segment has ceased to exist. Functional Solution Segment has now been renamed as Functional Materials and Solution. This segment includes Styropor, part of Engineering Plastics and part of Polyurethanes which were earlier in Plastic Segment. The remaining part of the earlier Plastic Segment are now included in the Chemicals Segment. Previous period segment figures are regrouped in accordance with revised segment structure.
- Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17). Business Segments have been considered as primary segments.
- Details of type of products included in each segment —
 - **Agricultural Solution** – includes Agrochemicals. Agricultural Solution is seasonal in nature.
 - **Performance Products** – Tanning agents, Leather Chemicals, Textile Chemicals, Dispersion Chemicals, Speciality Chemicals and high-value fine chemicals for the food, pharmaceuticals, animal feed and cosmetics industries.
 - **Chemicals** – Chemicals includes monomers, intermediates and petrochemicals.
 - **Functional Solutions** – Functional Solutions includes catalysts, coatings, construction chemicals, styropor, polyurethanes system and engineering plastics.
 - **Others** – includes technical and service charges.
- Un-allocable Corporate Assets includes advance tax (net of provisions) and cash and bank balances.
- Un-allocable Corporate Liabilities include Net deferred tax liabilities, proposed dividend, short term loan and other un-allocable liabilities.

17. Related Party Disclosure

(a) Parties where control exists

BASF Societas Europaea ('SE')	Ultimate holding company
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(b) Other related parties with whom transactions have taken place during the year Fellow Subsidiaries

BASF A/S	BASF (MALAYSIA) SDN. BHD.
BASF Agro B.V.	BASF Nederland B.V.
BASF Agro B.V. Arnhem (NL)	BASF Oy
BASF Agrochemical Products B.V.	BASF Pakistan (Private) Ltd.
BASF Agricultural Specialties Pty Ltd.	BASF Paper Chemicals (Jiangsu) Co., Ltd.
BASF Antwerpen N.V.	BASF Paper Chemicals (Huizhou)
BASF Asia-Pacific Service Centre Sdn. Bhd.	BASF Performance Products plc
BASF Australia Ltd.	BASF Performance Products Limited
BASF Auxiliary Chemicals Company Ltd.	BASF Personal Care and Nutrition GmbH
BASF Bangladesh Ltd.	BASF Peruana S.A.
BASF Beauty Care Solutions France S.A.S.	BASF Petronas Chemicals Sdn. Bhd.
BASF Belgium Coordination Center Comm. V.	BASF Pharma (Evionnaz) SA
BASF Business Services Holding GmbH	BASF Philippines Inc
BASF Canada Inc.	BASF Plant Science Company GmbH
BASF Care Chemicals (Shanghai) Company Ltd.	BASF PLC
BASF Catalysts India Pvt. Ltd.	BASF Poliuretani Italia SpA
BASF Chemicals & Polymers Pakistan (Private) Ltd.	BASF Polyurethane Licensing GmbH
BASF Chemicals Company Ltd.	BASF Polyurethane Specialties (China) Co., Ltd.
BASF Chemicals India Pvt. Ltd. (Earlier known as Cognis Specialty Chemicals Pvt. Ltd.	BASF Polyurethanes (China) Co. Ltd
	BASF Polyurethanes (Malaysia) Sdn. Bhd.
BASF Chemcat (Thailand) Ltd.	BASF Polyurethanes (Thailand) Ltd.
BASF (China) Company Ltd.	BASF Polyurethanes GmbH
BASF Coatings GmbH	BASF Qingdao Pigments Co., Ltd.
BASF Coatings Intl Trade (Shanghai) Co. Ltd.	BASF S.A.
BASF Coatings Intl Trade Co., Ltd.	BASF Schwarzeide GmbH
BASF Coatings Ltd.	BASF Schweiz AG
BASF Coatings S.A.	BASF Shanghai Coatings Co. Ltd.
BASF Coatings S.A.S.	BASF Singapore Pte. Ltd.
BASF Coatings Spa	BASF South Africa (PTY) Ltd.
BASF Color Solutions Germany GmbH	BASF South East Asia Pte Ltd.
BASF Company Ltd.	BASF Taiwan Ltd.
BASF Construction Chemical (China) Co., Ltd.	BASF (Thai) Limited
BASF Construction Chemicals (UK) Ltd.	BASF UK Ltd.
BASF Construction Chemicals Espana S.L.	BASF Vietnam Co. Ltd.
BASF Construction Chemicals Europe AG	BASF Vitamins Company Limited
BASF Construction Chemicals France S.A.S.	BASF Yapi Kimyasallari SAN. A.S.
BASF Construction Chemicals Italia Spa	BASF - YPC Company Limited
BASF Mexicana S.A. DE C.V.	

BASF Construction Chemicals UAE LLC	BTC Europe GmbH
BASF Construction Polymers GmbH	Cognis Australia Pty. Ltd.
BASF Construction Systems (China). Co. Ltd.	Cognis Taiwan Ltd.
BASF Corporation	Construction Research & Technology GmbH
BASF Construction Solutions GmbH (Formerly known as BASF Construction Chemicals GmbH)	Elastogran Kanoo Polyurethane Systems LLC
	Inge GmbH
BASF East Asia Regional Headquarters Ltd.	K+S Aktiengesellschaft
BASF Espanola S.L.	K+S Kali GmbH
BASF FZE	P.T. BASF Care Chemicals Indonesia
BASF Gao-Qiao Performance Chemicals (Shanghai) Co. Ltd.	P.T. BASF Indonesia
	PCI Augsburg GmbH
BASF Grenzach GmbH	PolyAd Services GmbH
BASF Health and Care Products France S.A.S.	Shanghai MBT & SCG High-tech Construction Chemicals Co. Ltd.
BASF Hong Kong Ltd.	
BASF INOAC Polyurethanes Ltd.	Shanghai BASF Polyurethane Co., Ltd.
BASF Intertrade (Shanghai) Co. Ltd.	Shanghai Gaoqiao-BASF
BASF Iran (PJS) Company	Styrolution GmbH
BASF Italia Spa	Styrolution India Private Limited
BASF Japan Ltd.	Styrolution South East Asia Pte. Ltd.
BASF Kanoo Gulf FZE	Styrolution ABS (India) Limited
BASF Kanoo Polyurethanes LLC	Watson Bowman ACME Corp
BASF Lanka (Private) Limited	
BASF LLC	

(c) Key management personnel

Chairman & Managing Director

Mr. Prasad Chandran (till 30th Sept 2013)

Mr. Raman Ramachandran, Ph.D. (from 1st Oct 2013)

Whole – Time Directors

Mr. S. Regunathan

Dr. G. Ramaseshan

Mr. Thilo Bischoff

(d) Details of transactions of Ultimate holding company and Fellow subsidiaries for the year ended March 31, 2014:

Rs. in million

Nature of Transactions	Ultimate holding company		Fellow subsidiaries		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sale of Goods						
BASF SE	1,275.4	607.2	—	—	1,275.4	607.2
BASF South East Asia Pte. Ltd.	—	—	2,001.8	1,371.5	2,001.8	1,371.5
Others	—	—	132.6	166.4	132.6	166.4
Sub-Total	1,275.4	607.2	2,134.4	1,537.9	3,409.8	2,145.1
Services Rendered (including reimbursements)						
BASF SE	460.3	491.9	—	—	460.3	491.9
BASF South East Asia Pte. Ltd.	—	—	906.5	840.1	906.5	840.1
Others	—	—	607.3	526.7	607.3	526.7
Sub-Total	460.3	491.9	1,513.8	1,366.8	1,974.1	1,858.7
Interest Expense on ECB Loan						
BASF SE	1.4	2.4	—	—	1.4	2.4
BASF Construction GmbH	—	—	—	0.9	—	0.9
BASF Belgium Coordination Centre	—	—	294.8	60.8	294.8	60.8
Sub-Total	1.4	2.4	294.8	61.7	296.2	64.1
Purchase of Goods/Materials						
BASF SE	1,175.7	740.9	—	—	1,175.7	740.9
BASF South East Asia Pte. Ltd.	—	—	7,261.0	4,895.3	7,261.0	4,895.3
BASF Agrochemical Products B.V.	—	—	2,571.9	3,967.1	2,571.9	3,967.1
BASF Company Ltd.	—	—	1,635.7	1,993.2	1,635.7	1,993.2
Others	—	—	6,337.1	4,920.2	6,337.1	4,920.2
Sub-Total	1,175.7	740.9	17,805.7	15,775.8	18,981.4	16,516.7
Services Received						
BASF SE	528.9	400.9	—	—	528.9	400.9
BASF South East Asia Pte. Ltd.	—	—	373.4	317.0	373.4	317.0
BASF Asia-Pacific Service Centre Sdn. Bhd.	—	—	288.5	178.4	288.5	178.4
Others	—	—	63.6	36.2	63.6	36.2
Sub-Total	528.9	400.9	725.5	531.6	1,254.4	932.5
Purchase of Assets						
BASF SE	33.6	52.4	—	—	33.6	52.4
BASF South East Asia Pte. Ltd.	—	—	12.0	51.6	12.0	51.6
BASF Hong Kong Ltd.	—	—	117.4	—	117.4	—
BASF Polyurethanes (China) Co. Ltd.	—	—	18.9	—	18.9	—
Others	—	—	65.9	19.2	65.9	19.2
Sub-Total	33.6	52.4	214.2	70.8	247.8	123.2
Royalty and Technical Fees						
BASF SE	47.3	73.0	—	—	47.3	73.0
BASF Polyurethanes Licencing GmbH	—	—	105.8	80.2	105.8	80.2
BASF Coatings GmbH	—	—	79.8	64.2	79.8	64.2
Construction Research & Technology GmbH	—	—	118.8	112.1	118.8	112.1
Sub-Total	47.3	73.0	304.4	256.5	351.7	329.5
Dividend						
BASF SE	83.8	83.8	—	—	83.8	83.8
BASF Schweiz AG	—	—	35.6	35.6	35.6	35.6
BASF Construction Solutions GmbH (Formerly known as BASF Construction Chemicals GmbH)	—	—	7.6	7.6	7.6	7.6
Sub-Total	83.8	83.8	43.2	43.2	127.0	127.0

Rs. in million

Nature of Transactions	Ultimate holding company		Fellow subsidiaries		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Outstanding Receivables						
BASF SE	660.3	323.8	—	—	660.3	323.8
BASF South East Asia Pte. Ltd.	—	—	890.6	547.1	890.6	547.1
Others	—	—	326.7	192.9	326.7	192.9
Sub-Total	660.3	323.8	1,217.3	740.0	1,877.6	1,063.8
Outstanding Payables						
BASF SE	1,149.4	380.6	—	—	1,149.4	380.6
BASF South East Asia Pte. Ltd.	—	—	2,530.1	1,761.3	2,530.1	1,761.3
BASF Company Ltd.	—	—	761.8	527.4	761.8	527.4
BASF Agrochemical Products B.V.	—	—	1,785.3	2,297.7	1,785.3	2,297.7
Others	—	—	2,516.4	1,433.5	2,516.4	1,433.5
Sub-Total	1,149.4	380.6	7,593.6	6,019.9	8,743.0	6,400.5
ECB Loan borrowed during the year						
BASF SE	—	—	—	—	—	—
BASF Belgium Coordination Center Comm. V.	—	—	4,467.8	2,478.6	4,467.8	2,478.6
Sub-Total	—	—	4,467.8	2,478.6	4,467.8	2,478.6
ECB Loan repaid during the year						
BASF SE	98.2	—	—	—	98.2	—
BASF Belgium Coordination Center Comm. V.	—	—	—	—	—	—
Sub-Total	98.2	—	—	—	98.2	—
ECB Loan Outstanding (including interest accrued not due)						
BASF SE	122.6	219.8	—	—	122.6	219.8
BASF Belgium Coordination Center Comm. V.	—	—	7,521.9	2,505.3	7,521.9	2,505.3
Sub-Total	122.6	219.8	7,521.9	2,505.3	7,644.5	2,725.1

(e) Details of transactions of Key management personnel:

Rs. in million

Name of key managerial personnel	Remuneration*	
	2013-14	2012-13
Mr. Prasad Chandran	31.4	29.5
Raman Ramachandran, Ph.D.**	18.3	—
Mr. Thilo Bischoff	31.9	33.6
Mr. S. Regunathan	19.6	19.0
Dr. G. Ramaseshan	12.8	12.8
Total Remuneration	114.0	94.9

* The above remuneration excludes provision for gratuity, leave encashment and long service award which is provided on an overall basis for the Company.

** The appointment of Dr. Raman Ramachandran as Chairman and Managing Director is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company and the application made to the Central Government in this regard.

18. Transfer pricing regulations:

The management is of the opinion that the Company's international and domestic transactions are at an arms length so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

19. Foreign currency exposure details:

As on 31st March, 2014, the Company has 52 forward contracts totaling to **USD 219.7 million** (Rs. 13,414.4 million) (Previous Year USD 124.9 million (Rs. 6,791.9 million)) for the purposes of covering its foreign currency exposure related to trade receivables, trade payables and borrowings. The unamortized premium of **Rs. 1,851.4 million** (Previous Year Rs. 689.4 million) pertaining to the same will be recognized subsequently. Foreign currency exposure that is not covered as at 31st March is as follows:

Foreign Currency	2013-14 Payables		2012-13 Payables	
	Foreign Currency Amount	Rs. in Mio.	Foreign Currency Amount	Rs. in Mio.
EURO	1,378,800	116.0	1,740,937	123.4
AUD	90,121	5.2	90,121	5.2
USD	46,659,974	2,848.6	39,528,646	2,172.1
CHF	35,246	2.4	45,429	2.6
GBP	6,495	0.7	6,231	0.5
CAD	—	—	3,789	0.2
SGD	21,546	1.1	21,144	0.9
HKD	1,826,794	14.4	—	—

Foreign Currency	2013-14 Receivables		2012-13 Receivables	
	Foreign Currency Amount	Rs. in Mio.	Foreign Currency Amount	Rs. in Mio.
EURO	932,256	75.4	1,453,209	99.0
AUD	2,307	0.1	2,307	0.1
CHF	14,718	1.0	9,319	0.5
GBP	6,684	0.7	68,271	5.5
THB	—	—	642,514	1.2
SGD	—	—	74,900	3.2
USD	32,541,753	1,915.1	21,604,298	1,154.7
JPY	1,300,000	0.7	—	—

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W

Vijay Mathur
Partner
Membership No.: 046476
Mumbai
29th April 2014

For and on behalf of Board of Directors

Raman Ramachandran, Ph.D.
Chairman & Managing Director

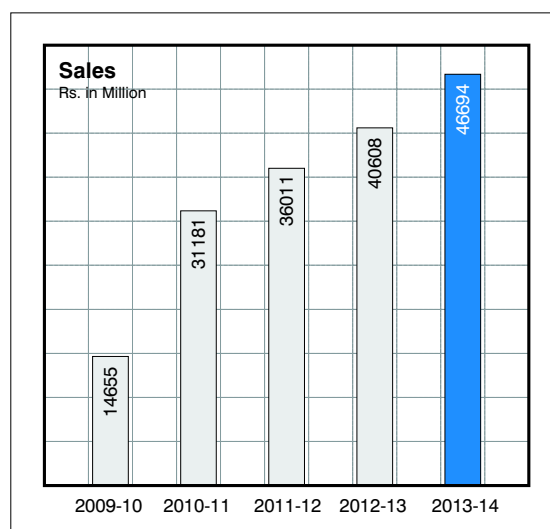
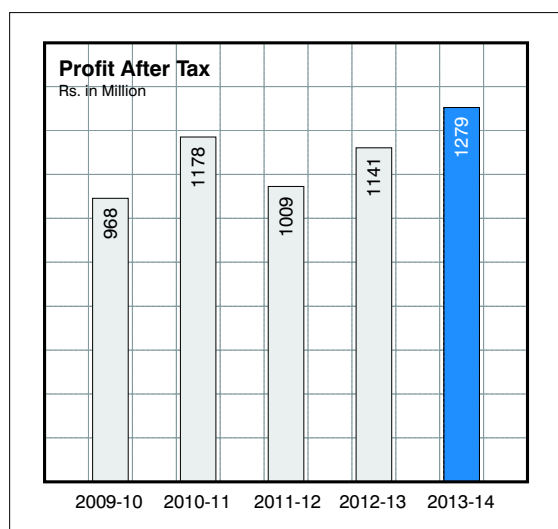
Pradeep Chandan
Company Secretary

R. R. Nair
R. A. Shah
Pradip P. Shah
Arun Bewoor
S. Regunathan
Thilo Bischoff
G. Ramaseshan
Directors
29th April 2014

BASF India Limited Financial Highlights – At a glance

Rs. in Million

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Sales	7402	7716	8750	10306	12381	14655	31181	36011	40608	46694
Profit before tax	601	706	781	930	1080	1514	1505	1497	1786	2048
Profit after tax	380	454	501	594	686	968	1178	1009	1141	1279
Earning per share (in Rs.)	13.47	16.11	17.77	21.06	24.35	25.00	27.22	23.30	26.35	29.54
Total assets	4138	3986	4594	5246	6509	12677	17944	21935	28057	40344
Borrowings	100	13	5	—	—	—	1248	1749	3595	10551
Shareholders' equity	2535	2764	3034	3397	3852	8658	9680	10487	11426	12502
Depreciation	244	221	109	136	152	261	464	517	602	711
Capital expenditure	76	143	451	301	408	285	925	1798	3904	6173
Exports	564	252	320	373	571	609	2259	2183	2677	4016
R & D cost	20	37	48	76	96	80	105	92	105	105
Personnel cost (Total)	486	572	684	817	887	1088	1991	2501	2930	3299
Dividend amount	169	197	197	197	197	326	346	173	173	173
Dividend in %	60	70	70	70	70	80	80	40	40	40
Number of employees	833	817	801	836	858	1224	1790	2012	2076	2130
Number of shareholders	29493	29684	33042	29631	25606	44184	42963	41556	40843	39545



Early this year, your Company organised its maiden internal cricket tournament in Mumbai for employees, called the Tennis Cricket Ball League 2014. The winners were the Agricultural Solutions team. The event was a huge success with the enthusiastic participation of more than 200 employees.



Ishika Agrawal and Nina Catharina Stinchcombe, daughters of BASF employees, were chosen for the 'BASF Global Family Program', an international exchange program during school vacations for the children of BASF employees. Children of employees from India had the opportunity to visit and live with families of BASF employees overseas, and vice versa.

We create chemistry that helps thirst love the sea.



By 2025 it is estimated that half of the world's population will lack access to safe drinking water. A sorry state of affairs considering that two thirds of our planet is covered by water. Which is where chemistry steps in. We have developed Sokalan® antiscalant which acts as a scale control dispersant. This means that the equipment that desalts the water can desalt longer, to ensure there is the maximum output of fresh water. When salt water can satisfy our thirst, it's because at BASF, we create chemistry.

www.wecreatechemistry.com/water

 **BASF**

The Chemical Company


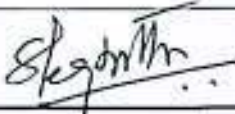
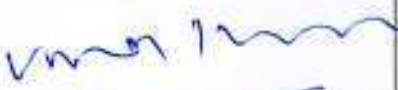
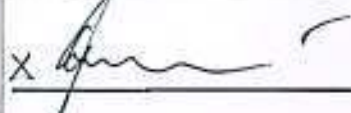


The Chemical Company

BASF India Limited, Mumbai - 400 051, India

FORM A

[Annual Audit Report as per Clause 31(a) of the Equity Listing Agreement]

Sr. No.	Particulars
1.	Name of the Company BASF India Limited
2.	Annual financial statements for the year ended March 31, 2014
3.	Type of Audit observation Un-qualified
4.	Frequency of observation Not Applicable
5.	Signed by- Managing Director  Raman Ramachandran
	Chief Financial Officer  S. Regunathan
	Auditor B S R & Co. LLP Firm Registration No. 101248W Chartered Accountants  Vijay Mathur Partner Membership No. 046476
	Audit Committee Chairman  R. R. Nair

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