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BASF India Limited, Mumbai - 400 051, India

May 4, 2018

The Market Operations Department
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001.

Name of the Company : BASF INDIA LIMITED
Security Code No. : 500042

Dear Sir/Madam,

A. AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

As per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, we enclose herewith the Audited Financial Results of the Company together with the Audit Report which were approved and taken on record by the Board of Directors of the Company at their meeting held today, i.e. 4th May, 2018. The meeting commenced at 2.30 p.m. and concluded at 5.30 p.m. The results will be published in the newspapers on 6th May, 2018.

We also hereby confirm that the Auditor's Report is with unmodified opinion in respect of the Audited Financial Results of the Company for the year ended 31st March, 2018.

B. DIVIDEND

The Directors have recommended a dividend of Rs. 3/- per equity share of Rs.10/-each (i.e 30%) for the financial year ended 31st March, 2018, subject to the approval of the shareholders at the forthcoming 74th Annual General Meeting of the Company. The dividend, if approved, by the Shareholders will absorb Rs. 129.9 million and will be payable on or after 13th August, 2018. The dividend distribution tax would amount to Rs. 26.7 million and the same will be borne by the Company.

C. 74TH ANNUAL GENERAL MEETING

We wish to inform you that the 74th Annual General Meeting of the Company will be held on Friday, 10th August, 2018 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021.

We request you to kindly take note of the above.

Thanking You,

Yours faithfully,
For BASF India Limited

Pradeep Chandan
Director – Legal, General Counsel (South Asia)
& Company Secretary

Pankaj Bahl
Manager- Company Secretarial

Encl:a.a.

cc: The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No.C/1, G Block
Bandra – Kurla Complex
Bandra (East), Mumbai – 400 051.

Registered Office
BASF India Limited
The Capital
'A' Wing, 1204 - C, 12th Floor
Plot No. C-70, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051, India

Tel.: +91 22 6278 5600

CIN - L33112MH1943FLC003972

www.basf.com/in

BASF India Limited

Regd. Office : The Capital, 'A' Wing, 1204-C, 12th Floor, Plot No. C-70, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, India, Tel: 022-62785600.
Audited Financial Results for the Quarter and Year ended March 31, 2018

	Rs. in million				
	3 months ended 31/03/2018	Preceding 3 months ended 31/12/2017	Corresponding 3 months ended in the previous year 31/03/2017	Year to date figures for current year ended 31/03/2018	Previous year ended 31/03/2017
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from operations (Refer Note 4)					
Sale of products	12,862.1	12,227.2	13,478.6	54,994.4	53,112.3
Sale of services	483.0	446.4	417.1	1,795.5	1,893.2
Other operating revenues	90.5	97.4	30.5	436.9	188.4
	<u>13,435.6</u>	<u>12,771.0</u>	<u>13,926.2</u>	<u>57,226.8</u>	<u>55,193.9</u>
Other income	108.0	38.5	4.4	229.3	115.1
Total Income	<u>13,543.6</u>	<u>12,809.5</u>	<u>13,930.6</u>	<u>57,456.1</u>	<u>55,309.0</u>
Expenses:					
Cost of materials consumed	7,036.1	6,408.1	5,875.8	27,438.3	19,532.9
Purchase of Stock-in-Trade	3,326.6	2,638.3	2,936.1	13,521.5	17,534.4
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(738.2)	47.7	177.4	(414.8)	(137.8)
Excise duty	-	-	1,188.2	1,392.8	4,411.7
Employee benefit expense	869.8	863.8	782.6	3,514.3	3,219.6
Finance costs (Refer Note 5)	268.7	210.5	402.2	1,129.6	1,416.4
Depreciation and amortisation expense	369.7	371.2	408.6	1,533.9	1,690.3
Other expenses	1,949.1	2,133.9	1,748.5	8,315.9	7,936.3
Total Expenses	<u>13,081.8</u>	<u>12,673.5</u>	<u>13,519.6</u>	<u>56,431.5</u>	<u>55,603.8</u>
Profit/ (Loss) before exceptional item and tax	<u>461.8</u>	<u>136.0</u>	<u>411.0</u>	<u>1,024.6</u>	<u>(294.8)</u>
Exceptional items (Refer Note 3)	190.5	78.2	14.5	1,585.7	170.1
Profit/ (Loss) before tax	<u>652.3</u>	<u>214.2</u>	<u>425.5</u>	<u>2,610.3</u>	<u>(124.7)</u>
Tax expense: (Refer Note 6)					
- Current tax including MAT	179.5	2.7	-	555.6	-
- Deferred tax (credit)/ charge	(237.0)	142.3	-	(460.2)	-
- Income tax for previous periods	49.9	-	-	49.9	16.6
	<u>(7.6)</u>	<u>145.0</u>	<u>-</u>	<u>145.3</u>	<u>16.6</u>
(Loss)/ Profit for the period	<u>659.9</u>	<u>69.2</u>	<u>425.5</u>	<u>2,465.0</u>	<u>(141.3)</u>
Other Comprehensive Income					
Items that will not be reclassified to profit or loss:					
Remeasurement (Loss)/ Gain of post employment benefit plans	17.7	18.8	25.0	(7.8)	50.6
Income tax relating to these items	(3.8)	(4.0)	-	1.7	-
Other Comprehensive Income for the period, net of tax	<u>13.9</u>	<u>14.8</u>	<u>25.0</u>	<u>(6.1)</u>	<u>50.6</u>
Total Comprehensive Income for the period	<u>673.8</u>	<u>84.0</u>	<u>450.5</u>	<u>2,458.9</u>	<u>(90.7)</u>
Paid-up Equity Share Capital (Face value of Rs. 10/- each)	432.9	432.9	432.9	432.9	432.9
Reserves (excluding Revaluation Reserves) as shown in the Balance Sheet of previous year				13,005.9	10,589.7
Weighted average number of equity shares outstanding as at period end	43,284,958	43,284,958	43,284,958	43,284,958	43,284,958
Basic and diluted earnings per share after exceptional items (in Rs.)	15.2	1.6	9.8	56.9	(3.3)
Basic and diluted earnings per share before exceptional items (in Rs.)	10.8	1.0	9.5	22.4	(7.7)
Face value per share (in Rs.)	10.0	10.0	10.0	10.0	10.0

Notes:

- 1 The above results for the quarter and year ended March 31, 2018 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on May 4, 2018.
- 2 The Board of Directors at its meeting held on 4th May 2018 recommended payment of Dividend of 30% on equity shares for the financial year ended March 31, 2018.

3 Exceptional items includes following:

Particulars	Rs. in million				
	3 months ended 31/03/2018	Preceding 3 months ended 31/12/2017	Corresponding 3 months ended in the previous year 31/03/2017	Year to date figures for current year ended 31/03/2018	Previous year ended 31/03/2017
Profit on sale of its non-core assets (i.e. residential properties)	190.5	78.2	14.5	268.7	58.4
Profit on divestiture of industrial coatings business pursuant to global divestment	-	-	-	-	111.7
Profit on divestiture of leather chemicals business pursuant to global divestment	-	-	-	1,559.6	-
Write down of Thermoplastic Polyurethane (TPU) assets, due to cessation of its manufacturing	-	-	-	(242.5)	-
Total	190.5	78.2	14.5	1,585.7	170.1

- 4 As per Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from Operations for the quarter ended March 31, 2018, December 31, 2017 and September 30, 2017 does not include Goods and Service Tax (GST), however Revenue from Operations till the period ended June 30, 2017 and other comparative periods includes Excise Duty. On a comparable basis, Revenue from Operations (net of GST/Excise) increased by 5% for quarter ended March 31, 2018 and 10% for the year ended March 31, 2018 with the previous year.
- 5 Finance cost includes interest, interest on income tax and other costs incurred on short and long term borrowings, effects from fair valuation of derivatives relating to financing activities and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.
- 6 Tax expense includes provision for current income tax, tax expense for previous periods, minimum alternate tax (based on estimated average effective annual income tax rate, considering tax allowances) and deferred tax charge/ (credit) including minimum alternate tax credit.
- 7 Pursuant to the global agreement between BASF SE (Germany) and Solenis (USA), the Board of directors of the Company have approved, in their meeting held on May 3, 2018, the proposal to transfer the paper wet-end and water chemicals business of the Company to Solenis in India, subject to such approvals, as may be necessary. The sales from the paper wet-end and water chemicals business is approximately Rs. 1,400 million p.a and it forms part of the Performance products segment. The transaction is anticipated to close by the end of 2018 at the earliest. The financial effects of this proposed transfer have not been considered in the above financial results.
- 8 Figures for the quarter ended March 31, 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit.
- 9 The statutory auditors have expressed an unqualified audit opinion on annual financial statements for the year ended March 31, 2018. The audit report has been filed with stock exchange and is available on the Company's website.
- 10 Previous period figures have been regrouped/ reclassified, wherever necessary to conform to current period classification.
- 11 For more details on Results, visit the Investor Relations section of the Company's website at www.basf.com/in and/or website of the Stock Exchanges viz., www.bseindia.com and www.nseindia.com.

www.basf.com/in

CIN No.: L33112MH1943FLC003972
Mumbai
Date: May 4, 2018

On behalf of the Board of Directors



Raman Ramachandran, Ph.D
Chairman & Managing Director
DIN : 00200297

BASF India Limited

Regd. Office : The Capital, 'A' Wing, 1204-C, 12th Floor, Plot No. C-70, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, India, Tel: 022-62785600.

Balance Sheet as at March 31, 2018

(Rs. in million)

Particulars	As at 31/03/2018 (Audited)	As at 31/03/2017 (Audited)
ASSETS		
1 Non-current assets		
Property plant and equipment	11,169.2	12,218.1
Capital work-in-progress	274.8	328.6
Goodwill	-	-
Other intangible assets	4.3	5.8
Financial assets		
(i) Other financial assets	231.1	256.5
Deferred tax assets (net)	460.2	-
Current tax assets (net)	825.9	858.9
Other non-current asset	390.5	412.1
	13,356.0	14,080.0
2 Current assets		
Inventories	10,191.7	9,201.3
Financial assets		
(i) Trade receivables	10,923.5	10,688.2
(ii) Cash and cash equivalents	81.0	245.0
(iii) Bank balances other than cash and cash equivalents	5.2	6.0
(iv) Other financial assets	942.8	1,061.0
Other current assets	2,901.1	3,394.6
Assets classified as held for sale	62.3	69.4
	25,107.6	24,665.5
Total assets	38,463.6	38,745.5
EQUITY AND LIABILITIES		
Equity		
Equity share capital	432.9	432.9
Other equity	13,005.9	10,589.7
	13,438.8	11,022.6
LIABILITIES		
1 Non-current liabilities		
Financial liabilities		
(i) Borrowings	3,206.8	6,927.9
(ii) Other financial liabilities	525.4	1,015.3
Provisions	503.3	342.1
Other non current liabilities	92.6	0.4
	4,328.1	8,285.7
2 Current liabilities		
Financial liabilities		
(i) Borrowings	1,734.3	3,640.3
(ii) Trade payables	12,738.8	11,828.8
(iii) Other financial liabilities	5,227.9	3,138.9
Provisions	404.7	353.1
Current tax liabilities	136.2	-
Other current liabilities	454.8	476.1
	20,696.7	19,437.2
	25,024.8	27,722.9
Total equity and liabilities	38,463.6	38,745.5

Note: Previous period figures have been regrouped and reclassified, wherever necessary to conform to current period classification.

	3 months ended 31/03/2018	Preceding 3 months ended 31/12/2017	Corresponding 3 months ended in the previous year 31/03/2017	Year ended 31/03/2018	Previous year ended 31/03/2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue (Refer note 4)					
a. Agricultural Solutions	1,162.4	1,276.7	865.4	8,638.0	7,254.8
b. Performance Products	5,306.9	5,239.5	6,090.7	22,345.9	22,620.2
c. Chemicals	777.4	1,027.8	702.5	3,201.2	2,316.1
d. Functional Materials & Solutions	6,057.9	5,172.5	6,138.2	22,720.4	22,073.2
e. Others	131.0	54.5	129.4	321.3	929.6
Total	13,435.6	12,771.0	13,926.2	57,226.8	55,193.9
Less: Inter - segment revenue	-	-	-	-	-
Total income from operations	13,435.6	12,771.0	13,926.2	57,226.8	55,193.9
2. Segment Results					
Profit/ (Loss) before tax and interest					
a. Agricultural Solutions	(44.9)	33.8	291.3	534.4	350.9
b. Performance Products	353.6	(23.1)	311.1	785.2	544.8
c. Chemicals	118.7	251.1	154.6	599.4	408.2
d. Functional Materials & Solutions	371.1	150.4	126.5	510.2	57.8
e. Others	8.9	30.5	9.0	62.6	57.6
Total	807.4	442.7	892.5	2,491.8	1,419.3
Less : (i) Finance Costs (Refer note 5)	268.7	210.5	402.2	1,129.6	1,416.4
(ii) Other un-allocable expenditure net off un-allocable other operating income	76.9	96.2	79.5	337.6	297.7
Total Profit/ (Loss) before tax and exceptional items	461.8	136.0	410.8	1,024.6	(294.8)
Exceptional items (Refer note 3)	190.5	78.2	14.5	1,585.7	170.1
Profit/ (Loss) from ordinary activities before tax	652.3	214.2	425.3	2,610.3	(124.7)
3. Segment Assets					
a. Agricultural Solutions	4,496.0	3,860.8	4,267.4	4,496.0	4,267.4
b. Performance Products	15,363.2	14,338.1	16,285.8	15,363.2	16,285.8
c. Chemicals	1,232.6	1,465.9	1,030.4	1,232.6	1,030.4
d. Functional Materials & Solutions	15,588.7	14,885.3	15,847.3	15,588.7	15,847.3
e. Others	410.8	179.3	204.8	410.8	204.8
f. Unallocated	1,372.3	2,202.8	1,109.8	1,372.3	1,109.8
Total Segment Assets	38,463.6	36,932.2	38,745.5	38,463.6	38,745.5
4. Segment Liabilities					
a. Agricultural Solutions	1,690.5	2,058.1	1,281.0	1,690.5	1,281.0
b. Performance Products	10,725.8	10,576.5	11,822.4	10,725.8	11,822.4
c. Chemicals	884.7	1,003.8	665.1	884.7	665.1
d. Functional Materials & Solutions	9,830.6	8,910.0	10,199.5	9,830.6	10,199.5
e. Others	16.7	7.7	108.9	16.7	108.9
f. Unallocated	1,876.5	1,605.4	3,646.0	1,876.5	3,646.0
Total Segment Liabilities	25,024.8	24,161.5	27,722.9	25,024.8	27,722.9
5. Capital Employed (Segment Assets - Segment Liabilities)					
a. Agricultural Solutions	2,805.5	1,802.7	2,986.4	2,805.5	2,986.4
b. Performance Products	4,637.4	3,761.6	4,463.4	4,637.4	4,463.4
c. Chemicals	347.9	462.1	365.3	347.9	365.3
d. Functional Materials & Solutions	5,758.1	5,975.3	5,647.8	5,758.1	5,647.8
e. Others	394.1	171.6	95.9	394.1	95.9
f. Unallocated	(504.2)	597.2	(2,536.2)	(504.2)	(2,536.2)
Total	13,438.8	12,770.5	11,022.6	13,438.8	11,022.6

- Agricultural Solutions include agrochemicals which are seasonal in nature.
- Performance Products include tanning agents, leather chemicals, textile chemicals, dispersion chemicals, speciality chemicals and fine chemicals for the food, pharmaceuticals, animal feed and cosmetic industries. Speciality chemicals include additives, water treatment and paper treatment, home and fabric care chemicals.
- Chemicals includes monomers, intermediates and petrochemicals.
- Functional Materials & Solutions include catalysts, coatings, construction chemicals, polyurethanes system and engineering plastics.
- Others includes technical and service charges.
- Un-allocated assets mainly include advance tax (net of provisions), cash and bank balances and other un-allocable assets.
- Un-allocated liabilities mainly include short term loan and other un-allocable liabilities.
- Previous year/ period figures have been regrouped and reclassified, wherever necessary to conform to current year classification.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of BASF India Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of BASF India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



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

T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT To the Members of BASF India Limited Report on the Financial Statements Page 2 of 3

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013, who, vide their report dated May 4, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

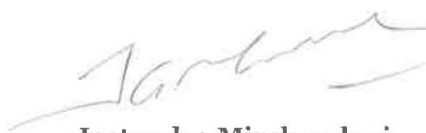


Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT To the Members of BASF India Limited Report on the Financial Statements Page 3 of 3

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Notes 34 and 40;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Jeetendra Mirchandani
Partner
Membership Number: 048125

Place: Mumbai
Date: May 4, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of BASF India Limited on the Ind AS financial statements for the year ended March 31, 2018

Page 1 of 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of BASF India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of BASF India Limited on the Ind AS financial statements for the year ended March 31, 2018

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Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Jeetendra Mirchandani
Partner
Membership Number: 048125

Place: Mumbai
Date: May 4, 2018

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of BASF India Limited on the IND AS financial statements for the year ended March 31, 2018

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 1A on fixed assets to the financial statements, are held in the name of the Company, except in respect of leasehold land held at one of the Company's manufacturing locations (having Gross Block: Rs. 21.4 Million and Net Block: Rs. Nil). The Company is in the process of complying with terms of the lease cum sale agreement and basis completion thereof, would execute the final sale agreement to obtain right of ownership thereon.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory by Management as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of sales tax, income tax, service tax, value added tax and profession tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, duty of excise, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of BASF India Limited on the Ind AS financial statements for the year ended March 31, 2018

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. Refer Appendix I for the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise, value added tax as at March 31, 2018 which have not been deposited on account of a dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. As the Company has not issued any debentures as at Balance Sheet date, the provisions of Clause 3(viii) of the Order, to that extent, are not applicable to the Company.
- ix. In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purposes for which they were obtained. As the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments), the provisions of Clause 3(ix) of the Order, to that extent, are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of BASF India Limited on the Ind AS financial statements for the year ended March 31, 2018

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- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Jeetendra Mirchandani
Partner
Membership Number: 048125

Place: Mumbai
Date: May 4, 2018

Price Waterhouse Chartered Accountants LLP

Appendix I

Referred to in paragraph vii(b) of our Annexure B to the Independent Auditors' Report of even date to the members of BASF India Limited on the Ind AS financial statements for the year ended March 31, 2018

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Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs. in Million)	Period to which the amount relates	Forum where dispute is pending
1	The Income Tax Act, 1961	Income Tax liability (including interest and penalty, as applicable)	424.0	Assessment Years 2000-01, 2002-03, 2004-05, 2007-2008, 2013-14 and 2014-15	Appellate Authority - up to Commissioner's level
			290.3	Assessment Years 2007-08 to 2012-13	Income Tax Appellate Tribunal
			1.5	Assessment Years 2002-03 and 2006-07	High Court
			715.8		
2	The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax and Value Added Tax liability (including interest and penalty, as applicable)	453.8	Financials Years 2002-2003, 2005-2006 to 2015-2016	Appellate Authority - up to Commissioner's level
			15.1	Financial Years 1993-94 to 1994-95, 2004-05, 2006-07, 2009-10 to 2014-15	Custom, Excise and Service Tax Appellate Tribunal
			468.9		
3	The Finance Act, 1994	Service Tax Liability (including interest and penalty, as applicable)	67.3	Financial Years 2005-06 to 2010-11	Appellate Authority - up to Commissioner level
			383.9	Financial Years 2004-05 to 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			451.2		
4	The Customs Tariff Act, 1975	Customs Duty (including interest and penalty, as applicable)	41.4	Financial Years 2003-04 to 2005-06	Supreme Court of India
			50.0	Financial Years 2014-15, 2015-16 to 2016-17	Additional Director General of Foreign Trade
			1.8	Financial Years 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			93.2		
5	The Central Excise Act, 1944	Excise duty Liability (including interest and penalty, as applicable)	20.4	Financial Years 1997-1998, 2007-08, 2009-10, 2011-12 to 2014-15	Appellate Authority - up to Commissioner's level
			9.1	Financial Years 1981-82, 2011-12 to 2012-13	Custom, Excise and Service Tax Appellate Tribunal
			29.5		
	Total		1,758.6		

