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BASF India Limited, Mumbai - 400 079, India

May 27, 2026

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,

Re: Analyst / Fund Managers Meeting of BASF India Limited.

We enclose herewith the transcript of the Analysts / Fund Managers Meet of BASF India Ltd, held on Friday, 22nd May, 2026 at 4 p.m., for your information & records.

Please treat the above information as intimation under Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Thanking You,

Yours faithfully,

For BASF India Limited

MANOHAR SHRIKANT KAMATH
Digitally signed by MANOHAR SHRIKANT KAMATH
Date: 2026.05.27 09:47:24 +05'30'

Manohar Kamath
Director – Legal, General Counsel (India)
& Company Secretary

PANKAJ RAJKUMAR BAHL
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Pankaj Bahl
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BASF India Limited - Analyst meeting / Fund Managers Meeting on 22nd May 2026

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Good afternoon, Everyone,

I welcome all the Analyst & Fund Managers to our Analyst / Fund Managers meeting today. I also welcome Mr. Alex Gerding, our Managing Director, Mr. Narendranath J. Baliga, our Chief Financial Officer, Mr. Anil Chaudhary, Whole-time Director & Head of Manufacturing, to this fund to the analyst meet. We recently declared our full year results on 19th of May 2026.

Mr. Alexander Gerding and Narendranath J. Baliga will take us through the presentation, which will cover the performance of BASF India Limited for the full year, 31st March 2026. All the participants have been kept on mute mode for the time of the presentation. And once the Q&A session starts, you can raise your hand to ask any question. Or if you have any questions, then you can also, during the meeting, just put them in the chat so that we can take those questions after the presentation is done.

And please do ask questions, whatever you feel is relevant for today's meeting. And I now request Mr. Alexander Gerding to take it forward, please.

Mr. Alexander Gerding, Managing Director

Namaste. Good afternoon to all of you and thank you so much for joining us late this afternoon on a Friday. I'm very happy to be here with you. And this is the first analyst conference in the year 2026. And it's shaping to be another interesting year. And I think we'll walk through some of the elements. Maybe before we start, as every time, just some cautionary notes regarding forward-looking statements. So, we will only discuss matters that are in the public domain. As a matter of policy, as you know, we do not provide any forecast about the future business situation, and we do not comment on or give guidance on future results or business outlook. We always start with safety first. And here you see a picture of our most recent manufacturing meet. We every year get the manufacturing community, the leaders of all the sites, all the manufacturing sites, the seven sites in India together. And we discuss best practice sharing, lessons learned, try to learn from each other to become safer at our sites, to increase our efficiency, to increase productivity. Also, very important elements like sustainability and digitalization are always on the agenda. And it has really become a flagship meet with also a lot of impact. This community is really sticking together, supporting each other. And this also translates always into our safety KPIs, which we also always present and are fortunate to say also this time we've had no high severity incidents in the last full year and also no process safety incidents. We did have two lost time injuries, one in February and one in March, both in Dahej in Gunjan. Fortunately, our employees are back at work. So, these were one of the incidents. was a hot water splash exposure. And the second one was a hot steam exposure. But these were not severe injuries. And fortunately, our colleagues are back at work. Nonetheless, root cause analysis has been done, and measures have been implemented to avoid these incidents from happening in the future. And as you know, we always take a lot of focus on leading indicators, which are near misses, because they're a good indication for safety.

This year is shaping up to be another very dynamic year, and I think when we started the year 2026, January, February, I think there were a lot of positive signals, low inflation, easing interest rates. Also, the GST rationalization that had been implemented was really supporting consumption. And then the Iran war started. end of February. And of course, that has been dominating a little bit not only the regional geopolitical context, but also globally. And it's still ongoing. What has been the impact so far? I mean, we do see feedstock inflation, surge in oil price, gas prices, other feedstocks, supply chain disruptions. And now also the Indian rupee is depreciating. So this is becoming a prolonged crisis. So it's not a one-time element. It's becoming more systemic now. And the big, big question that everybody has is will this lead to a drag on growth? I think there's many people talking about stagflation now. So inflation on the one hand side, but also a stagnation of the economic growth. And this, of course, would be a combination that nobody wants. I think the momentum in India is and has been always strong. Nonetheless, we do see now fuel prices going up. So inflation is happening. There are talks whether interest rates will be rising to protect the local currency, but also to get inflation under control. But that can also have impact then on economic growth. So, the big question mark, in 2026 is how will the GDP growth look like, not only in India, but in Asia, in the world, given this prolonged conflict. Nonetheless, I think we're here to talk first and foremost about the fiscal year results, which ended end of March 2026. And you will see that the last quarter of the fiscal year was very, very robust. And I really want to thank the entire team of BASF, all the businesses, all the service units, corporate units, the manufacturing sites for such a robust result. And I will hand over to Mr. Narendranath J. Baliga to walk us through these financials.

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

Thanks, Mr. Alexander Gerding.

Good afternoon, everyone. I'm Narendranath J. Baliga, Chief Financial Officer of BASF India Limited. I'll take you through the financial performance like I do in the analyst meets. These numbers that I'm going to show are consolidated numbers, which means on a line to line item basis, we have added coatings business into the BASF India Limited line item so that you get a clear view as compared to previous year how the current year performed. Otherwise, this would come as a held for sale business and will not be kind of reflective of the previous year's numbers. So all numbers are consolidated and it includes discontinued operations.

There are 10 business units spread over 6 segments. And if you see on the right side, the chart shows the distribution of these segments to 10,000 crores spread over these six segments. Materials happen to be our biggest segment now. Almost 1/3 of the sales is coming from materials. And next is nutrition and care, which has both the businesses, nutrition and health and care chemicals included. And then the third one is industry solutions, which has performance chemicals and dispersions. So this is the spread here. Agriculture solution is 12% of the total, around 2,000 crores, and Surface Technologies, that is the coatings business is based in this segment, that is around 600 crores. So if you ask, what is it in BASF India Limited, after agro and coatings, it is 15,539 minus around 2,500 crores. The 2005 crosses these two segments. Coming to the quarter on quarter performance, on the left side, you see the sales, the revenue, 10% increase, almost 12 to 15% coming from volumes, whereas the price has impacted the top line. So volumes has increased significantly, like Alex said, that's been a robust quarter and higher volumes, but the price impact remains. And on the right side, what you see is the profit before tax, before exceptional item, higher volumes and coupled with better margins. So both has helped us here, higher volumes and better. Margins for the quarter, when you put four quarters together, this is the picture you see year on year. Very small increase in sales, but that comes after nearly 6 to 7% increase in volumes. So despite a very difficult market, our teams have been able to sell more and gather 6 to 7% additional volumes. But like for the quarter, the margins, the price has impacted nearly 5 to 6% price direction. And then you see only 1% growth there. And the profits are impacted due to higher input cost and product mix. But, as in the next slide, when I show you quarterly performance, this clearly shows how we are performing. On the left side, you see the revenue for the last eight quarters, which means 2 financial years. For this current financial year, which is in dark blue, we see almost 3,900 to 4,000 crores. It's stabilizing around there. And on the right side, when we see the profit before tax before exceptional items, you remember March 2025 was not such a good quarter for us. Significant. Usually it's not a strong quarter, but then that was exceptionally bad quarter and we earned 25 crores. As against that, this time we have earned 90 crores. So very good improvement in. profitability. And here, usually the question comes up, how much is OMP versus merchandise? OMP is around 42% and merchandise is around 58%. And when it comes to gross margin for OMP, we earn around 25 to 30% margin. And for merchandise, we earn around 5 to 10%, so that that's the at a gross level, at an aggregate level, across the businesses. If there are any questions later, we can answer all these things. Networking capital development. The light blue at the top is inventory, the dark blue bar is receivables, and the gray at the bottom with the negative sign is payables. So net working capital has increased from March 2025. The 4th bar indicates March 2025, and the 8th bar indicates March 2026. So compared to that, it's around 600 crores higher networking capital, mainly coming out of higher receivables and lower payables. So we have paid some of the dues in the last quarter, and that has reduced the accounts payable from 4,200 crores to 3,800 crores. So net. There is kind of a increase in networking capital.

Coming to the revenue development by segment, this is the waterfall chart showing which segments contributed and which segments took away the top line. Nutrition and care, this is the segment which had the pricing power and both volumes and prices went up for nutrition and care. That was a very good performance at the top line level. Whereas in industry solutions, the volume increased, but there was significant price pressure. This is where we have our dispersions and performance chemicals, which also has the process catalyst business included. Surface technologies is coatings of 100 crores plus. And agriculture solution is down 120 crores, but still they are able to kind of reach closer to 2000 crores. So solid performance also by agricultural solutions. Volumes are slightly down, but the prices have improved there in agriculture solutions. Chemicals is purely A merchandise business for us. Again, there also we have volume increase and materials is one segment where we have both volume and prices going down due to market conditions. And we see materials how it's negative here. And in the next slide, we have positive results. This is profit before tax before exceptional item from 600 to 564. How did we get into. Industrial solutions, dispersions has contributed significantly for this growth. So that is one solid performance. Like I said, the volumes are better and performance chemicals also has contributed. So solid improvement in PBT. Materials, though the top line was negative, has performed well on the bottom line and 27 crore improvement. Surface technologies coatings, almost you can say breaking even. If you see the table below, it's 3 crore positive from a minus 7 last year chemicals slightly lower and nutrition and care, though the top line was good. At the PPT level, there is a negative profit, a negative growth. I can say from 65 crores, we have come down to 31 crores because of the market competition and we can talk about that in the Q&A section if there's any question.

Agriculture solution is also down. Again, they are facing the pressure. And the others are allocated. It's a nice 50 crore there, but actually it's 42 crore becoming 92 crore. And there are various elements there. It's a round figure. It looks like it's plugged there, but it's actually multiple items like interest and some GST written off and admin cost, which cannot, which is not distributed to the segments, it's that kind of things. And on a consistent basis, we club all this under others unallocated, which cannot be allocated to the segment. Coming to performance indicators, the receivable days, very well controlled, 65 days. And consistently, we strive to keep our overdue in single digits. So this time also, it's around 8% overdue. 8% of the accounts receivable is overdue. So very well controlled and the business units get the credit for this for managing the receivables in a very disciplined manner. Inventory days slightly higher due to the disruptions, the businesses are probably stocking a little higher so that we don't lose on the opportunities. And hence, we are okay to kind of increase the inventory by 10 days and maintain the stocks if there is an opportunity. Cash flow generated is minus 110 as compared to 370 crores last year. If you see the cash flow from operations before working capital, we have earned around 700 crores positive. And like I explained in the earlier slide, there is around 800 crores of working capital growth. They have both receivables higher and lower accounts payable as resulted in net cash flow at minus 110. And that would also mean our free cash flow after adjusting for around 200 crores of capital investment is free cash flow is around negative. 300 gross. Operating expenses, here we define operating expenses as all costs, excluding cost of goods sold. So the fixed cost portion, where is it going? Yeah, that is. higher and that is the point where we have to kind of continue working on to kind of bring it under control. So that is 1 focus area for us. EBIT before exceptional item is 4%, slightly lower than previous year. And ROCE, this is important, written on capital employed is 16% as compared to 18.5%, 16.3% as compared to 18.5. Solid. Even better is Rono, where it is return on net operating assets. That means we have some 800 crore cash, excluding the 800 crores cash and the interest earned on that, just on the operating assets, what we have earned, excluding the cash surplus. That is 19.7%, and that's a very strong performance as you can see. EPS, it's a 10 rupee share and EPS earning per share is 97 rupees as compared to 110 rupees. So again, I would say a strong performance despite the challenges. If there are any questions, we can answer that in the Q&A section. I hand over to Mr. Alexander Gerding to continue with.

Mr. Alexander Gerding, Managing Director

Thanks, Mr. Narendranath J. Baliga and definitely a robust performance, especially also as we finished the year, the last quarter. And I wanted to just share a few additional updates before we get into the Q&A. So here, you remember the last time in November when we had the last analyst conference, I was showing a building under construction on the lower left. And now this building is completed, as you can see. This is the Celasto expansion. This is part of the material segment. And these are these Jones bumpers that you see on the right hand side that basically enable a smoother, quieter ride with less vibration. And this is a business where we have a very, very strong market share, already a strong own manufactured products presence in India, but this expansion will increase our local for local production and the ability to continue to participate in this growing market. We also recently in February had the groundbreaking in Mangalore of our third dispersion line. So we have two dispersion lines in Mangalore. We have two dispersion lines in Dahej. So this will be the 5th dispersion line in the country. Dispersions goes into architectural paints, construction chemicals and paper application. So this is also a very, very important business for us with a strong OMP share in India and very happy to see that we're expanding This will be a 15%, about a 15% increase in capacity in the country on dispersions, and the commissioning will be targeted by end of next year. We had the pleasure and the honor to welcome our global BASF SE management board actually, for the first time ever, the entire board of BASF SE had a board meeting outside of Germany and we were able to bring them to India. And this was a very, very packed 4 days. We were two days in in Delhi, two days in Mumbai. As you can see here, engaging with many different stakeholders, customers, very important stakeholders in the country, also government officials. We are very honored that Piyush Goyal was with us, despite the fact that it was on the same day that the EU-India Free Trade Agreement was announced in Delhi. where we also participated, of course. So very strong interactions with multiple stakeholders. And I think the entire BASF SE board went back to Germany, very energized and committed. And it confirmed really that India is an advanced country for us. It's a key strategic country, and we want to expand our manufacturing and R&D. footprint in India and one tangible step that some of you might also have been following is BASF Group is setting up two new global hubs in Hyderabad, one global digital hub and one global business service hub. These will be housed in two separate legal entities, one BASF Digital Solutions Private Limited, and the other one, BASF Global Business Services Private Limited, which will house, the business services part will house global HR and finance activities. And this is a quite transformative step from BASF because we're moving from more regionalized hubs to global hubs. And we were able to bring these hubs to India. Yeah, so the competence, of course, in GCCs has been strongly recognized. We're certainly not the first company to open up GCCs in India, but we're also not going to be the last one. And this is really complementing our footprint already, strong footprint in manufacturing and R&D adding another element to our presence as a group company in India. and this will provide a lot of employment as well. So our footprint as a company in India is growing. Of course, the business units continue to engage also with key customers. Here you see a few pictures of our recent event, Plast India in Delhi, where the teams engage with more than 200 customers. This is especially in the material segment and focusing not only on the make, but also the use and the recycling. So sustainability was a key element, a common thread across the solutions that we were presenting in this venue. Very successful venue. Of course, we continue to connect with the industry and with associations, like, like every year. And also continue to drive our corporate social responsibility activities. You've seen this before. We recently had a kids' lab now also in Chennai. So after Mumbai, Bangalore, Mangalore, Delhi, Nashik, now we also came to Chennai, inspiring young kids to become climate champions. And we've also, in the meantime, had more than 220 graduates, women that have studied chemistry, bachelor's or master's of science of chemistry, that have been

upskilled, that have graduated from the We Chemie program, and 80% of them have been placed in the chemical industry, thus also making an impact, increasing the diversity In the chemical industry.
And then I wanted to also give an update on our portfolio measures. First, the demerger process on BASF Agricultural Solutions. So the demerger was cleared by SEBI and the stock exchanges on the 2nd of February, 2026. And now the next step is on the 24th of June, 2026, we'll hold the shareholders meeting. As you know, the share entitlement ratio will be one to one. We really believe we're unlocking shareholder value with a step. And this is why I also wanted to bring a little bit more insights into this agricultural solutions business in the next few slides. The vision for the business is for the love of farming, the biggest job on earth. Of course, everything we do is catered to farmers and to increasing yield and productivity at the farm gate. Also, safety is extremely important to this business, not only to BASF overall, but also to the Agricultural Solutions team. And this Shrutika Hamesha initiative has really become a flagship stewardship program in the industry. Almost 1 million farmers have been trained in the last 10 years to safely apply pesticides on their fields. This is really a flagship in the industry and the teams continue to train farmers and applicators. The fundamentals of the markets of the agricultural market are the demand for agro-innovations will continue to grow. Also, the demand for high quality seeds for high quality inputs will continue to grow. The combination also of crop protection seed, digital solutions and farming services and the interaction between them, what we call connected offers, will increase. And we continue to invest in broader crop labels and technology, and segments like fruits and vegetables and rice will continue to be very, very important segments also in the future. So very strong fundamentals for the market. And we have been an innovation-driven company. Just to put it in perspective, BASF globally, in all divisions invest annually around 2 billion EUR in research and development. And almost 50% of that goes into the agricultural solutions division. And here you see an outcome of that. In the last four years, we've launched 12 new products. And you see it across different indications, insecticides, fungicides, herbicides, but also bio-stimulants and other segments. And it goes into multiple crops so a very strong innovation-driven portfolio. We also have a strong pipeline moving forward. So in the next few years, we will launch a similar amount of new products in this segment.
And this has enabled this business to diversify its footprint. So if you look on the lower left hand side, you see we have a quite balanced segmentation, fungicides, herbicides, insecticides. Whereas in the past, maybe we were more relied on herbicides. Now we have also a stronger fungicide and insecticide footprint in our portfolio. If you look at the crop split, similar, where in the past, maybe corn and soybeans were quite dominating crops. Now we have a very strong presence in fruits and vegetables. And of course, there's many crops behind that white column on the right, yeah. And also rice is becoming more important. and other crops. So the robustness of our portfolio when it comes to segments, when it comes to crops has increased over time. And of course, in the last four or five years, also the business has grown. We've had 8% compound annual growth rate. So the teams have done a fantastic job. to diversify our portfolio, make it more robust, enter into new segments, and also grow the business and increase our market share. In the meantime, we have around 7% market share in the country.
Equally important to our portfolio is our deep channel engagement. Why? Because in India, as you all know, we have 150 million farmers around almost 200,000 retailers and more than 10,000 wholesalers. So the relationship that we have with the distribution channel is extremely, extremely important to ensure, to educate them on our technologies, on our innovations. And they are our extended arm to bring those solutions to the farm gate. and ultimately make sure that these products are also applied on the ground. So in the last few years, the focus has really been on liquidation from retail level to Farmgate and ensuring that our products get applied. And this is extremely important. We have more than 1,700 distribution partners we work with closely.
And demand generation is critical. Now, of course, our farmer customers in India are also facing challenges. I mean, this West Asia conflict is also impacting the farm gate. We all know fuel prices are going up. To operate a tractor, to operate irrigation equipment, you need fuel. You need fertilizers, of course. Fertilizer prices have been going up as well. So the pressure is certainly there also when it comes to input costs. At the same time, the soft commodity prices, in some cases, they have been also developing positively, but some of them are still also compressed. So the pressure for our pharma customers is certainly very high. And we're now starting to get into the peak season, right? Kharif is coming, the monsoon is coming. There is a lot of anticipation towards the monsoon. Will it be a new year? Will it be a dry year? Will it be a wet year? Still to be seen but certainly not an easy situation for the farmer out there given the current West Asia conflict, which is why our focus has to continue being to stick to the fundamentals demand generation is key, maintaining business quality when it comes to inventories, when it comes to accounts receivables as well, and continuing to focus on expanding in those crops and segments where we're strong and continuing to grow and enter in those segments where we're growing. And I think the team is doing a fantastic job to focus on that. And at the same time, of course, making sure that this demerger process goes smoothly as we put this business into a more independent setup in the future and to unlock shareholder value. Now, besides the agricultural solutions business, as you all know, also the coatings business is part of our portfolio measures. We had reached an agreement with Carlyle, yeah, a binding transaction agreement on the coatings business to create a leading standalone business. And there is some updates here as well. As of 31st of March, 2026, the said business generated sales of 595 crores, representing around 4% of the consolidated sales of BASF India Limited. In India, the valuation of the coatings business has arrived at Rs. 230.16 crores based on independent valuation. This transaction is expected to close by the second quarter of the calendar year 2026, of course subject to customary regulatory approvals. Post the closing, BASF India Coatings Private Limited will cease to be a wholly owned subsidiary of BASF India Limited. Now, BASF, after the closing, will reinvest in the coatings business and hold 40% equity stake, but the majority and the operational leadership will be with Carlyle.
And with that, I would like to really close. It's a very dynamic year, shaping up to be. Of course, the focus is like every year you see the elements here. But right now, I think our main focus has been in recent months to navigate through this crisis. Fortunately, we did not have to shut down any operations. So even some of the gas supplies,

we were able to continue to operate our sites. Of course, input costs are going up. So one key aspect is also to translate this higher input cost also into higher prices, yeah, into the market. So that's another element. make sure that the expansion projects run successfully, the Celesto project, also the Dispersion Line 3 expansion, make sure that we stay very close connected to all of our customers to continue to expand our market share and grow our volumes wherever we can, protect our margins and ensure that the portfolio measures, be it the APD merger and the EC carve out happen successfully. So, these are key priorities for us and the businesses in the next few months. And with that, I really want to thank you for your attention and looking forward to your questions.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thanks, Mr. Alexander Gerding and Mr. Narendranath J. Baliga, for the presentation and giving us an insight. I think we have quite some few questions that we have also received in the meantime, but I would like to open up with our first speaker, Mr. Ravi Purohit from Securities Investment Management Private Limited. Ravi, you can unmute. And ask your question, please. Yes, you can please unmute yourself and ask the question. You have already unmuted him. Maybe Rohit, till the time Ravi can unmute. Maybe Rohit, you can ask the next question. Please go ahead. Rohit Nagraj.

Mr. Rohit Nagraj

Yeah, hi. Thanks for the opportunity. So first question is on the agrochemicals front. So we launched a couple of products. I mean, from 22 to 25, we have launched multiple set of products, particularly Exponus, Efficon, and we saw the concurrent impact on our business in terms of revenue growth as well as profitability in FY23 and FY24. However, FY25 and FY26 have been relatively muted despite last year the Valexio launch for Rice. So what have been the reasons and why the margins have compressed so much over the last four years timeframe? And will this be the normalized margins that we need to look at from the agrochemicals business perspective? Thank you.

Mr. Alexander Gerding, Managing Director

Thank you, Mr. Rohit Nagraj, for those questions. So yes, you're right. The last two seasons have not been easy in overall for the agrochemical market. And I think this is driven by multiple factors. One being erratic monsoons. I mean, you all remember also the monsoon last year was very dry in key areas also in the country, or too wet in key areas in the country. So very erratic monsoon was one. Second was also soft commodity prices. I mean, commodity prices, especially of very crop protection intensive crops like chili, for example, which is in the fruits and vegetables segment a very important crop for us. Acreages had been going down and intensity in the crop, meaning applications were impacted as well, which also our exponents, for example, which is a key product that goes into chilli as well, was impacted. And considering this context, there were also high channel inventories. And I think the industry was facing this situation. We were facing it as well. At the same time, I think the team has done a very, very good job to keep a very, very healthy business. So if you look at, and I think Nadine was mentioning it, if you look at our overdue situation, you know, we've not been facing bad debts. We've kept our overdue situation under control. So heavy focus on accounts receivables to collect our money. And also to ensure that we had to bring some products back here to ensure that we don't enter into a difficult overdue situation and ensure also that we redeploy the products where they are needed in the country. So this has been impacting us given the season. What we do believe, and to your point on the innovations, I mean, the 12 products that we launched in the last four years, fortunately, these products already represent around 25% of our total sales. So our portfolio freshness is really improving. On average, also, these innovations have a higher marginality. So I think the portfolio is becoming more robust. We don't stand on one leg or two legs. We have multiple legs and also are able to position ourselves, given that we're in so many crops now in all the areas of India, not only in certain pockets, but in pan-India. So I think we have the right portfolio. We will continue to invest in our portfolio also into the future. Our channel inventory situation is healthy. We are focusing, as I mentioned in the presentation, on liquidation at retail level. So it's really about demand generation and making sure our products get applied and don't stay in the channel. Yeah. So I think we've been, the team has been focusing on the right things. But yes, the seasons have not been easy.

Mr. Rohit Nagraj

Sure, thanks. And second question is in terms of, you also alluded to the fact that the raw material pressure is certainly there and we'll be taking pricing actions to pass it on to the customers. Given that partially this exercise must have been in process, have we seen any kind of demand? Any of our six segments, your thoughts would be helpful. Thank you.

Mr. Alexander Gerding, Managing Director

Yeah, so of course, we've also been facing higher raw material costs, given the overall context, yeah. And I think it's very difficult to answer. It depends really segment by segment, and you start from upstream chemicals to downstream. So until let's say the higher input cost and the passing on of higher input cost to our customers happens in downstream. It takes some time. There is a time lag until you really see that transition. I think the teams are working very hard to pass on where possible, probably starting in the upstream businesses. And this is a focus area for the teams. And we are successful here and there, but it really depends on the value chain, on the chemicals we're talking about, on the competitive environment. And so far, you know, we've been able to weather this storm, I would say. But the key question, and I think you alluded to it also, is the demand side. So how will the demand continue to evolve in the next few months? And I think nobody has that crystal ball right now. And we do perceive that there will most likely be a slight softening of demand. We see it already now. I mean, there is inflation. I think there is a little bit of a wait and see mode in the one or the other industry sector as well. There was a bit of a panic mode, you could say, when the crisis started. Maybe also some preponement. of purchases, yeah, to ensure that there is availability of supply. I think this is tampering off a bit, yeah, and there is in the one or the other segment there could be a little bit of a wait and see mode since prices are also here and there stabilizing. And the key question is really the ultimate consumer demand. And I think nobody has the answer to that. It also depends on how this crisis will continue to unfold. There is peace talks going on, as we all know, but it's very difficult to predict. So far, we've had a good, solid situation. We didn't have to shut down plants. But yes, we're facing higher input costs and we're trying to pass those on to the market. Successful here and there, depending on the segment, yeah.

Mr. Rohit Nagraj

Sure, thanks for the answers and all the best. Thank you.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thank you, Rohit. Thank you. We will have Ravi Purohit now ask the question. I hope, Ravi, you can unmute and ask your questions, please. And you're still shown on mute. If you can unmute, that would be at your end. Okay. I think, Mr. Alexander Gerding, till the time Ravi cannot unmute, maybe Ravi, you can type in your question, your question into the chat, and we'll take it up.

Yes, I think there was one question, of course. Mr. Narendranath J. Baliga, you highlighted on the OMP versus the merchandise margin. You know, how does that look? But in general, what do you see the OMP business growth as we move forward? I mean, as a general, how do you see the market for the own manufactured products?

Mr. Alexander Gerding, Managing Director

Yeah, of course, our aim is to over time increase the OMP share in the segments where it makes sense. Yeah, I was mentioning Celesto expansion, which is the material segment already has a strong OMP presence in India and continues to expand. I also mentioned the dispersion business. That's also a very OMP strong business unit. Yeah. And also there, we do aim to expand our presence, you know, when we see the market opportunity. So of course, in these segments where we already have a strong footprint, we continue to expand. If you look at the ag segment, I mean, we don't have own production, but we work with toll manufacturing, contract manufacturers in the country. And also there, the share of, let's say, locally formulated crop protection products has dramatically increased over the last few years and continues to do so. So of course, our aim is to have a local for local, we have a local for local strategy and we do plan to continue to expand our local manufacturing footprint over time. Yeah. So, and I think that has been visible also in the presentation that we were giving today.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thanks. There was one another question on Celesto and you said that this is, you know, the expansion that we are doing at the Dahej and how much would that contribute, let's say, to the revenue of BASF. I mean, of course, we don't talk on now product wise, but as this is a question that is asked, you may just. Tell a little bit on a general view of what it looks like.

Mr. Alexander Gerding, Managing Director

Yes, Celasto is part of the materials and performance materials division, which is part of the materials segment. It's a very successful business, yeah. We don't talk about kilograms or litres, you know, here we talk about units, yeah, because these Johns bumpers, you know, they're measured in units. We have a very strong market share in the country. And, you know, I think order of magnitude, you could say that the Celasto business within the performance materials operating divisions represents around 10%. Yeah. So it's a quite significant component of the material segment. which is if you exclude the agro division, the material segment is our largest division in the country. So it's a very profitable business. We have a high market share. And as you can see, we're also continuing to expand our local for local manufacturing capabilities.

Mr. Baliga, Chief Financial Officer and Whole-Time Director

Yes, and the capital expenditure is on now. It's work in progress. Half of the money we have spent now and the other half will be spent, like Alex said, till we go live next year.

Mr. Alexander Gerding, Managing Director

Yeah, so the Celesto, the Celesto, the building that I was showing, the additional capacity will go live by the end of this year, just to be just to be clear. So the building is there, yes, but to commission the line, of course, will take a few more months, yes. So by the end of this year, the team is targeting to go live. The dispersion line, which is the other investment in Mangalore, that will be commissioned by the end of next year.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

In the meantime, we have questions from Ravi, so I'll just take it. I think he's talking about the CapEx for BASF India and he highlights the large CapEx that we did almost 10 years ago. I think this is the H investment that we did. And the question is, is there any similar investment CapEx that we are looking at in the near future? He also highlights the land parcel purchase that happened recently for BASF. Is there anything that we can share? on that?

Mr. Alexander Gerding, Managing Director

Yeah, thank you for the question, Ravi. So, I mean, we usually don't give forward-looking statements on CapEx investments. I mean, what I can tell you is that in BIL right now, we don't see a large CapEx investment, yeah, other than maintenance CapEx, of course. Of course, yeah. But we are, as I mentioned, the dispersion line 3, the Celesto expansion. I mean, these are significant Capex investments. I mean, they're not to be undermined. But yes, I think you're alluding to the multi-OD site Dahej, which we had in 2014, I think, if I'm not mistaken. We are looking, as I mentioned, as I mentioned, India is a focus country. India is an advanced country. We want to expand our manufacturing footprint in the country. And we look into opportunities constantly. But it's too early to make any comments on this. As you can imagine, the current chemical industry context globally is also not an easy one. I think with a geopolitical uncertainties with the high energy. We're an energy-heavy industry, of course, with the high energy cost that we have been facing, especially also in Europe, with the overcapacities that have been built in China. You know, all of these elements are putting a lot of strain, a lot of pressure on the chemical industry globally and also BASF for that matter, since we're a leading chemical company. So right now the focus really in the company is to run all of our assets and increase capacity utilization of all the assets we have around the world to a maximum and expand our market share in the countries have a more asset light sort of strategy in that respect and regain our earnings power globally as a company before we can think about another investment cycle, larger investment cycle, let's say across the world.

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

Right. And to round up the issue, we spent around 200 crores Capex in financial year 26. They're off around 150 crores on the Celesto expansion ongoing expansion, yeah.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

I think you've already touched upon this topic on India being, you know, a strategic market for BASF. The next question is going towards that, that if you look at BASF Global as compared to India, the percentage share is not so much in terms of how much India contributes. And when do you, the question is, when do you see India on that, at that level? You know, of course, you can't match BASF SE because it's quite a big, you know, from a group perspective, but where do you see India growing?

Mr. Alexander Gerding, Managing Director

I mean, India, the chemical market in India today represents around 3, 3 1/2% of the global chemical market. China represents around 50% of the global chemical market. Of course, you know, you can compare the two markets. But India is growing significantly and probably in the next 10, 15 years, I do believe that India has the opportunity to be around 10%, 12% of the global chemical market. So the growth rates, if India continues to grow GDP around 7% year on year, and if the focus on increasing the manufacturing share of GDP, which today is still around 14, 15% of GDP, to get it above the 20% range, you know, there has to be massive, massive investments into the manufacturing industries. And as you all know, the chemical industry is a key enabler of the manufacturing industries, right? So without a strong chemical industry, you will not have a strong manufacturing industry. So long term, with the Vikshit Bharat 2047 ambition, developed nation, making India self-reliant India direction, I do see a big potential for India to have a stronger contribution to the global chemical markets. But at the same time, we also are in a situation right now where over capacities have been built in recent years. And these capacities have not all been filled up. And this geopolitical turmoil with tariffs and these wars that are going on are not helping. So to give consumers confidence to continue investing in durable goods. So this is tampering. certainly the GDP growth globally. And I think everybody is now looking at the second half of the calendar year.

How will GDP growth, industrial consumption, chemical production develop globally, given the geopolitical situation that we're facing? And I think Nobody has a clear answer to that, yeah. But to make a long story short, India is well placed with the demographic dividend, with a young demographic dividend, with a GDP per capita and a chemical consumption per capita, which is still one-tenth of the global average. It will grow. It will grow. It might not be an exponential growth, but a step-by-step incremental growth, but it will grow for sure. And this is also why we as a company are clearly focusing on India, trying to evaluate opportunities. And the entire board of BASF would not come to India if there wouldn't be a clear a clear focus on India, yeah? So I think the awareness within the company is increasing, the understanding of the opportunities is increasing, and it's just a matter of time. It's not a matter of if, it's a matter of time when it also translates into bigger steps.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thanks, Mr. Alexander Gerding. The next question is on the coatings business. So the question is, BASF coatings business globally was sold at a 2x sales multiple, but the India business got only 0.25x multiple of sales. Any reason why such a disparity?

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

So the big nature of business in Germany is not comparable to the business we are doing here. Hence the sales multiple or EBITDA multiple is not directly relevant. And in the independent valuation, what was done is to go for discounted cash flow and see the business for the next few years and then discount it to the current. period. And that's how we arrived at Rs. 230 crores. If you go by EBITDA multiple, the business is just breaking even. So there would be nothing much to get as valuation if you go by EBITDA multiple. And definitely sales, top line multiple is not applicable for this nature of business. Hence, the independent valuation had to to discounted cash flow and arrive at the valuation of Rs. 230 crores.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thanks, Mr. Narendranath J. Baliga. The next question is on royalty and service payments. So BASF India margins are all over the place. This is more a statement. With our sales barely moving our royalty and service payments to the parent have increased from 335 crores in FY 23 to 436 crores in FY 25. And I assume it's also for this year. Can you? Help understand this.

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

So royalty rates are different for different products depending on the maturity cycle of the product. It ranges from 1.5% to 13% on select products. And I don't know where the number comes from, but last year we had around Rs. 130 crores of royalty paid. And this year it is around Rs. 160 crores. I think the right amount is Rs. 156 crores royalty paid. I think it's a combination of royalty and service payments. Service payments, then we have this shared service center, which is based in Kuala Lumpur, when we pay them those charges. So that is based on purely on the services received from the unit. So we have been restructuring the local organization also, and that has increased the scope in Kuala Lumpur, the shared service center hub. And that is the reason for that. And then you have IT charges also, probably that also is included there, around Rs. 150 crores we pay IT charges for all the digitalization services that we receive from the group.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Thanks, Narendranath J. Baliga. I think we'll take the next question from Mr. Girish Raj from Bryanstone. Please unmute and ask your question, please.

Mr. Girish Raj

Yeah, thank you. Of the Capex 200 crores, did you mention 150 was related to Celesto?

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

Yes, as of now, it's a work in progress, and one around Rs. 150 is spent as of now.

Mr. Girish Raj

Understood. Okay, so, you know, if by 27 or is there any more Celesto related capital expenditure pending?

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

Yeah. I would say it is halfway through now and another half is to be invested. So around another Rs. 150 to Rs. 170 crores is to be invested to bring it to production. So I call it halfway through now.

Mr. Girish Raj

Understood. Okay, so FY27, is it fair to assume another 200 crores worth of capital expenditure?

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

If you, if you are talking about the overall only Celesto or overall?

Mr. Girish Raj

Yes, overall company level capital.

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

Oh no, it would be more than probably Rs. 200 crore because around Rs. 150 crore is already Celesto and then we also have the dispersions going on line 3 in Mangalore, so that that's also to be included. So it will be more than that. And then we will anyway have the maintenance Capex. These are productive production capacity increasing Capex, and then you have maintenance Capex also. So Rs. 200 crores will be there.

Mr. Girish Raj

Understood, what is our annual maintenance capex on an average that we have?

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

Rs. 82 crores, that's the range we have.

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

Yeah, Rs. 82 crore you can say. On a regular basis, you can see around Rs. 100 crores spent on maintenance Capex. But then again, it depends on year to year. It's not exactly, it's not maintenance expense, right? It's Capex. So when something goes off, you reinvest in that. So it ranges.

Mr. Girish Raj

Okay. Right. Understood, understood. That's the reason I said Rs. 82 crore. Understood. So assuming all these comes in FY27, you know, is it fair to assume that FY28, the CAPEX will be significantly lower or do we have any other visibility or any other project visibility?

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

That's a nice try. Like.

Mr. Girish Raj

Okay, understood. Thank you.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

So I think there was one question around agro, which is, I'm not sure whether you've answered. This was on, how do you see the overall growth volumes for agro in FY26? And what is there any price hike that would be implemented for agro since March 26? Is there any price hike for agro?

Mr. Alexander Gerding, Managing Director

I mean, as mentioned in the beginning, we don't provide forward-looking statements. As you know, the carriage season is just about to start. Yeah, monsoon is just about to start. So It's also very difficult, especially also given the backdrop, considering the backdrop of the Middle East crisis, it's very difficult to even make predictions here. What I can tell you is that the team is prepared for the season. I'm in permanent contact there with the leader, leading the team. And I'm very confident that the team has put all the measures in place to have a good start to the season. But again, there's many elements that, you know, will have to be seen in the months to come.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Sure. There's one other question from Bhavin Soni from B&K Securities, which is, what is the contribution of new products to the total sales for FY26 versus FY25?

Mr. Alexander Gerding, Managing Director

I mean for the entire company, I don't have that. number at present, but for the agricultural solutions, I mean, I was mentioning these 12 products that we launched in the last four years, and I think they're contributing today 25% to the top line in the ag division.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Okay. I think the question, again, the question on agro, this was more for last year, which is what is the overall volume of growth in ag for 25-26?

Mr. Alexander Gerding, Managing Director

In the last fiscal year, yes, I think financial year twenty-six, we have those numbers right, so...Volume growth, volume growth. Agro volume growth was negative.

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

I think I mentioned that the prices were good, but then the volume was slightly lower than previous year. And hence, do you see that Rs. 100 crores lower top line as compared to last year.

Mr. Alexander Gerding, Managing Director

But from a market share perspective, we held our ground, you know, because also the market was impacted. Yeah. So Again, if you look at the crop by crop, you go crop by crop. So yes, we had a tough situation, but the market share wise, I think the team held the ground. I think we have, we had some generic competition in a segment, in a key segment, corn. herbicides, but we also held our ground in that crop and that indication, fighting to keep our market share. And we continue to expand in fruits and vegetables as well, and continue to ramp up the new launches that we had. So overall, I think the team did a very good job to keep the overall market share in the market at around 7%. I think there are no further questions. Is there one?

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

There's one more question from Ravi. This is BASF India made an EBITDA of Rs. 633 crores in FY21 and in FY26 we are at Rs. 656 crores that six years of same range of operating profits. Should investors be optimistic about BASF India's performance over the next six years? If yes, what specific things should we look forward?

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

So, Ravi, there have been certain restructuring that have happened, like we have sold our construction chemicals business. So, some such structural changes have happened and hence it's not exactly comparable to financial year 21. So, whether the investor should have any interest that is left to them to decide, but I can say it's not very comparable from financial year 21 to financial year. 26. There have been some restructurings that have happened.

Mr. Alexander Gerding, Managing Director

Okay. Of course, our strategy is to grow profitably and sustainably. I mean, this is, but we're also not alone in the market, right? We have a very tough competitive environment. As you know, India is also a net importing, a net importer. And the, let's say, Chinese oversupply situation, especially in the upstream chemical businesses and markets in India, have been putting a lot of pressure on margins. And I think this is something that we have seen. And the slowdown of economic growth, the slowdown of consumer spending is certainly not helping in this aspect. Yeah. So, we need the global economy to do well. We need the Indian economy to continue to be, to maintain the momentum that it has been having for the chemical market in India, but also outside of India to grow and for BASF also to take a bigger share there. So of course, our ambition is to be profitable and to grow and to continue to develop our portfolio and create shareholder value over time, which is also what we're doing now with the demerger of the AP business, which is a clear unlocking of value step. And also, the global sell off of the EC business, of the coatings business as well. So, focus is to grow profitably and sustainably over the years.

Mr. Narendranath J. Baliga, Chief Financial Officer and Whole-Time Director

And financial year 21. It was a COVID rebound year, if you remember. That was one of the best ever June quarters that we had. And subsequently, the subsequent quarters also did well. That's the year where we showed our pricing power, where the volumes and price both went significantly up. So yeah, I wish the same. situation continues, but then you have to pay as market reality. But that was a rebound year when our supply chain teams could show a very good reliability and the customers were buying it at any price.

Mr. Alexander Gerding, Managing Director

And the industries that we cater to are vast, right? Are broad. So, from fast moving consumer goods to construction chemicals, automotive, furniture, appliances, footwear, packaging. I mean, you know, we cater to a multitude of industries. All of these industries will grow. And of course, we will fight to expand our share in these segments.

Mr. Manohar Kamath, Director – Legal, General Counsel (India) & Company Secretary

Are there any other questions from anyone? If you want to raise your hand and ask the question or put it in the chat. Thank you, Ravi. There are no further questions. I don't see any hand raised. So, thank you, everyone, for attending and participating in this meeting. Please, we will meet again in the second half of the year.

Mr. Alexander Gerding, Managing Director

Thank you very much, everybody, and thanks for supporting BASF. Thank you.