



We create chemistry

BASF India Limited, Mumbai - 400 079, India

21st November, 2025

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 Wednesday, 19th November, 2025 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 Kamath
Director – Legal, General Counsel (India)
& Company Secretary

Pankaj Bahl
Senior Manager- Legal & Secretarial

Cc: Listing Compliance,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra – (East).
Mumbai-400051.

Registered Office
BASF India Limited
Unit No. 10A, 10B, 10C (Part)
10th Floor, Godrej One,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079

Tel +91 22 6834 7000

CIN - L33112MH1943FLC003972

www.basf.com/in

BASF INDIA LTD - ANALYST / FUND MANAGERS MEETING ON 19TH NOVEMBER, 2025

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 Meet.

I also welcome Mr. Alexander Gerding, our Managing Director, Mr. Narendranath J. Baliga, our Chief Financial Officer and Whole-time Director and Mr. Anil Choudhary, Whole-time Director & Head of Manufacturing, to this Analyst / Fund Managers Meet.

All the participants are requested to note that this Meeting is being recorded and the audio & video recording of this Meeting together with the presentation and the meeting transcript would be uploaded on our website and also submitted to the stock exchanges. Further, I would like to review some of the important points for the smooth conduct of this meeting.

- All of you have been placed on mute mode to avoid any disturbances arising from the background noise.
- During the question & answer session, the names of those who have already registered with us for asking questions, will be called and thereafter, the respective speaker will be unmuted.
- Others who wish to ask questions, may raise their hand, by clicking on “Raise Hand” icon on the Microsoft teams page.

I now request Mr. Alexander Gerding and Mr. Narendranath J. Baliga to give a presentation on Company's performance for the quarter and half year ended 30th September 2025.

Mr. Alexander Gerding, Managing Director

Thank you, Manohar and a very warm welcome, also from my side to all the analysts and fund managers that are able to attend this call, very happy to have the call. The last time we were together was in May 2025. So certainly, a lot has happened since then. We're looking forward to walk you through some of the key updates before we do so, like always just. A cautionary note regarding forward-looking statements. We only discuss matters that are in the public domain. Main, 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. And we recently celebrated like every year, global safety days.

Yeah, in September and more than 900 colleagues got together for training, creating awareness around safety. Since this is really our lifeline to always have safe operations people and processes, this is the core of what we do. And it's also reflected in our results. I am really proud and in the name of the whole board of BASF Limited and big appreciation for all the teams, all the sites and the businesses to achieve. An incidence safety performance a very strong safety performance. We have had all high severity incidents here today. We've had no lost time injury and also no process safety incident and I think this

speaks really for the excellent quality and safety awareness. Mindset that we have in the company and also our leading indicators continue to be very solid, very healthy, since they're a good sign off of protection. When it comes to the macroeconomic update of course you see, our RBI revised India's GDP growth to 6.8% for financial year 2026 from earlier 6.5%. The Purchasing Manager index rose in October to 59, which is good. It's a sign of expected expansion of the economy. Inflation headline inflation is expansion also anticipation of a potential easing of interest rates and the recent GST cuts have certainly also. Given some cushion to the impact of ongoing pressure, so consumer confidence remains resilient.

Nonetheless, geopolitical risks have been amplified with US tariff actions and especially China. Industrial overcapacity continues to put pressure specifically on the chemical industry, which we will talk about a bit more. If you look at different industries on. The Bottom I think automotive industry continues to be a solid monsoon. I think was in in many parts a very long monsoon and very excessive rain which have impacted springs and also crop losses. So that has had, unfortunately, an impact on the on the side, on the AP input side, but lower inflation is certainly boosting consumption when it comes to fast moving consumer goods and that is something that will continue to be visible moving forward. Infrastructure investments remain robust. So overall, I think India is having a solid economic activity. Nonetheless geopolitical risks and also the OVERCAPACITIES in China continue to put pressure. And with that, I hand over to Naren to walk us through the financials. For the last quarter and the first half of the fiscal year.

Mr. Narendranath J. Baliga, Chief Financial Officer & Whole-time Director

Thanks Alex. So good afternoon, everyone. So let us review the financial performance and this is on a consolidated basis, which means I'm adding BASF India Limited (BIL) and BASF India Coatings Private Limited. So, the 100% subsidiary of BIL, so both put together, you see the numbers here. Starting with the segment revenue. There's a small change in the total overall segments. The catalyst business, which was part of surface technologies earlier, has now been moved to Industrial Solutions segment and it is clubbed under performance Chemicals. So, it is the process catalyst which was in BIL all the time and now it is shifted from surface technology to industry solution. That's change in the segments, and this is not to be confused with the catalyst business of emission catalyst, which is in Chennai. That's a separate company, not linked to BIL. I'm talking what process catalyst to?

Coming to the pie chart, the material segment has been the biggest 27% of the total sales and followed by nutrition and care. We see the results later. It's the star in the game now. Nutrition and care. And then industrial solutions? And 4th is agriculture solution at 17%. So that's how it spread very well spread portfolio and which balances each other in a business cycle. Total sales as you would have seen for six months, is Rs. 7900 crores. Coming to the quarterly performance, the left side is the sales and on the right side is profit before tax before exceptional items. Sales is down by 5%. By 5%, mainly due to. Higher volumes but lower price realization. Yeah, volumes are high by 2%, whereas prices are down by around 7%. so net of that is 5% lower of sales. Yeah. In the current six months, current three months quarter. Coming to PBT before exceptional item 16% down impacted mainly due to higher input costs, that is raw material cost, another input costs and also the product mix.

Yeah, product mix as you know changes over a period and this time the product mix was not favorable for us, changing the product mix and that also resulted in. The numbers going down coming to half year, this is April to September numbers 4%. Lower in sales and 27%. Down. On in PBT the good thing about the whole development is stable volumes. Yeah. For the six months, the volumes have been stable and

we have been able to match the last six months performance. So that's really a good achievement of the business units. But the price realization is lower, around 4% reduction in prices and that's across the board on an average year. So 4% reduction in that that that as a result of the net 4% reduction in sales. PBT is impacted again due to higher input cost and product mix. So in the first quarter we had that issue of higher input cost and product mix. And then in second quarter also it followed. So you can see it both for quarter and half years. The impact is the same. You have higher input cost and product mix. Coming through quarterly performance, the light blue ones are for last financial year 25 and the dark blue are the current financial year financial year 26. Sequentially, compared to the June quarter, there is a 4% increase in sales in September, but compared to September like I showed earlier. Rs. 4248 crores become Rs. 4000 crores, 5% lower. 6 If you take. The entire six months, the sales is lower by 4%.

Coming to PBT too. We can see big ups and downs, especially for the last year. Hopefully we won't have that kind of a movement this year. September compared to last September is 16% down and sequentially compared to the immediately previous June quarter. It's 23% down net for six months, it's a 27% reduction in PBT. Before exceptional items, this important chart on networking capital. The light blue is inventory. Dark blue is receivables and the Gray at the bottom is accounts payable. So I would like to take you through the September quarter of 2024 compared to September of 25 because that is since we have some seasonal business included here, both Performance Materials and Agro and others, it's good to compare the same quarter of last year Sept. To September. Inventory has gone up slightly compared to September last year, whereas receivables has come down from 3200 crores to 3000 crores. Whereas the big difference, a big change is in the accounts payable. Yeah. From 4100 crores. It has come down to 3350 crores because all the payables were made on time and hence the. 750 crores reduction in accounts payable. So the net working capital is receivable plus inventory minus accounts payable and hence we see 2500 crores of net working capital as compared to 1500 crores of last year. Coming to sales development. The leftmost is 8200 courses. Last year's six-month sales, and the right side is 7920 crores. Current quarters current six months sale. Materials has been impacted significantly, 400 crores down mainly contributed by downtown in monomers division. Yeah. The volumes are down by almost one third in Monomer's division and. Performance materials is up by 4%, but then the prices. Performance material is also down by -5%, so net it so happens 400 crores of lower sales mostly impacted by the monomers volumes. Chemicals Top line is down, but as we know it's a merchandise business and the top line is not very indicative for some of the Community business that we have to see at a profitability level. What happens chemicals. But at a sales level, the top line is down by. 120 crores agriculture solution.

Alex already talked about the wet monsoon that we had an untimely rain and delaying the spraying and postponing and canceling the sprays spraying which has resulted in. That lower net off take of agriculture solution business by around 80 crores start in the whole game is nutrition and care. Like I already mentioned, both volumes and prices have gone up for nutrition and care. Volume up by nearly 8% and prices also up by 4%, which is very rare combination where you have increased volume at a higher price. So nutrition and care has been able to achieve that and has become one of the big contributors to the BSF top line. 1700 crores of total sales for six months. Surface technologies have a coatings business. This is another good story where higher volumes and price from key customers the OEMs have been. Achieved which is again a difficult task, but the team has been able to manage that and get 280 crores Of Sales. And this is the consolidated part. The coatings business comes here which is under BIBSF India Coatings Private limited industrial solution is stable at 1400 crores and net there is a 4% reduction in overall sales.

Coming to the PBT before exceptional item profit before tax six months material segment like I said 4 and grows lower sales as a result in 85 across lower. Profits. So this is as compared to last year here both performance material and monomer has not done well and that has impacted the bottom-line agriculture solution for the lower. Yep, mainly due to the lower net off take of the products. Surface technology has stabilized slightly. Lower here for six months as compared to 2,00,00,000 that we earned last year, but not to be worried about it. Most of that is coming from one time kind of a cost for setting up the new entity and. Managing the new legal entity. So in the first quarter we had some cost there and that has impacted the six-month results also. The recent three months, if you have noticed the results are. Much, much better. Industrial solution, nutrition, industrial solution and nutrition care chemicals all around the positive side compared to last year. And like I said, nutrition and care from 20 crores has gone up to 30 crores. So that's a good story. Industry solution is a stable performer for us, both dispersions and performance chemicals. And it's doing well. Coming to the key performance indicators receivable days slightly higher 65 days, but then the overall are still 1011 percent, 10 to 12% of the receivable. So and still under control, well under control and we are. Very confident that this will be brought down a little further by the December quarter. Here the full all efforts are on by the business units to ensure the collection happens on a timely basis. Inventories are slightly higher. We already saw that earlier slide also and. This needs to be kind of definitely brought down. There is some buildup of inventory for Agro. And there needs to be kind of liquidity in the season and going forward. So, we're again confident that inventory will be taken care and nothing to nothing, much to worry there. Cash flow from operations is down by 900 crores. I already explained in the networking capital, mainly it's going to increase receivables and significantly lower 750 crores of lower accounts payable. Yeah, that's all that. That's the reason why cash flow. Is from operations. Is -900 crores operating expenses, which is all expenses other than the cost of goods sold. Yeah, that is higher at 13.2%. Mainly due to some employee costs and severance costs, etcetera, which is adding to the higher cost and there are some communications and systems upgrade costs for SAP which we are upgrading in the coatings business in, in, in the our core business and elsewhere. So that cost is also getting charged already in the system and there are some foreign exchange hedging costs. So that's the net reason why it goes up from 11.5 to 13.2%. What was it? A bit before exceptional item as a percentage is 4.3% for this six month compared to 5.6 months last six last year. Rosie is 9.4% and return on net operating asset, which means excluding all the cash investments and excluding the income received from that cash investment net on operating assets, it's 10.6%. And these three, the last three are not annualized, which means it's for six months as it is 9.4 percent 10.6% and EPS before exceptional item is 56.5 rupees. And that's the number in absolute. Right. With this, I hand over to Alex and look forward to questions later in the Q&A.

Thank you.

Mr. Alexander Gerding, Managing Director

Thanks, Naren.

Maybe just to complement with a few additional updates. 1st, after our last analyst conference, right after we launched 2 new crop protection products. And it's Insecticide and the fungicide valley and Mibrelia in the rice crop and I'm happy to say, and this came right before the season. Yeah. And so right on time. And I'm happy to say that Valexio in the meantime is already one of the top 10 selling. Ag products in our portfolio. Even in the first year of launch. Yeah. When it comes to value, yeah, so. These two launches are really diversifying our portfolio in the A/C division, which is making it more robust. We in fact have 26 products now that have at least 10 crores each of value contribution. So that really, you know, diversifies our portfolio footprint. And of course, rice and insecticides is a significant market in

India. We also showed you the last time the picture on the left. Yeah. In the we, we are market leader in Celesto. Which is a versatile microcellular polyurethane used in automotive industrial railway in other sectors to cushion and dampen vibration, and also reduces noise. Yeah, making a smoother, A quieter performance. We're market leaders here and we have we are currently building a new facility as you see the current picture from November. On the on the right, yeah, second-half of 2026. This will be ready to be commissioned and we are investing in this business, increasing our OMP share in India over the next few years. This is a very attractive business where we have market leadership and we are preparing to sustain that market leadership moving forward. But besides Celesto, we're also in performance materials. We recently had a big event at Thane site in Navi Mumbai where we expanding our engineering plastics compounding extrusion line which is actually increasing 80%. The capacity of that line. So that was 11 highlights. And then in the middle we also reactivating A vessel which will enable us to. Also produce. More products in the system house. Yeah, that we have a ton in and connected to that. We upgraded and modernized our quality control lab, Italian Navy, Mumbai and it's some of you might know, Italian has been, let's say the oldest site that we have in BSF.

OK.

So it's very a single OD site. It's a performance material site. We invest in this site as you remember, last year we also introduced A polyurethane application lab which is also in turner. We. Also continue to drive the green energy transformation we just signed with Clean Max, a hybrid solar and wind power captive agreement, which basically will take the energy consumption that we have at our two sites in Gujarat, which is the Dahej and PANOLI to above 80%. And besides, also of course having them the green attributes and contributing to our sustainability journey. It will also come at a very attractive cost, yeah. And this is a 25 year agreement and will have significant savings here coming from this transition as well. We continue to intensify our engagement with key customers here. Just two examples. In August, we had Honda Technology Day.

Thank you.

Might know India is the largest 2-Wheeler market in the world and Honda is actually the largest 2 Wheeler company manufacturing company in India. So, we hosted a technology day demonstrating also the capabilities that we have with our Performance Materials segment. To contribute to the industry, and especially when it comes to electrification, yeah, so. EV part of. The EV transition of this 2-Wheeler market on the right-hand side, we also had the battery show recently. A lot of interest. Yeah, because electric, electric 2 Wheelers. But also of course 4 Wheelers is a dynamically evolving market and as as you might know we're active in the cathode active materials which are an important element. When it comes to the when it comes to the battery, so a very relevant market. And I think the two Wheeler market is destined to grow and we see a lot of a lot of growth in that segment. Of course, we continue to connect with the industry and associations being active, not only talking about sustainability, but also the development in the industry in many different forms.

We continue to focus on the mean this program. We should meet program. Has been a very, very successful program. Rather than 170 girls. Yeah, bachelors of Science of Chemistry or Masters of Science of Chemistry have undergone this upskilling program and most of these girls have been placed in the industry either through internships or direct employment. So we're really trying to increase the inclusion element in the chemical industry. Same holds true for women in refinish, which is a segment of the market that. Usually the female participation has been much lower and here we've gone through the 2nd batch now around almost 50 women have been upskilled here and taken on by our partner. We continue to inspire young kids here. You see a picture in Nashik. Yeah, this has been the last a time

that we hosted. Yeah, engaging more than 2300 kids from 18 schools. And this was the first time that. We also had kids from tribal and rural areas. Yeah. Before we were in, in, in of course in Mumbai in in, in Mangalore, in Bangalore, in Delhi. But now we went to a more remote place also. Inspiring kids from rural and tribal areas. Then two very relevant updates as, as you know, we're undergoing in the in our differentiated steering strategy. We're in the process of demerging agricultural solutions business. So the new company has been incorporated, BSF Agricultural Solutions India Limited. The board of PIL has given us all the approvals. There will be a one-to-one share entitlement ratio, regulatory approvals with the Bombay Stock Exchange. National Stock Exchange is currently ongoing and of course Saby will also. Be involved here. The expected demerger completion timeline will be during the financial year 2027 and. Basel will eventually be also listed on the. Stock exchanges. So this will unlock a shareholder value with a one-to-one ratio and the merger process is going it's on track and we're looking forward to implement. This next year. The most recent update that you have seen on the 10th of October. Also, as part of our differentiated hearing strategy, the BSF and Carlyle. A. Private equity firm have reached a binding transaction agreement on the coatings business to create a leading standalone company. And what does this mean for India?

1st, As you know as of 1st of January 2025 we have already. Incorporated the coatings business, the OEM coatings and the automotive refine coatings business into separate legal entity as a 100% wholly owned subsidiary of BIL. As of March 31st, 2025, the said business generated sales of 479.6. Show me. Globally, BSF will reinvest in the coatings business, holding 40% equity stake in the new global coating stand alone company under Carlyle. So Carlyle will have 60%. And BSF will hold 40% minority equity stake in the global business. The global transaction is expected to be close by a second quarter of calendar year 2026. Of course, subject to customary regulatory approvals. The evaluation and assessment of the effect on BSF India Coatings Private Limited is under process. Stock exchanges and stakeholders will be updated regarding the latest development in due course. So too close. You know what is key for us moving forward? First and foremost, we we have to continue to maintain the solid, solid safety track record. Very happy to see that our volume momentum continues. Of course, the focus will be on on the cost side, on the networking capital side, making sure our accounts receivables are under control, also the inventories. So a lot of focus has to be on. Unfair operational efficiencies and and continuing the volume momentum utilizing our assets to the fullest extent. Of course, we'll continue to work very, very closely with our customers, with our suppliers, with all stakeholders in the industry and continue to focus on our employees and fortifying our talent pipeline. With that, I would like to thank you in the name of the entire BSF in the limited board and here you see the picture of a of a annual and general meeting that we had recently. A big thank you to all of you for. Your continued trust and continued support, and with that we close and we are looking forward to your questions.

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

Yeah. Thank you, Alex.

I would request speakers who are online if they want to. Raise their hand and ask any questions. Then please do so. In the meantime, we will have our spar speaker, Rohit Nagaraj.

Mr. Rohit Nagaraj

Yes, yes, yes. Good afternoon, Sir, and thanks for the opportunity. So first I joined late, so I might have missed the initial remarks. So the first question is on the agricultural solutions business. In the last four years we have seen that there have been 3 new novel product introductions which have happened and I think that has helped us in terms of the revenue growth, but the momentum has certainly subsided the

last year, second quarter and even during this year. Despite the launch of Valexio in the month of May. So how are we? I mean, is there any slowdown which you are observing generally across the board or is it specific to certain categories your use will be entered? Thank you.

Mr. Alexander Gerding, Managing Director

Yeah, Rohit, thank you for, for, for the question. So indeed, as you have said, I mean the agricultural solutions business has done quite well. If you look at multiple years. Yeah, the last season was a very difficult one, starting with a soft commodity prices. Yeah, especially in very intensive crops like Chile. And Chile, you know, there's a lot of applications that happen in this crop and the Chile acreage, but also the price has substantially reduced. Yeah. So that was one element to name an example, but also soybeans and cotton for example have had a quite soft commodity prices. So the appetite for farmers sent to invest into crop protection is impacted if the commodity prices are lower. So that's one second. There was also quite some given the monsoon and the excessive rains in some areas which created flooding as well, which created. Less applications. Of course, has led to some channel inventory right that had to be consumed and that impacted certainly new sales into the channel. And that's those would be the two main categories that, that, that I that I would mention. Yeah, that has certainly impacted that. Business. But if you look at our numbers, I mean it's still a quite resilient business and the fact that we're continually launching. A new innovative products diversifying our portfolio, focusing not only on herbicides but also insecticide fungicides focusing on different crops. Not only rock crops, but also specialty crops. We're making a concerted effort to tap into specialty crops more into rice.

As I mentioned, with the two launches that we just had this year, I think that will just make the portfolio much more robust and more resilient. Looking forward. And the team is very, very much focused on accounts receivables now. So making sure that we collect. And of course there has been inventory. Rebuild of now for the next season. We believe that the Robbie season which is coming the the reservoir levels are in a very good stage. Yeah. So there should be a good rabbi season coming, and I would say we're in a quite healthy place when it comes to inventory inventories in the channel. At least for BSF and also. Our accounts receivable situation so. So I'm cautiously optimistic that. The momentum that we have been having with our portfolio. Measures will yield also moving forward in this in this space, yeah.

Mr. Rohit Nagraj

Sure. Thanks. That's explained. One more thing in terms of the generating environment across the chemical industries, we've seen that generally pricing environment has been denied. So what is your understanding that it's been denied for the last couple of years? Is there any uptake that we are seeing and probably sometime in 2026 we will see at least some gradual rise in general pricing environment? Thank you.

Mr. Alexander Gerding, Managing Director

Yeah. Thank you for that. For that follow up question Rohit. Yes indeed. And you see also in our Performance materials results Nadine had explained especially the Monomer's business. That prices are under pressure in that in that segment and I think. The overcapacities that have been put in China. The. Are clearly visible in that and. And to be honest, it's very, I mean, I don't. Nobody has a crystal ball, but. Even going into 2026, I mean it's, it's the overcapacity situation in China, especially with a geopolitical tariff. Unless there's something massive changing there, I think that will continue to be. A difficult element on the upstream chemicals. Pricing situation in in the industry in India. I see. Yeah, I I would. I think it would not be fair to say that we see an immediate sort of hockey stick type improvement.

Yeah, I think we have to be realistic here. Nonetheless, I think the volume momentum that we've been having. Also, with the continued investments, as I had mentioned also today in the Performance Materials segment in India, increasing our OMP share. And making sure that our assets are fully running and that we focus also on cost, on cost measures, I think that will be key. As we move forward in that segment, but the pricing pressure, especially in the upstream chemicals, we see it in our intermediates business. We see now also now material segment business, I think that's a difficult element and I don't see immediate relief there to be honest.

Mr. Rohit Nagraj

Thanks a lot. If there are any questions, I'll come back and thank you. Thank you so much and all the most.

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

Thank you, Rohit.

I think there was one question in the chat Alex from Mr. Nikhil Gandhi from Bajaj Alliance and he wants to know.

Mr. Nikhil Gandhi

I mean of course, I think you're partly answered that question. But how is the outlook for the business globally? I'm not sure whether you can answer. How is the global outlook? But maybe if you have any thoughts there and also how do you see India as?

Mr. Alexander Gerding, Managing Director

We move forward. In the Ag business, especially in terms of, you know, in volume inventory and pricing. Special. Yeah, of course. I mean, I can speak more about India closer to home globally. I mean in principle. I mean on very general, I mean this will be a very general answer. Yeah, in a way. But I think the agricultural solutions market overall will continue to grow. You know, we have limited arable land and we have rising population that needs to be fed with. You know commodities, so overall. I think the act business per SE is destined to continue to do well yield A yield per hectare has to continue to increase. Yeah, and that can only be done through technology, be it. Seed treatment, seed protection, but then also crop protection. So I think the outlook overall. Irrespective of the geopolitical. Elements that can disrupt supply chains. Left and right on a short term basis, I think the long-term outlook is a positive outlook. Of course, when it comes in. Uh. Into seed and crop protection. I think the seed market will probably continue to do quite well, yeah. Uh. But the seed market will have to be complemented with proper, proper crop protection as well. Yeah, so. You know, wheat resistance, disease resistance. Will continue to be elements that will. Be visible and for that you need to constantly new innovations, new mixtures to come into the market. Yeah, to complement a strong hybrids and seeds. So I think it's a very general answer to your question, but. But I will leave it at that. OK.

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

So anyone has any further questions or like to post your question in the chat?

Yes, Rohit.

Ravi. Rohit, please. Yes, please go ahead.

Can you unmute and then speak please?

In the meantime, we have another question, Alex,

In the nutrition and Care segment, which is that the segment has done quite well. But the EBIT margins are still weak there. How do you see the margins improving for this segment?

Mr. Alexander Gerding, Managing Director

Yeah. I mean, as Naren had shown and certainly complement here with maybe some of the numbers again, but both we've had volume and price increase in that category overall. I think of course what we see in the fast-moving consumer space, be it personal care, skin care, hair care. But then also in the flavors and fragrances. Business, yeah. That the reason GST support is certainly also contributing to that, that that segment in positive in a positive mode. That momentum should sustain itself. And you know, we're happy to see that there is some pricing improvement here, which could also eventually translate into margin into margin improvement. And the portfolio mix, I think that's something that the teams are really working hard on. To improve the portfolio mix in that in that segment. So you know shifting more towards UV filters and personal care, hair care products and less to the audio chemical side, which is also part of our business. In care chemicals, which is probably more of a sort of tolling business here to the UNI levers of the world, which is which is lower margin, high volume but lower margin type portfolio. So I think the product mix focus is 1. That, the team will focus on to uplift overall the market levels in that in in that segment and certainly the current sentiment in the market and the support there that we see with the GST.

Umm.

Situation is, is, giving us some tailwind and we'll continue to carry that. I don't know if Nadine if you wanna add anything. So there are two business units in this segment, care chemicals and nutrition and health. Again, chemicals also has manufacturing. Facilities here, that's the one which is not doing so well. This, at least in this six months the profits, it has come down to two crores. Yep, that's the one which is not doing. However, what I was highlighting is the nutrition and health business where the profits almost doubled from 14 crores to 27 crore. So net as against 20 crores of last year. Six months. It's 30 crores here. This six months, so 50% increase in the profitability. And then the nutrition and health is the segment is the business unit which I was talking about, which had both. Volume and price increase.

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

So does that answer the question, Ravi? I think he's not able to unmute for some reason.

We saw some note there, he said.

Something about?

And yes.

So this is a follow-up question also from him in the recent analyst meet.

BASF has reduced its overall Capex intensity and is focusing on shredding assets and improving ROSI and free cash flow at the parent level. What are the similar KPIs for the Indian entity and given that we have so many moving parts? It is Impossible to guess which division. Then we'll do well and well. So the question really is, do we have like similar KPIs for India? And you know, how do you see the next let's say? From a business perspective, how do you see it?

Mr. Alexander Gerding, Managing Director

Yeah, I think I mean, of course the, the KPIs that are driving our global decisions are also influencing and translated to us in India. Right. So we have, you know we always say you know cash is king in the great Times. Yeah, globally. But we also say it locally as well. Networking Capital Management is a key element in that in that respect. And I think India has always done exceptionally well to run, to sweat the assets. Yeah, and to do smart incremental investments once the asset utilization has gone to. A very healthy level, yeah. You know, above 80% between 80 and 90% and I think that India stands out compared to maybe some other assets in Western Europe which are probably underutilized or less utilized.

Yeah, so From that perspective, I think. 1st we have a strong volume growth momentum in the country driven by the domestic consumption at 2/3 of GDP. A large population. With a growing arising disposable income that will drive also the GDP moving forward and the premiumization in all the different categories, be it automotive, be fast moving consumer goods. So we have a strong and growing and big market A to cater to. We have a very successful. The utilization track record, a very safe track record which certainly then enables us to continue to support the Indian business and continue to invest where we have a solid business case. Such as what we present today in the Performance Materials segment, for example, with CELESTO with engineering plastics, just to name a few examples. Or in the X space as well, which also is a very profitable business and innovation of course is an important element in that. Business to come up with new mixtures, new modes of actions in the different categories, so I think. We have a strong track record and I think also in the new global strategy, India is getting the focus. Yeah. So to make a Long story short, I think the KPI. Yes, it's true that globally as some of you might know, we have a very, very big investment, the largest investment the PSF has ever made. That is coming on stream in China. Yeah, 8.7 billion. Euro investment it's coming on stream now in low chemical cycle. So of course that investment has to be digested and has to be successful and the utilization of that acid on a global level is an important next step for BSF.

Then you know as also, a part of the global strategy is unlocking. Value out of with differentiated steering and allowing the ACT business, but also the coding business to unlock value which is happening as we speak and is also transferable to India with a demerger of our ACK division here. At. And then, of course, it proceeds from these unlocking of value of these businesses. I think on a global level, BSF is aiming to deleverage the balance sheet. So reduce the depth. And of course. The interests that have to be have to be serviced. Yeah. And to also to share buybacks. I think that has also been announced at share buybacks are happening. Earlier than expected now. So those are the actions on a on a, on a global level and then Capex to your point. Yes, there has been a clear signal that Capex given this large cap ex investment that we did in China, that Capex will come below depreciation on a global level up until 2028. Yeah. So that's a bit the global picture. But I can tell you that focus on India will continue to be there and wherever we see attractive business cases and investments that will be something that will be considered in, in the, in the company for sure. Supported by our strategy, which puts India on the focus.

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

Thanks, Alex. I think the next question is on the industrial solution segment. And you've seen this business having margin improvements. How do you see this business as we move forward in terms of you know, overall growth and what are the EBIT margins that you would see for this business moving forward?

Mr. Alexander Gerding, Managing Director

OK, margins. I'd asked also here. I need to maybe share with us what the current situation there is, but industrial solutions business, I think we have two businesses there in in that in that segment, 1 is our dispersion. Business and as construction in the country continues to develop, I think our dispersion business is doing continues to do well also on the volume side there is there is quite some price. Pressure and competitive environment also in that segment and I'll ask Aneel maybe to also complement here. But I think the dispersion business. Continues to grow, especially on the volume side in line also with you know the construction development in the country. And then we have the EV business as well and there we are we're trying to. Performance going up. Yeah, performance chemicals business. Yeah. Which we call EV internally. Where? Of course, we have the fuel and lubricant solutions business, which with a growing automotive segment in the country will also continue to grow with that category. But they were also looking at the you remember that I think the last time at the last analyst conference we. We showed you that we're also enhanced oil recovery. Which is growing also quite well. So we're expanding sort of the portfolio of that performance chemical segment, which should enable us from a portfolio mix also to improve the business moving forward. But maybe over to you and to shed some additional light there.

Yeah, no, I think well covered, Alex, for performance chemical. The solutions primarily are largely depends on automotive. And there we see that also with a GST cut. And in general, with also new capacities being announced it in good shape and we see that will continue to grow in that segment. The other business in performance chemical is plastic additives, mainly the antioxidants and UV stabilizers for plastics. And there we see that. With Overcapacities globally also lot of push from China we see that the pricing is under pressure and there we see that this this pricing pressure will continue. In this segment for long, the third, third business in performance chemical is catalyst. The process catalyst part and there with let's say announcements of a new petrochemical project there we see that there's a good kind of pipeline of orders coming at, the projects are getting announced only. Is that some projects also get delayed, which also means that we have delayed delivery of the closure of the orders there for further dispersant business. Largely depending on paint and for the first time, the last 10 years we saw that paint industry per say was even degrowing or flat. So also with Incoming of players like Opus, we saw kind of a lot of inventory build up in the channels, which is getting normalized now and now at least we see that there is some positive off take in terms of growth for the paint industry and then with. That maybe for the dispersant business, not see the last 2-3 months has been stronger compared to the starting of the year which was which we started on a weaker front there. So that's all from my side from industry.

OK.

Perfect and both are both have local production. So I also agree there is scope for more than 5% a bit margin to currently it's 5%. A bit margin here. So definitely we should be earning more than 5% on on production. So yeah. Then we have another question from. Rohit, on the royalty front and this is for

March 2025 as published in the annual report where you've seen in. Royalty rates going up, right? And but largely you see also the sales being kind of flattish. So the question is. What has changed and is this one off some kind of you know or whether the royalties have reached been raised so? So royalties are on specific products that is specific percentage. So we have a range from 1.5% to. 13% kind of range on different products, different kind of royalty rates and depending on the product mix, the royalty amounts may be higher or lower irrespective of what the top line is. But the top line may stay the same, but if the product mix changes and if the applicable royalty rate is different, they'll be slightly higher royalty.

But these are based on agreements with patent holder of the product. Right. Nikhil Gandhi has also asked a question on, let's see. Looking at the parent strategy. Of deleveraging what you highlighted also Alex, are we anticipating anything in India on a similar lines? Specially let's say for example any promoter stake sale or something like that. Is this also planned for India? So I mean, first of all, from a deleveraging standpoint, I think we, we are quite have always done quite well. We're sort of depth have always been debt free and narrow. Always make sure that you know we don't we don't carry too much debt. I think that's different on the parent company globally, yeah. So that's why. There is an active an active strategy now to reduce the debt level. There I think. Here we are very healthy. On a local level. And again, we don't make forward-looking statements, yeah, I think. You know we we continuously evaluate options on how to improve our business and how to continue to invest into the business in India. But at this point in time, I would not make any forward-looking statements in this in this area.

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

Thanks Alex.

Another question that is coming in.

From Ranjit is can you guide us on the Capex amount for our upcoming sellers to expansion and what could be the peak sales and also if you can help us with the capacity?

Mr. Alexander Gerding, Managing Director

That is coming in, I think definitely capacity. We cannot directly answer, but maybe you know how do you see the, I think you've highlighted this topic but maybe. Want to put it in further. More on what? How do you see this business moving forward from a sellers perspective? Yeah. The exact Capex numbers I what has been invested so far, I think I'll, hand over to Naren if he has that number for celesto. Will they?

Mr. Narendranath J. Baliga, Chief Financial Officer & Whole-time Director

The so we're doing an upgradation of the celesto asset. Yeah, that we have in the hedge and it will come also with a with a capacity improvement, yeah. So and that building, as you saw it's a quite big building and it will give us a lot of space also to continue to Increase in the future. Yeah. Our footprint and increase our. Own manufacturing product share in India because right now I mean that business is growing. Yeah, it's of course correlating to the automotive growth, not only four Wheeler, but also 2 Wheeler, a segment which is one of the segments where we see a lot of growth potential as well for Celeste, because that's primarily rubber. And also 3 Wheeler, that's primarily rubber, rubber bus. So we're trying to shift rubber to celesto. And that's and I think that will happen.

And right now, we're still having to import cellesco volumes, even from Germany, and that's what we're trying to reduce. With these type of investments, maybe. I don't know if you have anything to add there. No, no, clearly. So also this investment not only will bring additional capacities, but also this will help to modernize the lines and also make it. Will have more automation which also will then overall improve the efficiency and in terms, let's say our profitability. And as well as Alex mentioned, currently we import a lot of these parts from Germany and in future ones the CAP cities are ready. We can then localize. Then also adding on little bit to our bottom line here.

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

Are there any further questions from anyone? If anyone wants to speak? Good. Please. Raise their hand. Or if there are any further questions that you want to ask, then you can also put it in the chat.

Ravi.

Has one. Yes, you can unmute and speak Ravi if it's still possible.

If not, Ravi, you can also post your question.

He's doing that? Yeah, he's doing it.

Not able to speak.

Yeah.

I think he's posted the question once.

The Agricultural Solution business is separated.

The margins for the residual business Maybe even lower.

What is our view on them on a slightly?

Mr. Alexander Gerding, Managing Director

Midterm level. Yeah, I mean. Has also highlighted globally and it's in the public domain is to strengthen what we call the core, right? Strategy. So the core, the core we mean. The whole segments that from a chemical value chain are integrated are connected, yeah. And the global strategies to continuously enhance and the core. Yeah. So we are constantly evaluating options to expand our product mix to. Strengthen. Our core businesses in that segment, I think that would be an ongoing. That's an ongoing activity that actually Anil is leading, yeah, looking at new project opportunities. Be it organic, be inorganic to strengthen the core. And I think that's something that that is happening as we speak and we'll continue to happen as we move forward, yeah, to strengthen that business. As we as we continue. Yeah And to add from a functional perspective, we are also carefully looking at the cost structure to ensure that the cost structure comes down commensurate with the core business cause today there is agro which is also absorbing part of the cost from the functional platforms going forward if . That is not there. Then the core chemicals should not be burdened with extra cost. So we are ensuring that that cost structure is also kind of adequately addressed.

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

Yes.

Good point. Good. Any further questions from anyone online? Or in the chat. OK, So then I think.

Thank you. Alex, Naren and Anil and thank you everyone who has participated online and.

I wish you all. Safe day and take care, yeah.