

Corporate Governance Report for the year 2010-11

(as required under Clause 49 of the Listing Agreements entered into with Stock Exchange)

1. Company's Philosophy on code of Corporate Governance

Your Company is fully committed to the principles of good Corporate Governance and has been consistently practicing it. The Company's Corporate Governance policies are based on the principles of integrity, accountability and transparency in all areas of its operation.

Being part of the global Multibase group and Dow Corning Corporation, your Company is in addition guided by the Dow Corning policies related to Ethics, Code of Conduct, and Compliance, which ensure ethical business practices are practiced in normal course of operations.

We at Multibase India Limited believe that all our operations and actions must serve the goal of enhancing overall shareholders value, over a sustained period of time.

Your Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of the Listing Agreement.

2. Board of Directors

a. Composition of the Board

Details as on date, Composition of the Board is as per listing requirement. Board comprises of Five Directors at present with combination of independent and non-independent Directors. The board elects its Chairman at its meetings, being no executive and non promoters.

The members of the Board possess adequate experience, expertise and skills necessary to manage the affairs of the company in the most efficient manner.

The constitution of the Board is given below:

Sr. No.	Name of Directors	Designation	Category
1.	Mr. H. N. Motiwalla	Director	Non – Executive & Independent
2.	Mr. Ashok Chhabra	Director	Non – Executive & Independent
3.	Mr. Simon Bernard	Director	Non-Executive & Not Independent
4.	Mr. Jean Paul Mollie	Director	Non-Executive & Not Independent
5.	Mr. Deepak Dhanak	Managing Director	Executive, Not Independent

Except the Managing Director, all other directors are liable to retire by rotation as per the provisions of Companies Act, 1956, read with the Articles of Association of the Company.

b. Board Meetings

The Board of Directors of the Company met Eight times during the financial year 2010 – 11 on the following dates:

6th April 2010, 29th May 2010, 29th June 2010, 30th July 2010, 28th August 2010, 21st October 2010, 8th February 2011 & 2nd March, 2011.

For every Board Meeting the agenda papers along with explanatory notes are distributed well in advance to the Board Members. The Company places before the Board the Minutes of Committees of the board, annual operating plans, budgets and all other information including those specified under clause 49 of the Listing agreement.

The Attendance of the Board Members at the Board Meetings as above and in the last AGM was as under:

	Number of Directorship in Other Public Company as on 31.3.2011	Number of Committee positions in Other Public Company as on 31.3.2011	Attendance		Last AGM attended	No. share held
			Held	Attended		
Mr. Jean Paul Mollie	0	0	8	0	A	Nil
Mr. H. N. Motiwalla	6	2	8	8	P	Nil
Mr. Ashok Chhabra	0	0	8	8	P	Nil
Mr. Simon Bernard ¹	0	0	6	1	A	Nil

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Mr. Krishna H. Joshi ²	---	----	6	6	P	Nil
Mr. Deepak Dhanak ³	0	0	5	5	P	Nil
Mr. Patrick McLeod ⁴	---	----	2	0	N.A	Nil

¹ Appointed w.e.f. 29.05.2010; ² Resigned w.e.f. 22.10.2010 ³ Appointed w.e.f. 29.06.2010; ⁴ Resigned upto 29.05.2010.

c. Code of Conduct

The Board of Directors of the company has laid down a Code of Conduct for the Board members and Senior Management personnel of the company. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. A copy of the Code of Conduct has been put on the Company's website www.multibaseindia.com. The Code of Conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

A declaration signed by Mr. Deepak Dhanak, Managing Director is given below:

As provided in Clause 49 I (D) of the Listing Agreement with the Stock Exchange, The Company has laid down a code of conduct (the code) for all Board Members and senior management personnel of the Company and a copy of the code is put on the web site of the Company viz. www.multibaseindia.com.

It is further certified that all the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct of the company for the financial year ended 31st March, 2011.

Sd/-

Deepak Dhanak
Managing Director & CEO

Daman,
30th May, 2011.

BOARD COMMITTEES :-

a) Audit Committee

Your Company has constituted an Audit Committee in accordance with the requirement of Clause 49 of the Listing Agreement read together with Section 292A of the Companies Act, 1956

The Audit Committee consists of Three Directors including Two Independent Directors viz.

- i) Mr. H. N. Motiwalla, Chairman
- ii) Mr. Ashok Chhabra, Member
- iii) Mr. Simon Bernard, Member (w.e.f. 25.09.2010)
- iv) Mr. Patrick McLeod (upto 29.06.10)

The broad terms of reference of Audit Committee are as under:-

- Overview of the Company's financial reporting process and the disclosure of its financial Information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing the financial statements and draft audit report, including the quarterly/half - yearly financial information.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements concerning financial statements;

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- any related party transactions as per Accounting Standard 18.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

During the Financial Year, the meetings of the Audit Committee were held on :

29th May 2010, 30th July 2010, 21st October 2010 & 8th February, 2011.

The details of the meeting attended by the members of the committee are as under:

Name	Designation	Committee Meetings Attended
Mr. H. N. Motiwalla	Chairman	4
Mr. Ashok Chhabra	Member	4
Mr. Simon Bernard ¹	Member	1
Mr. Patrick Mcleod ²	Member	0

¹ w.e.f. 29.05.2010; ² upto 29.06.2010;

b) Shareholders / Investors Grievance/ Transfer Committee :

Your Company has constituted an Investors Grievance Committee in accordance with requirements of Clause 49 of the Listing Agreement. The Shareholder/Investor Grievance/ Transfer Committee monitors share transfers, transmissions, splits, consolidation and also redressal of shareholders and investors grievances and to ensure expeditious share transfer process.

The Shareholders/Investors Grievance/ Transfer Committee consists of Mr. Ashok Chhabra, Chairman, Mr. H. N. Motiwalla, Member and Mr. Deepak Dhanak, Member & the Compliance Officer.

During the Financial Year, the Two meetings of the Shareholders / Investors Grievance/ Transfer Committee were held on 6th April, 2010, 3rd May, 2010.

The total number of complaints received during the year 2010 – 11 were Four (4) and as on 31/03/2011, there was NIL complaint pending.

Shareholders are requested to address their queries to the Compliance Officer as per the details given below:

Name, designation and address of Compliance Officer:

Mr. Deepak Dhanak, Managing Director , Multibase India Ltd., 74/5 & 6 Daman Industrial Estate, Kadaiya village, Nani Daman, Daman (U.T.) - 396 210

c) Remuneration Committee

Your Company's remuneration policy is based on three P's: pay for responsibility, pay for performance and pay for growth. Your Company has constituted a Remuneration Committee to recommend/review remuneration package of the Managing/ Whole-time Directors, based on the performance. The remuneration of Managing Director/Whole time Directors are approved at the meetings of Board of Directors of the Company, and by shareholders.

The Non – Executive Directors are paid sitting fees for attending the meetings of Board of Directors, Audit Committee, Remuneration Committee and Share Transfer Committee.

During the year under review Three meeting was held on 6th April, 2010, 29th June 2010 & 2nd March, 2011 for the increased & appointment and payment of remuneration to Managing Director and modification, if any were also considered and approved.

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The remuneration committee comprises of

Name	Designation	Committee Meetings Attended
Mr. H. N. Motiwalla	Chairman	3
Mr. Ashok Chhabra	Member	3
Mr. Simon Bernard ¹	Member	0
Mr. Patrick Mcleod ²	Member	0

¹ w.e.f. 29.05.2010; ² upto 29.06.2010;

The remuneration structure comprises of sitting fees to non executive Directors and Salary & Perquisites is paid to Executive Directors within the limit approved by the Members.

The Details of remuneration paid to executive Directors during the Financial Year 2010-2011 are as under.

Name of the Director	Salary & Perquisites	Sitting Fees
Mr. H. N. Motiwalla	N.A	Rs.2.25 Lacs
Mr. Ashok Chhabra	N.A	Rs.2.25 Lacs
Mr. Simon Bernard	N.A	0
Mr. Jean Paul Mollie	N.A	0
Mr. Krishna H. Joshi ¹	Rs. 25.43 Lacs	N.A
Mr. Deepak Dhanak	Rs.14.89 Lacs	N.A
Mr. Patrick McLeod	N.A	0

¹ Resigned w.e.f. 22.10.2010

Note:

1. No Director is related to any other Director on the Board,
2. The Company has a policy of not advancing any loans to its Directors.
3. The Company does not have any scheme for grant of stock options to its Directors or Employees.

DISCLOSURES :

a. Related Party Transactions

Transactions with related parties are disclosed in Note 9 of Notes on Accounts in Schedule '18.' annexed to the Financial Statements. There were no material significant transactions with the Directors or the management or relatives that have any potential conflict with the interest of the Company.

b. Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on the matter related to capital markets, during the last three years.

There have been no instances of non-compliance by the company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise.

c. The company is in the process of adopting the non-mandatory requirements of the Annexure I D to the Clause 49 of the Listing Agreement.

- The Company has set up a Remuneration Committee details of which have been given elsewhere in this Report.
- The statutory financial statements of the Company are unqualified.
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

d. The Board has received disclosures from Key Managerial Personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

e. Secretarial Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued

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and listed capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

f. Disclosure of Accounting Treatment

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

g. Subsidiary Company

In terms of Clause 49 (III) of the Listing Agreement, your Company does not have a material non-listed Indian subsidiary company.

h. Management Discussion and Analysis Report

The Management Discussion & Analysis Report is a part of the Annual Report.

i. Details of Director's to be Appointed / Re -Appointed

The details of Directors seeking Appointment / Reappointment, to be provided pursuant to Clause 49 of the Listing Agreement are furnished elsewhere in the Annual report.

j. CEO / CFO Certification

The Managing Director (CEO) / Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of clause 49 which is then placed before the Board as per clause 41 of the Listing Agreement as referred below.

Certificate of Managing Director (CEO) and Chief Financial Officer (CFO)

We have reviewed the financial and the cash flow statements for the year 2010-11 and that to the best of our knowledge and belief:

1. The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. The statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal control system, if any, and the steps we have taken or proposed to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and Audit committee.
 - a) There have been no significant change in internal control over financial reporting during the year;
 - b) There have been no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-

sd/-

Date :30./05/2011.

(Shibaji Chakraborty)

(Deepak Dhanak)

Place: Mumbai.

Chief Financial Officer

Managing Director & CEO

k. Means of Communication

The Company promptly reports all material information including quarterly results and press release to the Stock Exchanges where the Company's securities continue to be listed in accordance with the Listing Agreement and publication in the leading newspapers like Financial Express (English), Daman Ganga Times(Gujarati).

Company has made provision of exclusive mail-id for the use of investors in accordance with the clause 49 of the Listing Agreement with the Stock Exchanges. The mail-id is compliance.officer@multibaseindia.com

The quarterly financial results and press release about the performance of the Company are also filed with stock exchanges and displayed on company's website www.multibaseindia.com.

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I. General Body Meetings

The details of Annual General Meetings are below:

Financial year	Date and Time	Location
2007-2008	Dated 25 th September, 2008 at 12.30. a.m .	74/5-6, Daman Indl Estate, Kadaiya village, Nani Daman
2008-2009	Dated 30 th September, 2009 at 12.30. p..m	74/5-6, Daman Indl Estate, Kadaiya village, Nani Daman
2009-2010	Dated 28 th August, 2010 at 11.30. a..m	74/5-6, Daman Indl Estate, Kadaiya village, Nani Daman

The Shareholders passed all the resolutions including the Special Resolutions set out in the respective Notices. No item requiring for postal ballot under the statute was applicable at the aforesaid meetings. At the forthcoming AGM, there is no item on the agenda that needs to be approval by postal ballot.

m. De-Materialisation of shares

Equity shares of the Company can be held in the dematerialized form either with the National securities Depository Limited or Central Depository Services Limited. Trading in equity shares of the Company is permissible only in Demat segment as per notification issued by Securities Exchange Board of India. The total number of shares Dematerialized as on 31st March, 2011 are 8187500 shares representing 64.88 % of total issued share capital.

n. General Share holder informations:

The Company is registered in the Union Territory of Daman & Diu, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L01122DD1991PLC002959.

Annual General Meeting

Date and Time : 29th September 2011 at 11:30 a.m.
Venue : 74/5-6 Daman Indl. Estate,
Kadaiya Village, Nani Daman : 396 210.

Financial Calendar (tentative)

First Quarter Results 30th June, 2011 : 2nd week of August, 2011
Second Quarter Results 30th September, 2011 : 2nd week of November, 2011
Third Quarter Results 31st December, 2011 : 2nd week of February, 2012
Financial year ending 31st March 2012 : 2nd week of May, 2012
Book Closure Dates : 22nd September, 2011 to, 29th September, 2011
(Both days inclusive)

Registered Office & Factory : 74/5-6 Daman Indl. Estate,
Kadaiya Village, Nani Daman : 396 210.

Dividend Payment Date : No Dividend recommended by the Board

Registrar & Share Transfer Agent : M/s Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (W),
Mumbai - 400 078.
Tel No. 022- 25946970
Fax No. 022- 25946969
rnt.helpdesk@linkintime.co.in

Compliance Officer : Mr. Deepak Dhanak
Managing Director
Multibase India Limited,
74/5-6, Daman Industrial Estate,
Kadaiya Village, Nani Daman.
Pin - 396 210.

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Listing on Stock Exchanges & Stock code : Bombay Stock Exchange Ltd.,
P. J. Towers,
Dalal Street,
Mumbai: 400 001.
Scrip Code No.526169
ISIN: INE678F01014

The Company has paid in full the listing fees to the Stock Exchanges for the year 2011 – 12.

o. Share Transfer System

Shares sent for transfer in Physical form are registered by our Registrar and Transfer Agent within 30 days of the receipt of proper documents. The Share Transfer Committee meets every fortnight on need basis to consider approval of share transfers.

MONTHWISE STOCK MARKET DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD 1.4.2010 TO 31-3-2011

Month	High BSE	Low BSE	Average BSE
April, 2010	37.00	23.75	30.375
May, 2010	38.50	27.85	33.175
June, 2010	37.00	31.10	34.050
July, 2010	42.45	30.55	36.500
August, 2010	40.90	34.15	37.525
September, 2010	39.90	32.90	36.400
October, 2010	37.65	30.55	34.100
November, 2010	34.00	23.60	28.800
December, 2010	35.35	26.70	31.025
January, 2011	35.90	27.75	31.825
February, 2011	33.60	25.00	29.300
March, 2011	31.55	26.10	28.825
Average price per shares upto March, 2011			32.658

Bombay Stock Exchange (BSE)

National Stock Exchange (NSE)

(Source – BSE & NSE)

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011

No. of Shares held		No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1	500	4339	88.0836	643110	5.0960
501	1000	277	5.6232	224977	1.7827
1001	2000	136	2.7609	210703	1.6696
2001	3000	45	0.9135	117172	0.9285
3001	4000	17	0.3451	61446	0.4869
4001	5000	23	0.4669	112735	0.8933
5001	10000	35	0.7105	271129	2.1484
10001	and above	54	1.0963	10978728	86.9946
TOTAL		4926	100	12620000	100
Physical mode		3187	64.70	4432500	35.12
Electronic mode		1739	35.30	8187500	64.88
TOTAL		4926	100	12620000	100

Multibase India Ltd.**CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2011**

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Other Bodies Corporate	64	454907	3.60
2.	Clearing Member	14	22462	0.18
3.	Foreign Company	0	0	0
4.	Foreign Institutional Investors	0	0	0
5.	GIC & its subsidiaries	0	0	0
6.	Mutual Funds	0	0	0
7.	Financial Institutions /Nationalised Banks	0	0	0
8.	Non Nationalised Banks	0	0	0
9.	Non Residents Indians (REPAT)	16	25001	0.20
10.	Non Resident Indians (Non REPAT)	146	219300	1.74
11.	Office Bearer	26	2600	0.02
12.	Friends & Associate	12	13800	0.11
13.	Public	4646	2416936	19.15
14.	Promoters	2	9464994	75
	Total	4926	12620000	100

Certificate of Corporate Governance as per clause 49

To,
The Members of
Multibase India Limited

We have examined the compliance of the conditions of Corporate Governance by **Multibase India Limited** for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR AKSHAR J. PATEL
Company Secretary,

Sd/-
CS Akshar Patel
Proprietor
ACS : 24925, CP: 8962.

Place: Mumbai

Date : 30.05.2011