



**WE
COMPOUND**

**YOUR
CREATIONS**

Multibase India Limited
28th Annual Report 2018 -19

Board of Directors

| | |
|--|---------------------------------|
| Mr. Deepak Dhanak (DIN 03157491) | Managing Director |
| Mr. Harish Narendra Motiwalla (DIN 00029835) | Independent Director (Chairman) |
| Mr. Ashok Chhabra (DIN 00059677) | Independent Director |
| Ms. Suely Mori (DIN 07046468) (Up to March 31, 2019) | Non-Executive Director |
| Ms. Maithilee Mistry (DIN 02152619) (Up to March 31, 2019) | Non-Executive Director |
| Mr. Vipul Babu (DIN 07737345) (Up to March 31, 2019) | Non-Executive Director |
| Ms. Latha Gopinathan Nair (08389056) (w.e.f April 1, 2019) | Non-Executive Director |
| Mr. Krishan Kumar Phophalia (08395171) (w.e.f April 1, 2019) | Non-Executive Director |
| Mr. John Francis Singer (08416391) (w.e.f May 29, 2019) | Non-Executive Director |

Chief Financial Officer

Mr. Pankaj Holani (w.e.f May 1, 2019)
Mr. Satya Nagesh Ventrappagada (upto March 31, 2019)

Company Secretary

Ms. Sunaina Goraksh

Auditors

BSR & Co LLP, Chartered Accountants
Firm's Registration No: 101248W/W-100022

Internal Auditors

M/s. Mukund & Rohit, Chartered Accountants

Bankers

Citi Bank
HDFC Bank Limited
State Bank of India
HSBC Bank

Registered Office & Plant

74/5-6, Daman Industrial Estate
Kadaiya Village, Nani Daman – 396210 (U.T)
Tel. No.: (0260) 6614 400
Fax No.: (0260) 2221 578
Website: www.multibaseindia.com
CIN: L01122DD1991PLC002959

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.
C 101, 247 Park, LBS Marg,
Vikroli (West), Mumbai 400083
Tel No.: +91 22 491 86 000
Fax No.: +91 22 491 86 060
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 28th (Twenty Eighth) Annual General Meeting of the Company will be held on Thursday, September 26, 2019, at Hotel Reevanta, Tin Batti, Devka Road, Nani Daman, Daman-396210 at 11.00 am to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2019, together with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Deepak Arun Dhanak (DIN: 03157491), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time and based on the recommendation of the Nomination and Remuneration Committee, Mr. John Singer (DIN: 08416391) who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 29th May 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations of the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time and based on the recommendation of the Nomination and Remuneration Committee, Ms. Latha Gopinathan Nair (DIN: 08389056), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 1st April, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time and based on the recommendation of the Nomination and Remuneration Committee, Mr. Krishan Kumar Phophalia (DIN: 08395171), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 1st April, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation; and

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party transactions and such

other rules as may be applicable and amended from time to time and based on the recommendation of the Audit Committee and the Board of Directors, the consent of the shareholders be and is hereby accorded for the following arrangement/transactions to be entered into by the Company in ordinary course of business and at arm's length basis for the financial year 2018-19 and for every financial year thereafter:

Value of Related party transactions/Arrangements per financial year:

(₹ In Crores)

| Sr. No. | Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015 | DDP SPECIALITY E L E C T R O N I C MATERIALS US 9, LLC |
|---------|---|--|
| | Nature of Relationship | Fellow Subsidiary |
| | Name of interested Director(s)/KMPs | None |
| 1. | Sale, purchase of materials | 20.00 |

Terms and conditions:

1. At arm's length basis for each such transaction in compliance with applicable laws including Transfer Pricing Guidelines.

"RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company to severally do or cause to be done all such acts, matters, deeds and things in connection with regard to the said transaction with the related parties and severally execute such agreements, documents and to make such filings as may be necessary in order to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the M/s B F Modi & Associates, Cost Accountants, (Registration No. 100604), be appointed as cost auditors of the Company for the financial year 2019-20 to conduct the audit of the Cost Accounts of the Company at a remuneration of ₹ 1,00,000 plus GST and reimbursement of out of pocket at actuals.

RESOLVED FURTHER THAT the Board of Directors of the Company, Chief Financial officer or Company Secretary of the Company be and are hereby severally authorised severally to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(1A) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) (hereinafter referred to as "the Listing Regulations") and the applicable provisions, if any, of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, approval of the Members of the Company be and is hereby accorded for continuation of Directorship of Mr. Harish Narendra Motiwala (DIN 00029835) (Non-Executive Independent Director) who shall attain the age of seventy five (75) years, up to March 31, 2024, being the date of expiry of his current term of office."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 and other all applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Regulation 23 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and subject to such approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary and based on the recommendation of the Audit Committee, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to grant loan to DDP Speciality Products India Private Limited for an amount not exceeding ₹ 60,00,00,000/- (Rupees Sixty Crores only), for a tenure of 5 years at an interest rate to be charged at the then prevailing RBI rate plus 4% and upon such terms and conditions as may be mutually agreed upon as per the Loan agreement to be entered between the companies.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or the Chief Financial Officer of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 and other all applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Regulation 23 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and subject to such approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary and based on the recommendation of the Audit Committee, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to grant loan to Performance Specialty Products (India) Private Limited for an amount not exceeding ₹ 20,00,00,000/- (Rupees Twenty Crores only), for a tenure of 5 years at an interest rate to be charged at the then prevailing RBI rate plus 4% higher and upon such terms and conditions as may be mutually agreed upon as per the Loan agreement to be entered between the companies.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or the Chief Financial Officer of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

Registered Office: By order of the Board of Directors

74/5-6, Daman Industrial Estate,

Kadaiya Village, Nani Daman,

Daman and Diu, Union Territory,

Pin – 396210.

Tel.: +91 260 6614400

Fax: +91 260 2221578

Email: compliance.officer@multibaseindia.com

Website: www.multibaseindia.com

CIN: L01122DD1991PLC002959

Date: 5th August 2019

Sunaina Goraksh
Company Secretary

NOTES:

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the business set out under Item No.3 to 10 of the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, to be effective, should be deposited at the Registered office of the Company, duly completed, signed and stamped not less than 48 hours before**

the commencement of the meeting i.e. 11.00 am on Tuesday, 24th September 2019. A PROXY / PROXIES SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. A person can act as a proxy on behalf of a member or members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law, blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holding of a member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
4. The proxy-holder shall prove his identity at the time of attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 20, 2019 to Thursday, September 26, 2019 (Both Days Inclusive).
6. Members holding shares in physical form are requested to notify immediately change of address, transfer, demat request, E-mail id, if any, to the Registrars and Transfer Agents of the Company quoting their Folio Number and those holding shares in demat mode are requested to notify any change in address, Bank Details, E-mail id to their respective depository participants and make sure that such changes are recorded by them.
7. Members/proxies are requested to bring their copies of Annual Report & duly filled admission/attendance slips sent herewith along with the copies of annual report at the meeting and produce the same at the entrance where the Annual General Meeting is held.
8. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
10. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and

those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

11. The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
12. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during normal business hours on all days except Saturday, Sunday and Public holidays, up to the date of the Annual General Meeting.
13. For the security and safety of the shareholders, no article/baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage, etc. at the venue of the meeting.
14. The Annual Report of your Company for the Financial Year 2018-19 is displayed on the website of the Company i.e. www.multibaseindia.com.
15. Members are requested to register / update their E-mail address with the Company / Link Intime India Pvt. Ltd. so as to receive Annual Report and other communication electronically.
16. The notice of the AGM alongwith the Annual Report 2018-19 is being sent by electronic mode to those members whose email-addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email-address, physical copies are being sent by the permitted mode.
17. To support the 'Green Initiative', the members who have not registered their email addresses are requested to register the same with RTA/ Depositories.
18. The business set out in the notice will be transacted through remote e-voting system and the. Instructions and other information relating to remote e-voting provided by National Securities Depository Limited are given herein below in this Notice. In case of any queries or grievances in connection with remote e-voting, the shareholders may contact Ms. Sunaina Goraksh at 022-40716089 or may write to them at the registered office address of the Company.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their right to vote at 28th Annual General Meeting of the Company by electronic means through e-voting facility provided by National Securities Depository Limited (NSDL). Members, who are holding shares in physical

or dematerialized form as on Thursday, September 19, 2019 shall exercise their vote by electronic means.

EVOTING:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote on business proposed to be transacted at the Annual general Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the AGM, ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through the ballot paper shall be made available at the AGM premises and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Saturday, September 21, 2019 at 9:00 am and ends on Wednesday, 25th September 2019 at 5:00 P.M. During this period shareholders' of the Company holding shares either in physical form or in de-materialised form, as on the cut-off date Thursday, September 19, 2019 may cast their vote by remote e-voting. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. The process and the manner for e-voting is as under:
 - A. In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository participants:
 - (i) Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
 - (iii) Click on "Shareholder - Login".
 - (iv) Put User ID and password as initial password noted in step (i) above and Click Login.

- (v) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - (vi) Home page of “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select “EVEN” of Multibase India Limited. Members can cast their vote online from **Saturday, September 21, 2019 at 9:00 am and ends on Wednesday, 25th September 2019 at 5:00 P.M**
Note: e-Voting shall not be allowed beyond said time.
 - (viii) Now you are ready for “e-Voting” as “Cast Vote” page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
 - (x) Upon Confirmation, the message “Vote caste successfully will be prompted.”
 - (xi) Once you have voted on the resolution you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail dhruvil@dmsah.in with a copy marked to evoting@nsdl.co.in.
- B. In case a member receives physical copy of the notice of AGM and e-voting form (For members whose email Ids are not registered with the Company/Depository Participants or requesting physical copy.)
- (i) Initial password is mentioned in the e-voting form;
 - (ii) Please follow all steps from Sr. no.(A)(ii) to (xii)
- VI. In case of any queries, you may refer Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for members available at downloads section www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending the future communications.
- IX. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off-date of Thursday, September 19, 2019.
- X. Any person who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares on the cut-off date i.e Thursday, September 19, 2019 may obtain the login id and password by sending a request at evoting@nsdl.co.in or RTA. However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- XI. If you forgot your password, you can reset your password by using “Forgot user details/password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-990.
- XII. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Dhruvil M. Shah, Practising Company Secretary (Membership No. FCS 8021, COP 8978) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the voting through ballot paper, to be conducted at the Annual General Meeting, in a fair and transparent manner.
- XIV. The Scrutiniser shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make not later than forty-eight hours of conclusion of the meeting a consolidated Scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.multibaseindia.com and on the website of NSDL immediately after the declaration of the result by the Chairman/Managing Director or a person authorised by him in writing. The results shall also be immediately forwarded to BSE Limited.
- MEMBERS MAY PLEASE NOTE THAT NO GIFTS/ GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.
- EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACTS, 2013**
- Item no.3**
- Mr. John Singer (DIN: 08416391), was appointed as an Additional Director of the Company with effect from 29th May 2019. Pursuant to the provisions of Section 161 of the

Companies Act, 2013 read with Article 137 of Articles of Association of Company he holds office as such upto the date of this Annual General Meeting. The Company has received a notice in writing from one of its members proposing the candidature of Mr. John Singer (DIN: 08416391), for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. Also company has received the requisite Form 'DIR 8' from Mr. John Singer (DIN: 08416391) in terms of Section 164 (2) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

The brief profile covering the details of his qualification and experience, as required pursuant to SEBI Listing Regulations, 2015, is annexed to this Notice. Considering his experience and expertise, the Board recommends the appointment of Mr. John Singer (DIN: 08416391) as Director of the Company liable to retire by rotation.

Pursuant to the declaration provided by Mr. John Singer, he has not been debarred from holding the office as a Director by virtue of any SEBI Order or any other authority.

The Board recommends the passing of the resolution set forth under Item no. 3 as Ordinary Resolution.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mr. John Singer (DIN: 08416391) and his relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 3.

Item no.4

Ms. Latha Gopinathan Nair (DIN: 08389056) was appointed as an Additional Director of the Company with effect from 1st April 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 137 of Articles of Association of Company she holds office as such upto the date of this Annual General Meeting. The Company has received a notice in writing from one of its members proposing the candidature of Ms. Latha Gopinathan Nair (DIN: 08389056) for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. Also company has received the requisite Form 'DIR 8' from Ms. Latha Gopinathan Nair (DIN: 08389056) in terms of Section 164 (2) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules, 2014, confirming her eligibility for such appointment.

The brief profile covering the details of his qualification and experience, as required pursuant to SEBI Listing Regulations, 2015, is annexed to this Notice. Considering her experience and expertise, the Board recommends the appointment of Ms. Latha Gopinathan Nair (DIN: 08389056) as Director of the Company liable to retire by rotation.

Pursuant to the declaration provided by Ms. Latha Gopinathan Nair, she has not been debarred from holding the office as a Director by virtue of any SEBI Order or any other authority.

The Board recommends the passing of the resolution set forth under Item no. 4 as Ordinary Resolution.

None of the Directors, Key Managerial Personnel and / or their relatives, except Ms. Latha Gopinathan Nair (DIN: 08389056) and her relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 4.

Item no.5

Mr. Krishan Kumar Phophalia (DIN: 08395171), was appointed as an Additional Director of the Company with effect from 1st April 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 137 of Articles of Association of Company she holds office as such upto the date of this Annual General Meeting. The Company has received a notice in writing from one of its members proposing the candidature of Mr. Krishan Kumar Phophalia (DIN: 08395171), for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. Also company has received the requisite Form 'DIR 8' from Mr. Krishan Kumar Phophalia (DIN: 08395171) in terms of Section 164 (2) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

The brief profile covering the details of her qualification and experience, as required pursuant to SEBI Listing Regulations, 2015, is annexed to this Notice. Considering her experience and expertise, the Board recommends the appointment of Mr. Krishan Kumar Phophalia (DIN: 08395171), as Director of the Company liable to retire by rotation.

Pursuant to the declaration provided by Mr. Krishan Kumar Phophalia, he has not been debarred from holding the office as a Director by virtue of any SEBI Order or any other authority.

The Board recommends the passing of the resolution set forth under Item no. 5 as Ordinary Resolution.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mr. Krishan Kumar Phophalia (DIN: 08395171), and his relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 5.

Item No.6

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Rules made thereunder and under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the material related party Transactions shall require approval of the shareholders through ordinary resolution.

DDP SPECIALITY ELECTRONIC MATERIALS US 9, LLC is fellow subsidiary of the Company. Hence in compliance with the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) rules, 2014 and under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company proposes to obtain approval of the shareholders by way of ordinary resolution for entering into

the said material related party transaction in one or more tranches for financial year 2019-20 and every financial year thereafter.

The particulars of the Related Party transactions, which are required to be stated in the Explanatory Statement as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Value of Related party transactions/Arrangements per financial year:

(₹ In Crores)

| Sr. No. | Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015 | DDP SPECIALITY ELECTRONIC MATERIALS US 9, LLC |
|---------|---|---|
| | Nature of Relationship | Fellow Subsidiary |
| | Name of interested Director(s)/ KMPs | None |
| 1. | Sale, purchase of materials | 20.00 |

Terms and conditions:

- At arm's length basis for each such transaction in compliance with applicable laws including Transfer Pricing Guidelines.

All the entities falling under the definition of related party shall abstain from voting in the aforesaid resolution.

The Board of Directors recommends the resolution set forth in item no. 6 of this Notice for approval of the shareholders as an Ordinary Resolution. Multibase SA being related party cannot vote on this resolution. Except for the Director(s) and Key Management Personnel of the Company and their relatives (to the extent of their shareholding interest in the Company), none of the other person is concerned or interested, financially or otherwise in this resolution.

Item no.7

The Board of Directors on the recommendation of Audit Committee considered and approved the appointment of M/s B.F. Modi & Associates, Cost Accountants, for the conduct of the audit of the cost records of the Company for the Financial year 2019-20 at a remuneration of ₹ 1,00,000 per annum exclusive of taxes and out of pocket expenses to be reimbursed at actuals.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Shareholders.

The Board recommends the passing of resolution as set out at Item no.7 as Ordinary Resolution.

None of the Directors, Key managerial Personnel and or their relatives and/or concerned in passing of the said resolution.

Item No.8

The Members of the Company had approved the re-appointment of Mr. H N Motiwalla (DIN 00029835) as a Non-Executive Independent Director for a second consecutive term of 5 years w.e.f April 1, 2019 through postal ballot.

As the Members are aware, pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

Mr. H N Motiwalla (DIN 00029835) shall attain the age of seventy five (75) years in 2020 which is during his term as Non-executive Independent director. Pursuant to Regulation 17(1A) of the Listing Regulations, the Special Resolution for continuation of their directorships with effect from March 24, 2020 up to March 31, 2024, being the date of expiry of his term of office, is required to be passed.

The Board of Directors recommends the resolution set forth in item no. 8 of this Notice for approval of the shareholders as a special resolution.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mr. H N Motiwalla (DIN 00029835), and his relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 8.

Item no.9

Pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Company entering into material related party transactions shall require approval of the shareholders by way of Special Resolution.

The Company received a request from DDP Speciality Products India for loan of ₹ 60 crore for meeting its working capital requirements.

On the recommendation of the Audit Committee of the Company, the Board at its meeting held on August 5, 2019 approved to grant loan(s) to DDP Speciality Products India Private Limited, Fellow Subsidiary of the Company up to an amount of ₹ 60 Crore.

Brief conditions including the rate of interest and the purpose for which the proposed loan shall be utilized by DDP Speciality Products India Private Limited (DDP) are as under:

Tenure: 5 years

Rate of interest: would be charged at the then prevailing RBI rate plus 4% higher and upon such terms and conditions as may be mutually agreed upon as per the Loan agreement to be entered between the companies.

Purpose: DDP shall utilise the funds received for its working capital requirements such as making timely payments to foreign vendors for import of materials, operational expenditure etc.

Other terms and conditions:

Return on surplus funds:

Presently the Company's surplus funds are invested in term deposits placed with banks. The average pre-tax return on such deposits over year ended March 31, 2019 was approximately 4.5%. Accordingly, the Proposed Loan offers better return and terms compared to the current investments made by the Company using surplus funds. The Company has surplus funds to provide financial assistance to DDP. After providing the loan to DDP, the Company will have sufficient funds to meet its business requirements

The Board of Directors recommends the Special Resolution at Item No. 9 of the Notice for the approval of members.

DDP Speciality Products India Pvt Ltd, ('DDP') is fellow subsidiary of the Company Accordingly, it is a 'Related Party' of your Company in terms of Section 2(76) of the Companies Act, 2013 ("Act") and Regulation 2(1)(zb) of the SEBI LODR. Further, the Proposed Loan qualifies as a 'Material Related Party Transaction' as per Regulation 23(1) of SEBI LODR.

Apart from the above, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution.

Item no.10

Pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Company entering into material related party transactions shall require approval of the shareholders by way of Special Resolution.

The Company received a request from Performance Specialty Products (India) Private Limited for loan of ₹ 20 crore for meeting its working capital requirements.

On the recommendation of the Audit Committee of the Company, the Board at its meeting held on August 5, 2019 approved to grant loan(s) to Performance Specialty Products (India) Private Limited, Fellow Subsidiary of the Company up to an amount of ₹ 20 Crore.

Brief conditions including the rate of interest and the purpose for which the proposed loan shall be utilized by Performance Specialty Products (India) Private Limited (PSPIPL) are as under:

Tenure: 5 years

Rate of interest: would be charged at the then prevailing RBI rate plus 4% higher and upon such terms and conditions as may be mutually agreed upon as per the Loan agreement to be entered between the companies.

Purpose: PSPIPL shall utilize the funds for its working capital requirements. PSPIPL shall utilize this funds for making timely payments to the vendors for its import of materials.

Other terms and conditions:

Return on surplus funds:

Presently the Company's surplus funds are invested in term deposits placed with banks. The average pre-tax return on such deposits over year ended March 31, 2019 was approximately 4.5%. Accordingly, the Proposed Loan offers better return and terms compared to the current investments made by the Company using surplus funds. The Company has surplus funds to provide financial assistance to PSPIPL.

The Board of Directors recommends the Special Resolution at Item No. 10 of the Notice for the approval of members.

Performance Specialty Products (India) Private Limited ('PSPIPL') is fellow subsidiary of the Company Accordingly, it is a 'Related Party' of your Company in terms of Section 2(76) of the Companies Act, 2013 ("Act") and Regulation 2(1)(zb) of the SEBI LODR . Further, the Proposed Loan qualifies as a 'Material Related Party Transaction' as per Regulation 23(1) of SEBI LODR.

Apart from the above, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution.

Registered Office: **By order of the Board of Directors**

74/5-6, Daman Industrial Estate,
Kadaiya Village, Nani Daman,
Daman and Diu, Union Territory,
Pin – 396210.

Sunaina Goraksh
Company Secretary

Tel.: +91 260 6614400

Fax: +91 260 2221578

Email: compliance.officer@multibaseindia.com

Website: www.multibaseindia.com

CIN: L01122DD1991PLC002959

Date: 5th August 2019

Place: Mumbai

Particulars of Directors seeking Appointment / Reappointment at the ensuing Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| Name of Director | Deepak Dhanak | John Singer | Latha Nair |
|--|---|---|--|
| Type | Non-Executive Director | Non-Executive Director | Non-Executive Director |
| Date of Birth | 05/06/1972 | 03/06/1965 | 7/02/1971 |
| Date of Appointment | 29/06/2010 | 29/05/2019 | 01/04/2019 |
| Qualification | B.Tech Chemical. MDBA | bachelor's degree in Electrical Engineering. He is APICS CSCP certified and is also a certified 6-sigma Master Black Belt. | Bachelor's degree in Microbiology and Post Graduation in Business Management & HR Management. |
| No. of Equity Shares held | 1 | NIL | NIL |
| Expertise in Specific Functional area | Mr. Dhanak has 20 years of experience. He is Engineering Graduate (B. Tech Chemical) from College of Engineering & Technology, Akola and Diploma holder in Chemical Engineering. He has an MDBA from Symbiosis Institute of Management Studies, Pune. | He is currently the Global Manufacturing Director for the Transportation and Advanced Polymers Business in DuPont. He has direct responsibility for global manufacturing and engineering. John has worked for DuPont for 32 years in diverse businesses and roles. His key experiences include operations management (primarily high hazard processes), global supply chain management, business management (P&L), continuous improvement (6 sigma/lean), project management, technical service/marketing, investment/plant engineering, new product launches, and ERP (SAP) implementations. John has also previously served on the Boards of 2 joint ventures. | Ms. Latha Nair has 25+ years of experience in business and functional areas primarily in India with additional exposure across Asia in crucial projects. She was associated for over a decade with Interlabels Skanem, a leading Indian packaging solutions company spanning various business & sales roles with P&L and market facing responsibilities. She joined DuPont India in 2009 and has rich and varied experience. She was the South Asia Corporate Planning Manager from October 2012 to March 2014. She was the Asia Pacific HR Planning Manager from April 2014 to September 2016. She was also the Asia Pacific HR lead for strategic M&A initiatives. |
| Experience | 20 years | 25 years | 25 years |
| Shareholding in the Company | 1 | Nil | Nil |
| Directorships held in other Companies | None | None | None |
| Particulars of Committee Chairmanship / Membership held in other Companies | None | None | None |
| Relationship with other Directors inter-se | None | None | None |

| Name of Director | Krishan Phophalia | H N Motiwalla |
|--|--|--|
| Type | Non-executive Director | Non-Executive Independent Director |
| Date of Birth | 18-05-1976 | 24-03-1945 |
| Date of Appointment | 01-04-2019 | 27-10-2010 |
| Qualification | Chartered Accountant | Chartered Accountant, B Com, LLB |
| No. of Equity Shares held | Nil | Nil |
| Expertise in Specific Functional area | <p>He is a Chartered accountant by profession with over 18+ years of track record and diverse experience in Finance. Mr. Phophalia started his career with Indian Petrochemical Corporation Limited (later-on acquired by Reliance Industries Limited), where he was part of the Plant Finance Team and has handled multiple roles related to manufacturing site, which inter alia includes Payroll, Materials Finance, Project Accounting/Capitalization, Costing, Vendor Payments etc.</p> <p>He then joined DuPont, India in year 2006, as Business Accountant and handled multiple roles at country and/or regional level. These roles included Business Finance Manager for Paint Business, Manager Corporate Accounting for DuPont South Asia, Financial Carveout Leader, APAC for PCHEM separation, Service Delivery Leader for Accounting and Reporting Team of DuPont's back office Hyderabad (DSCI). He is currently the Service Delivery Leader – Accounting and Financial Controller for South Asia/ ANZ. For DuPont India</p> | <p>He serves as senior partner of M/s. H. N. Motiwalla & Co, and as an independent director on the Board of Excel Industries, Hitech Plast Ltd., Siyaram Silk Mills Limited, Balkrishna Synthetics Ltd., and LIC Nomura MF Trustee Co. Pvt. Ltd. He is an experienced finance professional, and a fellow member of the Institute of Chartered Accountants of India. He has been Past Chairman of Western India Regional Council of the Institute of Chartered Accountants of India. He has represented the Institute as a Chairman of Auditing Practices Committee for various committees of the Reserve Bank of India. He has co-authored various books viz.: Tax Audit Manual, Tax deducted at source Law & Practice (Published by Wadhwa & Co.). Guidance Note on Tax Audit u/s. 44AB of the Income tax Act, Issues on Tax Audit, History of the Accounting Profession in India, Vol. II.</p> |
| Experience | 18 years | 30 years |
| Shareholding in the Company | NIL | NIL |
| Directorships held in other Companies | None | 7 listed companies |
| Particulars of Committee Chairmanship / Membership held in other Companies | None | None |
| Relationship with other Directors inter-se | None | None |

None of the directors are debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Note:

1. Pursuant to SEBI Listing Regulations, 2015, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered.
2. Other details such as number of meetings of the Board attended during the year, remuneration drawn, Committee position in the Company, etc. is provided in the Corporate Governance Report.

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To
The Members,

Your Directors are pleased to present the 28th Annual Report together with Audited Financial Statements of your Company for the Financial Year ended March 31, 2019.

(₹ In Lac)

| FINANCIAL RESULTS | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|---|---|
| Profit before Depreciation | 2,265.22 | 3,068.39 |
| Depreciation | 87.51 | 81.35 |
| Profit before Tax | 2,177.71 | 2,987.04 |
| Provision for tax | 642.19 | 1,031.79 |
| Profit after Tax | 1,535.52 | 1,955.25 |
| Balance brought forward from previous year | 7,008.73 | 5,054.98 |
| Balance carried forward to Balance Sheet | 8,544.25 | 7,008.73 |

OPERATIONS

During the year under review, the Company reported gross revenue from operations of ₹10,993.96 Lac as against ₹ 11,151.62 Lac during the FY 2017-18. The Company reported Profit before Tax of ₹ 2,177.71 Lac and Profit after Tax of ₹ 1,535.52 Lac as against ₹ 2,987.04 Lac and ₹ 1,955.25 Lac respectively for the previous Financial year.

Further due to the global restructuring, the Company's agreement to sell one of their products namely Antifoam stands terminated with effect from 01 April 2019. The revenue from Antifoam for the year ended March 31, 2019 and quarter ended March 31, 2019 is ₹ 3,683.14 lakhs and ₹ 409.77 lakhs respectively and for year ended March 31, 2018 and quarter ended March 31, 2018 was ₹ 3,108.91 lakhs and ₹ 825.46 lakhs respectively.

DIVIDEND

With a view to conserve the resources for the future, your Directors have thought it prudent not to declare any dividend on Equity Shares for the year ended March 31, 2019.

TRANSFER TO RESERVES

The Board of Directors have not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to the Statement of Profit and Loss.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company does not have any subsidiaries, associates or Joint ventures.

"As you are aware, DowDuPont Inc. is the ultimate holding company ("DDI") of your Company. Pursuant to internal reorganization at the global level, DDI has hived off its material sciences business and agricultural business into two publicly traded companies. DDI now houses the Speciality products business which includes your Company and continues to remain the ultimate holding company of your Company. Pursuant to such internal reorganization, DDI has now been renamed as DuPont deNemours Inc."

REVISION OF FINANCIAL STATEMENT

There was no revision to the financial statements for any of the preceding financial years.

BOARD OF DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Deepak Dhanak (DIN 03157491) will retire at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment.

During the year under review, Mr. Harish Motiwalla (DIN: 00029835) and Mr. Ashok Chhabra (DIN: 00059677) were re-appointed as Independent Directors of the Company for a period of five years, commencing from 1st April, 2019 upto 31st March, 2024 by the Shareholders of the Company by way of Postal Ballot.

Ms. Suely Mori (DIN 07046468), Mr. Vipul Babu (DIN 07737345) and Ms. Maithilee Mistry (DIN 02152619) ceased to be Director of the Company with effect from 31st March, 2019. The Board placed on record its appreciation for the valuable services rendered by Ms. Suely Mori, Mr. Vipul Babu and Ms. Maithilee Mistry during their tenure as Directors of the Company.

Further, Mr. Krishan Phophalia (DIN 08395171), Ms. Latha Nair (DIN 08389056) and Mr. Angad Singh Kalsi (DIN 07597128) were appointed as Additional Directors by the Board of Directors with effect from 1st April, 2019 pursuant to the provisions of Section 161 of the Companies Act, 2013 to hold office upto the date of ensuing Annual General Meeting.

Mr. Angad Singh Kalsi (DIN 07597128) resigned w.e.f 29th May 2019 and Mr. John Singer was appointed as additional director w.e.f 29th May 2019 to hold office upto the date of ensuing Annual General Meeting.

The Company has, in terms of Section 160(1) of the Act, received in writing notice from Members, proposing the candidature of above persons for the office of Directors.

None of Directors are disqualified from being appointed / re-appointed as Directors of the Company as per the disclosure received from them pursuant to Section 164(2) of the Companies Act, 2013.

Your Board recommends the appointment/reappointment of the above Directors at the ensuing Annual General Meeting.

Furthermore, Mr. Satya Nagesh Ventrapragada resigned as the Chief Financial Officer with effect from 31st March 2019. The Board thereafter, on considering the recommendation of the Nomination and Remuneration Committee approved the appointment of Mr. Pankaj Holani as the Chief Financial Officer (CFO) of the Company with effect from 1st May, 2019.

Apart from the above, no other Director or KMP were appointed or had retired or resigned during FY 2018-19.

Brief particulars and expertise of Directors seeking reappointment together with their other directorships and committee memberships have been given in the annexure to the notice of the Annual General Meeting in accordance with the requirements of the Listing Regulations and Secretarial Standards.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

During the financial year under review, declarations were received from all the Independent Directors of the Company that they satisfy the “criteria of Independence” as defined under Regulation 16(b) of SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules made thereunder. There has been no change in the circumstances or situation that could impair or impact their ability to discharge their duties.

CHANGE IN SHARE CAPITAL

The Company has not made any issue of shares during the year and its Share Capital for the year ended 31st March, 2019 remains unchanged.

DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable

AUDITORS

STATUTORY AUDITORS

The Members had at the 26th Annual General Meeting of the Company held on 25th July 2017 appointed M/s BSR

& Co. LLP, Chartered Accountants, (Firm Registration no.101248W/W-100022) as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 26th Annual General Meeting until the conclusion of 31st Annual General meeting of the Company. In terms of Section 139 of the Companies Amendment Act, 2018 such appointment no longer requires the ratification by the Members at each Annual General Meeting. Accordingly the term of Statutory auditors, M/s BSR & Co. LLP, Chartered Accountants (Firm Registration no.101248W/W-100022), as Statutory Auditors shall continue for a consecutive term of 5 years. The report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s Dhrumil M Shah & Co, Practicing Company Secretary, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is enclosed as ‘Annexure I’ to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

STATUTORY AUDITORS’ REPORT

The Report of the Statutory Auditors on the Company’s Accounts for the year ended March 31, 2019 is self-explanatory and does not contain any qualification, adverse remark or observation.

INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. For your Company, Ind AS was applicable from April 1, 2017.

COST AUDIT

Pursuant to provisions of Rule 5 (1) and Rule 3 (B) of the Companies (Cost records and Audit) Rules, 2014, your Company was required to conduct Cost Audit for financial year 2018-19.

Accordingly, your Company appointed M/s. B. F. Modi & Associates, Cost Accountants as Cost Auditors for financial year 2018-19

As per the provisions of Section 148 of the Companies Act, 2013, the Company is required to appoint Cost Accountant, to carry out the cost audit of cost records of the Company’s manufacturing unit for the year 2019-20. The Company has

appointed M/s B F Modi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2019-20. The remuneration as fixed by the Board of Directors is required to be ratified by members at the forthcoming AGM of the Company.

The Board of Directors recommend the ratification of the Cost Auditor's remuneration at the forthcoming AGM.

AUDIT COMMITTEE

Your Directors have, in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 constituted the Audit Committee of the Board. As on date, the members of the Audit Committee are Mr. Harish Narendra Motiwalla (Chairman), Mr. Ashok Chhabra and Mr. Krishan Phophalia.

The scope and terms of reference of the Audit Committee is in accordance with the Act and it reviews the information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, there were no instances of recommendation by the Audit Committee not being accepted by the Board of Directors of the Company.

The Company Secretary acts as Secretary of the Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Your Board of Directors has formulated the Corporate Social Responsibility (CSR) Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, based on the recommendations of the CSR Committee. The CSR Policy is available on the website of the Company <http://www.multibaseindia.com/policies.php>

As on date, the members of the CSR Committee are Mr. Harish Narendra Motiwalla (Chairman), Mr. Ashok Chhabra (Member) and Mr. Deepak Dhanak (Member).

The company has spent an amount of ₹ 36.65 Lac under Education, Social and Economic development for CSR activity of the Company and the Company is looking forward to perceive more appropriate and suitable activities for investing in the field of Corporate Social Responsibility.

A brief outline of the CSR Policy of the Company and the Annual Report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in 'Annexure II' to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company

for the year ended 31st March, 2019, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION & ANALYSIS

A separate report on Management Discussion & Analysis is appended to this Annual Report and forms part of this Directors' Report.

CORPORATE GOVERNANCE

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended to this Annual Report and forms part of this Directors' Report.

RISK MANAGEMENT

The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and

mitigates material events that may impact shareholder value. The Board has also adopted a Risk Management Policy. The Company has adopted an enterprise wide framework that incorporates a system of risk oversight, risk management and internal control designed to identify, assess, monitor and manage risks consistent with the size of the business. Multibase applies risk management in a well-defined, integrated framework that promotes awareness of risks and understanding of the company's risk tolerances. The Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid risks.

INTERNAL CONTROL AND INTERNAL AUDIT

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The Company continues to engage M/s. Mukund & Rohit, Chartered Accountants as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

CRITERIA FOR APPOINTMENT OF DIRECTORS AND RELATED MATTERS

The criteria for appointment of directors, related matters and the remuneration policy is provided in 'Annexure III' to this Report. The remuneration policy of the Company is designed to attract, motivate and retain employees in a competitive market. The Nomination and Remuneration Policy can be accessed on the website of the Company at www.multibaseindia.com.

ANNUAL EVALUATION OF THE DIRECTORS AND THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and the directors individually. The evaluation of the Chairman, non-independent directors and the Board was conducted at the Independent Directors meeting held on February 12, 2019.

The Board of Directors (excluding the Director being evaluated) had, in their held on February 12, 2019 evaluated the performance of all the Independent Directors on the Board and determined to continue with the term of appointment of the Independent Directors.

The criteria for evaluation are provided in 'Annexure III' of this report.

DETAILS WITH RESPECT TO THE PROGRAMME FOR FAMILIARISATION OF INDEPENDENT DIRECTORS:

The independent directors of the Company are informed about their roles, rights, responsibilities in the company, nature of the industry in which the company operates, and related matters. Periodic presentations are made at the Board and Committees meetings relating to the Company performance.

The details of the familiarization programme is uploaded on the website of the Company www.multibaseindia.com.

In the Opinion of the Board of the Directors of the Company, the Independent Directors of the Company fulfill the conditions specified in Listing Regulations and are independent of the management of the Company.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered by the Company during the financial year were in the ordinary course of business and at arm's length basis. The details of material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements are furnished in 'Annexure IV' and forms part of this Report. All transactions with related parties are placed before the Audit Committee for approval. An omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature.

As per the requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), approval of the Audit Committee was received for all the Related Party Transactions.

In compliance with Regulation 23 of the SEBI Listing Regulations, the Company has adopted a policy to deal with related party transactions and for determining material subsidiary. The policy is on the website of the Company <http://www.multibaseindia.com/policies.php>

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

During the year the Company granted a loan of ₹ 10,50,00,000 to its fellow subsidiary i.e DDP Speciality Products India Private Limited ('DDP') for its working capital requirement. The Said loan was repaid by DDP in June 2019.

The Company has not given any guarantees, or made any investments in securities under section 186 of the Act during the financial year under review.

VIGIL MECHANISM POLICY:

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has an established Vigil Mechanism Policy-Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The employees of the Company have the right to report their concern or grievance to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of the Company <http://www.multibaseindia.com/policies.php>

During the year under review, the Company did not receive any whistle blower complaint.

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 8 Board Meetings and 6 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Regulation 18 of the SEBI (Listing Obligation and Disclosures Requirements), Regulations, 2015.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant/material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

DISCLOSURES UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments have occurred which could affect the Company's financial position between the end of the financial year of the Company and date of this report.

INSURANCE

During the year The properties, assets and inventories of your Company are adequately insured.

INDUSTRIAL RELATION

The Company considers human resources as its most critical asset and is putting in place various practices to ensure healthy work environment. Industrial relations continued to be cordial and harmonious throughout the year.

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

Details of employees remuneration as required under the provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours and shall be made available to any shareholder on request.

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are furnished in Annexure V which form parts of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in 'Annexure VI' which form parts of this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are enclosed as 'Annexure VII' to this report. The same is also available on the website of the Company at www.multibaseindia.com

FRAUD REPORTING

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made there under, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

SEXUAL HARASSMENT AT WORKPLACE:

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has complied with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, including constitution of the Sexual Harassment Committee.

No. of complaints filed during Financial Year 2018-19 NIL

No. of complaints disposed off during Financial Year 2018-19 NIL

No. of complaints pending as on 31st March, 2019 NIL

GREEN INITIATIVES:

Electronic copies of Annual Report 2018-19 are sent to all members whose email addresses are registered with the Company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

GENERAL:

Your Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise and under Employees Stock Option Scheme as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the contributions made by the employees at all levels enabling the Company to achieve the performance during the year under review.

Your Directors thank the Central Government, Government of Diu & Daman Union Territory as also the Government agencies, bankers, local bodies, Registrar of Companies, stock exchanges, depositories, shareholders, customers, vendors, associates of the Company and other related organizations for their continuous co-operation and support in progress of the Company and also look forward to their continued confidence and trust in the Company.

For and on Behalf of the Board

H.N. Motiwalla
Non-executive Chairman
DIN: 00029835

Deepak Dhanak
Managing Director
DIN: 03157491

Registered Office:

74/5-6, Daman Industrial Estate,
Kadaiya Village, Nani Daman,
Daman and Diu, Union Territory,
Pin – 396210.

Tel.: +91 260 6614400

Fax: +91 260 2221578

Email: compliance.officer@multibaseindia.com

Website: www.multibaseindia.com

CIN: L01122DD1991PLC002959

Date : 5th August 2019

Place : Mumbai

ANNEXURE I TO DIRECTORS' REPORT

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ref No: 575 /2018-19

To,

The Members,

MULTIBASE INDIA LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MULTIBASE INDIA LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent of Foreign Direct Investment and overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable for the financial year ended March 31, 2019;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable for the financial year ended March 31, 2019;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable for the financial year ended March 31, 2019;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable for the financial year ended March 31, 2019;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not applicable for the financial year ended March 31, 2019; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The Company has informed that there are no laws which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).
- ii. The Listing Agreements entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. Further there is no change in composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions have been taken unanimously and no dissent recorded in Board Meetings.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Dhrumil M Shah & Co.
Dhrumil M Shah
Practicing Company Secretary
CP 8978; FCS 8021

Place: Mumbai

Date: 5th August, 2019

This Report is to be read with my letter of even date which is annexed as Annexure - I and forms an integral part of this report.

Annexure I
(to the Secretarial Audit Report)

To,

The Members,

MULTIBASE INDIA LIMITED

My report of even date is to be read along with this letter:

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report 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 Dhrumil M Shah & Co.
Dhrumil M Shah
Practicing Company Secretary
CP 8978; FCS 8021

Place: Mumbai

Date: 5th August, 2019

ANNEXURE II TO DIRECTORS' REPORT

REPORT ON CSR ACTIVITIES

1. Brief outline of the Company's CSR policy, including the overview or projects or programs proposed to be undertaken and a reference to the web-link of the CSR policy:

The Company believes that Corporate Social Responsibility Policy is necessary for social and environmental wellbeing and essential for the sustainability of corporate actions. The policy covers process the Company shall adopt regarding approval and spending of financial resources on CSR activities.

The CSR Committee of the Board shall recommend CSR expenditure on any of the prescribed activities in compliance of the provisions of Section 135 and Schedule VII of Companies Act 2013, read with Companies (Corporate Social Responsibility) Rules, 2014. CSR Committee shall give preference to local and areas around the Company's operations.

c. Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|--|--|--|--|---|--|--|
| Sr. No. | CSR Project or activity identified | Sector in which the project is covered | Project or programs (1) Local area or other (2) Specify the state and district where the projects or programs was undertaken | Amount outlay (budget) project or programs otherwise | Amount spent on the projects or programs sub heads (1) Direct expenditure on projects and programs 2) overheads | Cumulative expenditure upto the reporting period | Amount spent Direct or through implementing agency |
| 1. | Developing infrastructure / better sanitation in schools & old age homes | Education, Social & Economic development | Manikpur & Karvad | ₹ 14,97,685 | ₹ 14,97,685 | ₹ 14,97,685 | ₹ 14,97,685 (Direct through Company) |
| 2. | Providing education facilities by building required infrastructure | Education, Social & Economic development | Manikpur & Karvad | ₹ 21,57,881 | ₹ 21,57,881 | ₹ 21,57,881 | ₹ 21,57,881 (Direct through Company) |

6. Reasons for not spending two percent of the average net profit of the last financial years:

The company has spent an amount of ₹ 36,55,566 under Social and economic development for CSR activity of the Company during the financial year. During the year the Company has short spent an amount of ₹ 6,97,731 as it was not able to find suitable activities/project and areas in order to invest under CSR. The Board on the recommendation of the CSR committee is looking forward to perceive more appropriate and suitable activities for investing in the field of Corporate Social Responsibility.

7. The implementation and monitoring of CSR policy would be in compliance with CSR objectives and policy of the Company.

H.N. Motiwalla

Chairman of CSR Committee
DIN: 00029835

Deepak Dhanak

Managing Director
DIN: 03157491

Date : 5th August 2019

Place : Mumbai

ANNEXURE III TO THE DIRECTORS' REPORT

- A.** The Nomination and Remuneration Committee has laid down the following criteria for appointment, re-appointment and removal of directors, KMPs, members of senior management.
- 1. Criteria for appointment and removal of directors, KMPs, members of senior management as follows;**
 - i. The candidate shall possess the necessary qualifications, professional/functional expertise, desired experience that the position to be filled may demand as may be specified from time to time by the NRC which will be in compliance with the applicable laws, policy of the Company, business needs, interest of the Company.
 - ii. In addition to the above while recommending the appointment of directors NRC shall be guided by the diversity policy.
 - iii. Removal decisions of the directors shall be guided by the disqualifications as may be prescribed under the provisions of the Companies Act, 2013 or applicable laws.
 - iv. Removal decisions of the Key Managerial Personnel and Senior Management Personnel shall be guided by Code of Conduct Policy of the Company, or by virtue of disqualifications as may be prescribed under the provisions of the applicable laws.
 - 2. Criteria for evaluation of the directors, independent directors, and the Board;**
 - a. Attendance at the meetings of the Board, Committee meetings and shareholders meetings.
 - b. Contribution at the meetings
 - c. Expert/Domain knowledge
 - d. Decisions taken in the best interest of the company
 - e. Adherence to the legal code of conduct
 - f. Performance of the annual plan
 - 3. Criteria for determining qualifications, positive attributes and independence of a director as follows;**
 - a. An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, marketing, corporate governance, operations or other disciplines related to the company's business.
 - b. An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.
 - c. An Independent director should meet the requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015 as amended from time to time concerning independence of directors.

The criterias shall be evaluated as and when necessary as per the discretion of the Nomination and Remuneration Committee.

ANNEXURE IV

FORM AOC - 2

Particulars of material contracts or arrangement or transactions at arm's length basis

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 - AOC 2)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2019, which were not at arm's length basis.

Details of material contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

A) Name of Related Party: Multibase S.A.

Nature of Relationship: Holding Company

| Nature of contracts/ arrangements/ transactions | Duration of contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---|--|--|--|------------------------------------|
| Purchase of materials | Ongoing | Purchase of materials worth ₹ 15,96,63,164 | 13.02.2018 | Not applicable |

B) Name of Related Party: Dow Europe GMBH

Nature of Relationship: Holding Company

| Nature of contracts/ arrangements/ transactions | Duration of contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---|--|--|--|------------------------------------|
| Purchase of materials | Ongoing | Purchase of materials worth ₹ 13,46,69,932 | 13.02.2018 | Not applicable |

For Multibase India Limited

H.N. Motiwalla
Non-executive Chairman
DIN: 00029835

Deepak Dhanak
Managing Director
DIN: 03157491

Place: Mumbai

Date: 5th August 2019

ANNEXURE V TO DIRECTORS' REPORT

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

- I The percentage increase in remuneration of the executive director, Chief Financial Officer and Company Secretary during the financial year 2018-19, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:

| Sr. No. | Name | Designation | Remuneration (In ₹ Lacs) for F.Y. 2018-19# | % increase in the remuneration for financial year 2018-19# | Ratio of remuneration of director to median remuneration of employees | Comparison of the remuneration against the performance of the company |
|---------|--------------------------------|-------------------------|--|--|---|--|
| 1. | Mr. Deepak Dhanak | Managing Director | 67,36,581 | (13%) | 10.35 | Profit before tax decreased by 27.09% and profit after tax decreased by 21.47% |
| 2. | Mr. Satya Nagesh Ventrappagada | Chief Financial Officer | 16,50,000 | N.A. | 2.53 | |
| 3. | Ms. Sunaina Goraksh | Company Secretary | 23,75,931 | N.A. | 3.65 | |

Includes variable pay as per the remuneration policy of the Company.

- II. The median remuneration of employees during the financial year was ₹ 6,50,553
- III. There were 30 permanent employees on the rolls of the Company as on March 31, 2019
- IV. In the financial year there was an increase of 3.39% in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 10% and average increase in the managerial remuneration w.r.t Mr. Deepak Dhanak for the financial year 2018-19 was (13%).
- VI. Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.

ANNEXURE VI TO DIRECTORS' REPORT**DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013
READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014****A. CONSERVATION OF ENERGY:**

| | | |
|----|---|---|
| 1) | The steps taken or impact on conservation of energy; Electricity, Water usage | The Company has initiated Rain Water Harvesting. The company has replaced lights with LED lights. This has reduced the electricity consumption and the Company also plans solar lighting for street lights. |
| 2) | the steps taken or impact on conservation of energy; Electricity, Fuel | The company has replaced lights with LED lights. This has reduced the electricity consumption and the Company plans for solar lighting for street lights |
| 3) | the capital investment on energy conservation equipments; | The Company has replaced the old Compressor with a new one which has resulted in electricity savings and also improved performance. |

B. TECHNOLOGY ABSORPTION:

| | | |
|----|---|---|
| 1) | the efforts made towards technology absorption | It is an ongoing process. The Company has replaced the old Compressor with a new one which has resulted in electricity savings and also improved quality and performance. |
| 2) | the benefits derived like product improvement, cost reduction, product development or import substitution | The Company has replaced some raw material which has resulted in regaining business and substantial margin improvement. |
| 3) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- A. the details of technology imported; B. the year of import; C. whether the technology been fully absorbed; D. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and E. expenditure incurred on Research and Development | NA |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ In Lacs)

| | FY 2018-19 | FY 2017-18 |
|----------------------------------|-------------------|-------------------|
| Actual foreign exchange earnings | 337.47 | 514.67 |
| Actual foreign exchange outgo | 6214.67 | 4597.61 |

ANNEXURE VII TO DIRECTORS' REPORT**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**I. REGISTRATION & OTHER DETAILS:**

| | | |
|------|--|--|
| i) | CIN | L01122DD1991PLC002959 |
| ii) | Registration Date | 17/12/1991 |
| iii) | Name of the Company | MULTIBASE INDIA LIMITED |
| iv) | Category / Sub-category of the Company | Company limited by shares |
| v) | Address of the Registered office & contact details | 74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T) |
| vi) | Whether listed company | Listed |
| vii) | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Pvt. Ltd. C 101, 24 7 Park, LBS Marg, Vikroli (W), Mumbai-400083 Tel No.: +91 22 49186000 Fax No.: +91 22 49186060 Email:rnt.helpdesk@linkintime.co.in |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company)

| S. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the Company |
|--------|--|-----------------------------------|------------------------------------|
| 1 | Rubber and plastics | 20133 | 100% |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|--|---------|----------------------------------|------------------|--------------------|
| 1 | Multibase SA-Z.I. Chartreuse Guiers, 38380, St Laurent du Pont, France | N.A. | Holding | 75 | 2(46) |

IV SHAREHOLDING PATTERN

| Sr. No. | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change during the year |
|---------|---|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(1) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |

Annual Report 2018-2019

| Sr. No. | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | % Change during the year |
|------------|---|--|-----------------|--------------------|-------------------|--|-----------------|--------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (b) | Government | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Institutions | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Bodies Corporate | 94,64,994 | 0 | 94,64,994 | 75.0000 | 94,64,994 | 0 | 94,64,994 | 75.0000 | 0.0000 |
| | Sub Total (A)(2) | 94,64,994 | 0 | 94,64,994 | 75.0000 | 94,64,994 | 0 | 94,64,994 | 75.0000 | 0.0000 |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1) + (A)(2) | 94,64,994 | 0 | 94,64,994 | 75.0000 | 94,64,994 | 0 | 94,64,994 | 75.0000 | 0.0000 |
| (B) | PUBLIC SHAREHOLDING | | | | | | | | | |
| [1] | INSTITUTIONS | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Foreign Portfolio Investor | 1,08,348 | 0 | 1,08,348 | 0.8585 | 1,40,282 | 0 | 1,40,282 | 1.1116 | 0.2531 |
| (f) | Financial Institutions / Banks | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (g) | Insurance Companies | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (B)(1) | 1,08,348 | 0 | 1,08,348 | 0.8585 | 1,40,282 | 0 | 1,40,282 | 1.1116 | 0.2531 |
| [2] | Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto ₹ 1 lakh. | 15,46,080 | 4,43,232 | 19,89,312 | 15.7632 | 15,22,145 | 4,24,177 | 19,46,322 | 15.4225 | -0.3407 |
| (ii) | Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 4,42,827 | 0 | 4,42,827 | 3.5089 | 4,31,191 | 0 | 4,31,191 | 3.4167 | -0.0922 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0.0000 | 1341 | 0 | 1341 | 0.0106 | 0.0106 |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Trusts | 0 | 0 | 0 | 0.0000 | 198 | 0 | 198 | 0.0016 | 0.0016 |
| | Hindu Undivided Family | 1,16,459 | 0 | 1,16,459 | 0.9228 | 1,17,301 | 0 | 1,17,301 | 0.9295 | 0.0067 |
| | Non Resident Indians (Non Repat) | 51,281 | 1,58,700 | 2,09,981 | 1.6639 | 55,203 | 1,53,500 | 2,08,703 | 1.6537 | -0.0102 |
| | Non Resident Indians (Repat) | 97,831 | 0 | 97,831 | 0.7752 | 1,08,705 | 0 | 1,08,705 | 0.8614 | 0.0862 |
| | Office Bearers | 40 | 111 | 151 | 0.0012 | 30 | 111 | 141 | 0.0011 | -0.0001 |
| | Clearing Member | 33,395 | 0 | 33,395 | 0.2646 | 48,648 | 0 | 48,648 | 0.3855 | 0.1209 |
| | Bodies Corporate | 1,53,902 | 2,800 | 1,56,702 | 1.2417 | 1,49,374 | 2,800 | 1,52,174 | 1.2058 | -0.0359 |
| | Sub Total (B)(3) | 24,41,815 | 6,04,843 | 30,46,658 | 24.1415 | 24,34,136 | 5,80,588 | 30,14,724 | 23.8885 | -0.2530 |
| | Total Public Shareholding (B)=(B)(1) + (B)(2) + (B)(3) | 25,50,163 | 6,04,843 | 31,55,006 | 25.0000 | 25,74,418 | 5,80,588 | 31,55,006 | 25.0000 | 0.0000 |
| | Total (A) + (B) | 1,20,15,157 | 6,04,843 | 1,26,20,000 | 100.0000 | 1,20,39,412 | 5,80,588 | 1,26,20,000 | 100.0000 | 0.0000 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Total (A) + (B) + (C) | 1,20,15,157 | 6,04,843 | 1,26,20,000 | 100.0000 | 1,20,39,412 | 5,80,588 | 1,26,20,000 | 100.0000 | |

ii. SHAREHOLDING OF PROMOTERS

| Sr. No. | NAME OF THE SHAREHOLDER | Shareholding at the beginning of the year-2018 | | | Shareholding at the end of the year-2019 | | | % change in shareholding during the year |
|---------|-------------------------|--|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | |
| 1 | MULTIBASE SA | 9,464,994 | 75 | 0 | 9,464,994 | 75 | 0 | 0 |
| | Total : | 9,464,994 | 75 | 0 | 9,464,994 | 75 | 0 | 0 |

iii. CHANGE IN SHAREHOLDING OF PROMOTERS:

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---------|-------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | MULTIBASE SA | 94,64,994 | 75 | NA | NIL | 94,64,994 | 75 |
| | AT THE END OF THE YEAR | | | | | 94,64,994 | 75 |

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors and Promoters)

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---------|---------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | DIPAK KANAYALAL SHAH | 1,34,000 | 1.0618 | | | 1,34,000 | 1.0618 |
| | Market Purchase | | | 12 Oct 2018 | 275 | 1,34,275 | 1.064 |
| | Market Purchase | | | 09 Nov 2018 | 25 | 1,34,300 | 1.0642 |
| | Market Purchase | | | 07 Dec 2018 | 291 | 1,34,591 | 1.0665 |
| | Market Purchase | | | 25 Jan 2019 | 409 | 1,35,000 | 1.0697 |
| | Market Purchase | | | 22 Feb 2019 | 150 | 1,35,150 | 1.0709 |
| | AT THE END OF THE YEAR | | | | | 1,35,150 | 1.0709 |
| 2 | GYMKHANA PARTNERS L.L.P. | 58283 | 0.4618 | | | 58,283 | 0.4618 |
| | Market Purchase | | | 06 Jul 2018 | 3,326 | 61,609 | 0.4882 |
| | Market Purchase | | | 24 Aug 2018 | 3,691 | 65,300 | 0.5174 |
| | Market Purchase | | | 31 Aug 2018 | 3,145 | 68,445 | 0.5424 |
| | Market Purchase | | | 05 Oct 2018 | 4,455 | 72,900 | 0.5777 |
| | Market Purchase | | | 12 Oct 2018 | 979 | 73,879 | 0.5854 |
| | Market Purchase | | | 26 Oct 2018 | 4,521 | 78,400 | 0.6212 |
| | Market Purchase | | | 02 Nov 2018 | 4,000 | 82,400 | 0.6529 |
| | Market Purchase | | | 09 Nov 2018 | 1,204 | 83,604 | 0.6625 |
| | Market Purchase | | | 01 Feb 2019 | 4,896 | 88,500 | 0.7013 |
| | Market Purchase | | | 22 Feb 2019 | 2,665 | 91,165 | 0.7224 |
| | Market Purchase | | | 01 Mar 2019 | 3,878 | 95,043 | 0.7531 |
| | Market Purchase | | | 29 Mar 2019 | 2,018 | 97,061 | 0.7691 |
| | AT THE END OF THE YEAR | | | | | 97,061 | 0.7691 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|----------|--------------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 3 | NOMURA SINGAPORE LIMITED | 49,515 | 0.3924 | | | 49,515 | 0.3924 |
| | Market Sell | | | 25 May 2018 | -3,276 | 46,239 | 0.3664 |
| | Market Sell | | | 13 Jul 2018 | -2,517 | 43,722 | 0.3465 |
| | Market Sell | | | 03 Aug 2018 | -464 | 43,258 | 0.3428 |
| | Market Sell | | | 14 Sep 2018 | -960 | 42,298 | 0.3352 |
| | Market Purchase | | | 22 Feb 2019 | 923 | 43,221 | 0.3425 |
| | AT THE END OF THE YEAR | | | | | 43,221 | 0.3425 |
| 4 | MURUGU SELVAN K | 0 | 0 | | | 0 | 0 |
| | Market Purchase | | | 01 Feb 2019 | 1,136 | 1,136 | 0.009 |
| | Market Purchase | | | 08 Feb 2019 | 16,124 | 17,260 | 0.1368 |
| | Market Purchase | | | 15 Feb 2019 | 9,340 | 26,600 | 0.2108 |
| | Market Purchase | | | 22 Feb 2019 | 5,300 | 31,900 | 0.2528 |
| | Market Purchase | | | 08 Mar 2019 | 5,300 | 37,200 | 0.2948 |
| | Market Purchase | | | 29 Mar 2019 | 4,126 | 41,326 | 0.3275 |
| | AT THE END OF THE YEAR | | | | | 41,326 | 0.3275 |
| 5 | ASHIESH VITHAL BHATIA | 31,129 | 0.2467 | | | 31,129 | 0.2467 |
| | AT THE END OF THE YEAR | | | | | 31,129 | 0.2467 |
| 6 | PHARMASYNTH FORMULATIONS LTD. | 28,363 | 0.2247 | | | 28,363 | 0.2247 |
| | AT THE END OF THE YEAR | | | | | 28,363 | 0.2247 |
| 7 | NALINI T VASSA | 28,000 | 0.2219 | | | 28,000 | 0.2219 |
| | AT THE END OF THE YEAR | | | | | 28,000 | 0.2219 |
| 8 | PAN EMAMI COSMED LTD | 0 | 0 | | | 0 | 0 |
| | Market Purchase | | | 04 May 2018 | 5,000 | 5,000 | 0.0396 |
| | Market Purchase | | | 25 May 2018 | 10,000 | 15,000 | 0.1189 |
| | Market Purchase | | | 08 Jun 2018 | 11,543 | 26,543 | 0.2103 |
| | AT THE END OF THE YEAR | | | | | 26,543 | 0.2103 |
| 9 | ANGEL FINCAP PRIVATE LIMITED | 3,249 | 0.0257 | | | 3,249 | 0.0257 |
| | Market Sell | | | 13 Apr 2018 | -68 | 3,181 | 0.0252 |
| | Market Sell | | | 27 Apr 2018 | -12 | 3,169 | 0.0251 |
| | Market Purchase | | | 25 May 2018 | 621 | 3,790 | 0.03 |
| | Market Purchase | | | 15 Jun 2018 | 994 | 4,784 | 0.0379 |
| | Market Purchase | | | 22 Jun 2018 | 5000 | 9,784 | 0.0775 |
| | Market Purchase | | | 31 Aug 2018 | 11998 | 21,782 | 0.1726 |
| | Market Sell | | | 29 Sep 2018 | -1000 | 20,782 | 0.1647 |
| | Market Purchase | | | 12 Oct 2018 | 5000 | 25,782 | 0.2043 |
| | Market Sell | | | 19 Oct 2018 | -25 | 25,757 | 0.2041 |
| | Market Purchase | | | 16 Nov 2018 | 100 | 25,857 | 0.2049 |
| | Market Purchase | | | 30 Nov 2018 | 25 | 25,882 | 0.2051 |
| | Market Purchase | | | 04 Jan 2019 | 3 | 25,885 | 0.2051 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|-----------|-------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| | Market Purchase | | | 11 Jan 2019 | 50 | 25,935 | 0.2055 |
| | Market Purchase | | | 18 Jan 2019 | 15 | 25,950 | 0.2056 |
| | Market Purchase | | | 25 Jan 2019 | 31 | 25,981 | 0.2059 |
| | Market Purchase | | | 01 Feb 2019 | 10 | 25,991 | 0.206 |
| | Market Purchase | | | 08 Feb 2019 | 11 | 26,002 | 0.206 |
| | Market Purchase | | | 22 Feb 2019 | 20 | 26,022 | 0.2062 |
| | Market Purchase | | | 08 Mar 2019 | 10 | 26,032 | 0.2063 |
| | Market Sell | | | 22 Mar 2019 | -25 | 26,007 | 0.2061 |
| | Market Sell | | | 30 Mar 2019 | -50 | 25,957 | 0.2057 |
| | AT THE END OF THE YEAR | | | | | 25,957 | 0.2057 |
| 10 | PARUL PATEL | 23,010 | 0.1823 | | | 23,010 | 0.1823 |
| | AT THE END OF THE YEAR | | | | | 23,010 | 0.1823 |
| 11 | SAMIT R. BHARTIA | 21,506 | 0.1704 | | | 21,506 | 0.1704 |
| | AT THE END OF THE YEAR | | | | | 21,506 | 0.1704 |
| 12 | SONAL BHASKAR DABRAL | 20,000 | 0.1585 | | | 20,000 | 0.1585 |
| | Market Sell | | | 01 Jun 2018 | -2,500 | 17,500 | 0.1387 |
| | Market Sell | | | 08 Jun 2018 | -2,500 | 15,000 | 0.1189 |
| | Market Sell | | | 30 Jun 2018 | -2,500 | 12,500 | 0.099 |
| | Market Sell | | | 17 Aug 2018 | -2,500 | 10,000 | 0.0792 |
| | Market Purchase | | | 12 Oct 2018 | 1,052 | 11,052 | 0.0876 |
| | Market Purchase | | | 16 Nov 2018 | 1,448 | 12,500 | 0.099 |
| | Market Sell | | | 15 Feb 2019 | -2,500 | 10,000 | 0.0792 |
| | AT THE END OF THE YEAR | | | | | 10,000 | 0.0792 |
| 13 | SAMIR JITENDRA JAVERI | 27,000 | 0.2139 | | | 27,000 | 0.2139 |
| | Market Sell | | | 31 Aug 2018 | -3,000 | 24,000 | 0.1902 |
| | Market Sell | | | 07 Sep 2018 | -912 | 23,088 | 0.1829 |
| | Market Sell | | | 14 Sep 2018 | -842 | 22,246 | 0.1763 |
| | Market Sell | | | 29 Sep 2018 | -2,100 | 20,146 | 0.1596 |
| | Market Sell | | | 05 Oct 2018 | -5,146 | 15,000 | 0.1189 |
| | Market Sell | | | 19 Oct 2018 | -1,200 | 13,800 | 0.1094 |
| | Market Sell | | | 26 Oct 2018 | -61 | 13,739 | 0.1089 |
| | Market Sell | | | 02 Nov 2018 | -500 | 13,239 | 0.1049 |
| | Market Sell | | | 21 Dec 2018 | -18 | 13,221 | 0.1048 |
| | Market Sell | | | 08 Feb 2019 | -1,721 | 11,500 | 0.0911 |
| | Market Sell | | | 15 Feb 2019 | -180 | 11,320 | 0.0897 |
| | Market Sell | | | 01 Mar 2019 | -1,000 | 10,320 | 0.0818 |
| | Market Sell | | | 15 Mar 2019 | -693 | 9,627 | 0.0763 |
| | Market Sell | | | 22 Mar 2019 | -1,627 | 8,000 | 0.0634 |
| | Market Sell | | | 29 Mar 2019 | -1,000 | 7,000 | 0.0555 |
| | AT THE END OF THE YEAR | | | | | 7,000 | 0.0555 |

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL*

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Deepak Dhanak (At the end of the year or on the date of separation)(31.03.2019) | 1 | 0 | 1 | 0 |
| 2 | Maithilee Mistry (At the end of the year or on the date of separation) (31.03.2019) | 0 | 0 | 0 | 0 |
| 3 | Suely Mori (At the end of the year or on the date of separation) (31.03.2019) | 0 | 0 | 0 | 0 |
| 4 | Vipul Babu (At the end of the year or on the date of separation) (31.03.2019) | 0 | 0 | 0 | 0 |
| 5 | Harish N. Motiwalla (At the end of the year or on the date of separation) (31.03.2019) | 0 | 0 | 0 | 0 |
| 6 | Ashok Chhabra (At the end of the year or on the date of separation) (31.03.2019) | 0 | 0 | 0 | 0 |
| 7 | Satya Nagesh Ventrpragada (At the end of the year or on the date of separation) (31.03.2019) | 0 | 0 | 0 | 0 |
| 8 | Sunaina Goraksh (At the end of the year or on the date of separation) (31.03.2019) | 1 | 0 | 1 | 0 |

* There was NIL Movement in the shares held by the Directors and Key managerial Personnel

V. Indebtedness: Indebtedness of the company including interest outstanding/accrued but not due for payment

| Sr. No. | For each of the Directors and KMP | Secured loans excluding deposits | Unsecured loans | Deposits | Total indebtedness |
|---------|--|----------------------------------|-----------------|----------|--------------------|
| | Indebtedness at the beginning of the financial year | 0 | 0 | 0 | 0 |
| i | Principal Amount | 0 | 0 | 0 | 0 |
| ii | Interest due but not paid | 0 | 0 | 0 | 0 |
| iii | Interest accrued but not due | 0 | 0 | 0 | 0 |
| | Total(i+ii+iii) | 0 | 0 | 0 | 0 |
| | Net change in indebtedness during the financial year | 0 | 0 | 0 | 0 |
| | Indebtedness at the end of the financial year | 0 | 0 | 0 | 0 |
| i | Principal Amount | 0 | 0 | 0 | 0 |
| ii | Interest due but not paid | 0 | 0 | 0 | 0 |
| iii | Interest accrued but not due | 0 | 0 | 0 | 0 |
| | Total(i+ii+iii) | 0 | 0 | 0 | 0 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND/OR MANAGER

(Amount in ₹)

| | | Name of managing Director/Whole-time Director(s) | |
|---------|---|---|--------------|
| Sr. No. | Particulars of Remuneration | Deepak Dhanak Managing Director | Total Amount |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 67,36,581 | 67,36,581 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 |
| 2 | Stock Option | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission | 0 | 0 |
| | - as % of profit | | |
| | others, specify... | 0 | 0 |
| 5 | Others, please specify | 0 | 0 |
| | Total | 67,36,581 | |
| | Ceiling as per the Companies Act | Mr. Deepak Dhanak is paid remuneration in accordance with the Special Resolution passed at the AGM held on 25 th July 2017 in accordance with the provisions as laid down under Sections 196, 197 and Schedule V of the Companies Act, 2013 and Gazette Notification No. G.S.R. S.O.2922(E) dated 12/09/2016 | |

B) REMUNERATION TO OTHER DIRECTORS

(Amount in ₹)

| Sr. No | Particulars of remuneration | Name of Directors | Total Amount |
|--------|--|--------------------------|---|
| 1 | Independent Directors | | |
| | For attending Board/committee meetings | Harish Motiwalla | 9,60,000 |
| | | Ashok Chhabra | 9,60,000 |
| | Commission | NIL | NIL |
| | Others, please specify | NIL | NIL |
| | Total (1) | | 19,20,000 |
| 2 | Other Non-Executive Directors | Name of Directors | Total Amount (₹ In lakhs) |
| | For attending Board/committee meetings | Vipul Babu | 0 |
| | | Maithilee Mistry | 0 |
| | | Suely Mori | 0 |
| | Commission | NIL | NIL |
| | Others, please specify | NIL | NIL |
| | Total (2) | | 0 |
| | Total (1+2) | | 19,20,000 |
| | Total managerial remuneration | | 67,36,581 |
| | Overall ceiling as per Act | | Remuneration is paid within ceiling limits of Companies Act, 2013 |

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

| Sr. No | Particulars of Remuneration | Key Managerial Personnel | |
|--------|---|---------------------------|-------------------|
| | | Chief Financial Officer | Company Secretary |
| 1 | Gross salary | Satya Nagesh Ventrpragada | Sunaina Goraksh |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 16,50,000 | 23,75,931 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 |
| 2 | Stock Option | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission | 0 | 0 |
| | - as % of profit | 0 | 0 |
| | others, specify... | 0 | 0 |
| 5 | Others, please specify | 0 | 0 |
| | Total | 16,50,000 | 23,75,931 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of penalties/ Punishment/compounding of fees imposed | Authority(RD/ NCLT/ COURT) | Appeals made, if any(give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |

MANAGEMENT DISCUSSION AND ANALYSIS

BACKGROUND & INDUSTRY OUTLOOK

In FY-2018-19, fears related to global financial crisis have intensified. The trade dispute between the United States and China has aggravated the ongoing slowdown in Chinese economy and is also having a chain effect on many major economies. This has led to violent fluctuation in the prices of key raw-materials and input costs of manufacturing.

India remained the fastest growing major economy in the world in the first half of FY-2018-19 backed by its strong domestic consumption. The most important reforms such as GST, the inflation-targeting monetary policy, the success of Insolvency and Bankruptcy Code in NPA recovery for Banks, supported the growth. However, issues in the Non-Banking Financial Companies (NBFC) segment, the drag from higher crude prices resulting in fall in the foreign exchange reserves and depreciation of the rupee kept the financial liquidity tighter. Political uncertainty in view of elections also weighed on consumer confidence during last quarter. The slowdown in the automotive industry intensified in the last quarter thus affecting the business of the company.

BUSINESS & FINANCIAL REVIEW

With the current business portfolio, we are largely operating in the area of Automotive, Consumer & Industrial and Thermoplastic Additives. We have number of developments that are taking place in all of the above-mentioned areas. The clear focus is in the area of Additives and Automotive as those are the business areas that are able to give us higher margins. We are looking at developing markets and application areas where we have higher margins in order to drive higher margin productivity from our assets.

A dedicated team of application development specialists works with the sales team to develop new applications that will allow us to expand out opportunity base in the longer term.

During the year under review, the Company reported gross revenue from operations of ₹10,993.96 Lac as against ₹11,151.62 Lac during the FY 2017-18. The Company reported Profit before Tax of ₹ 2,177.71 Lac and Profit after Tax of ₹1,535.52 Lac as against ₹2,987.04 Lac and ₹ 1,955.25 Lac respectively for the previous Financial year. Due to the global restructuring, the Company's agreement to sell one of their products namely Antifoam stands terminated with effect from 01 April 2019. The primary reason for overall decline in the revenue, is due to increase in raw material prices and reduction in trading products sales namely Silicon master batch, thermoplastic elastomer due to subdued market demand along with reduction in Antifoam sales for the quarter ended 31st Mar 2019 over same quarter in the previous year.

While there is no product which can immediately replace revenues from the anti-foam product, the Company will evaluate all commercially prudent measures to increase

its share of business in other segments like additives and automotive.

KEY FINANCIAL RATIOS AS ON 31ST MARCH, 2019

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

| Ratios | 2018-19 | 2017-18 |
|-----------------------------|---------|---------|
| Inventory turnover | 3.68 | 3.20 |
| Debtors turnover | 5.20 | 5.18 |
| Assets turnover | 1.01 | 1.04 |
| Current ratio | 9.63 | 3.44 |
| Debt equity ratio | 0.12 | 0.38 |
| Gross profit (%) | 30.75 | 37.47 |
| Operating profit margin (%) | 27.15 | 33.84 |
| Net profit margin (%) | 13.97 | 17.53 |

The reason for variation in key ratios are as under:

Current ratio: Increase in Current ratio is tripled primarily due to below reasons;

- Reduction in inventory and debtors by 28.3% & 22.7% respectively due to liquidation of existing inventory and better collections for FY 2018-19 and thereby resulting in increase in cash by 13.3%.
- Reduction in current liabilities by 68.5% due to payout of trade creditors outstanding of previous year.

OPPORTUNITIES AND THREATS

In general, India is poised to show the highest growth in GDP (percentage terms) amongst the major economies. This will present us with opportunities for higher growth in the coming years. There are new safety regulations that are being implemented in the automotive industry by the Government of India, that will drive opportunities for us as the number of airbags being implemented in cars increase. In the longer term we expect the industry to grow as the GDP grows in all segments. Apart from the organic growth, we are looking at the application development capability in the team to identify new avenues of growth for us.

Though the longer term potential for industry is strong, we are seeing a slowdown in Industry especially in the Auto Sector where the car builds from January 2019 to June 2019. These market conditions have created a challenging environment for the business. While we expect things to improve in the 3rd quarter of the current financial year, we do have a risk if the same soft market conditions persist for a longer duration.

RISKS AND CONCERNS

The Company being part of DuPont de Nemours Inc. (erstwhile DowDuPont Inc.) has always come out with positive mitigations against such risks. However; at the same time it may be noted that being a part of global company; Multibase operations can be impacted by re-organization that may happen at global level.

The biggest risk we see is from the emergence of lower priced Chinese competitors that are trying to make inroads into the Indian market. This is a long-term threat that we are working on trying to mitigate through our relationships with customers and higher level of customer service that we can offer being a local supplier.

The Risk, which the Indian Plastics Industry foresees are possible slowdown of Indian and global economy, myths and misconceptions about plastics and its impact on environment and increased competition from the foreign manufactures. The other risks which prevail in the industry are high fluctuations in the prices of raw materials, fluctuations in market demand, currency exchange fluctuations, technology obsolescence and competition from the global players.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial relations with workmen during the year were cordial. The Directors place on record their appreciation for the sincere and efficient services rendered by the executives, staff and workmen of the Company and are confident that they will continue to the Company's prosperity and growth.

INTERNAL CONTROL SYSTEMS

The Company has put in place adequate system of internal control measures in all risk areas, implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

These measures are in the form of procedures/ processes set by the management covering all critical and important areas. These controls are periodically updated and are subject to review by internal auditors. Internal audit function has been outsourced to independent firm of Chartered Accountants who submit quarterly reports to the Board. The Audit Committee reviews the report of the Internal Auditors and recommends steps to be taken to tighten up internal controls.

CAUTIONARY STATEMENT

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, utmost care has been taken to ensure that the opinion expressed therein contain its perceptions on most of the important trends having a material impact on the Company's operations.

The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, future events, or otherwise. Estimation and expectation made in the Report may differ from actual performance due to various economic conditions, government policies and other related factors.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V Part C of the SEBI Listing Obligations & Disclosure requirements, 2015)

I. Company's Philosophy

Continuous maintenance and enhancement of Stakeholders' value has always been at the helm of Company's objective. The vision of Multibase India Limited (MIL) is to strive continuously to give optimum returns to Stakeholders' and to uphold the core values of transparency, integrity, honesty, fairness and accountability, which are fundamental to the Company.

The Company endeavors and follows the best ethical and good corporate governance policy and thereby ensures the compliance with all applicable statutory and regulatory provisions of laws. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximizing value for all its stakeholders.

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

II. Board of Directors

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations). The Board of Directors of your Company consists of 6 (Six) Directors, comprising of 1 (One) Executive director, 2 (Two) Independent Directors, 3 (Three) Non-executive directors including 1(One) Woman director. Mr. H N Motiwalla is the non-executive independent Chairman of the Board.

All the Non-executive directors are experienced, competent and renowned persons from their respective fields.

- i) Details of Composition and Category of Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at March 31, 2019:

| Sr. No. | Name of the Director | Category | No. of Board Meeting during the tenure of Directors in FY 2018-19 | | Attendance at the last AGM held on 6.09.2018 | Directorship in other public companies ¹ | Committee position held in other public companies ² | |
|---------|---|---------------|---|----------|--|---|--|--------|
| | | | Held | Attended | | | Chairman | Member |
| 1 | Mr. Deepak Dhanak Managing Director (DIN: 03157491) | Executive | 8 | 7 | Yes | - | - | - |
| 2 | Mr. Harish Narendra Motiwalla (DIN: 00029835) | Independent | 8 | 8 | Yes | 7 | 5 | 3 |
| 3 | Mr. Ashok Chhabra (DIN: 00059677) | Independent | 8 | 8 | Yes | - | - | - |
| 4 | Mr. Vipul Babu (DIN: 07737345) | Non-Executive | 8 | 7 | Yes | - | - | - |
| 5 | Ms. Suely Mori (DIN 07046468) | Non-Executive | 8 | 1 | No | - | - | - |
| 6 | Ms. Maithilee Mistry (DIN: 02152619) | Non-Executive | 8 | 6 | Yes | | | |

1 Directorship held in Private Companies, Section 25 Companies and Foreign Companies is not included.

2 Only Audit Committee and Stakeholders Relationship Committee are taken into consideration as per the provisions of Regulation 25 of the Listing Regulations. None of the Directors of the Company is a member of more than 10 committees or acts as a Chairman of more than 5 committees across all the Companies wherein he is a director.

ii) None of the Non-Executive Directors of the Company have any pecuniary relationship and / or transaction with the Company. The disclosure of fees / compensation, if any, paid to the Non-Executive Directors is done at appropriate place later in this Report on Corporate Governance.

iii) During the year 2018-19, the Board of Directors of your Company met 8 times on 24/05/2018, 14/06/2018, 10/08/2018, 06/09/2018, 05/11/2018, 20/12/2018, 12/02/2019 and 22/03/2019.

The intervening period between any two meetings did not exceed the period of one hundred and twenty days as prescribed under Regulation 17 of the SEBI Listing Regulations.

iv) The compliance reports of all applicable laws are placed before the Board periodically. All the material and important items pertaining to the development and working of the Company is included with a detailed note in the Agenda and the same is circulated to the Board well in advance, so as to enable them to take strategic decisions. The information which could not be circulated to the Board, in advance, is placed at the table during the Board Meeting. The information as specified in Schedule IIA read with Regulation 17(7) of the SEBI Listing Regulations is provided to the Board as and when applicable and material.

v) The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company". All the Board Members and Senior Management have affirmed the compliance with the said Code of Conduct during the year 2018-19.

A declaration to this effect signed by Managing Director is appended to this Report of Corporate Governance. The Code of Conduct is available on the website of the Company i.e., www.multibaseindia.com

vi) **Particulars of Directorship of other companies: insert below table**

| Sr. No. | Name of Director | Name of Company | Position |
|---------|------------------|--------------------------------|----------------------|
| 1. | H N Motiwalla | Excel Industries Limited | Independent Director |
| | | Ashapura Minechem Limited | Independent Director |
| | | Hi-Tech Plast Limited | Independent Director |
| | | Gujarat Organics Limited | Independent Director |
| | | Balkrishna Paper Mills Ltd | Independent Director |
| | | Siyaram Silk Mills Limited | Independent Director |
| | | Ashapura International Limited | Independent Director |
| | | Orient Abrasive Limited | Independent Director |

vii. **Following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively and those available with the Board as a whole:**

- **Finance and Accounting Skills:** Leadership experience in handling financial management of a large organisation along with understanding of accounting, financial statements, financial controls and risk management.
- **Global Business:** Experience in driving business success in market around the world, with an understanding of diverse business environment, economic conditions and broad perspective of global market opportunity.
- **Sales and Marketing:** Experience in understanding of customer and developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
- **Legal and Compliance:** Experience in matters relating to compliances, understanding of changing regulatory framework.
- **General Management and Governance:** Strategic thinking, decision making, oversight to all dimensions of business and Board accountability, high standard of governance with changing regulatory framework.

- **Human Resource Development:** Experience to Human Resource Management in different corporates in various countries, understanding employee attitude in different countries, representation of gender, ethnic, geographical, cultural, or other perspectives that expand the Board's understanding of needs and viewpoints of customers, employees, governments and other stakeholders worldwide.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

III. Audit Committee

- i) Composition of the Audit Committee, particulars of meetings held and attended during the year 2018-19:

The composition of the Audit Committee is in conformity with Regulation 18 of the SEBI Listing Regulations entered into with Stock Exchange. The Audit Committee of the Board comprises of following members:

| Name | Position Held | Category |
|-------------------------------|---------------|------------------------------------|
| Mr. Harish Narendra Motiwalla | Chairman | Non-Executive Independent Director |
| Mr. Ashok Chhabra | Member | Non-Executive Independent Director |
| Ms. Maithilee Mistry* | Member | Non-Executive Director |
| Mr. Krishan Phophalia# | Member | Non-Executive Director |

* Resigned w.e.f March 31, 2019

Appointed w.e.f April 1, 2019

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. H N Motiwalla, Chairman of the Audit Committee was present at the Annual General Meeting held on 6th September 2018.

The Chief Financial Officer of the Company, Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee. Ms. Sunaina Goraksh, Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance during the year 2018-19:

During the year 2018-19, six meetings of the Audit Committee were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings / Attendance | | | | | |
|---------|-------------------------------|-----------------------|------------|------------|------------|------------|------------|
| | | 24/05/2018 | 10/08/2018 | 05/11/2018 | 20/12/2018 | 12/02/2019 | 22/03/2019 |
| 1 | Mr. Harish Narendra Motiwalla | Present | Present | Present | Present | Present | Present |
| 2 | Mr. Ashok Chhabra | Present | Present | Present | Present | Present | Present |
| 3 | Ms. Maithilee Mistry | Absent | Present | Absent | Present | Present | Present |

The minutes of Audit Committee Meeting are noted by the Board of Directors of the Company at the Board meeting after getting approved by the Audit Committee.

ii) Terms of reference

The terms of reference of the Audit Committee includes the mandatory matters specified in Part C of Schedule II and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly detailed as under:

- Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law requirements and to ensure that the financial statements are correct, sufficient and credible.
- Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval.

- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.
- d) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and Cost Auditor and the fixation of audit fees and terms of appointment.
- e) Review and monitor the auditor's independence and performance and effectiveness of audit process.
- f) Approval or any subsequent modification of transactions of the company with related parties.
- g) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- h) Review of adequacy of internal control systems, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit and further recommending to the Internal Auditors the nature and scope of internal audit. Evaluation of risk management systems.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the company, wherever it is necessary.
- k) Review of reports of Statutory and Internal Auditors and replies of the management thereof.
- l) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- m) Review of 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.
- n) Review of the annual financial statements with the management before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment of management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosures of any related party transactions.
 - Qualifications in the draft audit report.
- o) Review of management representation letters to be issued to the Statutory Auditors.
- p) Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- q) Reviewing compliances as regards the Company's Whistle Blower Policy.
- r) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate.
- s) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- t) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

B. The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

IV. Nomination and Remuneration Committee

Composition of Nomination and Remuneration Committee and its terms of reference are pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

i) Composition of the Nomination and Remuneration Committee, particulars of meetings held and attended during the year 2018-19:

The Board has constituted Nomination and Remuneration Committee with following members:

| Name | Position Held | Category |
|------------------------------|---------------|------------------------------------|
| Mr. Ashok Chhabra | Chairman | Non-Executive Independent Director |
| Mr. Harish Narendra Motiwala | Member | Non-Executive Independent Director |
| Ms. Maithilee Mistry* | Member | Non-Executive Director |
| Mr. Krishan Phophalia# | Member | Non-Executive Director |

* Resigned w.e.f March 31, 2019

Appointed w.e.f April 1, 2019

The Company Secretary acts as the Secretary to the Committee.

During the year 2018-19, 3 meetings of Nomination and Remuneration Committee were held on 20/12/2018, 12/02/2019 and 22/03/2019 and was attended by all the members.

ii) Terms of reference:

1. Identify persons who are qualified to become directors and persons who may be appointed in senior management of the Company in accordance with the criteria laid down for such position and recommend to the Board their appointment and removal.
2. Recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
3. Carry out evaluation of every director's performance as per the criteria laid down.
4. Formulate, in accordance with the provisions of the Act or guidelines or Listing Agreement as may be prescribed in this behalf, the criteria for determining qualifications, positive attributes and independence of a director.
5. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Policy shall ensure:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully,

- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
6. recommend to the board, all remuneration, in whatever form, payable to senior management.
 7. Formulate the criteria for evaluation of independent directors and the Board.
 8. Devise a policy regarding observance of principles of diversity in the composition of the Board.
 9. Carrying out such other function as may be necessary or incidental to the above under Companies Act, 2013, Listing Regulations or such other applicable regulations.

iii) Employee Stock Option Scheme:

The Company does not have any Employee Stock Option Scheme in place.

iv) Remuneration Policy:

The Company's remuneration policy is based on three P's: Pay for responsibility, Pay for performance and Pay for growth. Through its Remuneration policy, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The remuneration to the Directors is determined by the Board within the statutory limits based on the recommendation of Nomination and Remuneration Committee and subject to the approval of shareholders and Central Government, if required.

During the year 2018-19, Mr. Deepak Dhanak, Managing Director was paid ₹ 67.36 Lac as Salary, and ₹ 0.21 Lac as Perquisites. He does hold 1(one) equity share in the Company as on March 31, 2019. On 7th February 2017 he was re-appointed as the Managing Director for a period of 3 years commencing from March 2, 2017 till March 2, 2020. The notice period is 3 months and severance fees is payable as per the statutory requirements.

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2018-19 and the number of equity shares held by them is as follows:

| Name | Relationship between Directors inter-se | Sitting fees paid for Board Meetings and Committee Meetings (In ₹) | Number of Equity Shares held in MIL as on March 31, 2019 |
|-------------------------------|---|--|--|
| Mr. Harish Narendra Motiwalla | - | 9,60,000 | NIL |
| Mr. Ashok Chhabra | - | 9,60,000 | NIL |
| Ms. Suelly Mori | - | 0 | NIL |
| Ms. Maithilee Mistry | - | 0 | NIL |
| Mr. Vipul Babu | - | 0 | NIL |

Except Mr. Harish Narendra Motiwalla and Mr. Ashok Chhabra, none other Non-Executive Directors were paid any Sitting Fees during FY 2018-19 since they have voluntarily waived off the sitting fees payable to them.

V. Stakeholders Relationship Committee (Earlier known as Shareholders / Investors' Grievance cum Share Transfer Committee)

The Stakeholders Relationship Committee comprises of the following directors and its terms of reference pursuant to the provisions of Part D of Schedule II and Section 178 of the Companies Act, 2013 is listed below:

- i) The Committee as of March 31, 2019 comprises of following members:

| Name | Position Held | Category |
|-------------------------------|---------------|------------------------------------|
| Mr. Ashok Chhabra | Chairman | Non-Executive Independent Director |
| Mr. Harish Narendra Motiwalla | Member | Non-Executive Independent Director |
| Mr. Deepak Dhanak | Member | Managing Director |

The Company Secretary acts as the Secretary to the Committee.

ii) Terms of reference:

The role of the committee shall inter-alia include the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

iii) Name, Designation and Address of Compliance Officer:

Ms. Sunaina Goraksh

Company Secretary

81, 82, 83, 8th floor, 2 North Avenue,

Makermacity, Bandra Kurla Complex,

Bandra (East), Mumbai-400 051.

iv) Procedure for approval and details of meetings and attendance during the year 2018-19:

The power to approve the share transfer / transmission and dematerialization and / or rematerialisation has been delegated to Link Intime India Pvt. Ltd., Registrar & Transfer Agents provided a prior written intimation of such requests is sent to the Company Secretary for confirmation before processing the requests. The requests for share transfer/transmission, dematerialization/rematerialisation and issue of new share certificates in lieu of old/worn-out/lost/defaced/split/consolidation, etc., is processed and attended atleast once in a week in co-ordination with Link Intime India Pvt. Ltd., Registrar & Transfer Agents of the Company.

All the above requests processed during a quarter are then taken into record during quarterly meetings of Stakeholder's Relationship Committee.

During the year 2018-19, four meetings were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings / Attendance | | | |
|---------|-------------------------------|-----------------------|------------|------------|------------|
| | | 24/05/2018 | 10/08/2018 | 05/11/2018 | 12/02/2019 |
| 1 | Mr. Ashok Chhabra | Present | Present | Present | Present |
| 2 | Mr. Harish Narendra Motiwalla | Present | Present | Present | Present |
| 3 | Mr. Deepak Dhanak | Present | Absent | Present | Present |

v) Details of Investors' Complaints/Grievance and their status:

The details of Investors' Complaints received and redressed by the Company and Link Intime India Pvt. Ltd. during the year 2018-19 is as follows:

| Nature of Complaints | No. of complaints at the beginning of the year | Number of Complaints Received | Number of Complaints Resolved | No. of complaints pending at the end of the year |
|--|--|-------------------------------|-------------------------------|--|
| Non Receipt of Annual Report | 0 | 1 | 1 | 0 |
| Non Receipt of Rejected DRF | 0 | 1 | 1 | 0 |
| Non-receipt of Share Certificates | 0 | 2 | 1 | 1 |
| Non Receipt of Share Certificate(s) - Transfer | 2 | 5 | 7 | 0 |

| Nature of Complaints | No. of complaints at the beginning of the year | Number of Complaints Received | Number of Complaints Resolved | No. of complaints pending at the end of the year |
|---|--|-------------------------------|-------------------------------|--|
| Non receipt of stickers for change in the name of the company | 0 | 3 | 3 | 0 |
| Others | 0 | 5 | 5 | 0 |
| Total | 2 | 17 | 18 | 1* |

* The one pending investor complaint was resolved in April 2019.

VI. Corporate Social Responsibility Committee

The “Corporate Social Responsibility Committee” is constituted pursuant to the provisions of Section 135 of the Companies Act, 2013.

The Committee as of March 31, 2019 comprises of following members:

| Name | Position Held | Category |
|-------------------------------|---------------|------------------------------------|
| Mr. Harish Narendra Motiwalla | Chairman | Non-Executive Independent Director |
| Mr. Ashok Chhabra | Member | Non-Executive Independent Director |
| Mr. Deepak Dhanak | Member | Managing Director |

The Company Secretary acts as the Secretary to the Committee.

During the year 2018-19, 2 meetings were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings/Attendance | |
|---------|-------------------------------|---------------------|------------|
| | | 24/05/2018 | 12/02/2019 |
| 1. | Mr. Harish Narendra Motiwalla | Present | Present |
| 2. | Mr. Ashok Chhabra | Present | Present |
| 3. | Mr. Deepak Dhanak | Present | Absent |

Terms of Reference:

- 1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- 2) Recommend the amount of expenditure to be incurred on the activities referred to in clause (1); and
- 3) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

VII. Share transfer Committee:

The “Share Transfer Committee” is constituted in order to expedite the process of issue of duplicate share certificates/ transfer /transmission and demat/remat requests.

The Committee comprises of following members:

| Name | Position Held | Category |
|------------------------|---------------|------------------------|
| Mr. Deepak Dhanak | Chairman | Managing Director |
| Mr. Vipul Babu* | Member | Non-Executive Director |
| Ms. Maithilee Mistry* | Member | Non-Executive Director |
| Ms. Latha Nair# | Member | Non-Executive Director |
| Mr. Krishan Phophalia# | Member | Non-Executive Director |

* Resigned w.e.f March 31, 2019

Appointed w.e.f April 1, 2019

The Company Secretary acts as the Secretary to the Committee.

During the year 2018-19, sixteen meetings were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings / Attendance | | | | | | | |
|---------|----------------------|-----------------------|------------|------------|------------|------------|------------|------------|------------|
| | | 18.04.2018 | 17.05.2018 | 18.06.2018 | 19.07.2018 | 26.07.2018 | 20.09.2018 | 29.10.2018 | 22.11.2018 |
| 1 | Mr. Deepak Dhanak | Present | Present | Present | Present | Present | Present | Present | Present |
| 2 | Mr. Vipul Babu | NA | NA | NA | Present | Present | Present | Present | Present |
| 3 | Ms. Maithilee Mistry | Present | Present | Present | Present | Present | Present | Present | Present |

| Sr. No. | Name of Member | Meetings / Attendance | | | | | | | |
|---------|----------------------|-----------------------|------------|------------|------------|------------|------------|------------|------------|
| | | 24.01.2019 | 31.01.2019 | 05.02.2019 | 12.02.2019 | 13.02.2019 | 08.03.2019 | 12.03.2019 | 28.03.2019 |
| 1 | Mr. Deepak Dhanak | Present | Present | Present | Present | Present | Present | Present | Present |
| 2 | Mr. Vipul Babu | Present | Present | Present | Present | Present | Present | Present | Present |
| 3 | Ms. Maithilee Mistry | Present | Present | Present | Absent | Absent | Present | Present | Present |

Terms of Reference:

- 1) To approve the Share Transfer and Transmission, demat/remat requests
- 2) To approve the issue of Duplicate Share Certificates issued by the Company
- 3) To perform such other functions as may be determined by the Board from time to time.

VIII. Meeting of Independent Directors

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25(3) of the SEBI Listing Regulations, the Meeting of Independent Directors of the Company was held on February 12, 2019 inter-alia to review the performance of non-independent Directors and Board as a whole, the Chairperson of the Company and to assess the quality, quantity and flow of information between the management and the Board.

The terms and conditions of appointment of Independent Directors have been placed on the Company's website at www.multibaseindia.com

IX. General Body Meetings**i) Details of last three Annual General Meetings (AGM):**

| Financial year | AGM No. | Day & Date | Venue | Time |
|----------------|------------------|--|---|----------|
| 2017-18 | 27 th | Thursday, 6 th September 2018 | Hotel Reevanta, Tin Batti, Devka Road, Nani Daman – 396210 (U.T) | 11.00 am |
| 2016-17 | 26 th | Tuesday, 25 th July 2017 | Hotel Reevanta, Tin Batti, Devka Road, Nani Daman – 396210 (U.T) | 11.00 am |
| 2015-16 | 25 th | Wednesday, 28 th September 2016 | 74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T) | 11.00 am |

ii) Details of Special resolutions passed in last three Annual General Meetings (AGM):

| AGM No. | No. of Special resolutions passed | Particulars of Special resolutions |
|------------------|-----------------------------------|--|
| 27 th | 0 | None |
| 26 th | 1 | Re-appointment of Mr. Deepak Dhanak (DIN 03157491) as Managing Director of the Company for a period of 3 years with effect from March 2, 2014 and fix his remuneration |
| 25 th | 1 | Revision in remuneration of Mr. Deepak Dhanak (DIN 03157491), Managing Director |

iii) Details of resolutions passed through Postal Ballot:

During the year 2018-19, the following resolutions were passed through Postal Ballot.

- a. Re-appointment of Mr. Harish Motiwalla (DIN 00029835) as an Independent Director of the Company.
- b. Re-appointment of Mr. Ashok Chhabra (DIN 00059677) as an Independent Director of the Company

As on date of this Report, none of the resolutions are proposed to be passed through Postal Ballot. As and when required, the Postal Ballot shall be conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014.

X. Disclosures

i) Related party transactions:

Related party transactions have been disclosed under Note 33 of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with "Accounting Standard 18". The company has taken prior approval of the Audit Committee for entering into related party transactions which are in the ordinary course of business and at arm's length basis in compliance with Regulation 23 of SEBI Listing Regulations.

A statement in summary form of transactions with related parties in the ordinary course of business and at arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

During the year no material transactions entered with related parties in conflict with the interest of the Company's business. All the transactions with related parties are entered at arm's length price. The Disclosure of interest in any of transaction is made to the Board every year by the Directors and as and when they become interested. Further, interested Directors neither participate nor vote in the transaction wherein they have potential interest.

ii) Disclosure of Accounting treatment:

The financial statements of the Company for the year ended March 31, 2019 are prepared in conformity with the Accounting Standards.

iii) Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The 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 dematerialized shares held with NSDL/ CDSL.

iv) Risk Assessment:

The Company has an effective and efficient Risk Assessment and Management System to track, analyze and mitigate the risks associated with the Company. The Board of Directors periodically reviews the procedure of Risk Assessment and Management and thereby frame a properly defined network with help of which executive management can control risks. The details of risks associated with the Company and the ways to mitigate those risks are discussed in Management Discussion & Analysis Report annexed to the Directors' Report.

v) Proceeds from public issues, rights issues, preferential issues, etc.:

During the year under review, the Company has not raised any proceeds through public issues, rights issues, preferential issues, etc.

vi) Remuneration of Directors:

Already disclosed in Clause IV "Nomination and Remuneration committee" section.

vii) Subsidiary Company:

In terms of Regulation 24 of the SEBI Listing Regulations, your Company does not have any subsidiary company and hence the requirement of the said clause does apply to the Company.

viii) Management:

- a) Management Discussion & Analysis report is attached to Directors' Report.
- b) There were no material financial and commercial transactions by Senior Management as defined in Regulation 23 of the SEBI Listing Regulations where they have personal interest that may have a potential conflict with the interests of the Company at large.

ix) Shareholders:

The brief profile and other information pertaining to Directorship held in other Companies, shareholding, etc, of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting of the Company is attached to the Notice of Annual General Meeting.

x) Compliances:

- a) In December 2018 the Company had received a notice from BSE in respect of compliance under Regulation 19(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company had paid fine of Rs. 2,17,120/- levied by BSE. Further at the meeting held on 20th December 2018 the Nomination and Remuneration Committee was reconstituted to meet the requirements of Regulation 19(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

Other than the aforesaid during last 3 years ending on March 31, 2019 there were no non-compliances, penalties, strictures imposed on the Company by Stock exchange, SEBI or any other statutory authority on any matter related to capital markets.

- b) The Company has fully complied with all the statutory requirements under SEBI Listing Regulations, 2015 to the extent applicable.
- c) Out of the non-mandatory requirement the Company has adopted the following:

During the year under review, there was no qualification on the Company's financial statement.

xi) Modified Opinion in Auditors Report:

The Company's financial statement for the year 2018-19 does not contain any modified audit opinion.

xii) Whistle Blower and access of personnel to the Audit committee:

The Company has set up a Vigil mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013. The company's personnel have access to the Chairman of the Audit Committee in exceptional circumstances. No person of the Company has denied access to the Audit Committee and there are no instances of any such access

xiii) Policy on Sexual Harassment at workplace

The Company is committed to create and maintain an atmosphere in which employees can work together without fear of sexual harassment and exploitation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and the Company. During the year under review, there was no complaint of any sexual harassment at work place.

xiv) Means of Communication:

a) Financial results

The quarterly, half yearly and annual results of the Company in the format prescribed under Regulation 33 of the SEBI Listing Regulations are published in prominent dailies such as Financial Express and Gujarat Chitra and also posted on the website of the Company i.e., www.multibaseindia.com

b) Other information

Important official news, if any is also posted on the Company's website www.multibaseindia.com, as and when released.

The Company has also designated exclusive e-mail id for the use of investors in accordance Regulation 46(j) of the SEBI Listing Regulations which is compliance.officer@multibaseindia.com

xv) CEO/CFO Certificate:

The CEO/CFO Certificate for the year ended March 31, 2019 as required under Regulation 17(8) of SEBI Listing Regulations, 2015, was placed and taken on record at the Board Meeting of the Company held on May 29, 2019.

xvi) Certificate of compliance:

The Certificate of Practising Company Secretary in compliance with Schedule V (E) of the SEBI Listing Regulations confirming compliance with all corporate governance requirements for the year ended March 31, 2019 is appended to this Report on Corporate Governance.

xvii) The Certificate of Company Secretary in practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.

xviii) Details relating to total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are given in Note 28 to the Financial Statements.

xix) Disclosures in relation to Sexual Harassment of Women at Workplace like number of complaints filed and disposed off during the year and pending as on 31st March, 2019 pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' report.

xx) Insider Trading Code:

During the year under review, the Company has amended the "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("The PIT Regulations").

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

The Company has also formulated "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in compliance with the PIT Regulations.

The Code of Conduct elaborates ways and measures to deal with unpublished price sensitive information and restricts the insider trading by any of the Directors and Designated Persons of the Company.

xxi) General Shareholders Information:

a) Annual General Meeting

Date : Thursday, September 26, 2019

Time : 11.00 a.m.

Venue : Hotel Reevanta, Tin Batti, Devka Road, Nani Daman, Daman 396210

b) Financial year 2019-20 (tentative schedule)

Quarter Results

Ending on June 30, 2019 : First week of August 2019

Ending on September 30, 2019 : Second week of November 2019

Ending on December 31, 2019 : Second week of February 2020

Year ended March 31, 2020 : In the month of May 2020

AGM is proposed to be held on September 2020.

c) Date of Book Closure : Friday, September 20, 2019, to Thursday, September 26, 2019 (Both days inclusive)

d) Dividend Payment date : Not applicable

e) Listing on Stock Exchange : BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

The Annual Listing fees for the year 2019-20 is been fully paid within stipulated time.

f) Stock Code : 526169

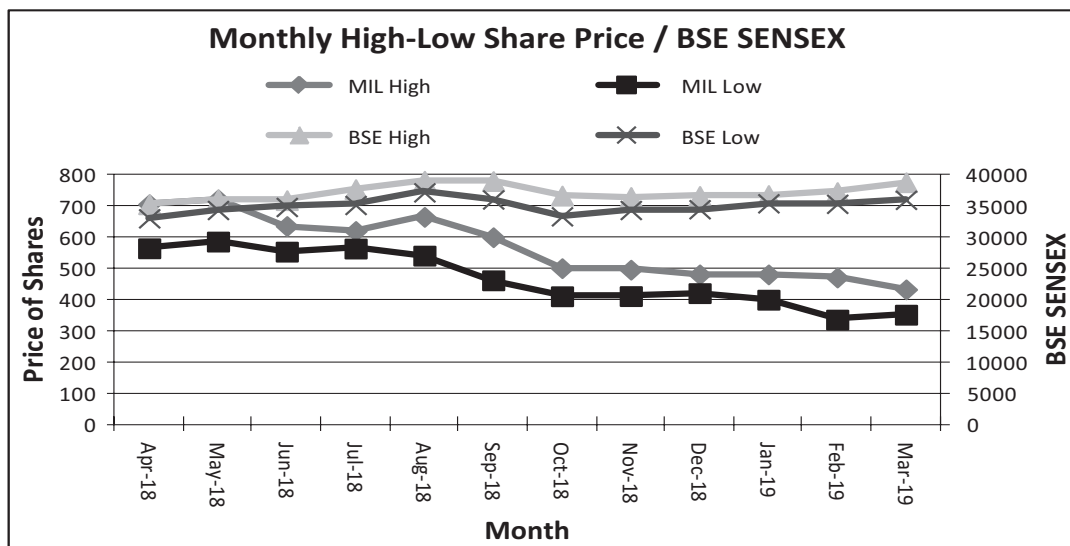
g) Corporate Identification Number (CIN) : L01122DD1991PLC002959

h) Stock Market Price Data :

| Month & Year | Share Price of Multibase on BSE | | | | BSE Sensex | |
|----------------|---------------------------------|-----------------|---------------------------|----------------------------------|----------------------------|---------------------------|
| | Month's High (₹) | Month's Low (₹) | Month's Closing Price (₹) | Volume of shares traded (In no.) | Month's High (Index point) | Month's Low (Index point) |
| April 2018 | 704.50 | 563.50 | 698.35 | 1,04,031 | 35,213.30 | 32,972.56 |
| May 2018 | 720.00 | 585.00 | 619.10 | 2,24,891 | 35,993.53 | 34,302.89 |
| June 2018 | 634.80 | 552.80 | 587.65 | 1,50,361 | 35,877.41 | 34,784.68 |
| July 2018 | 618.95 | 562.70 | 616.75 | 46,863 | 37,644.59 | 35,106.57 |
| August 2018 | 664.00 | 540.00 | 563.40 | 99,491 | 38,989.65 | 37,128.99 |
| September 2018 | 598.90 | 461.00 | 463.65 | 65,547 | 38,934.35 | 35,985.63 |
| October 2018 | 499.90 | 410.00 | 445.45 | 83,118 | 36,616.64 | 33,291.58 |
| November 2018 | 495.00 | 410.5 | 473.90 | 73,942 | 36,389.22 | 34,303.38 |
| December 2018 | 480.00 | 420.00 | 463.00 | 38,429 | 36,554.99 | 34,426.29 |
| January 2019 | 479.95 | 399.00 | 461.95 | 67,511 | 36,701.03 | 35,375.51 |
| February 2019 | 470.00 | 335.25 | 364.55 | 1,01,274 | 37,172.18 | 35,287.16 |
| March 2019 | 432.00 | 351.00 | 383.30 | 68,141 | 38,748.54 | 35,926.94 |

i) Performance of share price of the Company in comparison to BSE Sensex:

MIL Share Price and Sensex Movement (For FY 2018-19) Taken 100 as Base Point



j) Registrar and Transfer Agents : Link Intime India Pvt. Ltd.

C 101, 247 Park,

LBS Marg, Vikhroli (West)

Mumbai 400083

Tel No.: +91 22 491 86 000

Fax No.: +91 22 491 86 060

Email: rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

k) Share Transfer System:

The physical transfer of shares is processed and approved by the Company in co-ordination with Link Intime India Pvt. Ltd., atleast once in every week. Pursuant to the latest amendment to Listing Regulations, the Share Certificates after effecting transfer are dispatched to the shareholders within 15 days from the date of receipt of transfer request, if the transfer documents are found technically in order and complete in all respects. The transfer of shares held in Demat mode is processed electronically by Link Intime India Pvt. Ltd. within 21 days from the date of receipt of the request. The Board of directors have further delegated the power to approve issue of duplicate share certificates, Demat-remat to the Share transfer committee.

The Shares of the Company are compulsorily traded in dematerialized form.

l) Distribution of shareholding as on March 31, 2019:

| Equity Shares held | No. of Shareholders | % of Shareholders | Number of Shares held | % of Shares held |
|--------------------|---------------------|-------------------|-----------------------|------------------|
| 1-500 | 8357 | 91.09 | 9,72,405 | 7.71 |
| 501-1000 | 410 | 4.47 | 3,23,705 | 2.57 |
| 1001-2000 | 196 | 2.14 | 2,89,571 | 2.29 |
| 2001-3000 | 72 | 0.78 | 1,78,127 | 1.41 |
| 3001-4000 | 29 | 0.32 | 1,03,866 | 0.82 |
| 4001-5000 | 32 | 0.35 | 1,48,951 | 1.18 |
| 5001-10000 | 46 | 0.50 | 3,56,831 | 2.83 |
| Above 10000 | 32 | 0.35 | 1,02,46,544 | 81.19 |
| Total | 9,787 | 100.00 | 1,26,20,000 | 100.00 |

Shareholding pattern as on March 31, 2019:

| Category | No. of Shareholders | No. of Shares held | Percentage of Shareholding | No. Shares Pledged or otherwise encumbered | Percentage of Shares Pledged |
|-----------------------------------|---------------------|--------------------|----------------------------|--|------------------------------|
| A | | | | | |
| 1 Promoters' Holding | | | | | |
| 1 Promoters | | | | | |
| Indian | - | - | - | - | - |
| Foreign | 1 | 94,64,994 | 75.00 | - | - |
| B | | | | | |
| 2 Foreign Institutional Investors | 0 | 0 | 0 | - | - |
| 3 Foreign Portfolio investors | 2 | 1,40,282 | 1.11 | | |
| 4 Non Institutional Investors | | | | | |
| a. Bodies Corporate | 91 | 1,52,174 | 1.21 | - | - |
| b. Indian Public | 8332 | 23,77,513 | 18.83 | - | - |
| c. Any other | | | | | |
| 1. Clearing Member | 35 | 48,648 | 0.38 | - | - |
| 2. Office Bearer | 23 | 141 | 0.01 | - | - |
| 3. NRIs | 134 | 1,08,705 | 0.86 | - | - |
| 4. NRN | 197 | 2,08,703 | 1.65 | - | - |
| 5. Hindu Undivided Family | 227 | 1,17,301 | 0.92 | - | - |
| Total (1+2+3) | 9,045 | 1,26,20,000 | 100.00 | - | - |

m) Updating necessary kyc details of registered and/or joint holders holding shares in physical form:

SEBI has vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018, directed all the listed companies to record the Income Tax PAN, bank account details of all their shareholders holding shares in physical form and advise them to dematerialise their physical securities. Accordingly, the Company has sent letters by registered post to the shareholders holding shares in physical form at their last known address, advising them to register their Income Tax PAN (including that of joint holders, if any) and the bank account details. This was followed by two reminder letters to those shareholders who have not responded earlier. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest. The shareholders are also advised to intimate any change in address and/or name, submit National Electronic Clearing Service (NECS) or Electronic Clearing Service (ECS) mandates, nominations, e-mail address, contact numbers, etc., if not so done, by writing to the Company's Registrar & Share Transfer Agents, Link Intime India Pvt Ltd., At C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai – 400 083, phone: 022-49186270, fax: 022-49186060, email: rnt.helpdesk@linkintime.co.in, website: www.linkintime.co.in for providing efficient and better services. Members holding securities in dematerialised form are requested to intimate such changes to their respective depository participants.

n) Dematerialization of shares and liquidity:

SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, stated that requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories. In compliance with the aforesaid circulars, the members are requested to dematerialize their shares promptly.

The Company's Shares are traded in Stock Exchange in dematerialized form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2019, 95.40% of outstanding Equity shares of the Company are held in dematerialized form.

ISIN No. of the Company's Equity Shares is: INE678F01014

o) Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity: NIL

p) Plant Location : Multibase India Limited
74/5-6, Daman Industrial Estate,
Kadaiya Village, Nani Daman – 396210 (U.T.).

q) Address for Correspondence : Registered Office

74/5-6, Daman Industrial Estate,
Kadaiya Village, Nani Daman – 396210(U.T.).
Tel No. : 0260 6614400
Fax No. : 0260 2221578
Email: compliance.officer@multibaseindia.com
Compliance Officer
Ms. Sunaina Goraksh
81,82,83, 8th Floor, 2 North Avenue Maker Maxity,
Bandra Kurla Complex,
Bandra East, Mumbai-400051.
Tel No.: +91-22-4071-6000
Fax No.: +91-22-4022-0749
Email: compliance.officer@multibaseindia.com

For and on behalf of the Board

| | |
|------------------------|----------------------|
| H. N. Motiwalla | Deepak Dhanak |
| Non-Executive Chairman | Managing Director |
| DIN: 00029835 | DIN: 03157491 |

Mumbai, August 5, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

MULTIBASE INDIA LIMITED

74/5 6 Daman Industrial Estate,

Kadaiya, Village Nani-Daman,

UT Daman and Diu- 396210.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Multibase India Limited having CIN L01122DD1991PLC002959 and having registered office at 74/5 6 Daman Industrial Estate Kadaiya, Village Nani-Daman, UT Daman and Diu- 396210, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Names of Director | DIN | Date of appointment in Company |
|---------|------------------------------|----------|--------------------------------|
| 1. | Harish Narendra Motiwalla | 00029835 | 27/10/2009 |
| 2. | Ashok Faqirchand Chhabra | 00059677 | 27/10/2009 |
| 3. | Deepak Arun Dhanak | 03157491 | 29/06/2010 |
| 4. | Vipulkumar Harshadbhai Babu* | 07737345 | 22/05/2017 |
| 5. | Suely Mori* | 07046468 | 13/02/2015 |
| 6. | Maithilee Kaizad Mistry* | 02152619 | 03/08/2016 |

*Resigned w.e.f. March 31, 2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dhrumil M Shah & Co.

Place: Mumbai

Date: 5th August, 2019

Dhrumil M Shah

Practicing Company Secretary
CP 8978; FCS 8021

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

I Mr. Deepak Dhanak (DIN 03157491), Managing Director of the Company do hereby give this declaration pursuant to Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has laid down Code of Conduct for all Board members and senior management of the Company and the same is posted on the website of the Company i.e. www.multibaseindia.com

All the Board members and Senior Management Personnel have affirmed compliances with the code for the year ended 31st March 2019.

Mumbai, 29th May, 2019

Deepak Dhanak
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

MULTIBASE INDIA LIMITED

I have examined all the relevant records of Multibase India Limited ('the Company') for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31st March, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Regulations.

I 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 Dhrumil M Shah & Co.

Place: Mumbai

Date: 5th August, 2019

Dhrumil M Shah
Practicing Company Secretary
CP 8978; FCS 8021

INDEPENDENT AUDITOR'S REPORT

To the Members of

Multibase India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Multibase India Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Revenue Recognition

See note 2.6 (k) to the financial statements

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>Revenue is measured based on transaction price, which is the consideration, adjusted for rebates, discounts and estimated sales returns. As disclosed in Note 2.6 to the financial statements, revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.</p> <p>We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator and there is a risk of revenue being fraudulently overstated arising from pressure to achieve performance targets as well as meeting external expectations.</p> | <p>Our audit procedures included following:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls over recognition of revenue and measurement of discounts and schemes in the system. Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents. Obtaining and assessing appropriateness of positions for returns and incentives. Testing controls over review of contracts and revenue recognition. <p>Assessing manual journals posted to revenue to identify unusual items not already covered by us.</p> |

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act

- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 38 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co LLP**

Chartered Accountants

Firm registration number:101248W/W-100022

Farhad Bamji

Partner

Place: Mumbai

Date: 29th May 2019

Membership No. 105234

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2019

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has made physical verification of its fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings which are freehold are held in the name of the Company.
- ii. The inventory, except goods-in-transit, has been physically verified by the management during the year. In respect of goods-in-transit, subsequent goods receipt have been verified. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and has been properly dealt with in the books of account.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly Clause iii (a), (b), (c) are not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of section 185 and 186 of the Act hence reporting under clause (iv) is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause (v) not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the central government for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of cost records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Goods and Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Service tax, Value added tax, Goods and Service tax and Sales tax which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes:

| Name of the statute | Nature of the dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending | Date of payment |
|--------------------------|--------------------|------------|------------------------------------|--------------------------------|-----------------|
| The Income Tax Act, 1961 | Income tax | 2.55 lakhs | 2016 – 2017 | Income Tax Appellate Tribunal | Not yet paid |
| Finance Act, 1994 | Service Tax | 4.43 lakhs | 2009-10 | Commissioner Appeals | Not yet paid |
| Finance Act, 1994 | Service Tax | 1.62 lakhs | 2010-11 | Commissioner Appeals | Not yet paid |

- viii. Our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, government or to any financial institutions. The Company did not have any outstanding debentures during the year.
- ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments). No term loans were taken during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, managerial remuneration has been paid / provided for in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and the

details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Co LLP**

Chartered Accountants

Firm registration number:101248W/W-100022

Farhad Bamji

Partner

Place: Mumbai

Date: 29th May 2019

Membership No. 105234

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

on the standalone financial statements of Multibase India Limited for the period ended 31st March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Multibase India Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co LLP

Chartered Accountants

Firm registration number:101248W/W-100022

Farhad Bamji

Partner

Place: Mumbai

Date: 29th May 2019

Membership No. 105234

BALANCE SHEET AS AT MARCH 31, 2019

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|--|--------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 978.10 | 972.10 |
| Capital work-in-progress | 3 | 6.10 | 10.60 |
| Financial assets: | | | |
| Loans | 4 | 12.95 | 12.95 |
| Non-current tax assets (net) | | 152.24 | 145.07 |
| Other non-current assets | 5 | 64.43 | - |
| Total non-current assets | | 1,213.82 | 1,140.72 |
| Current assets | | | |
| Inventories | 6 | 1,707.96 | 2,384.84 |
| Financial assets: | | | |
| Trade receivables | 7 | 1,842.76 | 2,383.55 |
| Cash and cash equivalents | 8 | 4,898.68 | 2,254.82 |
| Bank balances other than cash and cash equivalents | 9 | - | 3,000.00 |
| Loans | 10 | 1,063.76 | 8.90 |
| Other financial assets | 11 | 4.40 | 23.70 |
| Other current assets | 12 | 365.05 | 354.53 |
| Total current assets | | 9,882.61 | 10,410.34 |
| TOTAL ASSETS | | 11,096.43 | 11,551.06 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 13 | 1,262.00 | 1,262.00 |
| Other equity | 14 | 8,659.62 | 7,127.25 |
| Total equity | | 9,921.62 | 8,389.25 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities: | | | |
| Other financial liabilities | 15 | 2.00 | 2.00 |
| Deferred tax liability (net) | 16 | 65.82 | 64.24 |
| Employee Benefit Obligations | 17 | 80.91 | 72.75 |
| Total non-current liabilities | | 148.73 | 138.99 |
| Current liabilities | | | |
| Financial liabilities: | | | |
| Trade Payables | | | |
| Due to micro and small enterprises | 18 | 55.26 | - |
| Due to others | 18 | 835.40 | 2,829.55 |
| Other current liabilities | 19 | 132.00 | 189.16 |
| Employee Benefit Obligations | 20 | 3.42 | 4.11 |
| Total current liabilities | | 1,026.08 | 3,022.82 |
| TOTAL EQUITY AND LIABILITIES | | 11,096.43 | 11,551.06 |
| Significant accounting policies | 1 - 2 | | |
| Notes to the financial statements | 4 - 44 | | |

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number :101248W/W-100022

Farhad Bamji

Partner

Membership No : 105234

Place : Mumbai

Date : 29th May 2019**For and on behalf of the Board of Directors of
Multibase India Limited**

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

Sunaina Goraksh

(Company Secretary)

Place : Mumbai

Date : 29th May 2019**H.N. Motiwalla**

(Director)

DIN No.00029835

Pankaj Holani

(Chief Financial Officer)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|--------|------------------------------|------------------------------|
| Income | | | |
| Revenue from operations | 21 | 10,993.96 | 11,151.62 |
| Other income | 22 | 307.98 | 211.71 |
| Total income | | 11,301.94 | 11,363.33 |
| Expenses | | | |
| Cost of materials consumed | | 6,542.18 | 5,137.04 |
| Purchase of stock-in-trade | 24 | 1,109.36 | 1,466.55 |
| Changes in inventories of finished goods and stock-in-trade | 25 | (125.83) | (8.50) |
| Excise duty | | - | 296.70 |
| Employee benefit expense | 26 | 396.00 | 404.48 |
| Depreciation expenses | 27 | 87.51 | 81.35 |
| Other expenses | 28 | 1,115.01 | 998.67 |
| Total expenses | | 9,124.23 | 8,376.29 |
| Profit before tax | | 2,177.71 | 2,987.04 |
| Tax expense | | | |
| Current tax | 16 | 640.61 | 1,022.20 |
| Deferred tax | 16 | 1.58 | 9.59 |
| Total tax expense | | 642.19 | 1,031.79 |
| Profit for the year (A) | | 1,535.52 | 1,955.25 |
| Other comprehensive income | 14 | | |
| Items that will not be reclassified to profit and loss | | | |
| Remeasurements of the net defined benefit plans | 31 | (4.45) | 0.01 |
| Income tax related to above | | 1.30 | 0.00* |
| Other comprehensive income, net of taxes (B) | | (3.15) | 0.01 |
| Total comprehensive income for the year (A+B) | | 1,532.37 | 1,955.26 |
| Earnings per equity share | | | |
| Basic and diluted (face value of ₹ 10 each) | 40 | 12.17 | 15.49 |
| Significant accounting policies | 1-2 | | |
| Notes to the financial statements | 4 - 44 | | |

* The figures less than ₹ 1,000 have been rounded off and shown as zero.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number :101248W/W-100022

Farhad Bamji

Partner

Membership No : 105234

Place : Mumbai

Date : 29th May 2019

**For and on behalf of the Board of Directors of
Multibase India Limited**

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

Sunaina Goraksh

(Company Secretary)

Place : Mumbai

Date : 29th May 2019

H.N. Motiwalla

(Director)

DIN No.00029835

Pankaj Holani

(Chief Financial Officer)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|--------------------------------------|------------------------------|
| (A) Cash flow from operating activities | | |
| Net profit before tax | 2,177.71 | 2,987.04 |
| <i>Adjustments for:</i> | | |
| Depreciation expenses | 87.51 | 81.35 |
| (Profit) on sale of fixed assets (net) | (0.24) | - |
| Interest income | (296.37) | (191.56) |
| Net unrealised exchange loss/ (gain) | (31.80) | 6.73 |
| | (240.90) | (103.48) |
| Operating profit before working capital changes | 1,936.81 | 2,883.56 |
| <i>Changes in working capital:</i> | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | 676.88 | (460.48) |
| Trade receivables | 540.79 | (446.73) |
| Non-current and current financial assets | 14.44 | 5.11 |
| Other non current and current assets | (10.52) | (220.98) |
| | 1,221.59 | (1,123.08) |
| Adjustments for increase in operating liabilities: | | |
| Trade payables | (1,943.40) | 1,821.83 |
| Other current liabilities | (57.16) | 37.82 |
| Non-current and current financial liabilities | - | 1.00 |
| Other non current and current provision | 4.32 | 25.10 |
| | (1,996.24) | 1,885.75 |
| Cash generated from operations | 1,162.16 | 3,646.23 |
| Net income tax (paid) | (644.99) | (1,131.79) |
| Net cash flow generated from operating activities (A) | 517.17 | 2,514.44 |

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|--|--|
| (B) Cash flows from investing activities | | |
| Capital expenditure on PPE, including capital advances | (119.92) | (169.71) |
| Proceeds from sale of fixed assets | 0.24 | - |
| Net proceeds/ investment in fixed deposits in banks | 3,000.00 | (3,000.00) |
| Interest received from others | 296.37 | 170.86 |
| Net cash flow generated from / (used in) investing activities (B) | 3,176.69 | (2,998.85) |
| (C) Cash flows from financing activities | | |
| Loan given to other related party | (1,050.00) | - |
| Net cash flow from financing activities (C) | (1,050.00) | - |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 2,643.86 | (484.41) |
| Cash and cash equivalents at the beginning of the year | 2,254.82 | 2,739.23 |
| Cash and cash equivalents at the end of the year | 4,898.68 | 2,254.82 |
| | Year ended 31st March 2019 | Year ended 31st March 2018 |
| Notes :- | | |
| 1. Cash and cash equivalents at the end of the year (refer note 9) | | |
| Cash on hand | - | 0.07 |
| With banks - | | |
| In current accounts | 248.68 | 504.75 |
| In deposit accounts (original maturity of 3 months or less) | 4,650.00 | 1,750.00 |
| | 4,898.68 | 2,254.82 |

2. The above statement of cash flows has been prepared under the 'Indirect Method' as set out in ind AS 7, 'Statement of Cash Flows'.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration number :101248W/W-100022

Farhad Bamji
Partner
Membership No : 105234

Place : Mumbai
Date : 29th May 2019

**For and on behalf of the Board of Directors of
Multibase India Limited**
CIN- L01122DD1991PLC002959

Deepak Dhanak
(Managing Director)
DIN No.03157491

Sunaina Goraksh
(Company Secretary)
Place : Mumbai
Date : 29th May 2019

H.N. Motiwalla
(Director)
DIN No.00029835

Pankaj Holani
(Chief Financial Officer)

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2019

(Currency: Amounts INR in Lakhs, unless other wise stated)

(a) Equity share capital

| | March 31, 2019 | | March 31, 2018 | |
|---|------------------|----------|------------------|----------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 12,620,000 | 1,262.00 | 12,620,000 | 1,262.00 |
| Changes in equity share capital during the year | - | - | - | - |
| Balance at the end of the year | 12,620,000 | 1,262.00 | 12,620,000 | 1,262.00 |

(b) Other equity

| | Reserves and Surplus | | Items of OCI | Total |
|---|----------------------|-------------------|--------------------|-----------------|
| | Securities premium | Retained earnings | Other items of OCI | |
| Balance as at March 31, 2018 | 117.00 | 7,008.73 | 1.52 | 7,127.25 |
| Profit for the year | - | 1,535.52 | - | 1,535.52 |
| Remeasurements of defined benefit liability (asset) | - | - | (3.15) | (3.15) |
| Balance as at March 31, 2019 | 117.00 | 8,544.25 | (1.63) | 8,659.62 |

Nature and purpose of reserves

1. Securities Premium:

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number :101248W/W-100022

Farhad Bamji

Partner

Membership No : 105234

Place : Mumbai

Date : 29th May 2019**For and on behalf of the Board of Directors of Multibase India Limited**

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

Sunaina Goraksh

(Company Secretary)

Place : Mumbai

Date : 29th May 2019**H.N. Motiwalla**

(Director)

DIN No.00029835

Pankaj Holani

(Chief Financial Officer)

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Currency: Amounts INR in Lakhs, unless other wise stated)

Note 1 Corporate Information

Multibase India Limited ('the Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed on the Bombay Stock Exchange ('BSE') in India. The registered office of the Company is located at 74/5 & 6 Daman Industrial Estate, Kadaiya village, Nani Daman 396210, Daman and Diu.

Multibase India Limited is engaged in manufacturing, trading and selling of polypropylene compound, thermoplastic elastomer, silicon master batch and thermoplastic master batch.

Note 2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The financial statements under Ind AS were authorised for issue by the Company's Board of Directors on 29 May 2019.

Details of the Company's accounting policies are included in Note 2.6.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR) amount in lakhs, unless otherwise stated, which is also the Company's functional currency.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement basis |
|---|--|
| Net defined benefit (asset) / liability | Fair value of plan assets less present value of defined benefit obligations. |

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 34 – determining the amount of expected credit loss on financial assets (including trade receivables) and
- Note 30 – identification of reportable operating segments.

Assumptions and estimation uncertainties

- Note 3 and 27 – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.
- Note 16 and 36 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 31 – measurement of defined benefit obligations: key actuarial assumptions; and
- Notes 17, 20 and 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.5 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 34 – financial instruments.

2.6 Significant accounting policies

(a) Operating cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has considered the operating cycle as the life of the project for project related assets and liabilities and for rest of the assets and liabilities it has been considered as twelve months.

(b) Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

(c) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;

- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At present the Company does not have investment in any debt securities classified as FVOCI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. At present there are no such investments.

All financial assets not classified are measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses for financial assets held by the Company

| | |
|---|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Presently, all the financial liabilities are measured at amortised cost.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation/amortisation on tangible assets (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013 and additions and deletions are restricted to the period of use; The class of assets where the company based on its internal assessment of usage pattern of assets believes that useful life is different from those prescribed in Schedule II of the Companies Act, 2013 are as under:

| Asset Category | Useful life |
|------------------------|-------------|
| Buildings | 5-60 years |
| Plant and Machinery | 15 years |
| Laboratory Equipment | 10 years |
| Office Equipments | 5 years |
| Furniture and fixtures | 10 years |
| Computer systems | 3 years |
| Computer software | 6 years |

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as other non-current assets.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of profit and loss.

(e) Intangible assets

Other intangible assets

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost.

Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of profit and loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving average basis and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving average basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on moving average basis. Finished goods includes appropriate proportion of overheads and wherever applicable, excise duty or goods and service tax.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

(h) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

or

- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather,

it recognises impairment loss allowance based on lifetime ECL's together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the Company of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans - Gratuity

The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity in accordance with the Payment of Gratuity Act, 1972. Liability for Defined Benefit Plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Defined benefit plans - Leave encashment

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation the balance sheet date.

Other long-term employee benefits

The employees of the Company are entitled to Other Long-term Benefit in the form of Compensated Absences as per the policy of the Company. Liability for Other Long-term Employee Benefit is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring.

(j) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised in the statement of profit and loss.

(k) Revenue

The Company earns revenue primarily from selling of thermoplastic elastometers.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. The impact of the adoption of Ind AS 115 on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, sales tax, goods and service tax, value added tax except excise duty. The Company does not provide any warranties or maintenance contracts to its customers.

Other income

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost. Interest income is recognised on accrual basis.

(l) Income taxes

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(m) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 30.

(o) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

(p) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of equity shares plus dilutive potential equity shares.

Note 3 Property, plant and equipment and capital work-in-progress

Following are the changes in the carrying amount of property, plant and equipment for the year ended March 31, 2019:

(Currency: Amounts INR in Lakhs, unless other wise stated)

| Description | Land - freehold | Building | Plant and Machinery | Laboratory Equipment | Office and other Equipment | Computer Systems | Furniture and Fittings | Total | Capital work in progress |
|---|-----------------|---------------|---------------------|----------------------|----------------------------|------------------|------------------------|-----------------|--------------------------|
| Gross carrying amount | | | | | | | | | |
| As at April 01, 2018 | 28.42 | 171.03 | 690.78 | 154.23 | 44.32 | 8.41 | 2.33 | 1,099.52 | 10.60 |
| Additions | - | 27.89 | 63.24 | - | 2.62 | - | - | 93.75 | - |
| Deletions/Transfers | - | - | (32.69) | - | (1.07) | - | - | (33.76) | (4.50) |
| As at March 31, 2019 | 28.42 | 198.92 | 721.33 | 154.23 | 45.87 | 8.41 | 2.33 | 1,159.51 | 6.10 |
| Accumulated depreciation | | | | | | | | | |
| As at April 01, 2018 | - | 17.59 | 55.56 | 26.75 | 19.71 | 6.35 | 1.46 | 127.42 | - |
| Depreciation for the year | - | 10.12 | 46.70 | 18.46 | 9.84 | 2.03 | 0.36 | 87.51 | - |
| Deletions/Transfers | - | - | (32.45) | - | (1.07) | - | - | (33.52) | - |
| As at March 31, 2019 | - | 27.71 | 69.81 | 45.21 | 28.48 | 8.38 | 1.82 | 181.41 | - |
| Net carrying amount as at March 31, 2019 | 28.42 | 171.21 | 651.52 | 5.12 | 17.39 | 0.03 | 0.51 | 978.10 | 6.10 |

Following are the changes in the carrying amount of property, plant and equipment for the year ended March 31, 2018:

| Description | Land - freehold | Building | Plant and Machinery | Laboratory Equipment | Office and other Equipment | Computer Systems | Furniture and Fittings | Total | Capital work in progress |
|---|-----------------|---------------|---------------------|----------------------|----------------------------|------------------|------------------------|-----------------|--------------------------|
| Gross carrying amount | | | | | | | | | |
| As at April 01, 2017 | 28.42 | 144.27 | 554.44 | 151.20 | 41.81 | 8.41 | 1.76 | 930.31 | 6.10 |
| Additions | - | 26.76 | 136.34 | 3.03 | 2.51 | - | 0.57 | 169.21 | 12.65 |
| Deletions/Transfers | - | - | - | - | - | - | - | - | 8.15 |
| As at March 31, 2018 | 28.42 | 171.03 | 690.78 | 154.23 | 44.32 | 8.41 | 2.33 | 1,099.52 | 10.60 |
| Accumulated depreciation | | | | | | | | | |
| As at April 01, 2017 | - | 8.45 | 14.00 | 8.30 | 10.09 | 4.26 | 0.97 | 46.07 | - |
| Depreciation for the year | - | 9.14 | 41.56 | 18.45 | 9.62 | 2.09 | 0.49 | 81.35 | - |
| Deletions/Transfers | - | - | - | - | - | - | - | - | - |
| As at March 31, 2018 | - | 17.59 | 55.56 | 26.75 | 19.71 | 6.35 | 1.46 | 127.42 | - |
| Net carrying amount as at March 31, 2018 | 28.42 | 153.44 | 635.22 | 127.48 | 24.61 | 2.06 | 0.87 | 972.10 | 10.60 |

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | March 31, 2019 | March 31, 2018 |
|--|-----------------|----------------|
| Note 4 Loans | | |
| Unsecured, considered good | | |
| Security deposits (at amortised cost) | 12.95 | 12.95 |
| | 12.95 | 12.95 |
| Note 5 Other non-current assets | | |
| Capital advances | 64.43 | - |
| | 64.43 | - |
| Note 6 Inventories (valued at lower of cost and net realisable value) | | |
| Raw materials (including packing materials) | 728.31 | 1,531.02 |
| {Goods in transit ₹ 51.32 lakhs (March 31, 2018 : ₹ 750.48 lakhs)} | | |
| Finished goods | 517.65 | 409.53 |
| Stock-in-trade | 462.00 | 444.29 |
| {Goods in transit ₹ 177.37 lakhs (March 31, 2018 : ₹ 141.00 Lakhs)} | | |
| | 1,707.96 | 2,384.84 |

The Company follows a suitable provisioning norms for writing down the value of inventories towards slow moving, non moving and surplus inventory. Provision for the year ₹ 75.58 lakhs (March 31, 2018 : ₹ 58.86 lakhs)

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | March 31, 2019 | March 31, 2018 |
|---|-----------------|-----------------|
| Note 7 Trade receivables | | |
| Trade Receivables | 1,765.58 | 2,284.97 |
| Receivables from related parties (refer note 32) | 77.18 | 98.58 |
| Less: Loss Allowance | - | - |
| | <u>1,842.76</u> | <u>2,383.55</u> |
| Break-up of Security details | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - unsecured | 1,842.76 | 2,383.55 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - credit impaired | - | - |
| Less: Provision for doubtful debts | - | - |
| | <u>1,842.76</u> | <u>2,383.55</u> |
| Note 8 Cash and cash equivalents | | |
| a) Cash on hand | - | 0.07 |
| b) Balance with banks : | | |
| i) In current account | 248.68 | 504.75 |
| ii) Term deposits (with original maturity of less than three months) | 4,650.00 | 1,750.00 |
| | <u>4,898.68</u> | <u>2,254.82</u> |
| Note 9 Bank balances other than cash and cash equivalents | | |
| Term deposits - with original maturity of more than three months but less than twelve months) | - | 3,000.00 |
| | <u>-</u> | <u>3,000.00</u> |
| Note 10 Loans | | |
| Security deposits | 13.76 | 3.44 |
| Loans and advances to employees | - | 5.46 |
| Loan to other related parties (refer note 32) | 1,050.00 | - |
| Less: Loss Allowance | - | - |
| | <u>1,063.76</u> | <u>8.90</u> |
| Break up of security details | | |
| Loans Considered good - Secured | - | - |
| Loans Considered good - unsecured | 1,063.76 | 8.90 |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| Total Loans | <u>1,063.76</u> | <u>8.90</u> |
| Note 11 Other financial assets (current) | | |
| Interest accrued on fixed deposits | 4.40 | 23.70 |
| | <u>4.40</u> | <u>23.70</u> |
| Note 12 Other current assets | | |
| Considered good | | |
| Advance to vendors | 52.53 | 2.29 |
| Balances due from government authorities | 305.00 | 333.70 |
| Other receivables | - | 8.92 |
| Prepaid expenses | 7.52 | 9.61 |
| | <u>365.05</u> | <u>354.52</u> |

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | March 31, 2019 | March 31, 2018 |
|--|-----------------|-----------------|
| Note 13 Equity share capital | | |
| Authorised: | | |
| 13,000,000 (March 31, 2018: 13,000,000) equity shares of ₹ 10/- each | 1,300.00 | 1,300.00 |
| Issued, subscribed and paid up: | | |
| 12,620,000 (March 31, 2018: 12,620,000) equity shares of ₹ 10/- each | 1,262.00 | 1,262.00 |
| | 1,262.00 | 1,262.00 |

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

| Description | March 31, 2019 | | March 31, 2018 | |
|---|-------------------|--------------|-------------------|--------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 12,620,000 | 1,262 | 12,620,000 | 1,262 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 12,620,000 | 1,262 | 12,620,000 | 1,262 |

b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. Dividend proposed by Board of Directors, if any is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Particulars of shareholders holding more than 5% shares

| Description | March 31, 2019 | | March 31, 2018 | |
|-----------------------|----------------|--------|----------------|--------|
| | Number | % | Number | % |
| Multibase S.A, France | 9,464,994 | 75.00% | 9,464,994 | 75.00% |

d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the previous five years, the Company has not issued bonus shares / issued shares for consideration other than cash.

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | March 31, 2019 | March 31, 2018 |
|---|-----------------|-----------------|
| Note 14 Other equity | | |
| Securities premium | | |
| At the commencement and at the end of the year (On 1,800,000 equity shares of ₹ 10/- each issued at a premium of ₹ 6.50/- per share) | 117.00 | 117.00 |
| Retained earnings | | |
| Opening balance | 7,008.73 | 5,053.48 |
| Add: Profit for the year | 1,532.37 | 1,955.26 |
| Less: Transferred to items other than OCI | (3.15) | (0.01) |
| | 8,544.25 | 7,008.73 |
| Items other than OCI | | |
| Remeasurements of defined benefit liability (asset) | | |
| Opening balance | 1.52 | 1.51 |
| Add: Remeasurements of defined benefit liability (asset) | (3.15) | 0.01 |
| | (1.63) | 1.52 |
| | 8,659.62 | 7,127.25 |
| Note 15 Other financial liabilities (non-current) | | |
| Security deposit (at amortised cost) | 2.00 | 2.00 |

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | March 31, 2019 | March 31, 2018 |
|--|----------------|-----------------|
| | <u>2.00</u> | <u>2.00</u> |
| Note 16 Deferred tax liability (net) | | |
| Deferred tax balances consist of the following: | | |
| (i) Deferred tax assets (net) | | |
| (a) Deductions claimed on payment basis | 4.25 | 5.39 |
| (b) Provision for employee benefits- compensated absences | 24.56 | 27.37 |
| Sub-total (A) | <u>28.81</u> | <u>32.76</u> |
| (ii) Deferred tax liabilities (net) | | |
| (a) Difference between book balance and tax balance of property, plant and equipment | (94.63) | (97.00) |
| Sub-total (B) | <u>(94.63)</u> | <u>(97.00)</u> |
| Deferred tax liability (net) (A-B) | <u>65.82</u> | <u>64.24</u> |
| Note 17 Employee Benefit Obligations | | |
| Employee Benefit Obligations | | |
| - Gratuity Liability | 48.95 | 52.83 |
| - Compensated Absences | 31.96 | 19.92 |
| | <u>80.91</u> | <u>72.75</u> |
| Note 18 Trade payables | | |
| Micro and small enterprises * | 55.26 | - |
| Other trade payables ** | 835.40 | 2,829.55 |
| | <u>890.66</u> | <u>2,829.55</u> |
| * Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management | | |
| ** Includes due to related party ₹ 321.43 lakhs (March 31, 2018: ₹ 1978.6 lakhs) | | |
| During the year, Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditor have relied on the same. The disclosures pursuant to MSMED Act based on the books of account are as under | | |
| Particulars | | |
| Principal amount remaining unpaid to any supplier as at the year end | 55.26 | - |
| Interest due thereon | - | - |
| Amount of interest paid by the Company in terms of section 16 of MSMED Act, along with the amount of the payment made to a supplier beyond the appointed day during the accounting year | - | - |
| Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED, 2006 | - | - |
| Amount of Interest remaining accrued and unpaid | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterorise for the purpose of disallowance as a diductible expenditure under the MSMED Act , 2006 | - | - |
| Note 19 | - | - |
| Balance due to government authorities | 132.00 | 189.16 |
| | <u>132.00</u> | <u>189.16</u> |
| Note 20 Employee Benefit Obligations | | |
| Employee Benefit Obligations | | |
| - Gratuity Liability | 1.41 | 2.36 |
| - Compensated Absences | 2.01 | 1.75 |
| | <u>3.42</u> | <u>4.11</u> |

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|------------------------------|------------------------------|
| Note 21 Revenue from operations | | |
| Sales of products | | |
| Manufacturing sale | 9,716.81 | 9,463.82 |
| Trading sales | 1,277.15 | 1,687.80 |
| | <u>10,993.96</u> | <u>11,151.62</u> |
| Disaggregation of revenue from contracts with customers | | |
| The Company derives revenue from the sale of products in the following major segments: | | |
| Revenue from contracts with customers: | | |
| Sale of products (Transferred at point in time) | | |
| Manufacturing | | |
| India | 9,285.07 | 8,949.15 |
| Asia (Other than India) | 431.74 | 514.67 |
| | (A) <u>9,716.81</u> | <u>9,463.82</u> |
| Trading | | |
| India | 1,277.15 | 1,687.80 |
| Asia (Other than India) | - | - |
| | (B) <u>1,277.15</u> | <u>1,687.80</u> |
| Total Revenue (A) + (B) | <u>10,993.96</u> | <u>11,151.62</u> |
| Note 22 Other income | | |
| Interest from bank deposits | 295.10 | 191.56 |
| Interest from Intercompany deposit | 1.27 | - |
| Profit on sale of fixed assets (Net) | 0.24 | - |
| Other non-operating income | 11.37 | 20.08 |
| Provision for doubtful debt no longer required written back | - | 0.07 |
| | <u>307.98</u> | <u>211.71</u> |
| Note 23 Cost of materials consumed | | |
| Opening stock | 1,531.02 | 1,079.05 |
| Add: Purchases | 5,739.47 | 5,589.01 |
| | <u>7,270.49</u> | <u>6,668.06</u> |
| Less: Closing stock | 728.31 | 1,531.02 |
| | <u>6,542.18</u> | <u>5,137.04</u> |
| Note 24 Purchase of stock-in-trade | | |
| Purchases | 1,109.36 | 1,466.55 |
| | <u>1,109.36</u> | <u>1,466.55</u> |

(Currency: Amounts INR in Lakhs, unless other wise stated)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|------------------------------|------------------------------|
| Note 25 Changes in inventories of finished goods and work in progress | | |
| Opening Stock : | | |
| Finished goods | 409.53 | 525.30 |
| Stock-in-trade (traded goods) | 444.29 | 320.02 |
| Less: | 853.82 | 845.32 |
| Closing Stock: | | |
| Finished goods | 517.65 | 409.53 |
| Stock-in-trade (traded goods) | 462.00 | 444.29 |
| | 979.65 | 853.82 |
| Changes In Inventories: | | |
| Work in progress | - | - |
| Finished goods | (108.12) | 115.77 |
| Stock-in-trade (traded goods) | (17.71) | (124.27) |
| Changes in inventories of finished goods | (125.83) | (8.50) |
| Note 26 Employee benefit expense | | |
| Salaries, wages and bonus | 356.64 | 355.24 |
| Contribution to provident fund [refer Note 31] | 16.06 | 14.19 |
| Gratuity expenses [refer Note 31] | 10.19 | 22.75 |
| Staff welfare expenses | 13.11 | 12.30 |
| | 396.00 | 404.48 |
| Note 27 Depreciation expenses | | |
| Depreciation on tangible assets | 87.51 | 81.35 |
| | 87.51 | 81.35 |
| Note 28 Other expenses | | |
| Stores and spares consumed | 7.67 | 9.45 |
| Power, fuel and utilities | 81.92 | 74.51 |
| Service charges | 76.07 | 72.72 |
| Repair and maintenance | | |
| - Building | 8.96 | 0.78 |
| - Plant and machinery | 10.32 | 22.92 |
| - Others | 41.15 | 24.81 |
| Legal, professional and other contractual charges | 117.84 | 161.94 |
| Payments to auditors (refer note below) | 13.85 | 11.35 |
| Printing, stationery and communication charges | 27.20 | 27.34 |
| Rent, rates and taxes | 56.94 | 66.50 |
| Travelling and conveyance | 40.24 | 68.63 |
| Insurance expenses | 23.00 | 11.99 |
| Royalty charges | 151.88 | 126.05 |
| Support charges | 46.69 | 79.13 |
| Directors' sitting fees | 19.20 | 14.03 |
| Freight outward | 166.22 | 175.29 |
| Bank charges | 4.52 | 3.45 |
| Exchange rate variation (net) | 166.31 | 34.65 |
| Advertisement, subscription and membership fees | 2.48 | 4.91 |
| CSR expenses | 36.56 | 0.55 |
| Miscellaneous expenses | 15.99 | 7.67 |
| | 1,115.01 | 998.67 |
| Payments to auditors | | |
| For audit | 13.50 | 11.00 |
| Reimbursement of expenses | 0.35 | 0.35 |
| | 13.85 | 11.35 |

Note 29 Corporate social responsibility

The Company has spent ₹ 36.65 lakhs (March 31, 2018: ₹ 0.55 lakhs) towards scheme of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

- 1) Gross amount required to be spent by the Company during the year ₹ 43.50 lakhs
- 2) Amount spent during the year:

| Category | Nature of CSR expense | Year ended March 31, 2019 |
|-------------------------------|---|------------------------------|
| Social & Economic development | Providing Infrastructure in schools & old age homes | 36.65 |

Note 30 Segment reporting

A. Factors used to identify the entity's reportable segments, including the basis of organisation

The Company is exclusively engaged in the business of manufacturing, trading and selling of Thermoplastic Elastomers, Silicone Masterbatch and related products. As per Ind AS 108 'Operating Segment' specified under Section 133 of the Companies Act 2013, there are no reportable segments applicable to the Company.

B. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings of the Company are managed on a worldwide basis from India."

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---------------|------------------------------|------------------------------|
| India | 10,562.22 | 10,636.95 |
| Outside India | 431.74 | 514.67 |
| Total | 10,993.96 | 11,151.62 |

All the non-current assets of Company are located within India.

C. Information about major customers

Revenues from three major customers represented approximately ₹ 2,326.84 lakhs (March 31, 2018: INR. 2,180.63 lakhs), ₹ 1,213.39 lakhs (March 31, 2018: INR 855.26 lakhs) and ₹ 829.82 lakhs (March 31, 2018: INR 835.46 lakhs) of the Company's total revenues.

Note 31 Employee benefits

(A) Defined contribution plans:

The Company recognised ₹ 16.01 lakhs for the year ended March 31, 2019 (March 31, 2018: ₹ 14.19 lakhs) towards provident fund contribution in the Statement of Profit and Loss.

(B) Defined Benefit Plan:

The most recent actuarial valuation of the defined benefit obligation in relation to the gratuity scheme was carried out at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation balance sheet date:

| | March 31, 2019 | March 31, 2018 |
|----------------------------------|----------------|----------------|
| Defined benefit obligation | 50.36 | 55.20 |
| Net defined benefit (obligation) | 50.36 | 55.20 |

i. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit and its components:

| | Defined benefit obligation | |
|-------------------------------------|----------------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Opening balance | 55.20 | 34.37 |
| <u>Included in profit or loss</u> | | |
| Current service cost | 6.05 | 4.34 |
| Past service cost | - | 14.52 |
| Interest cost | 4.14 | 2.42 |
| | 10.19 | 21.28 |
| <u>Included in OCI</u> | | |
| Remeasurement loss (gain): | | |
| Actuarial loss (gain) arising from: | | |
| Experience adjustment | (4.45) | 0.01 |
| | (4.45) | 0.01 |
| | 60.94 | 55.66 |
| <u>Other</u> | | |
| Contributions paid by the employer | | |
| Benefits paid | 10.56 | (0.46) |
| Closing balance | 50.36 | 55.20 |

ii. Plan assets

| | March 31, 2019 | March 31, 2018 |
|------------------------------------|----------------|----------------|
| Plan assets comprise the following | | |
| Insurer managed fund (100%) | - | - |
| | - | - |

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | March 31, 2019 | March 31, 2018 |
|---------------------------|---|---|
| Discount rate | 7.60% | 7.60% |
| Future salary growth | 7.00% | 7.00% |
| Rate of employee turnover | 25 & Below - 5% 26 to 35 - 4% 26 to 45 - 3% 46 to 55 - 2% 56 & Above - 1% | 25 & Below - 5% 26 to 35 - 4% 26 to 45 - 3% 46 to 55 - 2% 56 & Above - 1% |
| Mortality rate | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below;

| | March 31, 2019 | | March 31, 2018 | |
|--|----------------|----------|----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.5% movement) | 47.89 | 53.02 | 52.43 | 58.16 |
| Future salary growth (0.5% movement) | 52.62 | 48.24 | 58.16 | 52.41 |
| Rate of employee turnover (10% movement) | 50.45 | 50.27 | 55.22 | 55.15 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.77 years (March 31, 2018: 9.83 years).

v. Expected future cash flows

The expected future cash flows in respect of gratuity March 31, 2019 were as follows:

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2018.

| Expected future benefit payments from the fund | 2018-19 | 2017-18 |
|--|---------|---------|
| 1 st following year | 1.41 | 1.41 |
| 2 nd following year | 6.67 | 6.08 |
| 3 rd following year | 1.51 | 1.57 |
| 4 th following year | 1.57 | 1.67 |
| 5 th following year | 1.59 | 1.74 |
| Sum of Years 6 to 10 | 17.79 | 17.63 |

(C) Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The total liability for compensated absences as at the year end is ₹ 33.97 lakhs (March 31, 2018: ₹ 21.68 lakhs), as shown under non-current provisions ₹ 31.96 lakhs (March 31, 2018: ₹ 19.93 lakhs) and current provisions ₹ 2.01 lakhs (March 31, 2018: ₹ 1.75 lakhs). The amount charged to the Statement of Profit and Loss is ₹ 14.64 lakhs (March 31, 2018 : ₹ 4.34 lakhs).

Note 32 Related party disclosures

a) List of related parties

Related parties where control exists:

Ultimate Holding Company

Dow Dupont Inc. (Effective September 01, 2017)

Dow Corning Corporation (Upto August 31, 2017)

Holding Company

Multibase S.A, France

Directors and Key Management Personnel (KMP)

Mr. Deepak Dhanak - Managing Director

Ms. Sunaina Goraksh - Company Secretary

Mr. V S Nagesh - Chief Financial Officer (Upto March 31, 2019)

Mr. Pankaj Holani - Chief Financial Officer (Effective May 01, 2019)

Mr. Harish Narendra Motiwalla - Independent Director

Mr. Ashok Faqirchand Chhabra - Independent Director

Ms. Maithilee Kaizad Mistry - Non Executive Director (Upto March 31, 2019)

Ms. Suely Ono Mori - Non Executive Director (Upto March 31, 2019)

Mr. Vipulkumar Babu - Non Executive Director (Upto March 31, 2019)

Mr. Krishan Kumar Phophalia - Non Executive Director (Effective April 01, 2019)

Mr. Angad Singh Kalsi - Non Executive Director (Effective April 01, 2019)

Mr. Latha Gopinathan Nair - Non Executive Director (Effective April 01, 2019)

Other related parties

Dow Corning (Zhangjiagang) Holding Company Limited

Dow Chemical International Private Limited

Dow Corning Limited-Barry

Dow Chemical Silicones Korea Limited

Dow Corning Europe S.A.

Dow Chemical Taiwan Limited

Dow Corning India Private Limited

Dow Corning Toray Company Limited

Dow Chemical Pacific (Singapore) Private Limited

Dow Chemical (Thailand) Limited

Dow Europe GMBH

Dow Silicones Corporation

DDP Speciality Electronics Materials USA

DDP Speciality Products India Private Limited

Rohm and Haas Electronic Materials Taiwan Ltd.

Speciality Electronic Materials (Thailand) Company Limited

Hampshire Chemical Corporation

Multibase, Inc.

b) During the year, following transactions were carried out with the related parties :

| Particulars | Ultimate Holding Company | | Holding Company | | Directors and Key management personnel | | Other related parties | |
|--|--------------------------|----------------|-----------------|----------------|--|----------------|-----------------------|----------------|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Transactions | | | | | | | | |
| Purchase of raw materials | | | | | | | | |
| Multibase S.A, France | - | - | 1,596.63 | 1,409.69 | - | - | - | - |
| Dow Corning Corporation | - | 330.13 | - | - | - | - | - | - |
| Dow Corning Limited-Barry | - | - | - | - | - | - | - | 102.05 |
| Dow Corning Europe S.A. | - | - | - | - | - | - | - | 451.29 |
| Dow Europe GMBH | - | - | - | - | - | - | 1,346.70 | 1,087.46 |
| Dow Silicones Corporation | - | - | - | - | - | - | 240.59 | 22.46 |
| Dow Corning Toray Company Limited | - | - | - | - | - | - | - | 1.06 |
| DDP Speciality Electronics Materials USA | - | - | - | - | - | - | 86.54 | - |
| Sale of finished goods | | | | | | | | |
| Dow Chemical Taiwan Limited | - | - | - | - | - | - | 44.00 | 75.47 |
| Dow Chemical Silicones Korea Limited | - | - | - | - | - | - | 130.72 | 186.68 |
| Dow Corning (Zhangjiagang) Holding Company Limited | - | - | - | - | - | - | - | 0.74 |
| Dow Chemical Pacific (Singapore) Private Limited | - | - | - | - | - | - | 3.55 | 6.09 |
| Dow Chemical (Thailand) Limited | - | - | - | - | - | - | 149.04 | 240.22 |
| Rohm and Haas Electronic Materials Taiwan Ltd. | - | - | - | - | - | - | 29.08 | - |
| Speciality Electronic Materials (Thailand) Company Limited | - | - | - | - | - | - | 27.17 | - |

| Particulars | Ultimate Holding Company | | Holding Company | | Directors and Key management personnel | | Other related parties | |
|---|--------------------------|----------------|-----------------|----------------|--|----------------|-----------------------|----------------|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Dow Corning Toray Company Limited | - | - | - | - | - | - | - | 0.52 |
| Multibase, Inc. | - | - | - | - | - | - | - | 0.40 |
| Interest Income on Intercompany deposit | | | | | | | | |
| DDP Speciality Products India Private Limited | - | - | - | - | - | - | 1.27 | - |
| Support charges | | | | | | | | |
| Dow Corning Corporation | - | 140.17 | - | - | - | - | - | - |
| Dow Chemical International Private Limited | - | - | - | - | - | - | 44.58 | 45.03 |
| Hampshire Chemical Corporation | - | - | - | - | - | - | 5.97 | 1.83 |
| Royalty | | | | | | | | |
| Dow Corning Corporation | - | 107.13 | - | - | - | - | - | - |
| Dow Silicones Corporation | - | - | - | - | - | - | 160.48 | 18.92 |
| Intercompany deposits given | | | | | | | | |
| DDP Speciality Products India Private Limited | - | - | - | - | - | - | 1,050.00 | - |
| Expenses incurred by related party on behalf of us | | | | | | | | |
| Dow Chemical International Private Limited | - | - | - | - | - | - | 26.12 | - |
| Managerial remuneration* | | | | | | | | |
| Mr. Deepak Dhanak | - | - | - | - | 67.19 | 78.31 | - | - |
| Ms. Sunaina Goraksh | - | - | - | - | 23.76 | 17.39 | - | - |
| Director sitting Fees | | | | | | | | |
| H N Motiwala | - | - | - | - | 9.60 | 7.00 | - | - |
| Ashok Chhabra | - | - | - | - | 9.60 | 7.00 | - | - |

*Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available

Mr. V S Nagesh (Chief Financial Officer-CFO) is on secondment from Dow Chemical International Private Limited, remuneration to CFO is reimbursed by way of Legal and Professional charges for Current year ₹ 16.50 lakhs (Previous year ₹ 15.00 lakhs).

| Particulars | Ultimate Holding Company | | Holding Company | | Directors and Key management personnel | | Other related parties | |
|--|--------------------------|----------------|-----------------|----------------|--|----------------|-----------------------|----------------|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Receivables / other assets | | | | | | | | |
| Dow Chemical (Thailand) Limited | - | - | - | - | - | - | - | 16.29 |
| Dow Silicones Corporation | - | - | - | - | - | - | - | 79.37 |
| Rohm and Haas Electronic Materials Taiwan Ltd. | - | - | - | - | - | - | 29.08 | - |
| Dow Chemical Silicones Korea Limited | - | - | - | - | - | - | 20.93 | - |
| Speciality Electronic Materials (Thailand) Company Limited | - | - | - | - | - | - | 27.17 | - |
| DDP Speciality Products India Private Limited | - | - | - | - | - | - | 1,051.27 | - |
| Multibase, Inc. | - | - | - | - | - | - | - | 2.91 |
| Trade payables | | | | | | | | |
| Hampshire Chemical Corporation | - | - | - | - | - | - | 44.07 | 33.07 |
| Dow Europe GMBH | - | - | - | - | - | - | 7.83 | 1,098.06 |
| Dow Silicones Corporation | - | - | - | - | - | - | 163.96 | 242.66 |
| Multibase S.A, France | - | - | - | - | - | - | 25.50 | 665.17 |
| DDP Speciality Products India Private Limited | - | - | - | - | - | - | 80.06 | - |
| Dow Chemical International Private Limited | - | - | - | - | - | - | - | 14.38 |
| Director sitting fees | | | | | | | | |
| H N Motiwalla | - | - | - | - | 1.60 | - | - | - |
| Ashok Chhabra | - | - | - | - | 1.20 | - | - | - |

Note 33 Financial instruments

A. Accounting classification and fair values

The Company is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

| March 31, 2019 | Carrying amount | | | | Fair value | | | |
|-------------------------------|-----------------|--------|-----------------|-----------------|--|---|---|-------|
| | FVTPL | FVTOCI | Amortised cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| Financial assets | | | | | | | | |
| Security deposits | - | - | 26.71 | 26.71 | - | - | - | - |
| Loan to other related parties | - | - | 1,050.00 | 1,050.00 | - | - | - | - |
| Interest accrued on deposits | - | - | 4.40 | 4.40 | - | - | - | - |
| Trade receivables | - | - | 1,842.76 | 1,842.76 | - | - | - | - |
| Cash and cash equivalents | - | - | 4,898.68 | 4,898.68 | - | - | - | - |
| | - | - | 7,822.55 | 7,822.55 | - | - | - | - |
| Financial liability | | | | | | | | |
| Other payable | - | - | 2.00 | 2.00 | - | - | - | - |
| Trade payables | - | - | 890.66 | 890.66 | - | - | - | - |
| | - | - | 892.66 | 892.66 | - | - | - | - |

Note

Cash and cash equivalents, trade and other current receivables, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

| March 31, 2018 | Carrying amount | | | | Fair value | | | |
|--|-----------------|--------|-----------------|-----------------|--|---|---|-------|
| Financial assets | FVTPL | FVTOCI | Amortised cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| Security deposits | - | - | 16.39 | 16.39 | - | - | - | - |
| Loans and advances to employees | - | - | 5.46 | 5.46 | - | - | - | - |
| Interest accrued on deposits | - | - | 23.70 | 23.70 | - | - | - | - |
| Trade receivables | - | - | 2,383.55 | 2,383.55 | - | - | - | - |
| Cash and cash equivalents | - | - | 2,254.82 | 2,254.82 | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | 3,000.00 | 3,000.00 | - | - | - | - |
| | - | - | 7,683.92 | 7,683.92 | - | - | - | - |
| Financial liability | | | | | | | | |
| Other payable | - | - | 2.00 | 2.00 | - | - | - | - |
| Trade payables | - | - | 2,829.55 | 2,829.55 | - | - | - | - |
| | - | - | 2,831.55 | 2,831.55 | - | - | - | - |

B. Calculation of fair values

- The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.
- Cash and cash equivalents, trade receivables, other financial assets trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Note 34 Financial risk management

The Company has exposure to the following risks arising from the financial instruments:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit exposure.

Impairment of Trade receivables

At March 31, 2019, the ageing of trade and other receivables that were not impaired was as follows.

| | Carrying amount | |
|-------------------------------|-----------------|-----------------|
| | March 31, 2019 | March 31, 2018 |
| Neither past due nor impaired | 1,464.98 | 2,249.75 |
| Past due 0-90 days | 353.23 | 104.27 |
| Past due 91-180 days | 24.56 | 21.44 |
| Past due 181-270 days | - | 8.10 |
| Past due 271-360 days | - | - |
| More than 360 days | - | - |
| | 1,842.77 | 2,383.56 |

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behaviour.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

| March 31, 2019 | Contractual cash flows | | | | | |
|---|------------------------|---------------|----------------|-----------|-----------|-------------------|
| | Carrying amount | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Trade payables | 835.40 | 835.40 | 835.40 | - | - | - |
| Other financial liabilities | 2.00 | 2.00 | 2.00 | - | - | - |
| | <u>837.40</u> | <u>837.40</u> | <u>837.40</u> | <u>-</u> | <u>-</u> | <u>-</u> |

| March 31, 2018 | Contractual cash flows | | | | | |
|---|------------------------|-----------------|-----------------|-----------|-----------|-------------------|
| | Carrying amount | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Trade payables | 2,829.55 | 2,829.55 | 2,829.55 | - | - | - |
| Other financial liabilities | 2.00 | 2.00 | 2.00 | - | - | - |
| | <u>2,831.55</u> | <u>2,831.55</u> | <u>2,831.55</u> | <u>-</u> | <u>-</u> | <u>-</u> |

c) Market risk

The Company is exposed to currency risk on account of its Trade payables and other payables in foreign currency. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The currency profile of financial assets and financial liabilities March 31, 2019 and March 31, 2018 are as below:

| | March 31, 2019 | March 31, 2019 | March 31, 2018 | March 31, 2018 |
|------------------------------|-----------------|----------------|-------------------|-----------------|
| | USD | Euro | USD | Euro |
| Financial assets | | | | |
| Trade Receivables | 102.14 | - | 97.77 | - |
| | <u>102.14</u> | <u>-</u> | <u>97.77</u> | <u>-</u> |
| Financial liabilities | | | | |
| Trade payables | 537.18 | - | 1,964.38 | 105.33 |
| | <u>537.18</u> | <u>-</u> | <u>1,964.38</u> | <u>105.33</u> |
| Net exposure | <u>(435.04)</u> | <u>-</u> | <u>(1,866.61)</u> | <u>(105.33)</u> |

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR

| | Profit before tax | | Equity, net of tax | |
|-----------------------|-------------------|-----------|--------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| March 31, 2019 | | | | |
| USD (1 % movement) | (4.35) | 4.35 | (3.08) | 3.08 |
| EUR (1 % movement) | - | - | - | - |
| | (4.35) | 4.35 | (3.08) | 3.08 |
| | | | | |
| | Profit before tax | | Equity, net of tax | |
| | Strengthening | Weakening | Strengthening | Weakening |
| March 31, 2018 | | | | |
| USD (1 % movement) | (18.67) | 18.67 | (12.21) | 12.21 |
| EUR (1 % movement) | (1.05) | 1.05 | (0.69) | 0.69 |
| | (19.72) | 19.72 | (12.89) | 12.89 |

35 Tax Expense

| | | March 31, 2019 | March 31, 2018 |
|--|--------|-----------------------|----------------|
| a) Amounts recognised in Statement of Profit and loss | | | |
| Current Income Tax | | 640.61 | 1,022.20 |
| Deferred Tax liability/(asset) | | | |
| Origination and reversal of temporary difference | | 1.58 | 9.59 |
| Deferred tax charge/(credit) | | 1.58 | 9.59 |
| Tax Expense for the year | | 642.19 | 1,031.79 |
| b) Amounts recognised in Other comprehensive income | | | |
| Remasurement of defined benefit plan | | | |
| Before tax | | (4.45) | 0.01 |
| Tax benefit | | 1.30 | 0.00 |
| Net of tax | | (3.15) | 0.01 |
| c) Reconciliation of effective tax rate | | March 31, 2019 | March 31, 2018 |
| Profit before tax | | 2,177.71 | 2,987.04 |
| | | 29.12% | 34.61% |
| Tax using the Company's domestic tax rate | | 634.15 | 1,033.81 |
| Tax using co domestic rate | 29.12% | 634.15 | 1,033.81 |
| Donation | 0.01% | 0.11 | (0.29) |
| Bad debts | 0.00% | - | (0.02) |
| Others | 0.36% | 7.93 | (1.72) |
| Effective tax | 29.49% | 642.19 | 1,031.79 |
| As per Financials | 29.49% | 642.19 | 1,031.79 |

Note 36 Deferred tax

| | As at April 01, 2018 | Provided during the year | As at March 31, 2019 |
|---|-------------------------|-----------------------------|-------------------------|
| Deferred tax liability | | | |
| Excess of depreciation as per Income tax Act, 1961 over book depreciation | 97.00 | (2.37) | 94.63 |
| | 97.00 | (2.37) | 94.63 |
| Deferred tax assets | | | |
| Provision for bad and doubtful debts | | | |
| (a) Deductions claimed on payment basis | 5.39 | (1.14) | 4.25 |
| (b) Provision for employee benefits- compensated absences | 27.37 | (2.81) | 24.56 |
| | 32.76 | (3.95) | 28.81 |
| Net deferred tax liabilities (net) | (64.24) | (1.58) | (65.82) |

37 Operating lease:

The Company's leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are renewable on a periodic basis by mutual consent on mutually acceptable terms

| | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| a) the total future minimum lease payments under non-cancellable operating leases for each of the following periods | | |
| Future lease commitments | | |
| - Within one year | - | 4.8 |
| - Later than one year but not later than five years | - | - |
| - Later than five years | - | - |
| | - | 4.80 |
| b) Lease rentals recognised in the statement of profit and loss for the year | | |
| Minimum lease payments | 6.00 | 6.00 |

Note 38 Contingent liabilities:

Claims against the Company not acknowledged as debts :

| | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| Income tax demand, including interest and penalty and net off amount paid under protest | 2.55 | 7.53 |
| Sales tax and Service tax matters | 6.05 | - |

Future cashflows in respect of the above matter is determinable only on receipts of judgement / decisions pending at various forums / authorities.

The company does not expect any reimbursement in respect of above contingent liability.

Provident Fund:

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

"In view of the management, the liability for the period from the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."

Note 39 Capital Commitments

| | | |
|--|---|------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | 2.60 |
|--|---|------|

Note 40 Earnings per share

| | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| Profit after tax attributable to equity shareholders [A] | 1,535.52 | 1,955.26 |
| Number of equity shares at the beginning of the year [B] | 12,620,000 | 12,620,000 |
| Number of equity shares outstanding at the end of the year [C] | 12,620,000 | 12,620,000 |
| Weighted average number of equity shares outstanding during the year [D] | 12,620,000 | 12,620,000 |
| Basic and diluted earnings per share of face value ₹ 10 [A]/[D] | 12.17 | 15.49 |

Note 41 Transfer pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2017. Management believes that the Company's international and domestic transactions with related parties post March 2017 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 42

Previous year figures have been regrouped / reclassified wherever necessary to correspond current year classification/disclosure.

Note 43 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

Ind AS 116 Leases

Ind AS 12 Income taxes

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Company if any, will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Note 44 Subsequent events

Due to the global restructuring, the Company's agreement to sell one of their products namely Antifoam stands terminated with effect from 01 April 2019. The revenue from Antifoam for the year ended March 31, 2019 and quarter ended March 31, 2019 is Rs.3683.14 lakhs and Rs. 409.77 lakhs respectively and for year ended March 31, 2018 and quarter ended March 31, 2018 was Rs. 3108.91 lakhs and Rs. 825.46 lakhs respectively.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number :101248W/W-100022

Farhad Bamji

Partner

Membership No : 105234

Place : Mumbai

Date : 29th May 2019

For and on behalf of the Board of Directors of

Multibase India Limited

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

Sunaina Goraksh

(Company Secretary)

Place : Mumbai

Date : 29th May 2019

H.N. Motiwalla

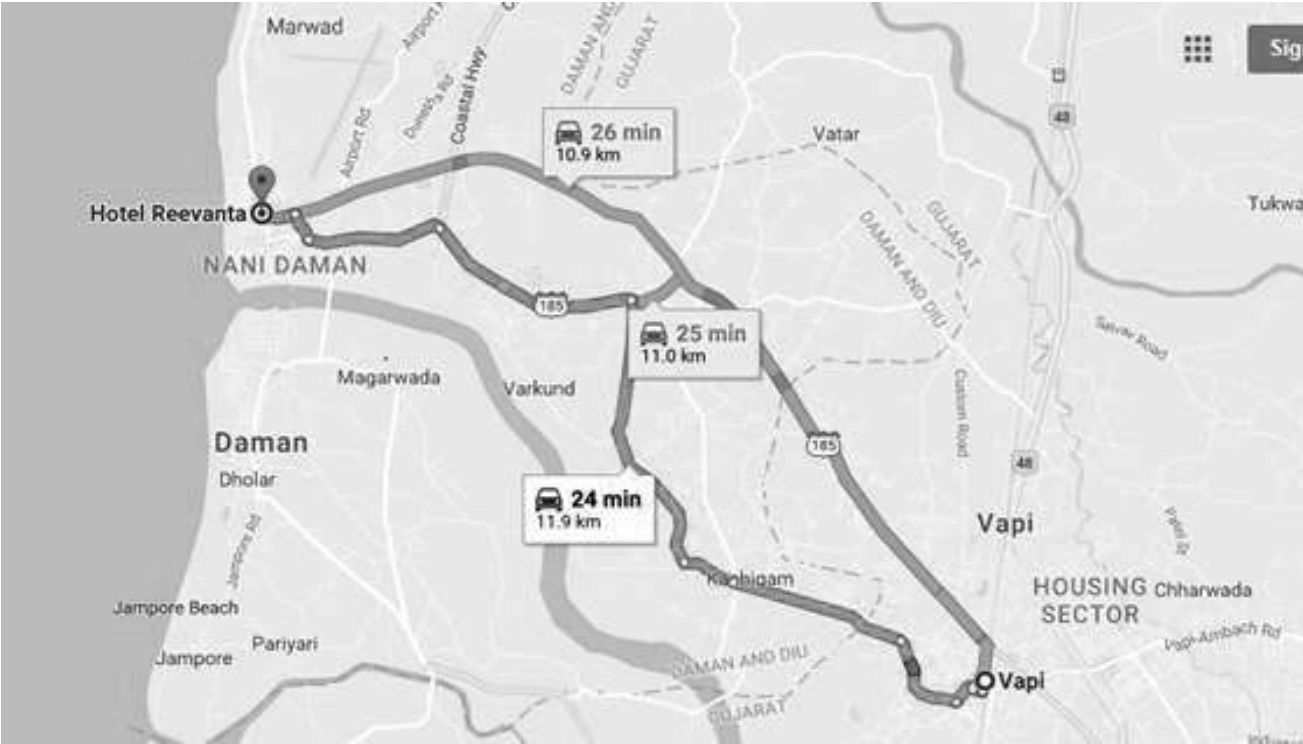
(Director)

DIN No.00029835

Pankaj Holani

(Chief Financial Officer)

ROUTE MAP OF ANNUAL GENERAL MEETING





MULTIBASE INDIA LIMITED

Registered Office: 74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396210 (U.T).
CIN: L01122DD1991PLC002959, **Tel.:** +91 260 6614400, **Fax:** +91 260 2221578
Email: compliance.officer@multibaseindia.com, **Website:** www.multibaseindia.com

ATTENDANCE SLIP

Folio No.: _____

* Client ID No.: _____

* DP ID No.: _____

I hereby record my presence at the TWENTY-EIGHT ANNUAL GENERAL MEETING of the Company on THURSDAY, SEPTEMBER 26, 2019 at 11:00 a.m. at Hotel Reevanta Tin Batti, Devka Road, Nani Daman, Daman-396210

Name of attending Member/Proxy

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTE :

Shareholder/Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

* Applicable in case shares are held in demat mode.



MULTIBASE INDIA LIMITED

Registered Office: 74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396210 (U.T).
CIN: L01122DD1991PLC002959, **Tel.:** +91 260 6614400, **Fax:** +91 260 2221578
Email: compliance.officer@multibaseindia.com, **Website:** www.multibaseindia.com

PROXY FORM

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

28th ANNUAL GENERAL MEETING

| | |
|------------------------|--|
| Name of the member (s) | |
| Registered address | |
| E-mail Id | |
| Folio No/ Client Id | |
| DP ID | |

I/We, being the member (s) ofshares of the above named company, hereby appoint

1. Name : Address :

E-mail Id : Signature : or failing him

2. Name : Address :

E-mail Id : Signature : or failing him

3. Name : Address :

E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY-EIGHTH ANNUAL GENERAL MEETING of the Company to be held on THURSDAY, SEPTEMBER 26, 2019 at 11.00 am at Hotel Reevanta, Tin Batti, Devka Road, Nani Daman, Daman-396210 and at any adjournment thereof in respect of following resolutions:

| No. | Resolution |
|-----|---|
| 1. | Adoption of Audited Balance Sheet as of 31 st March, 2019, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Auditors' Report and Directors' Report thereon. |
| 2. | Appointment of a Director in place of Mr. Deepak Arun Dhanak (DIN 03157491), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. |
| 3. | Appointment of Mr. John Singer (DIN: 08416391) as director of the Company. |
| 4. | Appointment of Ms. Latha Gopinathan Nair (DIN: 08389056), as director of the Company. |
| 5. | Appointment of Mr. Krishan Kumar Phophalia (DIN: 08395171), as director of the Company. |
| 6. | Approval of material related party transaction with DDP SPECIALITY ELECTRONIC MATERIALS US 9, LLC. |
| 7. | Appointment of M/s B F Modi & Associates, Cost Accountants, (Registration No.100604), appointed as cost auditors of the Company for the financial year 2019-20 and fix his remuneration. |
| 8. | Approval for continuation of appointment of Mr. Harish Narendra Motiwalla (DIN 00029835) as, Non-Executive Independent Director (Chairman) who shall attain the age of seventy five (75) years. |
| 9. | Approval to grant loan to DDP Speciality Products India Private Limited, fellow subsidiary for an amount not exceeding ₹ 60,00,00,000 (Sixty crore only) |
| 10. | Approval to grant loan to Performance Specialty Products (India) Private Limited, fellow subsidiary for an amount not exceeding ₹ 20,00,00,000 (Twenty crore only) |

Signed this _____ day of _____ 2019

Affix
Revenue
Stamp
Re.1

Signature of member

Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

Note:

1. This form of proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company, not less than FORTY EIGHT hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company. A person can act as a proxy on behalf of a member or members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder

CSR Initiatives 2018-19

Education:

Your Company believes that Education is foundation of national development and one of the most important ingredients to a successful, constructive and happy life.

Your Company provided support towards empowering education in the communities around the Company, by providing basic sanitation and infrastructure facilities in schools for creating better environment for students.



Karvad Mukhya Shala, Taluka Vapi



Actual Photo of site before work commenced





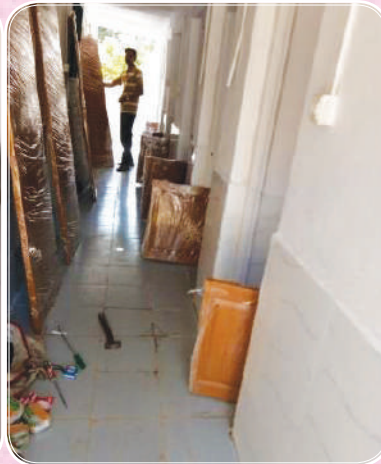
Karvad Mukhya Shala



CSR Activity completion of site



Sanitation Facilities Completion



Renovation Of Snehalaya Old Age Home

Socio-economic development:

Your company contributed to the socio-economic development by providing support to renovate a small old age home for 12 people.



