



**WE  
COMPOUND**

**YOUR  
CREATIONS**

Multibase India Limited  
29<sup>th</sup> Annual Report 2019 -20

## Board of Directors

Mr. Deepak Dhanak (DIN: 03157491)	Managing Director
Mr. Harish Narendra Motiwalla (DIN: 00029835)	Chairman-Independent Director
Mr. Ashok Chhabra (DIN: 00059677)	Independent Director
Ms. Bharti Dhar (DIN: 00442471) (w.e.f. February 15, 2020)	Independent Director
Mr. Krishan Kumar Phophalia (DIN: 08395171)	Non-Executive Director
Mr. RT Paullin (DIN: 08759596) (w.e.f. June 25, 2020)	Non-Executive Director
Mr. Angad Kalsi (DIN: 07597128) (resigned w.e.f May 29,2019)	Non-Executive Director
Ms. Latha Gopinathan Nair (DIN: 08389056) (resigned w.e.f February 15, 2020)	Non-Executive Director
Mr. John Francis Singer (DIN: 08416391) (resigned w.e.f June 25, 2020)	Non-Executive Director

## Chief Financial Officer

Mr. Pankaj Holani (w.e.f May 1, 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](http://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](mailto:rnt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 29<sup>th</sup> (Twenty Ninth) Annual General Meeting of Multibase India Limited will be held on Tuesday, 29<sup>th</sup> September, 2020, through Video Conferencing (VC) / Other Audio Visual Means (OVAM) at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020, together with the Report of Auditor's and Directors' thereon.
2. To appoint a Director in place of Mr. Krishan Phophalia Kumar (DIN: 08395171), 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 an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 149, 152, 160, 161 read with Schedule IV 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 ('Listing Regulations'), as may be in force from time to time, and as per the recommendation of Nomination and Remuneration Committee, Mrs. Bharti Dhar (DIN: 00442471), who was appointed by the Board of Directors as an Additional Director with effect from 15<sup>th</sup> February, 2020 and who holds office up to the date of this annual general meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as a Non-Executive and Independent Director of the Company for a term upto 14<sup>th</sup> February, 2025 and shall not be liable to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Chief Financial Officer 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 an **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 as per the recommendation of Nomination and Remuneration Committee, Mr. RT Paullin (DIN: 08759596) who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 25<sup>th</sup> June, 2020 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 or the Chief Financial Officer 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 a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation of Nomination and Remuneration Committee and Board of Directors, the approval of the members be and is hereby accorded for re-appointment of Mr. Deepak Dhanak (DIN: 03157491) as Managing Director of the Company for a further period of 3 years with effect

from 2<sup>nd</sup> March, 2020, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors and Nomination and Remuneration Committee of the Company to alter and vary the terms and conditions of the said appointment / remuneration in such manner as may be agreed to between the Board and Mr. Deepak Dhanak.

**RESOLVED FURTHER THAT** any of the Board Members, Chief Financial Officer and the Company Secretary be and are hereby authorized, severally, to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **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, the consent of the members 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 2020-21 and for a period of 5 financial years 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	Description
1.	Name of the related party	DDP Speciality Electronics materials US, LLC
2.	Nature of Relationship	Fellow subsidiary
3.	Name of interested Director(s)/KMPs	None
4.	Sale, purchase of materials	11.00

**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 an **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), M/s B F Modi & Associates, Cost Accountants, (Registration No. 100604), who are appointed as Cost Auditors of the Company by the Board of Directors on recommendation of the Audit Committee of the Company for the financial year 2020-21, to conduct the audit of the Cost Accounts of the Company be hereby paid the fees of ₹ 1,00,000 (Rupees One Lakh only) 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 to do all such acts, deeds and things as may be necessary and expedient 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, India

Tel.: +91 260 6614400

Fax: +91 260 2221578

Email: compliance.officer@multibaseindia.com

Website: www.multibaseindia.com

CIN: L01122DD1991PLC002959

Date: 27<sup>th</sup> August, 2020

Place: Mumbai

**Sunaina Goraksh**  
Company Secretary

### NOTES:

1. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of Special Business to be transacted at the Annual General Meeting (AGM), as set out under Item No. 3 to Item No. 7 is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as per the above referred circulars issued by the Ministry of Corporate Affairs, members are not allowed to appoint a proxy in case of holding of meeting through video conferencing facilities. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to dhrumil@dmshah.in with copies marked to the Company at compliance.officer@multibaseindia.com, and CDSL at helpdesk.evoting@cdslindia.com.
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company from their registered email address mentioning their name, DP ID and Client ID/ Folio Number and mobile number to reach the Company's email address compliance.officer@multibaseindia.com on or before September 21, 2020. The same will be replied by the Company suitably.
7. Members are requested to send their queries, if any, on or before September 21, 2020 through an email on compliance.officer@multibaseindia.com. The same will be replied by the Company suitably.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of the AGM. Members seeking to inspect such documents can send an email to compliance.officer@multibaseindia.com
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.multibaseindia.com](http://www.multibaseindia.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
10. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM is provided under Annexure-A to this Notice. Brief resume of all Directors including that of Director proposed to be appointed/re-appointed are provided under Corporate Governance Report forming part of this Annual Report.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23<sup>rd</sup> September 2020 to Tuesday, 29<sup>th</sup> September 2020 (both days inclusive).



12. To support 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s. Link Intime India Private Limited (Link Intime) in case the shares are held by them in physical form.
13. As per Regulation 40 of the Listing Regulations as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April, 2019, except in case of request received for transmission and transposition of securities. In compliance with the aforesaid circulars, the members are requested to dematerialize their shares promptly.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as - name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime via, email at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) in case the shares are held by them in physical form.
15. Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.
16. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
17. All documents referred to in the accompanying Notice to be available and open for inspection by the members on Company's website at [www.multibaseindia.com](http://www.multibaseindia.com) up to the date of the Annual General Meeting.
18. Instructions for e-voting and joining the AGM are as follows:

**REMOTE E-VOTING THROUGH ELECTRONIC MEANS:**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility

of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis.

**1) THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Saturday, 26<sup>th</sup> September 2020 (9:00 A.M. I.S.T) and ends on Monday, 28<sup>th</sup> September, 2020 (5:00 P.M. I.S.T). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 22<sup>nd</sup> September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the memberid/folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Multibase India Limited.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option

YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

## 2) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) / [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

2. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self- attested scanned copy

of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) / [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to minimise/mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker alongwith their queries by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number and mobile number, to reach the Company's email address [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) on or before 21<sup>st</sup> September, 2020. Only those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions at the AGM.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
3. After receiving the login details a 'Compliance User' should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; [dhrumil@dmshah.in](mailto:dhrumil@dmshah.in) and to the Company at the email address viz; [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



## OTHER INSTRUCTIONS:

1. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
2. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
3. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> September 2020, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID No.
4. The Company has appointed Mr. Dhruvil M Shah, Practicing Company Secretary, as the Scrutinizer for conducting the voting process in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall not later than 48 hours of conclusion of the AGM, prepare a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or any person authorised by him in writing who shall countersign the same.

The results of AGM shall be declared by the Chairman or his authorized representative or any one Director of the Company after the AGM within the prescribed time limits.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company viz. [www.multibaseindia.com](http://www.multibaseindia.com) and on website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com) within 48 hours of conclusion of the 29<sup>th</sup> AGM of the Company and shall also be communicated to BSE Limited, where the shares of the Company are listed.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### Item no.3

Mrs. Bharti Dhar (DIN: 00442471), was appointed as an Additional Director of the Company with effect from 15<sup>th</sup> February 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, 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 Mrs. Bharti Dhar (DIN: 00442471), for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. The Company has also received the requisite disclosures from Mrs. Bharti Dhar confirming her eligibility for such appointment including a declaration that she meets the criteria of independence as prescribed under sub Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

A 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 Mrs. Bharti Dhar as an Independent Director of the Company by way of passing of an Ordinary Resolution.

Mrs. Bharti Dhar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") and has given her consent to act as a Director. Further, Mrs. Bharti Dhar is not debarred from holding the office of a Director pursuant to any SEBI order.

Copy of draft letter of appointment of Mrs. Bharti Dhar setting out the terms and conditions of appointment is being available for inspection by the members through electronic mode. The terms and conditions of appointment of Independent Directors are also available on the Company's website at <http://www.multibaseindia.com/policies.php>

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 3 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mrs. Bharti Dhar (DIN: 00442471) and her relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 3.

### Item no.4

Mr. RT Paullin (DIN: 08759596), was appointed as an Additional Director of the Company with effect from 25<sup>th</sup> June 2020. Pursuant to the provisions of Section 161 of the

Companies Act, 2013, 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. RT Paullin (DIN: 08759596), for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. The Company has also received the requisite form 'DIR 8' from Mr. RT Paullin 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.

A brief profile covering the details of his qualification and experience, as required pursuant to Listing Regulations, is annexed to this Notice. Considering his experience and expertise, the Board recommends the appointment of Mr. RT Paullin as a Non-executive and Non-Independent Director of the Company by way of passing of an Ordinary Resolution.

Mr. RT Paullin is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") and have given his consent to act as a Director. Further, Mr. RT Paullin is not debarred from holding the office of a Director pursuant to any SEBI order.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mr. RT Paullin and his relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 4.

#### Item no.5

The tenure of Mr. Deepak Dhanak as Managing Director expired on March 1, 2020. The Board of Directors of the Company at its meeting held on February 13, 2020 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders, approved the re-appointment of Mr. Deepak Dhanak as Managing Director of the Company for a period of 3 (three) years w.e.f. March 02, 2020.

The information required under Clause (iv) of Paragraph 1(B) of Section II in Part II of Schedule V of the Companies Act, 2013 is as under:

#### I. General information:

##### (1) Nature of industry-

Multibase India Limited ('the Company') was

incorporated in the name of Synergy Polymers Limited on 17<sup>th</sup> December 1991. The name of the Company was changed to Synergy Multibase Limited and then to Multibase India Limited in 2007. Multibase SA, France holds 75% equity shares in the company.

Multibase is engaged in manufacturing of thermoplastic elastomers and silicone-based products. The Company serves a wide array of industries, across automotive, consumer & industrial, electronics collaborating with 1000+ customers and offering 20+ products, exporting to global markets.

(2) **Date or expected date of commencement of commercial production:** 19.02.1992

(3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

(4) **Financial performance based on given indicators:**

Financial performance of the Company in the last three years are given here under:

(₹ In Lakhs)

Financial Year	Gross Revenue	Profit before Tax	Profit after tax
2019-20	5977.61	995.92	753.99
2018-19	10,993.96	2,177.71	1,535.52
2017-18	11,151.62	2,987.04	1,955.25

(5) **Foreign investments or collaborations, if any:** Multibase SA holds 75% equity shares of the Company

#### II. Information about the appointee:

(1) **Background details:** Mr. Deepak 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 joined Multibase India Limited in 2008 and has been on the Board as Managing Director since 2010.

(2) **Past remuneration:** The annual remuneration drawn by Mr. Deepak Dhanak for financial year 2019-20 is ₹ 6,640,772

(3) **Recognition or awards:** Mr. Deepak Dhanak was conferred with Dr. APJ Abdul Kalam Sadbhavna Award from Business Development Association of India in 2017. He also received Manufacturing Excellence Award

from Product Finder India in 2018. He is a Qualified SIX SIGMA Black Belt Certificate in July'14 . He also received the 'Technical Excellence Achievement Award in the Company in 2016. He is also Adjudged as winner of 1 Platinum, 3 Gold & 3 Silver Awards for delivering various synergy, growth, customer experience projects in the organisation.

**(4) Job profile and his suitability:** Mr. Deepak Dhanak, is entrusted with substantial powers of management subject to the supervision and control of the Board of Directors. Mr. Deepak Dhanak along with his team, has been instrumental in driving initiatives to grow the business of the Company. His role is of a leader of the management team as well of executor in achieving performance under the present industrial and global scenario. The Board proposes for the payment of remuneration to Mr. Deepak Dhanak, Managing Director, for a further period of 3 years w.e.f. 2<sup>nd</sup> March 2020, as per the details stated in explanatory statement of Item No. 5 of the Notice.

**(5) Remuneration proposed:** By way of Salary and Perquisites (hereinafter referred to as "remuneration") at a maximum ceiling of Rs. 1 Crore (Rupees One crores only) per annum as the context may require. Salary to include basic salary, allowances, variable pay and performance linked awards. The Board of Directors during the term of appointment, may, within the overall ceiling, fix such remuneration with such increment and vary the same from time to time, as it may, in its sole discretion, deem appropriate after taking into consideration all the relevant factors.

The specific terms of appointment including remuneration payable to Mr. Deepak Dhanak as Managing Director and other main terms and conditions of the appointment are as under:

**Basic Salary:** ₹ 2,13,748/- (Rupees Two lac thirteen thousand and seven hundred and forty eight only) per month with such revision as the Board may approve from time to time.

**Bonus/ Variable pay:** As per the Company's policy on variable pay.

**Perquisites:**

**Car:** The car benefit allowance of ₹ 2,43,000 p.a.

**Medical :** Medi-Claim Insurance as per the policies of the Company.

**Leave Travel Concession :** As per applicable policy of the Company.

**Leave Encashment :** As per applicable policy of the Company, if any.

**Others :** Cost of mobile phone and internet connection will be reimbursed by the Company in accordance with the policy of the Company. Personal Accident Insurance and other perquisites, which are applicable to senior management personnel of the Company, shall also apply to Mr. Deepak Dhanak.

**Other Allowances:** Supplementary allowance of ₹ 2,17,132 per month., flexi allowance of ₹ 5,300 per month and Superannuation allowance of ₹ 32,062 per month. In addition, other allowances may be paid as decided by the Board from time to time.

**Retiral Benefits :** Contribution to the Company's Provident Fund and Superannuation Fund and/or Annuity Fund in accordance with the Rules and Regulations governing the said funds. Gratuity will be payable in accordance with the Rules of the Company.

**Leave:** Mr. Deepak Dhanak will be entitled to leave on full pay as per applicable Rules of the Company.

**Sitting Fees:** Mr. Deepak Dhanak shall not be entitled to any Sitting Fees for attending the Meetings of the Board of Directors or Committees thereof.

The total Cost to Company (CTC) shall not exceed ₹ 1,00,00,000/- per annum w.e.f 2<sup>nd</sup> March 2020 inclusive of all perquisites and all statutory contributions to Provident Fund, Gratuity, etc as applicable.

**Minimum Remuneration:** In the event of loss or inadequacy of profits in any year during the tenure of his office Mr. Deepak Dhanak, he shall be paid the total CTC not exceeding Rs. 1,00,00,000/- per annum as above as minimum remuneration subject to the provisions of Schedule V to the Companies Act, 2013 as amended from time to time

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).** In the past few years, the remuneration of Senior Executives in the industry in general has gone up manifold. The remuneration proposed to be paid to the Managing Director is purely based on merit. Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration in line with the industry benchmarks in general, profile and responsibilities of Mr. Deepak Dhanak before approving the remuneration as proposed hereinabove.

(7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** None

**III. Other information:**

(1) **Reasons of loss or inadequate profits:** Due to Ongoing COVID 19 pandemic situation and lockdown in March and April 2020, the Company has seen an overall decline in the profits coupled with slowdown in automotive sector which the Company largely operates into, thereby has resulted in inadequate profits.

(2) **Steps taken or proposed to be taken for improvement:** Several customers are examining to de-risk their supply chains, including moving some of their production and operations out of China coupled by the focus of Make in India, however it is yet to be seen which industries and applications move to India. This may present an opportunity for accelerated growth. However, it is still early days and is yet to be seen how things finally pan out. Further the Company is also reviewing the cost optimization wherever possible to ensure business profitability is maintained and have a sustainable growth year over year.

(3) **Expected increase in productivity and profits in measurable terms:** With the current business portfolio, we are largely operating in the area of Automotive, Consumer & Industrial and Thermoplastic Additives. In Automotive, we are beginning to see some improvements in levels of demand, however it is expected that we will take time to get back to pre-covid levels with an expected organic growth of 8-10% year over year.

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

The information as regards Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed hereinafter and forms part of this notice.

The Board of Directors recommends the Special Resolution as set out in Item No. 5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mr. Deepak Dhanak (DIN: 03157491), and his relatives, are interested and / or concerned in passing of the Special 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.

The Company enters into transaction with the said company which may be material in nature. 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 with DDP Speciality Electronics materials US, LLC in one or more tranches for financial year 2020-21 and period of 5 financial years 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 Electronics materials US, LLC
	Nature of Relationship	Fellow subsidiary
	Name of interested Director(s)/ KMPs	None
1.	Sale, purchase of materials	11.00

**Terms and conditions:**

1. 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 2020-21 at a remuneration of Rs.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 an Ordinary Resolution.

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

**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](mailto:compliance.officer@multibaseindia.com)

Website: [www.multibaseindia.com](http://www.multibaseindia.com)

CIN:L01122DD1991PLC002959

Date: 27<sup>th</sup> August, 2020

Place: Mumbai

**By order of the Board of Directors**

**Sunaina Goraksh**  
Company Secretary



**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	RT Paullin	Bharti Dhar	Krishan Phophalia
Type	Executive Director	Non-Executive Director	Independent Director	Non-executive Director
Date of Birth	05/06/1972	02/12/1964	27/06/1966	18/05/1976
Date of Appointment	29/06/2010	25/06/2020	15/02/2020	01/04/2019
Qualification	B.Tech Chemical. MDBA	Bachelor in Mechanical Engineering	Commerce graduate and a qualified Cost and Management Accountant	Chartered Accountant
No. of Equity Shares held	1	NIL	NIL	NIL
Experience (including expertise in specific functional area)/ Brief Resume / Qualification	Mr. Deepak 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.	Mr. RT Paullin is currently the Vice President, Business Operations for the Transportation and Industrial Business in DuPont. He has an experience of over 30 years. He has held leadership roles in a variety of business units, including electronic materials, adhesives, acrylic monomers, epoxy and ethylene/ethylene derivatives.  His key experiences include operations management (primarily high hazard processes), global supply chain management, business management (P&L), continuous improvement (6 sigma/lean), program management for mergers, capital investment/plant engineering, and new product launches.	Ms. Bharti Dhar has rich and varied experience of 29 years. Her long working career has given her exposure and deep insight to the functioning of Government as well as Corporate sector. She is an Executive Director(Founder) in Vitasta Consulting Pvt. Ltd. a professional HR services organization. She has an expertise to understand the macro aspects of any industry coupled with innovative approach. Her strong intuitiveness coupled with empathy, patience, tenacity, her ability to break down silos has helped her stand through as a successful entrepreneur.	Mr. Krishan Phophalia Kumar is a Chartered accountant by profession with over 18+ years of track record and diverse experience in Finance. He is currently Service Delivery Leader – Accounting at DuPont.  He 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.  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, Controllership, Service Delivery Leader for Accounting and Reporting.

Name of Director	Deepak Dhanak	RT Paullin	Bharti Dhar	Krishan Phophalia
Terms and Conditions of Appointment/ Reappointment	As per the Nomination and Remuneration Policy of the Company as placed on the Company's website	As per the Nomination and Remuneration Policy of the Company as placed on the Company's website	As per the Terms and Conditions of Appointment of Independent Directors as placed on the Company's website <a href="http://www.multibaseindia.com">www.multibaseindia.com</a>	As per the Nomination and Remuneration Policy of the Company as placed on the Company's website
Shareholding in the Company	1	Nil	Nil	Nil
Directorships held in other Companies	None	None	Nitco Limited-Independent Director	None
Particulars of Committee Chairmanship / Membership held in other Companies	None	None	Audit Committee -Nitco Limited-Member  Stakeholder Relationship Committee-Nitco Limited-Member	None
Relationship with other Directors inter-se	None	None	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:**

- For other details, such as number of Board Meetings attended during the year, remuneration drawn etc., please refer to Corporate Governance Report.
- Pursuant to SEBI Listing Regulations, 2015, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered.

## REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To The Members,

Your Directors are pleased to present the 29<sup>th</sup> Annual Report together with Audited Financial Statements of your Company for the Financial Year ended March 31, 2020.

(₹ In Lacs)

FINANCIAL RESULTS	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>Profit before Depreciation</b>	<b>1,091.80</b>	2,265.22
Depreciation	<b>95.88</b>	87.51
<b>Profit before Tax</b>	<b>995.92</b>	2,177.71
Provision for tax	<b>241.93</b>	642.19
<b>Profit after Tax</b>	<b>753.99</b>	1,535.52
Balance brought forward from previous year	<b>8,544.25</b>	7,008.73
<b>Balance carried forward to Balance Sheet</b>	<b>9,298.24</b>	8,544.25

### OPERATIONS

During the year under review, the Company has reported significantly lower gross revenue from the operations of ₹ 5977.61 lacs as against ₹ 10993.96 lacs during F.Y. 2018-19. Accordingly, the Company has reported Profit Before Tax of ₹ 995.92 lacs and Profit After Tax of ₹ 753.99 lacs as against ₹ 2177.71 lacs and ₹ 1535.52 lacs respectively for the previous financial year. As informed earlier, this drop in gross revenue is on account of discontinuation of Antifoam Product with effect from April 1, 2019 as a consequence of global restructuring.

The gross revenue of Company's products such as Thermoplastic Elastomers, Silicon Masterbatch, Automotive, dropped by 18% as compared to gross comparable revenues in previous financial year. The decline in revenue has been primarily due to overall slowdown in the automotive market, loss of volume in some product applications due to local competition and low tender roll outs in telecom in FY 2019-20.

### DIVIDEND

Considering the current Covid-19 situation and its impact assessment on short term and long term on business your Directors have thought it prudent to conserve the resources for the future and not to declare any dividend on Equity Shares for the year ended March 31, 2020.

### 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.

### REVISION OF FINANCIAL STATEMENT

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

### BOARD OF DIRECTORS

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 1<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024 by the Shareholders of the Company by way of Postal Ballot.

Ms. Latha Gopinathan Nair (DIN: 08389056) and Mr. Krishan Phophalia Kumar (DIN: 08395171) were appointed as Additional Directors with effect from 1<sup>st</sup> April, 2019 and Mr. John Francis Singer (DIN: 08416391) was appointed as an Additional Director with effect from 29<sup>th</sup> May, 2019. The Shareholders at their Annual General Meeting held on 26<sup>th</sup> September, 2019 appointed them as Non-Executive & Non Independent Directors of the Company.

Mr. Angad Singh Kalsi (DIN: 07597128) was appointed as an Additional Director with effect from 1<sup>st</sup> April 2019. He subsequently resigned from the Company's Board with effect from 29<sup>th</sup> May, 2019 due to his pre-occupancy with other assignments.

Mr. Deepak Dhanak (DIN 03157491) was re-appointed as the Managing director of the Company for a further period of three years with effect from 2<sup>nd</sup> March, 2020. The resolution seeking shareholders' approval for his re-appointment are included in the Notice of 29<sup>th</sup> Annual General Meeting of the Company.

Ms. Latha Nair (DIN 08389056) resigned from the Company's Board with effect from 15<sup>th</sup> February, 2020 due to her pre-occupancy with other assignments. The Board places on record its appreciation for the valuable services rendered by Ms. Latha Nair, during her tenure as a Director of the Company.

Ms. Bharti Dhar, (DIN: 00442471) was appointed as an Additional Director (Non-executive and Independent) of the Company for a period of five years with effect from 15<sup>th</sup> February 2020 and shall hold office as an Additional Director upto the date of ensuing Annual General Meeting of the Company. Based on the recommendation of the Nomination and Remuneration Committee, it is proposed to recommend to the shareholder the appointment of Ms. Bharti Dhar as Director at the ensuing Annual General Meeting of the Company.

Mr. RT Paullin, (DIN: 08759596) was appointed as an Additional Director (Non-executive) of the Company with effect from 25<sup>th</sup> June 2020 and shall hold office as an Additional Director upto the date of ensuing Annual General Meeting of the Company. Based on the recommendation of the Nomination and Remuneration Committee, it is proposed to recommend to the shareholder the appointment of Mr. RT Paullin as Director at the ensuing Annual General Meeting of the Company.

Mr. John Francis Singer (DIN: 08416391) resigned from the Company's Board with effect from 25<sup>th</sup> June, 2020 due to his pre-occupancy with other assignments. The Board places on record its appreciation for the valuable services rendered by Mr. John Singer, during his tenure as a Director of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Krishan Phophalia Kumar (DIN: 08395171) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice of the 29<sup>th</sup> Annual General Meeting of the Company.

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

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.

Further, the Board 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 1<sup>st</sup> May 2019.

Apart from the above, no other Director or KMP was/were appointed or had retired or resigned during FY 2019-20. Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31<sup>st</sup> March 2020 are:

Mr. Deepak Dhanak-Managing Director, Mr. Pankaj Holani-Chief Financial Officer and Ms. Sunaina Goraksh-Company Secretary.

Brief particulars and expertise of Directors seeking appointment / re-appointment 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. Further, all the Independent Directors of the Company have complied with the Code for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 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 31 March 2020 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 26<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> 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 26<sup>th</sup> Annual General Meeting until the conclusion of 31<sup>st</sup> 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.

#### **SECRETARIAL STANDARDS**

The Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 as issued by the Institute of Company Secretaries of India.

#### **STATUTORY AUDITORS' REPORT**

The Report of the Statutory Auditors on the Company's Accounts for the year ended March 31, 2020 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 2019-20.

Accordingly, your Company appointed M/s. B. F. Modi & Associates, Cost Accountants as Cost Auditors for financial year 2019-20

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 2020-21. The Company has appointed M/s B F Modi & Associates, Cost Accountants (Firm Registration No. 100604) as Cost Auditors of the Company for the financial year 2020-21. The remuneration as fixed by the Board of Directors is required to be ratified by members at the ensuing Annual General Meeting of the Company.

The Board of Directors recommends the ratification of the Cost Auditor's remuneration at the ensuing Annual General Meeting of the Company.

#### **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. Mr. Krishan Phophalia was appointed as the member of the Audit Committee with effect from 1<sup>st</sup> April, 2019. 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 Rs.28.83 lacs under Social & Economic development Education and Prime Minister relief fund for CSR activity of the Company.

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 31<sup>st</sup> March, 2020, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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; and
- 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](http://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 February 13, 2020.

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](http://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**

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 six Board Meetings and five 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 17 and

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 safeguarded properly.

## **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 employee's 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.

## Annual Report 2019-2020 .....

### 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](http://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 2019-20 NIL

No. of complaints disposed off during Financial Year 2019-20 NIL

No. of complaints pending as on 31<sup>st</sup> March, 2020 NIL

### GREEN INITIATIVES:

Electronic copies of Annual Report 2019-20 are sent to all members whose email addresses are registered with the Company/depository participant(s). Pursuant to the applicable provisions of the Companies Act, 2013, Rules made there under and General Circular No. 20/2020 dated 5<sup>th</sup> May 2020 issued by Ministry of Corporate Affairs, Notice of 29<sup>th</sup> Annual General Meeting along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories, no physical copies of Notice of Annual General Meeting and Annual Report will be sent to any Member.

### 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:

- a) 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.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) 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](mailto:compliance.officer@multibaseindia.com)

Website: [www.multibaseindia.com](http://www.multibaseindia.com)

CIN: L01122DD1991PLC002959

Date : 27<sup>th</sup> August 2020

Place : Mumbai

## ANNEXURE I TO DIRECTORS' REPORT

### FORM NO MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[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: 442/2020-21

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, 2020 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, 2020 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, 2020;
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable for the financial year ended March 31, 2020;
- 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, 2020;
- 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, 2020;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not applicable for the financial year ended March 31, 2020; 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 Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

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. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

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**  
**UDIN: F008021B000623416**  
**CP 8978; FCS 8021**  
**PR 400/2016**

**Place: Mumbai**

**Date: 27<sup>th</sup> August 2020**

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**  
**UDIN: F008021B000623416**  
**CP 8978; FCS 8021**  
**PR 400/2016**

**Place: Mumbai**

**Date: 27<sup>th</sup> August 2020**



## 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.

The CSR policy is available on the Company's website <http://www.multibaseindia.com/financial-result/policies.htm>

**2. Composition of CSR committee:**

As on date, the members of the CSR Committee are Mr. Harish Narendra Motiwalla (Chairman of Committee & Non-executive Independent Director), Mr. Ashok Chhabra (Non-executive Independent Director) and Mr. Deepak Dhanak (Managing Director).

**3. Average Net Profit of the Company for last three financial years: ₹ 23,98,48,966**

**4. Prescribed CSR expenditure (2 % of the amount as per item 3 above): ₹ 47,96,979**

**5. Details of CSR spent during the financial year:**

a. Total amount spent for the financial years: ₹ 28,82,979

b. Amount unspent, if any: ₹ 19,14,000

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

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.	Contributing towards the Creche facility for children of migrant worker	Social & economic development	Kachigram, Daman	₹ 1,50,000	₹ 1,50,000	₹ 1,50,000	₹ 1,50,000 (Through implementing agency-Sath NGO)
2.	Providing education facilities by setting up school for autistic children	Education, Social & economic development	Dunetha, Daman	₹ 19,07,068	₹ 7,43,068	₹ 7,43,068	₹ 7,43,068 (Through implementing agency-Dinbandhu Welfare trust)
3.	Eat right program for promoting importance of nutrition to children	Education, Preventive Healthcare	Mumbai, Maharashtra, Daman	₹ 15,00,000	₹ 7,50,000	₹ 7,50,000	₹ 7,50,000 (Through implementing agency-Hriday Foundation)
4.	Prime Ministers relief fund	PM relief fund	NA	₹ 12,39,911	₹ 12,39,911	₹ 12,39,911	12,39,911 (Directly by 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 ₹ 28,82,979/- under education, health care, social and economic development and PM relief fund for CSR activity of the Company during the financial year. During the year the Company has short spent an amount of ₹ 19,14,000/-.

The estimated projects were delayed due to the circumstances created in the last quarter of financial year 2019-20 due to Covid-19 pandemic. Hence the amount of ₹ 19,14,000/- remains unspent for the financial year 2019-20.

Out of this an amount of ₹ 11,64,000 (approximately) is carried forward to the next year for the ongoing project 'PRAYAS' and ₹ 7,50,000 towards the Eat right foundation activity or such other activity as may be considered appropriate.

Further, the ongoing COVID-19 pandemic, may further cause a delay in implementation of the CSR projects of the Company during the financial year 2020-21.

**7. The implementation and monitoring of CSR policy is 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 : 27<sup>th</sup> August 2020

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, HR, 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, 2020, which were not at arm's length basis.

**Details of material contracts or arrangement 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, 2020 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 ₹ 103,925,169	12.02.2019	Not applicable

**For Multibase India Limited**

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

**Deepak Dhanak**  
Managing Director  
DIN: 03157491

Place: Mumbai

Date: 27<sup>th</sup> August 2020

## 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 2019-20, 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. 2019-20 #	% increase/decrease in the remuneration for financial year 2019-20#	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	66.40	*(0.01%)	9.29	Profit before tax decreased by 54.09% and profit after tax decreased by 50.9%
2.	Mr. Pankaj Holani	Chief Financial Officer	38.94	NA**	NA**	
3.	Ms. Sunaina Goraksh	Company Secretary	28.02	17.94%	3.92	

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

\*This is due to reduction in variable pay received for the year 2019-20

\*\*Appointed w.e.f 1<sup>st</sup> May 2020

- II. The median remuneration of employees during the financial year was ₹ 714,076
- III. There were 24 permanent employees on the rolls of the Company as on March 31, 2020
- IV. In the financial year there was an increase of 9.76% in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2019-20 was 9.70% and average increase in the managerial remuneration w.r.t Mr. Deepak Dhanak for the financial year 2019-20 was 10%.
- 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 in soil and additional rain water @ 80KL stored in fire water tank. The company has replaced lights with LED lights. This has reduced the electricity consumption and the Company installed 30KWp capacity roof top solar plant, which helps to reduce carbon emission of 48 MT / Year, as well cost saving approximately of ₹ 2,25,000 yearly. The Company also installed RO Plant and the recycled water is used for cooling tower.
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 also plans for solar lighting for street lights. Weekly offs at the plant are adjusted based On advance notice of power staggering received from the Electricity Department. This has resulted in saving of approximately 2000 Liters of fuel. The company has identified high efficiency blender which will reduce 25% electrical consumption for blending.
3)	the capital investment on energy conservation equipment's;	The Company has replaced the old Ribbon blender 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 ribbon blender with a new one which has resulted in electricity savings and also improved quality and performance. The Selection of AC motor instead of DC Motor for the M70W, will reduce the electricity cost and maintenance cost .
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)

	<b>FY 2019-20</b>	<b>FY 2018-19</b>
Actual foreign exchange earnings	<b>477.06</b>	337.47
Actual foreign exchange outgo	<b>2,003.40</b>	6214.67

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

As on the financial year ended on March 31, 2020

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 - 2019				Shareholding at the end of the year - 2020				% 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)									
	<b>Sub Total (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>

## Annual Report 2019-2020 .....

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	<b>Foreign</b>									
(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
	<b>Sub Total (A)(2)</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.0000</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.0000</b>	<b>0.0000</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.0000</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.0000</b>	<b>0.0000</b>
(B)	<b>PUBLIC SHAREHOLDING</b>									
[1]	<b>INSTITUTIONS</b>									
(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	1,40,282	0	1,40,282	1.1116	1,75,278	0	1,75,278	1.3889	0.2773
(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)									
	<b>Sub Total (B)(1)</b>	<b>1,40,282</b>	<b>0</b>	<b>1,40,282</b>	<b>1.1116</b>	<b>1,75,278</b>	<b>0</b>	<b>1,75,278</b>	<b>1.3889</b>	<b>0.2773</b>
[2]	Central Government/ State Government(s)/ President of India									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
[3]	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	15,22,145	4,24,177	19,46,322	15.4225	15,87,521	3,98,182	19,85,703	15.7346	0.3121
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,31,191	0	4,31,191	3.4167	4,34,595	0	4,34,595	3.4437	0.0270
(b)	NBFCs registered with RBI	1,341	0	1,341	0.0106	881	0	881	0.0070	-0.0036
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	198	0	198	0.0016	198	0	198	0.0016	0.0000
	Hindu Undivided Family	1,17,301	0	1,17,301	0.9295	1,23,584	0	1,23,584	0.9793	0.0498
	Non Resident Indians (Non Repat)	55,203	1,53,500	2,08,703	1.6537	44,733	1,50,500	1,95,233	1.5470	-0.1067
	Non Resident Indians (Repat)	1,08,705	0	1,08,705	0.8614	98,190	0	98,190	0.7781	-0.0833
	Office Bearers	30	111	141	0.0011	27	6	33	0.0003	-0.0008
	Clearing Member	48,648	0	48,648	0.3855	5,053	0	5,053	0.0400	-0.3455
	Bodies Corporate	1,49,374	2,800	1,52,174	1.2058	1,33,458	2800	1,36,258	1.0797	-0.1261
	<b>Sub Total (B)(3)</b>	<b>24,34,136</b>	<b>5,80,588</b>	<b>30,14,724</b>	<b>23.8885</b>	<b>24,28,240</b>	<b>5,51,488</b>	<b>29,79,728</b>	<b>23.6112</b>	<b>-0.2773</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>25,74,418</b>	<b>5,80,588</b>	<b>31,55,006</b>	<b>25.0000</b>	<b>26,03,518</b>	<b>5,51,488</b>	<b>31,55,006</b>	<b>25.0000</b>	<b>0.0000</b>
	<b>Total (A)+(B)</b>	<b>1,20,39,412</b>	<b>5,80,588</b>	<b>1,26,20,000</b>	<b>100.0000</b>	<b>1,20,68,512</b>	<b>5,51,488</b>	<b>1,26,20,000</b>	<b>100.0000</b>	<b>0.0000</b>
(C)	Non Promoter - Non Public									
[1]	(C1) Shares Underlying DRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>(C2) Shares Held By Employee Trust</b>									
	<b>Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>Total (A)+(B)+(C)</b>	<b>1,20,39,412</b>	<b>5,80,588</b>	<b>1,26,20,000</b>	<b>100.0000</b>	<b>1,20,68,512</b>	<b>5,51,488</b>	<b>1,26,20,000</b>	<b>100.0000</b>	

ii. SHAREHOLDING OF PROMOTERS

Sr. No.	NAME OF THE SHAREHOLDER	Shareholding at the beginning of the year-2019			Shareholding at the end of the year-2020			% 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
	<b>Total :</b>	<b>9,464,994</b>	<b>75</b>	<b>0</b>	<b>9,464,994</b>	<b>75</b>	<b>0</b>	<b>0</b>

iii. CHANGE IN SHAREHOLDING OF PROMOTERS: NIL

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	9,464,994	75	NA	NIL	9,464,994	75
	<b>AT THE END OF THE YEAR</b>					<b>9,464,994</b>	<b>75</b>

iv. Shareholding Pattern of Top Ten Shareholders

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	<b>DIPAK KANAYALAL SHAH</b>	<b>1,35,150</b>	<b>1.07</b>			<b>1,35,150</b>	<b>1.07</b>
	Transfer			12 Jul 2019	850	1,36,000	1.08
	Transfer			26 Jul 2019	93	1,36,093	1.08
	Transfer			02 Aug 2019	200	1,36,293	1.08
	Transfer			09 Aug 2019	500	1,36,793	1.08
	Transfer			30 Aug 2019	207	1,37,000	1.09
	Transfer			22 Nov 2019	1,000	1,38,000	1.09
	Transfer			20 Mar 2020	2,000	1,40,000	1.11
	Transfer			27 Mar 2020	190	1,40,190	1.11
	<b>AT THE END OF THE YEAR</b>					<b>1,40,190</b>	<b>1.11</b>
2	<b>GYMKHANA PARTNERS L.P.</b>	<b>97,061</b>	<b>0.77</b>			<b>97,061</b>	<b>0.77</b>
	Transfer			05 Apr 2019	8,085	1,05,146	0.83
	Transfer			03 May 2019	5,154	1,10,300	0.87
	Transfer			10 May 2019	4,884	1,15,184	0.91
	Transfer			17 May 2019	9,016	1,24,200	0.98
	Transfer			21 Jun 2019	8,400	1,32,600	1.05
	Transfer			27 Dec 2019	-3,225	1,29,375	1.03
	<b>AT THE END OF THE YEAR</b>					<b>1,29,375</b>	<b>1.03</b>
3	<b>RAMESHWAR NATH PANDEY</b>	<b>10,049</b>	<b>0.08</b>			<b>10,049</b>	<b>0.08</b>
	Transfer			07 Jun 2019	1,200	11,249	0.09
	Transfer			21 Jun 2019	7,251	18,500	0.15
	Transfer			05 Jul 2019	500	19,000	0.15
	Transfer			12 Jul 2019	5,000	24,000	0.19
	Transfer			02 Aug 2019	6,000	30,000	0.24
	Transfer			<b>09 Aug 2019</b>	<b>3,109</b>	<b>33,109</b>	<b>0.26</b>

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
	Transfer			16 Aug 2019	1,950	35,059	0.28
	Transfer			23 Aug 2019	1,900	36,959	0.29
	Transfer			25 Oct 2019	1,850	38,809	0.31
	Transfer			22 Nov 2019	142	38,951	0.31
	Transfer			06 Dec 2019	1,210	40,161	0.32
	Transfer			20 Dec 2019	1,877	42,038	0.33
	Transfer			03 Jan 2020	900	42,938	0.34
	Transfer			21 Feb 2020	8,500	51,438	0.41
	Transfer			28 Feb 2020	700	52,138	0.41
	Transfer			20 Mar 2020	330	52,468	0.42
	Transfer			31 Mar 2020	615	53,083	0.42
	<b>AT THE END OF THE YEAR</b>					<b>53,083</b>	<b>0.42</b>
<b>4</b>	<b>NOMURA SINGAPORE LIMITED ODI</b>	<b>43,221</b>	<b>0.34</b>			<b>43,221</b>	<b>0.34</b>
	Transfer			07 Jun 2019	4,886	48,107	0.38
	Transfer			14 Jun 2019	99	48,206	0.38
	Transfer			10 Jan 2020	-2303	45,903	0.36
	<b>AT THE END OF THE YEAR</b>					<b>45,903</b>	<b>0.36</b>
<b>5</b>	<b>ASHIESH VITHAL BHATIA</b>	<b>31,129</b>	<b>0.25</b>			<b>31,129</b>	<b>0.25</b>
	Transfer			12 Jul 2019	-702	30,427	0.24
	<b>AT THE END OF THE YEAR</b>					<b>30,427</b>	<b>0.24</b>
<b>6</b>	<b>PHARMASYNTH FORMULATIONS LTD.</b>	<b>28,363</b>	<b>0.22</b>			<b>28,363</b>	<b>0.22</b>
	<b>AT THE END OF THE YEAR</b>					<b>28,363</b>	<b>0.22</b>
<b>7</b>	<b>NALINI T VASSA</b>	<b>28,000</b>	<b>0.22</b>			<b>28,000</b>	<b>0.22</b>
	<b>AT THE END OF THE YEAR</b>					<b>28,000</b>	<b>0.22</b>
<b>8</b>	<b>PAN EMAMI COSMED LTD</b>	<b>26,543</b>	<b>0.21</b>			<b>26,543</b>	<b>0.21</b>
	<b>AT THE END OF THE YEAR</b>					<b>26,543</b>	<b>0.21</b>
<b>9</b>	<b>PARUL PATEL</b>	<b>23,010</b>	<b>0.18</b>			<b>23,010</b>	<b>0.18</b>
	<b>AT THE END OF THE YEAR</b>					<b>23,010</b>	<b>0.18</b>
<b>10</b>	<b>SAMIT R. BHARTIA</b>	<b>21,506</b>	<b>0.17</b>			<b>21,506</b>	<b>0.17</b>
	<b>AT THE END OF THE YEAR</b>					<b>21,506</b>	<b>0.17</b>
<b>11</b>	<b>MURUGU SELVAN K</b>	<b>41,326</b>	<b>0.33</b>			<b>41,326</b>	<b>0.33</b>
	Transfer			05 Apr 2019	2,074	43,400	0.34
	Transfer			17 May 2019	-3,100	40,300	0.32
	Transfer			14 Jun 2019	-800	39,500	0.31
	Transfer			21 Jun 2019	600	40,100	0.32
	Transfer			29 Jun 2019	5,400	45,500	0.36
	Transfer			05 Jul 2019	-34,500	11,000	0.09
	Transfer			12 Jul 2019	-11,000	0	0.00
	<b>AT THE END OF THE YEAR</b>					<b>0</b>	<b>0.00</b>



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
12	ANGEL FINCAP PRIVATE LIMITED	25,957	0.21			25,957	0.21
	Transfer			05 Apr 2019	25	25,982	0.21
	Transfer			12 Apr 2019	20	26,002	0.21
	Transfer			03 May 2019	-10	25,992	0.21
	Transfer			10 May 2019	-293	25,699	0.20
	Transfer			17 May 2019	-196	25,503	0.20
	Transfer			24 May 2019	-21,803	3,700	0.03
	Transfer			07 Jun 2019	-6	3,694	0.03
	Transfer			14 Jun 2019	-7	3,687	0.03
	Transfer			21 Jun 2019	-545	3,142	0.02
	Transfer			29 Jun 2019	-4	3,138	0.02
	Transfer			05 Jul 2019	1	3,139	0.02
	Transfer			12 Jul 2019	8	3,147	0.02
	Transfer			19 Jul 2019	-4	3,143	0.02
	Transfer			26 Jul 2019	1	3,144	0.02
	Transfer			09 Aug 2019	-27	3,117	0.02
	Transfer			23 Aug 2019	-9	3,108	0.02
	Transfer			30 Aug 2019	-3,108	0	0.00
	AT THE END OF THE YEAR					0	0.00

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) (31.03.2020)	1	0	1	0
2	Krishan Phophalia (At the end of the year or on the date of separation) (31.03.2020)	0	0	0	0
3	Latha Nair (At the end of the year or on the date of separation) (15.02.2020)	0	0	0	0
3	Angad Kalsi (At the end of the year or on the date of separation) (29.05.2019)	0	0	0	0
4	Harish N Motiwalla (At the end of the year or on the date of separation) (31.03.2020)	0	0	0	0
5	Ashok Chhabra (At the end of the year or on the date of separation) (31.03.2020)	0	0	0	0
6	Bharti Dhar (At the end of the year or on the date of separation) (31.03.2020)	0	0	0	0
7	Pankaj Holani (At the end of the year or on the date of separation) (31.03.2020)	0	0	0	0
8	Sunaina Goraksh (At the end of the year or on the date of separation) (31.03.2020)	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
	<b>Total(i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	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
	<b>Total(i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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	66,40,772	66,40,772
	(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
	<b>Total</b>	<b>66,40,772</b>	<b>66,40,772</b>
	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 <sup>th</sup> 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
<b>1</b>	<b>Independent Directors</b>		
	For attending Board/committee meetings	Harish Motiwalla	8,80,000
		Ashok Chhabra	8,80,000
		Bharti Dhar	NA
	Commission		NIL
	Others, please specify		NIL
	<b>Total (1)</b>		<b>17,60,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Name of Directors</b>	<b>Total Amount (₹)</b>
	For attending Board/committee meetings	Krishan Phophalia	0
		Latha Nair	0
		Angad Kalsi	0
		John Singer	0
	Commission		NIL
	Others, please specify		NIL
	<b>Total (2)</b>		<b>0</b>
	<b>Total (1+2)</b>		<b>17,60,000</b>
	Total managerial remuneration		<b>66,40,772</b>
	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	Pankaj Holani	Sunaina Goraksh
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,94,557	28,02,309
	(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
	<b>Total</b>	<b>38,94,557</b>	<b>28,02,309</b>

**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)
<b>A. COMPANY</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment					
Compounding					

## MANAGEMENT DISCUSSION AND ANALYSIS

### BACKGROUND & INDUSTRY OUTLOOK

In the Financial year 2019-20, there were signs that the economy was beginning to recover after the NBFC crisis earlier in the year, particularly in Q4. However, in the last 2 weeks of March 2020 the impact of COVID-19 hit us in India. With the lockdown being announced in the end of March 2020 all industrial / manufacturing activity came to standstill and has barely recovered. The month of April 2020 and part of May 2020, there was virtually no economic activity excluding essential services. Since then, there has been some improvement but it is a far cry from normal levels of industrial output and consumption that we have seen.

The geo-political standoff between India and China has also played a role in further uncertainty in the market.

Business has been adversely impacted both on account of the COVID-19 situation and the geo-political standoff with China.

### BUSINESS & FINANCIAL REVIEW

With the current business portfolio, we are largely operating in the area of Automotive, Consumer & Industrial and Thermoplastic Additives. All these areas were adversely impacted on account of the industrial shutdown during the lockdown and also reduced demand on account of the economic impact of the lockdowns.

During the year under review, the Company reported gross revenue from operations of ₹ 5,977.61 Lac as against ₹ 10,993.96 Lacs during the FY 2018-19. The Company reported Profit before Tax of ₹ 995.92 Lac and Profit after Tax of ₹ 753.99 Lac as against ₹ 2,177.71 Lac and ₹ 1,535.52 Lac respectively for the previous Financial year

### KEY FINANCIAL RATIOS AS ON 31<sup>ST</sup> MARCH, 2020

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	2019-20	2018-19
Inventory turnover	4.18	3.68
Debtors turnover	3.95	5.20
Assets turnover	0.56	1.01
Current ratio	12.61	9.63
Debt equity ratio	0.09	0.12
Gross profit (%)	33.92	30.75
Net profit margin (%)	12.61	13.97

### The reason for variation in key ratios are as under:

**Current ratio:** Increase is primarily due to reduction in inventory and debtors by 32.7% & 35.7% respectively due to liquidation of existing inventory and better collections for FY 2019-20 and thereby resulting in increase in cash.

**Assets Turnover:** The decrease is due to reduction in sales due to discontinuation of antifoam product and thereby leading to increase in surplus cash and the entire surplus cash is invested in fixed deposits held with bank.

### OPPORTUNITIES AND THREATS

In general, there is an expected contraction in the GDP (percentage terms) of India on account of the lockdowns, triggered by the COVID-19 pandemic. This would also lead to more pressure on the financial stability of some industries and lead to a longer and more prolonged recovery.

In Automotive, we are beginning to see some improvements in levels of demand, however it is expected that we will take time to get back to pre-covid levels.

Several customers are examining to de-risk their supply chains, including moving some of their production and operations out of China coupled by the focus of Make in India. However, it is still early days and is yet to be seen how things finally pan out.

Another or several mini / region-wise lockdowns due to an exponential increase in COVID-19 cases in India, is a possible threat to demand and supply scenario.

### RISKS AND CONCERNS

The biggest uncertainty impacting demand and supply of our products at this point in time is the timing of the recovery of the industry due to the uncertainty of when India will see the peak of COVID19, when will an effective vaccine be available and what would be the final economic impact of the protracted slowdown.

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 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 an 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 improve 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.

## Business Responsibility Report

### Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L01122DD1991PLC002959
2.	Name of the Company	Multibase India Limited
3.	Registered address	74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T)
4.	Website	www.multibaseindia.com
5.	Email id	compliance.officer@multibaseindia.com
6.	Financial year reported	2019-20 (for the year ended 31 <sup>st</sup> March 2020)
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	20133
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet)	TPO, Thermoplastic elastomer and Silicon masterbatch
9.	Total number of locations where business activity is undertaken by the Company  Number of international locations (Provide details of major five) Number of national locations	The Company is carrying out business activity across all States of Union of India with its manufacturing facility in Daman  Major international locations where business activities are undertaken include Korea, Singapore and Thailand
10.	Markets served by the Company - Local / State / National / International	Multibase serves both National and International markets

### Section B: Financial Details of the Company

1.	Paid up Capital of the Company	₹ 1262.00 lacs
2.	Total turnover	₹ 5,977.61 lacs
3.	Total profit after tax	₹ 753.99 lacs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Total CSR expenditure required to be spent was 2% of average net profits (before tax) of the company made during the three immediately preceding financial years. The details of CSR activities are provided in Annexure II to Director's Report
5.	List of activities in which expenditure in four above was incurred:	During the year the company has spent an amount of ₹ 28.83 lacs under Social & Economic development, education, promoting health care and Prime Minister relief fund for CSR activity of the Company

### Section C: Other Details

1.	Does the Company have any Subsidiary Company / Companies?	No
2.	Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	Not applicable
3.	Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No

**Section D: BR Information**

1.	Details of Director / Directors responsible for BR		
	a)	Details of the Director / Directors responsible for the implementation of the BR policy / policies	Managing Director
		DIN	03157491
		Name	Deepak Dhanak
		Designation	Managing Director
	b)	Details of the BR head:	Managing Director
		Name	03157491
		Designation	Deepak Dhanak
		Telephone No.	02606614400
		E-mail ID	compliance.officer@multibaseindia.com

## 1. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

Sr. No	Principal wise Policies
1.	Does the Company have a policy/policies for the principles? - Yes
P1	This forms part of the Code of Conduct of the Company.
P2	The policy is part of the Code of Conduct of the Company.
P3	This principle is covered under various policies of the Company, namely Code of Conduct for all employees and Prevention of Sexual Harassment.
P4	The Company does not have a specific policy, however certain aspects of this principle forms part of the CSR policy.
P5	This forms part of the Code of Conduct of the Company.
P6	This forms part of the Code of Conduct of the Company and Company's CSR policy.
P7	The Company does not have a separate policy. It works with collective platforms, such as trade and industry chambers and associations, to raise matters with the relevant government bodies, if required.
P8	The Company has a CSR policy.
P9	The Company does not have a specific policy. This forms part of the Code of Conduct of the Company.

*Note: Multibase India Limited being part of DuPont DeNemours Inc. (erstwhile DowDuPont) follows the core values namely Safety and Health, Protect the Planet, Respect for People and Highest Ethical Behavior. These core values form part of the Code of Conduct of the Company.*

Sr. No	Principle wise policies	P1	P2	P3	P5	P5	P6	P7	P8	P9
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards?  These policies have been framed keeping in view the goals of the organization and the economic environment of the operations of the Company	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director?	Y	Y	N	Y	Y	Y	N	Y	Y

Sr. No	Principle wise policies	P1	P2	P3	P5	P5	P6	P7	P8	P9
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link to view the policy online?	<a href="http://www.multibaseindia.com/policies.php">http://www.multibaseindia.com/policies.php</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement its policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2. If answer to question at Sr. No. 1 against any principle, is 'No', please explain why? (Tick up to two options)

Sr. No	Principle wise policies	P1	P2	P3	P5	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next six months									
5.	It is planned to be done within next one year									
6.	Any other reason (please specify)									

3. Governance related to BRR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO or the policy owner assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	In case if there are any incidents under the Code of conduct, whistle blower policy or prevention of sexual harassment at workplace the same has to be reported to the Audit Committee / Board. However there have been no such instances reported during the year. All the other policies are reviewed by the policy owners every 3 years.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	The BRR is applicable to the Company for the financial year 2019-20. Accordingly, the report is published in the Annual report for FY 2019-20 and also is available on the website of the company <a href="http://www.multibaseindia.com">www.multibaseindia.com</a>

**Section E: Principle wise Performance**

**Principle 1: Ethics, Transparency and Accountability**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?	<p>The Company has a separate code of conduct for the Board of Directors and Senior Management of the Company. An annual confirmation affirming compliance with the Code of Conduct is obtained from the Board members and senior management every year</p> <p>The company also has a Whistle Blower Policy where the employees can report violation of code of conduct or law or questionable Accounting or Auditing matters by any employee/director in the company, leak of a unpublished price sensitive information (UPSI) or any suspected leak of UPSI unethical behavior, malpractices, fraud or violation of the company's policies to the Chairman of Audit Committee.</p> <p>Being part of the global Multibase group and DuPont DeNemours Inc., your Company is in addition guided by the DuPont policies related to Ethics, Code of Conduct and Compliance, which ensures practice of ethical business practices in normal course of operations. The DuPont Code of conduct (Ethics and Business Conduct) is applicable not only to the employees, but it also extends to all our business associates as well. This policy provides a platform to these stakeholders for reporting suspected unethical behavior, malpractices, wrongful conduct, fraud, violation of the Company's Policies including Code of Ethics and Conducts, violation of law without fear of retaliation and help in eliminating any kind of wrongful conduct in the system. The policy also includes wrongful conduct with respect to discrimination or sexual harassment.</p> <p>It is a must for every employee to follow ethical professional conduct in their day to day activities. All employees have to read and understand this code and undertake annual trainings and agree to abide by it.</p>
2.	How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	<p>There were 5 stakeholder complaints received and resolved by the company and mostly were related to non-receipt of share certificates, annual reports.</p>

## **Principle 2: Product Lifecycle Sustainability**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	Thermoplastic Elastomer grades ('TPE grades') are used as a material for air bags for ensuring safety of human beings. Also, the company is exploring opportunities for usage of TPE grades in internal parts of e-vehicles.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	The resources used for manufacturing the products is uniform throughout. There are no additional resources.  The company has replaced lights with LED lights. This has reduced the electricity consumption and the Company installed 30KWp capacity roof top solar plant, helps to reduce carbon emission of 48 MT / Year, as well cost saving approximately of Rs. 2,25,000 yearly. The Company also installed RO Plant and the recycled water is used for cooling tower.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so	The Company over the years, has worked towards embedding sustainability throughout its inbound supply chain and will continue to do so. Sustainability is an integral part of our business and value chain. In the area of ethical sourcing, we avoid any conflict of interests as well as we discourage the use of forced labour and child labour at our business associates' premises.
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	All machine and maintenance related spare parts are procured from local suppliers. The local suppliers are developed by providing our technical inputs and suggested designs to improve the performance and efficiency of their products.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	Less than 1% waste is generated.  The process generated waste and laboratory generated waste is recycled and converted to a product which can be used in door stoppers, handles.

## **Principle 3: Employee Wellbeing**

Businesses should promote the wellbeing of all employees

1.	Total number of employees.	24
2.	Total number of employees hired on temporary / contractual / casual basis	25
3.	Total number of permanent women employees	1
4.	Total number of permanent employees with disabilities	0
5.	Do you have an employee association that is recognized by the Management?	No
6.	What percentage of your permanent employees are members of this recognised employee association?	NA
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	0
8.	What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year?	100%



#### Principle 4: Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1.	Has the Company mapped its internal and external stakeholders? Yes / No	Yes. We recognize employees, communities surrounding our operations, business associates (network of suppliers and dealers), customers, shareholders/investors and regulatory authorities as our key stakeholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes, the Company has identified the underprivileged communities in and around its plant and business locations. The Company conducts various activities, which upholds its philosophy and values towards underprivileged communities and serving the wider interests of society through CSR activities. This helps in social and economic development of the communities.
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	<p>The Company contributes in community development through CSR activities.</p> <p>Development and deployment of need-based community programmes in the areas of health, education, skill development, sanitation, as part of corporate social responsibility (CSR) initiatives. Some of the initiatives taken during the financial year are towards:</p> <ol style="list-style-type: none"> <li>1. Socio-Economic development</li> <li>2. Education</li> <li>3. PM relief fund</li> </ol>

#### Principle 5: Human Rights

Businesses should respect and promote human rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Human rights are given utmost respect and promoted in the Company. These rights are covered in the Code of Conduct (Ethics & Business Conduct) and various human resource practices and policies. Equal opportunity is given to all the employees of the Company based on merits. The safety and health of employees is of utmost importance. The Company treats its employees with dignity, apart from maintaining a congenial work environment free from all sorts of harassment (physical, verbal or psychological). We also prohibit the use of child labour, forced or compulsory labour at our units and discourage the same with our business associates.
2.	How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	No complaint was received pertaining to human rights violation during the financial year.

### Principle 6: Environmental Management

Businesses should respect, protect, and make efforts to restore the environment

1.	Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Environment and Pollution control policy is applicable to the Company.
2.	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.	Protecting the Planet is one of the core values of the Company. The details of the initiatives undertaken are provided in the Conservation of Energy and Technology Absorption' in the Annexure 'VI' to the Directors' Report.
3.	Does the Company identify and assess potential environmental risks? Y / N	Yes
4.	Project(s) related to Clean Development Mechanism	There are no special projects under Clean Development Mechanism
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.	The company has replaced lights with LED lights. This has reduced the electricity consumption and the Company installed 30KWp capacity roof top solar plant, helps to reduce carbon emission of 48 MT / Year, as well cost saving approximately of Rs. 2,25,000 yearly. The Company also installed RO Plant and the recycled water is used for cooling tower. The details of the initiatives undertaken are provided in the Conservation of Energy and Technology Absorption' in the Annexure 'VI' to the Directors' Report.
6.	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Our operations falls under the green zone. Hence we do not generate any emissions and hazardous wastes.
7.	Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	NIL

### Principle 7: Public Advocacy

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Does the Company represent in any trade and chambers/ association? If yes, name only those major ones that the Company deals with	The Company is member of All India Plastics Council ('PLEX')
2.	Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles and others)	No

### Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	The Company has adopted the CSR policy. During the year under review the focus under the CSR activities was towards socio-economic development, healthcare and education.
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	The Company has conducted various CSR activities during the year through external NGOs.
3.	Has the Company done any impact assessment for its initiative?	No
4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	During the year the Company contributed an amount of ₹ 28.83 lacs towards CSR activities  The company contributed in setting up creche facility In Daman for children of migrant workers thus allowing them to work.  The Company also set up a school for autistic children in Daman in order to provide the requisite education and skill development of such children. The Company also promoted a nutrition literacy programme 'Eat Right'. The CSR initiatives of the Company are provided in detail at the end of the Annual Report
5.	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words	The company keeps track of its project and has a monitoring mechanism

### Principle 9: Value for Customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?	NIL
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	The Company ensures that it adheres to proper labelling content and safety protocols.
3.	Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so	No cases are filed.
4.	Did the Company carry out any consumer survey / consumer satisfaction trends?	Customer satisfaction is of prime importance for any business. The employee personnel interact with the customers frequently to understand their experience and feedback on the products.

## 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 DuPont DeNemours Inc., your Company is in addition guided by the DuPont 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, 3 (Three) Independent Directors including 1 (One) Independent Woman director, 2 (Two) Non-executive directors. 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, 2020:

Sr. No.	Name of the Director	Category	No. of Board Meeting during the tenure of Directors in FY 2019-20		Attendance at the last AGM held on 26.09.2019	Directorship in other public companies	Committee position held in other public companies	
			Held	Attended			Chairman	Member
1.	Mr. Deepak Dhanak Managing Director (DIN: 03157491)	Executive, Managing Director	6	6	Yes	-	-	-
2.	Mr. Harish Narendra Motiwalla (DIN: 00029835)	Independent Non-executive Chairman	6	6	Yes	7	5	3
3.	Mr. Ashok Chhabra (DIN: 00059677)	Independent Non-executive	6	6	Yes	-	-	-
4.	Ms. Bharti Dhar (DIN: 00442471) (w.e.f 15 <sup>th</sup> February 2020)	Independent Non-executive	NA	NA	NA	1	-	2
5.	Krishan Phophalia Kumar (DIN: 08395171)	Non-Executive	6	4	Yes	-	-	-

Sr. No.	Name of the Director	Category	No. of Board Meeting during the tenure of Directors in FY 2019-20		Attendance at the last AGM held on 26.09.2019	Directorship in other public companies	Committee position held in other public companies	
			Held	Attended			Chairman	Member
6.	John Singer (DIN: 08416391) (w.e.f 29 <sup>th</sup> May, 2019)	Non-Executive	4	0	No	-	-	-
7.	Ms. Latha Nair (upto 15 <sup>th</sup> February, 2020)	Non-Executive	6	5	Yes	-	-	-
8.	Mr. Angad Singh Kalsi (upto 29 <sup>th</sup> May, 2019)	Non-Executive	2	1	NA	-	-	-

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 held Directorship in more than 20 Companies (Public or Private), 10 public Companies, 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. None of the Directors serves as Independent Director in more than 7 listed Companies.

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 2019-20, the Board of Directors of your Company met 6 times on 30/04/2019, 29/05/2019, 05/08/2019, 26/09/2019, 12/11/2019 and 13/02/2020.

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) None of the Directors are related to each other.

v) 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.

vi) 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 2019-20.

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](http://www.multibaseindia.com)

vii) **Particulars of Directorship of other companies**

Sr. No.	Name of Director	Name of Company	Position
1.	H N Motiwala	Excel Industries Limited	Independent Director
		Ashapura Minechem Limited	Independent Director
		Hi-Tech Corporation Limited	Independent Director
		Gujarat Organics Limited	Independent Director
		Balkrishna Paper Mills Ltd	Independent Director

Sr. No.	Name of Director	Name of Company	Position
		Ashapura International Limited	Independent Director
		Orient Abrasive Limited	Independent Director
		Ashapura Perfoclay Limited	Independent Director
2.	Ashok Chhabra	Signet Chemical Corporation Private limited	Independent Director
3.	Bharti Dhar	Nitco Limited	Independent Director
		Vitasta Consulting Private Limited	Executive Director

vii. (a) 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 organization 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.
- **Operations management:** Overseeing an organization's daily business activities. They are responsible for managing its resources, developing and implementing an operational plan and ensuring that procedures are carried out properly.
- **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.

All the directors have the requisite skills, expertise and competence required for the effective functioning of the Board

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.

**Following is the name of Directors who have above mentioned skills/expertise/competence**

Sr.	Name of Director	Skills/ Expertise/ Competence
1.	Mr. Deepak Dhanak (DIN: 03157491)	Operations management, General Management and Governance
2.	Mr. Harish Narendra Motiwalla (DIN: 00029835)	Finance and Accounting Skills, General Management and Governance
3.	Mr. Ashok Chhabra (DIN: 00059677)	Legal and Compliance, General Management and Governance, Finance and Accounting Skills



Sr.	Name of Director	Skills/ Expertise/ Competence
4.	Ms. Bharti Dhar (DIN: 00442471) (w.e.f 15 <sup>th</sup> February 2020)	General Management and Governance, Human Resource Development
5.	Krishan Phophalia Kumar (DIN: 08395171)	Finance and Accounting Skills, General Management and Governance
6.	John Singer (DIN: 08416391) (w.e.f 29 <sup>th</sup> May, 2019, resigned w.e.f 25 <sup>th</sup> June 2020)	Global Business, General Management and Governance
7.	RT Paullin (DIN:08759596) (w.e.f. 25 <sup>th</sup> June 2020)	Global Business, Operations Management, Management and Governance
8.	Ms. Latha Nair (upto 15 <sup>th</sup> February, 2020)	Human Resource Development, General Management and Governance

viii) In the opinion of Board of Directors, the Independent Directors fulfill the conditions specified in Listing regulations and are Independent of the management.

### III. Audit Committee

i) Composition of the Audit Committee, particulars of meetings held and attended during the year 2019-20:

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:

Sr. No	Name	Position Held	Category
1.	Mr. Harish Narendra Motiwalla	Chairman	Non-Executive Independent Director
2.	Mr. Ashok Chhabra	Member	Non-Executive Independent Director
3.	Mr. Krishan Phophalia	Member	Non-Executive Director

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 26<sup>th</sup> September 2019.

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 2019-20:

During the year 2019-20, 5 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				
		30/04/2019	29/05/2019	05/08/2019	12/11/2019	13/02/2020
1.	Mr. Harish Narendra Motiwalla	Present	Present	Present	Present	Present
2.	Mr. Ashok Chhabra	Present	Present	Present	Present	Present
3.	Mr. Krishan Phophalia	Present	Present	Present	Absent	Absent

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:

- a) 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.
- b) 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 2019-20:**

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

Sr. No	Name	Position Held	Category
1.	Mr. Ashok Chhabra	Chairman	Non-Executive Independent Director
2.	Mr. Harish Narendra Motiwalla	Member	Non-Executive Independent Director
3.	Mr. Krishan Phophalia	Member	Non-Executive Director

The Company Secretary acts as the Secretary to the Committee.

During the year 2019-20, 3 meetings of the Nomination and Remuneration Committee were held and attended by the members as per the details given below:

Sr. No	Name	Meetings / Attendance		
		30/04/2019	29/05/2019	13/02/2020
1.	Mr. Harish Narendra Motiwalla	Present	Present	Present
2.	Mr. Ashok Chhabra	Present	Present	Present
3.	Mr. Krishan Phophalia	Present	Present	Absent

**ii) Terms of reference:**

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,

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

1. Carry out evaluation of every director's performance as per the criteria laid down.
2. 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
3. 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.
4. recommend to the board, all remuneration, in whatever form, payable to senior management.
5. Formulate the criteria for evaluation of independent directors and the Board.
6. Devise a policy regarding observance of principles of diversity in the composition of the Board.
7. 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 2019-20, Mr. Deepak Dhanak, Managing Director was paid ₹ 66.47 Lac as Salary. He does hold 1 equity share in the Company as on March 31, 2020. On 13<sup>th</sup> February 2020 he was re-appointed as the Managing Director for a period of 3 years commencing from 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 2019-20 and the number of equity shares held by them is as follows:

<b>Name</b>	<b>Relationship between Directors inter-se</b>	<b>Sitting fees paid for Board Meetings and Committee Meetings (In ₹)</b>	<b>Number of Equity Shares held in MIL as on March 31, 2020</b>
Mr. Harish Narendra Motiwalla	-	8,80,000	NIL
Mr. Ashok Chhabra	-	8,80,000	NIL
Ms. Latha Nair (upto 15 <sup>th</sup> February, 2020)	-	NIL	NIL
Mr. Krishan Phophalia	-	NIL	NIL
Mr. John Singer	-	NIL	NIL
Ms. Bharti Dhar (w.e.f. 15 <sup>th</sup> February 2020)	-	NIL	NIL
Mr. Angad Singh Kalsi (upto 29 <sup>th</sup> May, 2019)	-	NIL	NIL

**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, 2020 comprises of following members:

Sr. No	Name	Position Held	Category
1.	Mr. Ashok Chhabra	Chairman	Non-Executive Independent Director
2.	Mr. Harish Narendra Motiwalla	Member	Non-Executive Independent Director
3.	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  
 82, 83, 8<sup>th</sup> 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 2019-20:**

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 2019-20, four meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance			
		29/05/2019	05/08/2019	12/11/2019	13/02/2020
1.	Mr. Ashok Chhabra	Present	Present	Present	Present
2.	Mr. Harish Narendra Motiwalla	Present	Present	Present	Present
3.	Mr. Deepak Dhanak	Present	Present	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 2019-20 is as follows:

Nature of Complaints	No. of complaints at the beginning of the year 01/04/2019	Number of Complaints Received 01/04/2019 to 31/03/2020	Number of Complaints Resolved 01/04/2019 to 31/03/2020	No. of complaints pending at the end of the year 31/03/2020
Non-Receipt of Rep/Spl/Con/Dup	0	1	1	0
Non-Receipt of Rejected DRF	0	1	1	0
Non-Receipt of Share Certificate(s) - Transfer	0	1	1	0
Non receipt of stickers for change in the name of the company	0	1	1	0
Others	1	1	2	0
<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>0</b>

**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, 2020 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 2019-20, 3 meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance		
		05/08/2019	12/11/2019	13/02/2020
1.	Mr. Harish Narendra Motiwalla	Present	Present	Present
2.	Mr. Ashok Chhabra	Present	Present	Present
3.	Mr. Deepak Dhanak	Present	Present	Present

**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 as of March 31, 2020 comprises of following members:

Name	Position Held	Category
Mr. Deepak Dhanak	Chairman	Managing Director
Ms. Latha Nair*	Member	Non-Executive Director
Mr. Krishan Phophalia	Member	Non-Executive Director

\* Resigned w.e.f February 15, 2020

The Company Secretary acts as the Secretary to the Committee.

During the year 2019-20, 19 meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance									
		12/04/2019	25/04/2019	23/05/2019	10/06/2019	18/06/2019	25/06/2019	05/07/2019	24/07/2019	31/07/2019	05/08/2019
1.	Mr. Deepak Dhanak	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
2.	Ms. Latha Nair *	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
3.	Mr. Krishan Phophalia	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent

\* Resigned w.e.f February 15, 2020

Sr. No.	Name of Member	Meetings / Attendance								
		26/09/2019	10/10/2019	14/10/2019	24/10/2019	05/11/2019	28/11/2019	04/12/2019	29/01/2019	16/03/2019
1.	Mr. Deepak Dhanak	Present	Present	Present	Present	Present	Present	Present	Present	Present
2.	Ms. Latha Nair *	Present	Present	Present	Present	Present	Present	Present	Present	Present
3.	Mr. Krishan Phophalia	Present	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent

\* Resigned w.e.f February 15, 2020

### 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 13, 2020 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](http://www.multibaseindia.com)



## IX. General Body Meetings

### i) Details of last three Annual General Meetings (AGM):

Financial year	AGM No.	Day & Date	Venue	Time
2018-19	28 <sup>th</sup>	Thursday, 26 <sup>th</sup> September 2019	Hotel Reevanta, Tin Batti, Devka Road, Nani Daman – 396210 (U.T)	11.00 a.m.
2017-18	27 <sup>th</sup>	Thursday, 6 <sup>th</sup> September 2018	Hotel Reevanta, Tin Batti, Devka Road, Nani Daman – 396210 (U.T)	11.00 am
2016-17	26 <sup>th</sup>	Tuesday, 25 <sup>th</sup> July 2017	Hotel Reevanta, Tin Batti, Devka Road, 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
28 <sup>th</sup>	1	Continuation of the term of Mr. Harish Motiwalla (DIN 00029835) being the age of 75 year, as an Independent Director of the Company.
27 <sup>th</sup>	0	None
26 <sup>th</sup>	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

### iii) Details of resolutions passed through Postal Ballot:

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

- Re-appointment of Mr. Harish Motiwalla (DIN 00029835) as an Independent Director of the Company.
- 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 were 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, 2020 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) During last 3 years ending on March 31, 2020 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 2019-20 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 behavior 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](http://www.multibaseindia.com)

**b) Other information**

Important official news, if any is also posted on the Company's website [www.multibaseindia.com](http://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](mailto:compliance.officer@multibaseindia.com)

**xv) CEO/CFO Certificate:**

The CEO/CFO Certificate for the year ended March 31, 2020 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 June 25, 2020

**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, 2020 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 31<sup>st</sup> March, 2020 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:**

The Company has laid down "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" ("the Code") in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"), SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2019 ("The PIT Regulations"), SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 ("The PIT Regulations") and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 ("The PIT Regulations").

The Code is applicable to all Insiders of the Company including the Promoters, Member of Promoter's Group, Directors, Designated Persons and immediate relatives of Directors and Designated Persons.

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

All the Codes and Policy mentioned above are available on the Company's website.

## Annual Report 2019-2020 .....

### xxi) General Shareholders Information:

#### a) Annual General Meeting

Date : 29<sup>th</sup> September 2020  
 Time : 11.00 a.m.  
 Venue : Audio Video conference

#### b) Financial year 2020-21 (tentative schedule)

##### Quarter Results

Ending on June 30, 2020 : August 2020  
 Ending on September 30, 2020 : November 2020  
 Ending on December 31, 2020 : February 2021  
 Year ended March 31, 2021 : May 2021

AGM is proposed to be held on 29<sup>th</sup> September 2020.

- c) Date of Book Closure : Wednesday, 23<sup>rd</sup> September 2020 to Tuesday, 29<sup>th</sup> September 2020(Both days inclusive)
- d) Dividend Payment date : Not applicable
- e) Listing on Stock Exchange : BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

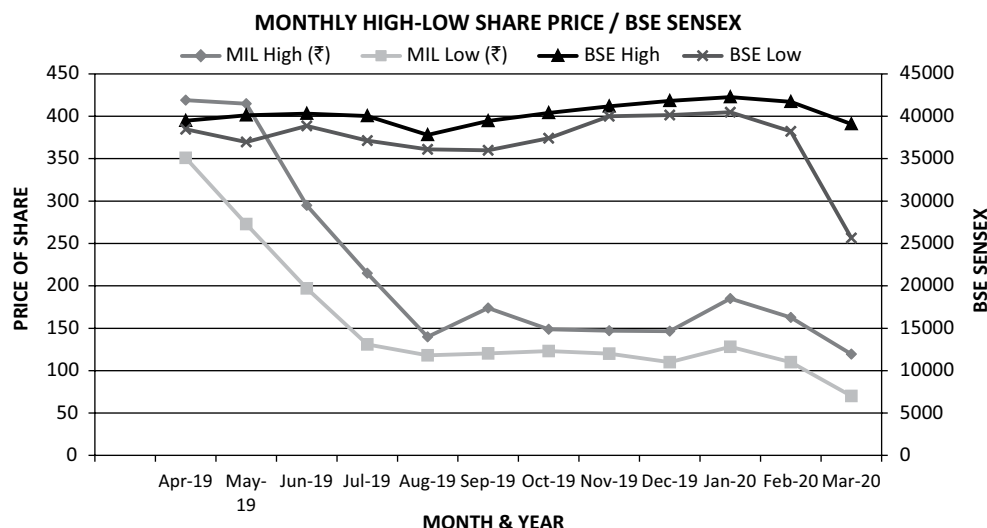
The Annual Listing fees for the year 2020-21 has been fully paid within stipulated time.

- 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 2019	419.00	351.00	393.00	55,565	39,487.45	38,460.25
May 2019	414.90	273.00	297.85	1,96,936	40,124.96	36,956.10
June 2019	295.00	197.00	212.55	2,31,135	40,312.07	38,870.96
July 2019	214.80	130.90	131.20	2,37,775	40,032.41	37,128.26
August 2019	139.95	118.10	122.45	1,00,500	37,807.55	36,102.35
September 2019	173.95	120.25	137.55	1,67,582	39,441.12	35,987.80
October 2019	148.75	123.00	147.10	1,09,105	40,392.22	37,415.83
November 2019	147.10	120.00	125.00	68,721	41,163.79	40,014.23
December 2019	146.40	110.00	128.70	1,02,065	41,809.96	40,135.37
January 2020	185.00	128.00	152.40	1,92,050	42,273.87	40,476.55
February 2020	162.70	109.95	110.80	2,09,335	41,709.30	38,219.97
March 2020	119.5	70.00	83.55	1,44,994	39,083.17	25,638.90

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

MIL Share Price and Sensex Movement (For FY 2019-20) 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](mailto:rnt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://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) Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account: Not applicable

## m) Distribution of shareholding as on March 31, 2020:

Equity Shares held	No. of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1 to 500	7857	90.23	9,42,572	7.47
501 to 1000	433	4.97	3,44,003	2.73
1001 to 2000	213	2.45	3,15,255	2.50
2001 to 3000	76	0.87	1,88,673	1.49
3001 to 4000	28	0.32	1,01,638	0.81
4001 to 5000	32	0.37	1,46,341	1.16
5001 to 10000	36	0.41	2,78,737	2.21
10001 to 9999999999	33	0.38	1,03,02,781	81.63
<b>TOTAL :</b>	<b>8,708</b>	<b>100.00</b>	<b>1,26,20,000</b>	<b>100.00</b>

## Shareholding pattern as on March 31, 2020:

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding	No. Shares Pledged or otherwise encumbered	Percentage of Shares Pledged
A Promoters' Holding					
1 Promoters					
Indian	-	-	-	-	-
Foreign	1	94,64,994	75.00	-	-
B Public Shareholding					
2 Foreign Institutional Investors				-	-
3 Foreign Portfolio investors	2	1,75,278	1.39		
4 Non Institutional Investors					
a. Bodies Corporate	77	1,36,258	1.08	-	-
b. Indian Public	7934	24,20,298	19.18	-	-
c. Any other					
1. Clearing Member	15	5,053	0.04	-	-
2. Office Bearer	14	33	0.00	-	-
3. NRIs	98	98,190	0.78	-	-
4. NRN	181	1,95,233	1.55	-	-
5. Hindu Undivided Family	242	1,23,584	0.98	-	-
6. NBFCs registered with RBI	1	881	0.01		
7. Trust	1	198	0.00		
<b>Total</b>	<b>8,566</b>	<b>1,26,20,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

## n) 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 20<sup>th</sup> 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](mailto:rnt.helpdesk@linkintime.co.in), website: [www.linkintime.co.in](http://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.

**o) Dematerialization of shares and liquidity:**

SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018, stated that requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1<sup>st</sup> 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, 2020, 95.63% of outstanding Equity shares of the Company are held in dematerialized form.

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

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

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

**r) 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](mailto:compliance.officer@multibaseindia.com)  
  
Compliance Officer  
Ms. Sunaina Goraksh  
82,83, 8<sup>th</sup> 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](mailto:compliance.officer@multibaseindia.com)

Mumbai, 27<sup>th</sup> August 2020

**For and on behalf of the Board**

<b>H. N. Motiwalla</b>	<b>Deepak Dhanak</b>
Non-Executive Chairman	Managing Director
DIN: 00029835	DIN: 03157491



**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](http://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, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the company 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.	Krishan Kumar Phophalia	08395171	01/04/2019
5.	Angad Singh Kalsi*	07597128	01/04/2019
6.	Latha Nair**	08389056	01/04/2019
7.	John Francis Singer	08416391	29/05/2019
8.	Bharti Pradeep Dhar	00442471	15/02/2020

\*Resigned w.e.f. May 29, 2019

\*\*Resigned w.e.f. February 15, 2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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.**  
**UDIN: F008021B000623383**

Place: Mumbai  
Date: 27<sup>th</sup> August 2020

**Dhrumil M Shah**  
Practising 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](http://www.multibaseindia.com)

All the Board members and Senior Management Personnel have affirmed compliances with the code for the year ended 31<sup>st</sup> March 2020

Daman, 25<sup>th</sup> June 2020

**Deepak Dhanak**  
Managing Director

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## **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 31<sup>st</sup> March, 2020.

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.**  
**UDIN: F008021B000623361**

Place: Mumbai  
Date: 27<sup>th</sup> August 2020

**Dhrumil M Shah**  
Practicing Company Secretary  
CP 8978; FCS 8021  
PR 400/2016

## 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 2020, 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 2020, 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

The key audit matter	How the matter was addressed in our audit
<p>Revenue of the Company mainly comprises of Thermoplastic Elastomer and Silicone Masterbatch to its customers.</p> <p>Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. This requires detailed analysis of each sales order regarding timing of revenue recognition.</p> <p>Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. This may result in revenue being overstated because of risk pressure to achieve performance targets or meeting external expectations.</p> <p>Accordingly, timing of recognition of revenue is a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Assessing the Company's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods;</li> <li>Performing testing on selected statistical samples of customer contracts. Checked terms and condition related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on cut-off samples to verify only revenue pertaining to current year is recognized based on terms and conditions set out in sales contracts and delivery documents.</li> <li>Assessing manual journal entries to identify unusual entries.</li> </ul>

### 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 on the financial statements.

### 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.

## 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 and Board of Directors' 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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

1. 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.
2. (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 1 April 2020

taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 2020 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 were no amounts which were 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 2020.
- (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: June 25, 2020

Membership No. 105234

UDIN: 20105234AAAAAU6930

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

(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 a program of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program all the fixed assets were verified during the year and 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 have 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 Companies Act, 2013 ("the Act"). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- 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 paragraph 3 (iv) of the Order is not applicable to the Company.
- 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, paragraph 3 (v) of the Order is 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 of India 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, Goods and Service tax, Cess and other material statutory dues have been generally 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, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2020 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, Goods and Service tax, Income Tax and Sales tax which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	2.55 lakhs	2016 – 2017	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	1.61 lakhs	2010-11	Commissioner Appeals



- viii. In 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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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 to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties which are in compliance with the provisions of Sections 177 and 188 of the Act. The details

of such related party transactions have been disclosed in the financial statements as required under 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. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- 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 them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- 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 to the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Farhad Bamji**

Partner

Place: Mumbai

Membership No. 105234

Date: 25 June 2020

UDIN: 20105234AAAAAU6930

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

on the financial statements of Multibase India Limited for the period ended 31 March 2020

### Report on the internal financial controls with reference to the aforesaid 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 2020 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 2020, 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 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: 25 June 2020

Membership No. 105234

UDIN: 20105234AAAAAU6930

**BALANCE SHEET AS AT MARCH 31, 2020**

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

	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,076.12	978.10
Capital work-in-progress	3	29.50	6.10
Financial assets:			
Loans	4	14.64	12.95
Non-current tax assets (net)	5	141.43	152.24
Other non-current assets	6	4.72	64.43
<b>Total non-current assets</b>		<b>1,266.41</b>	<b>1,213.82</b>
<b>Current assets</b>			
Inventories	7	1,149.87	1,707.96
Financial assets:			
Trade receivables	8	1,184.58	1,842.76
Cash and cash equivalents	9	7,952.75	4,898.68
Loans	10	-	1,063.76
Other financial assets	11	30.65	4.40
Other current assets	12	72.31	365.05
<b>Total current assets</b>		<b>10,390.16</b>	<b>9,882.61</b>
<b>TOTAL ASSETS</b>		<b>11,656.57</b>	<b>11,096.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,262.00	1,262.00
Other equity	14	9,429.01	8,659.62
<b>Total equity</b>		<b>10,691.01</b>	<b>9,921.62</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities:			
Other financial liabilities	15	1.00	2.00
Deferred tax liability (net)	16	64.47	65.82
Employee Benefit Obligations	17	75.99	80.91
<b>Total non-current liabilities</b>		<b>141.46</b>	<b>148.73</b>
<b>Current liabilities</b>			
Financial liabilities:			
Trade Payables			
Due to micro and small enterprises	18	12.87	55.26
Due to others	18	765.00	835.40
Other current liabilities	19	44.32	132.00
Employee Benefit Obligations	20	1.91	3.42
<b>Total current liabilities</b>		<b>824.10</b>	<b>1,026.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,656.57</b>	<b>11,096.43</b>
<b>Significant accounting policies</b>	1 - 2		
<b>Notes to the financial statements</b>	3 - 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's Registration No :101248W/W-100022

**Farhad Bamji**

Partner

Membership No : 105234

Place : Mumbai

Date : June 25, 2020

**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 : June 25, 2020

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income</b>			
Revenue from operations	21	5,977.61	10,993.96
Other income	22	437.43	307.98
<b>Total income</b>		<b>6,415.04</b>	<b>11,301.94</b>
<b>Expenses</b>			
Cost of materials consumed	23	2,557.89	6,542.18
Purchase of stock-in-trade	24	982.94	1,109.36
Changes in inventories of finished goods and stock-in-trade	25	408.98	(125.83)
Employee benefit expense	26	510.67	396.00
Depreciation expenses	27	95.88	87.51
Other expenses	28	862.76	1,115.01
<b>Total expenses</b>		<b>5,419.12</b>	<b>9,124.23</b>
<b>Profit before tax</b>		<b>995.92</b>	<b>2,177.71</b>
<b>Tax expense</b>			
Current tax	16	243.28	640.61
Deferred tax	16	(1.35)	1.58
<b>Total tax expense</b>		<b>241.93</b>	<b>642.19</b>
<b>Profit for the year (A)</b>		<b>753.99</b>	<b>1,535.52</b>
<b>Other comprehensive income</b>	14		
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of the net defined benefit plans	31	20.58	(4.45)
Income tax related to above		(5.18)	1.30
<b>Other comprehensive income, net of taxes (B)</b>		<b>15.40</b>	<b>(3.15)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>769.39</b>	<b>1,532.37</b>
<b>Earnings per equity share</b>			
Basic and diluted (face value of ₹ 10 each)	40	5.97	12.17
<b>Significant accounting policies</b>	1-2		
<b>Notes to the financial statements</b>	3 - 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's Registration No :101248W/W-100022

**Farhad Bamji**

Partner

Membership No : 105234

Place : Mumbai

Date : June 25, 2020

**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 : June 25, 2020

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**

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

	<b>Year ended March 31, 2020</b>	Year ended March 31, 2019
<b>(A) Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>995.92</b>	2,177.71
<i>Adjustments for:</i>		
Depreciation expense	<b>95.88</b>	87.51
(Profit) on sale of fixed assets (net)	<b>(0.83)</b>	(0.24)
Provision for bad & doubtful debts	<b>34.90</b>	-
Provision for doubtful advances	<b>13.35</b>	-
Interest income	<b>(138.42)</b>	(296.37)
Net unrealised exchange loss/ (gain)	<b>45.75</b>	(31.80)
Provision for Inventory	<b>23.58</b>	-
Liabilities / provisions no longer required written back	<b>(236.00)</b>	-
	<b>(161.79)</b>	(240.90)
<b>Operating profit before working capital changes</b>	<b>834.13</b>	1,936.81
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Decrease in Inventories	<b>534.51</b>	676.88
Decrease in Trade receivables	<b>623.28</b>	540.79
Decrease in Non-current and current financial assets	<b>(1.28)</b>	14.44
Decrease/ (Increase) in Other non current and current assets	<b>288.02</b>	(10.52)
	<b>1,444.53</b>	1,221.59
Adjustments for increase / (decrease) in operating liabilities:		
Increase / (decrease) Trade payables	<b>77.03</b>	(1,943.40)
(Decrease) in Other current liabilities	<b>(87.68)</b>	(57.16)
(Decrease) in Non-current and current financial liabilities	<b>(1.00)</b>	-
Increase in Other non current and current provision	<b>8.97</b>	4.32
	<b>(2.68)</b>	(1,996.24)
Cash generated from operations	<b>2,275.98</b>	1,162.16
Net income tax (paid)	<b>(237.66)</b>	(644.99)
<b>Net cash flow generated from operating activities (A)</b>	<b>2,038.32</b>	517.17

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020 (Contd...)

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>(B) Cash flows from investing activities</b>		
Capital expenditure on PPE, including capital advances	(151.82)	(119.92)
Proceeds from sale of fixed assets	5.40	0.24
Net proceeds/ (investment) in fixed deposits in banks	-	3,000.00
Interest received from others	112.17	296.37
<b>Net cash flow (used in) / Generated from investing activities (B)</b>	<b>(34.25)</b>	<b>3,176.69</b>
<b>(C) Cash flows from financing activities</b>		
Loan Repaid / (given) to other related party	1,050.00	(1,050.00)
<b>Net cash flow from financing activities (C)</b>	<b>1,050.00</b>	<b>(1,050.00)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3,054.07</b>	<b>2,643.26</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,898.68</b>	<b>2,254.82</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7,952.75</b>	<b>4,898.68</b>
	<b>Year ended 31<sup>st</sup> March 2020</b>	<b>Year ended 31<sup>st</sup> March 2019</b>
<b>Notes :-</b>		
1. Cash and cash equivalents for the year ended March 31, 2020		
Cash on hand	-	-
With banks -		
In current accounts	952.75	248.68
In deposit accounts (original maturity of 3 months or less)	7,000.00	4,650.00
	<b>7,952.75</b>	<b>4,898.68</b>

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's Registration No :101248W/W-100022

**Farhad Bamji**

Partner

Membership No : 105234

Place : Mumbai

Date : June 25, 2020

**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 : June 25, 2020

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

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

**(a) Equity share capital**

	March 31, 2020		March 31, 2019	
	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			
	Securities premium	Retained earnings	OCI	Total
<b>Balance as at March 31, 2018</b>	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)
<b>Balance as at March 31, 2019</b>	<b>117.00</b>	<b>8,544.25</b>	<b>(1.63)</b>	<b>8,659.62</b>
<b>Balance as at March 31, 2019</b>	117.00	8,544.25	(1.63)	8,659.62
Profit for the year	-	753.99	-	753.99
Remeasurements of defined benefit liability (asset)	-	-	15.40	15.40
<b>Balance as at March 31, 2020</b>	<b>117.00</b>	<b>9,298.24</b>	<b>13.77</b>	<b>9,429.01</b>

**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.

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's Registration No :101248W/W-100022

**Farhad Bamji**

Partner

Membership No : 105234

Place : Mumbai

Date : June 25, 2020

**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 : June 25, 2020

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)

## **NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

(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 June 25, 2020.

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 17, 20, 31 – measurement of defined benefit obligations: key actuarial assumptions; and
- Notes 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Notes 44 - Going Concern and Impact of COVID-19



## 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***

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	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:

<b>Asset Category</b>	<b>Useful life</b>
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 at 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**

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.

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 are recognized when control of the goods has transferred to our customer and when there are no longer any unfulfilled obligations to the customer. Depending on the contractual terms with the customers,

this can be either at the time of dispatch, delivery or upon formal acceptance by the customer. This is considered the appropriate point where the performance obligations in our contracts are satisfied as the Company no longer have control over the inventory. 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) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Leases as lessee (Assets taken on lease)**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of use assets representing the right to use the underlying assets.

### **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, except for leases where the company has elected to use practical expedient not to separate non lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.6 (d) above.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a



purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

**(m) 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.

**(n) 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.

**(o) 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.

**(p) 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.

**(q) 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, 2020:

(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
<b>Gross carrying amount</b>									
As at April 01, 2019	28.42	198.92	721.33	154.23	45.87	8.41	2.33	1,159.51	6.10
Additions	-	28.64	120.88	-	36.09	12.86	-	198.47	29.50
Deletions/Transfers	-	-	(5.62)	-	-	-	-	(5.62)	(6.10)
<b>As at March 31, 2020</b>	<b>28.42</b>	<b>227.56</b>	<b>836.59</b>	<b>154.23</b>	<b>81.96</b>	<b>21.27</b>	<b>2.33</b>	<b>1,352.36</b>	<b>29.50</b>
<b>Accumulated depreciation</b>									
As at April 01, 2019	-	27.71	69.81	45.21	28.48	8.38	1.82	181.41	-
Depreciation for the year	-	11.18	51.65	18.49	9.73	4.32	0.51	95.88	-
Deletions/Transfers	-	-	(1.05)	-	-	-	-	(1.05)	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>38.89</b>	<b>120.41</b>	<b>63.70</b>	<b>38.21</b>	<b>12.70</b>	<b>2.33</b>	<b>276.24</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>28.42</b>	<b>188.67</b>	<b>716.18</b>	<b>90.53</b>	<b>43.75</b>	<b>8.57</b>	<b>-</b>	<b>1,076.12</b>	<b>29.50</b>

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

Description	Land - freehold	Building	Plant and Machinery	Laboratory Equipment	Office and other Equipment	Computer Systems	Furniture and Fittings	Total	Capital work in progress
<b>Gross carrying amount</b>									
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)
<b>As at March 31, 2019</b>	<b>28.42</b>	<b>198.92</b>	<b>721.33</b>	<b>154.23</b>	<b>45.87</b>	<b>8.41</b>	<b>2.33</b>	<b>1,159.51</b>	<b>6.10</b>
<b>Accumulated depreciation</b>									
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)	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>27.71</b>	<b>69.81</b>	<b>45.21</b>	<b>28.48</b>	<b>8.38</b>	<b>1.82</b>	<b>181.41</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>28.42</b>	<b>171.21</b>	<b>651.52</b>	<b>109.02</b>	<b>17.39</b>	<b>0.03</b>	<b>0.51</b>	<b>978.10</b>	<b>6.10</b>

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

	<b>March 31, 2020</b>	March 31, 2019
<b>Note 4 Loans</b>		
<b>Unsecured, considered good</b>		
Security deposits (at amortised cost)	<b>14.64</b>	12.95
	<b>14.64</b>	12.95
<b>Note 5 Non-current tax assets (net)</b>		
Advance tax net of provision	<b>141.43</b>	152.24
{Provision for tax: INR 1,513.84 lakhs, (March 31, 2019 : INR 2,852.36 lakhs)}	<b>141.43</b>	152.24
<b>Note 6 Other non-current assets</b>		
Capital advances	-	64.43
Prepaid Expense	<b>4.72</b>	-
	<b>4.72</b>	64.43

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

	March 31, 2020	March 31, 2019
<b>Note 7 Inventories (valued at lower of cost and net realisable value)</b>		
Raw materials (including packing materials)	579.20	728.31
{Goods in transit : INR 8.81 lakhs (March 31, 2019 : INR 51.32 lakhs)}		
Finished goods (refer note below)	341.87	517.65
Stock-in-trade		
{Goods in transit : INR 174.83 lakhs (March 31, 2019 : INR 177.37 lakhs)}	228.80	462.00
	<u>1,149.87</u>	<u>1,707.96</u>
The Company follows a suitable provisioning norms for writing down the value of inventories towards slow moving, non moving and surplus inventory. Provision as on March 31, 2019 : INR 99.16 lakhs (March 31, 2019 : INR 75.58 lakhs)		
<b>Note 8 Trade receivables</b>		
Trade Receivables	1,128.90	1,765.58
Receivables from related parties (refer note 32)	90.58	77.18
Less: Loss Allowance	(34.90)	-
	<u>1,184.58</u>	<u>1,842.76</u>
Break-up of Security details		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - unsecured	1,184.58	1,842.76
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	34.90	-
Less: Loss Allowance	(34.90)	-
	<u>1,184.58</u>	<u>1,842.76</u>
<b>Note 9 Cash and cash equivalents</b>		
a) Cash on hand	-	-
b) Balance with banks :		
i) In current account	952.75	248.68
ii) Term deposits (with original maturity of less than three months)	7,000.00	4,650.00
	<u>7,952.75</u>	<u>4,898.68</u>
<b>Note 10 Loans</b>		
Security deposits	13.35	13.76
Less: Loss Allowance	(13.35)	-
Loan to other related parties (refer note 32)	-	1,050.00
	<u>-</u>	<u>1,063.76</u>
<b>Break up of security details</b>		
Loans Considered good - Secured	-	-
Loans Considered good - unsecured	-	1,063.76
Loans which have significant increase in credit risk	13.35	-
Loans - credit impaired	(13.35)	-
<b>Total Loans</b>	<u>-</u>	<u>1,063.76</u>
<b>Note 11 Other financial assets (current)</b>		
Interest accrued on fixed deposits	30.65	4.40
	<u>30.65</u>	<u>4.40</u>

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

	March 31, 2020	March 31, 2019
<b>Note 12 Other current assets</b>		
<b>Considered good</b>		
Advance to vendors	41.81	52.53
Balances due from government authorities	27.78	305.00
Prepaid expenses	2.72	7.52
	<u>72.31</u>	<u>365.05</u>
<b>Note 13 Equity share capital</b>		
<b>Authorised:</b>		
13,000,000 (March 31, 2019: 13,000,000) equity shares of ₹ 10/- each	1,300.00	1,300.00
<b>Issued, subscribed and paid up:</b>		
12,620,000 (March 31, 2019: 12,620,000) equity shares of ₹ 10/- each	1,262.00	1,262.00
	<u>1,262.00</u>	<u>1,262.00</u>

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

Description	March 31, 2020		March 31, 2019	
	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	<u>12,620,000</u>	<u>1,262</u>	<u>12,620,000</u>	<u>1,262</u>

**b) Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 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, 2020		March 31, 2019	
	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, 2020	March 31, 2019
<b>Note 14 Other equity</b>		
<b>Securities premium</b>		
At the commencement and at the end of the year	117.00	117.00
(On 1,800,000 equity shares of ₹ 10/- each issued at a premium of ₹ 6.50/- per share)		
<b>Retained earnings</b>		
Opening balance	8,544.25	7,008.73
Add: Profit for the year	753.99	1,535.52
	<u>9,298.24</u>	<u>8,544.25</u>
<b>Items other than OCI</b>		
<b>Remeasurements of defined benefit liability (asset)</b>		
Opening balance	(1.63)	1.52
Add: Remeasurements of defined benefit liability (asset)	15.40	(3.15)
	<u>13.77</u>	<u>(1.63)</u>
	<u>9,429.01</u>	<u>8,659.62</u>
<b>Note 15 Other financial liabilities (non-current)</b>		
Security deposit (at amortised cost)	1.00	2.00
	<u>1.00</u>	<u>2.00</u>
<b>Note 16 Deferred tax liability (net)</b>		
Deferred tax balances consist of the following:		
(i) Deferred tax assets (net)		
(a) Deductions claimed on payment basis	8.78	4.25
(b) Provision for employee benefits- compensated absences	23.21	24.56
<b>Sub-total (A)</b>	<u>31.99</u>	<u>28.81</u>
(ii) Deferred tax liabilities (net)		
(a) Difference between book balance and tax balance of property, plant and equipment	(96.46)	(94.63)
<b>Sub-total (B)</b>	<u>(96.46)</u>	<u>(94.63)</u>
<b>Deferred tax liability (net) (A-B)</b>	<u>64.47</u>	<u>65.82</u>
<b>Note 17 Employee Benefit Obligations</b>		
Employee Benefit Obligations		
- Gratuity Liability	57.83	48.95
- Compensated Absences	18.16	31.96
	<u>75.99</u>	<u>80.91</u>
<b>Note 18 Trade payables</b>		
Micro and small enterprises *	12.87	55.26
Other trade payables **	765.00	835.40
	<u>777.87</u>	<u>890.66</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 INR 322.65 lakhs (March 31, 2019: INR 321.43 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;		
<b>Particulars</b>		
Principal amount remaining unpaid to any supplier as at the year end	12.87	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		

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

	March 31, 2020	March 31, 2019
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 enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-
<b>Note 19 Other current liabilities</b>		
Balance due to government authorities	44.32	132.00
	<b>44.32</b>	<b>132.00</b>
<b>Note 20 Employee Benefit Obligations</b>		
Employee Benefit Obligations		
- Gratuity Liability	1.46	1.41
- Compensated Absences	0.45	2.01
	<b>1.91</b>	<b>3.42</b>

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Note 21 Revenue from operations</b>		
<b>Sales of products</b>		
Manufacturing sale	4,412.92	9,716.81
Trading sales	1,564.69	1,277.15
	<b>5,977.61</b>	<b>10,993.96</b>
<b>Disaggregation of revenue from contracts with customers</b>		
The Company derives revenue from the sale of products in the following major segments:		
<b>Revenue from contracts with customers:</b>		
<b>Sale of products (Transferred at point in time)</b>		
Manufacturing		
India	4,008.98	9,285.07
Asia (Other than India)	403.94	431.74
(A)	<b>4,412.92</b>	<b>9,716.81</b>
Trading		
India	1,546.99	1,277.15
Asia (Other than India)	17.70	-
(B)	<b>1,564.69</b>	<b>1,277.15</b>
<b>Total Revenue (A) + (B)</b>	<b>5,977.61</b>	<b>10,993.96</b>
<b>Note 22 Other income</b>		
Interest from bank deposits	115.00	295.10
Interest from Intercompany deposit	23.42	1.27
Profit on sale of fixed assets (Net)	0.83	0.24
Other non-operating income	298.18	11.37
	<b>437.43</b>	<b>307.98</b>

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Note 23 Cost of materials consumed</b>		
Opening stock	728.31	1,531.02
Add: Purchases	2,408.78	5,739.47
	3,137.09	7,270.49
Less: Closing stock	579.20	728.31
	2,557.89	6,542.18
<b>Note 24 Purchase of stock-in-trade</b>		
Purchases	982.94	1,109.36
	982.94	1,109.36
<b>Note 25 Changes in inventories of finished goods and work in progress</b>		
Opening Stock :		
Finished goods	517.65	409.53
Stock-in-trade (traded goods)	462.00	444.29
Less:	979.65	853.82
Closing Stock:		
Finished goods	341.87	517.65
Stock-in-trade (traded goods)	228.80	462.00
	570.67	979.65
Changes In Inventories:		
Work in progress	-	-
Finished goods	175.78	(108.12)
Stock-in-trade (traded goods)	233.20	(17.71)
Changes in inventories of finished goods	408.98	(125.83)
<b>Note 26 Employee benefit expense</b>		
Salaries, wages and bonus	453.53	356.64
Contribution to provident fund (refer Note 31)	17.10	16.06
Gratuity expenses (refer Note 31)	10.18	10.19
Staff welfare expenses	9.28	13.11
	490.09	396.00
<b>Note 27 Depreciation expenses</b>		
Depreciation on tangible assets	95.88	87.51
	95.88	87.51
<b>Note 28 Other expenses</b>		
Stores and spares consumed	5.40	7.67
Power, fuel and utilities	67.69	81.92
Service charges	60.70	76.07
Repair and maintenance		
- Building	4.28	8.96
- Plant and machinery	9.70	10.32
- Others	73.10	41.15
Legal, professional and other contractual charges	121.21	117.84
Payments to auditors (refer note below)	14.62	13.85
Printing, stationery and communication charges	28.30	27.20
Rent, rates and taxes	16.31	56.94
Travelling and conveyance	42.56	40.24
Insurance expenses	8.70	23.00
Royalty charges	-	151.88
Support charges	44.19	46.69
Directors' sitting fees	17.60	19.20
Freight outward	204.53	166.22



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

	Year ended March 31, 2020	Year ended March 31, 2019
Bank charges	1.35	4.52
Provision for doubtful trade receivables	34.90	-
Provision for doubtful Advance	13.35	-
Exchange rate variation (net)	59.78	166.31
Advertisement, subscription and membership fees	3.58	2.48
CSR expenses	28.83	36.56
Miscellaneous expenses	2.08	15.99
	<b>862.76</b>	<b>1,115.01</b>
Payments to auditors		
Audit fees	13.50	13.50
Reimbursement of expenses	1.12	0.35
	<b>14.62</b>	<b>13.85</b>

**Note 29 Corporate social responsibility**

The Company has spent INR 28.83 lakhs (March 31, 2019: INR 36.56 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 INR 47.96 lakhs
- 2) Amount spent during the year:

Category	Nature of CSR expense	Year ended March 31, 2020
Social & Economic development	Contribution for creche- to a NGO, Contribution promoting health care including preventinve health care, Promoting Education	16.43
PMNRF	Contribution to Prime Minister National Relief fund	12.40

- 3) Unspent amount of INR 19.13 lakhs pertains to ongoing projects which have been taken up this year and are being carried forward to Financial Year 2020-21.

**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 reporatable 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, 2020	Year ended March 31, 2019
India	5,555.97	10,562.22
Outside India	421.64	431.74
<b>Total</b>	<b>5,977.61</b>	<b>10,993.96</b>

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

### C. Information about major customers

Revenues from three major customers represented approximately INR 1,076.09 lakhs (March 31, 2019: INR 2,326.84 lakhs), INR 1,069.72 lakhs (March 31, 2019: INR 1,213.39 lakhs) and INR 708.23 lakhs (March 31, 2019: INR 829.82 lakhs) of the Company's total revenues.

### Note 31 Employee benefits

#### (A) Defined contribution plans:

The Company recognised INR 17.10 lakhs for the year ended March 31, 2020 (March 31, 2019: INR 16.01 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, 2020. 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, 2020	March 31, 2019
Defined benefit obligation	59.29	50.36
Net defined benefit (obligation)	59.29	50.36

#### 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, 2020	March 31, 2019
Opening balance	50.36	55.19
<u>Included in profit or loss</u>		
Current service cost	6.35	6.05
Past service cost	-	-
Interest cost	3.83	4.14
	10.18	10.19
<u>Included in OCI</u>		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience adjustment	20.58	(4.45)
	20.58	(4.45)
	81.12	60.93
<u>Other</u>		
Contributions paid by the employer		
Benefits paid	(21.83)	(10.57)
Closing balance	59.29	50.36

## ii. Plan assets

	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Discount rate	6.79%	7.60%
Future salary growth	7.00%	7.00%
Rate of employee turnover	30 & Below - 5% 31 to 44 - 3% 45 & Above - 2%	25 & Below - 5% 26 to 35 - 4% 26 to 45 - 3% 46 to 55 - 2% 56 & Above - 1%
Mortality rate	Indian Assured Lives Mortality (2012-14)	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, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(3.32)	3.59	(2.47)	2.65
Future salary growth (0.5% movement)	3.56	(3.33)	2.26	(2.12)
Rate of employee turnover (10% movement)	0.07	(0.07)	0.09	(0.09)

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 14.42 years (March 31, 2019: 10.77 years).

## v. Expected future cash flows

The expected future cash flows in respect of gratuity March 31, 2020 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, 2019.

Expected future benefit payments from the fund	2019-20	2018-19
1 <sup>st</sup> following year	2.99	1.41
2 <sup>nd</sup> following year	1.49	6.67
3 <sup>rd</sup> following year	1.48	1.51
4 <sup>th</sup> following year	1.45	1.57
5 <sup>th</sup> following year	1.44	1.59
Sum of Years 6 to 10	50.44	17.79

**(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 INR 18.62 lakhs (March 31, 2019: INR 33.97 lakhs), as shown under non-current provisions INR 18.16 lakhs (March 31, 2019: INR 31.96 lakhs) and current provisions INR 0.45 lakhs (March 31, 2019: INR 2.01 lakhs). The amount charged to the Statement of Profit and Loss is INR (7.91) lakhs (March 31, 2019 : INR 14.64 lakhs).

**Note 32 Related party disclosures**

**a) List of related parties**

**Related parties where control exists:**

**Ultimate Holding Company**

DowDuPont Inc. (upto May 31, 2019)

DuPont de Nemours Inc. (Effective June 01, 2019)

**Holding Company**

Multibase S.A, France

**Directors and Key Management Personnel (KMP)**

Mr. Deepak Dhanak- Managing Director

Ms. Sunaina Goraksh- Company Secretary

Mr. Pankaj Holani- Chief Financial Officer

Mr. Harish Narendra Motiwalla- Independent Director

Mr. Ashok Faqirchand Chhabra- Independent Director

Ms. Latha Gopinathan Nair - Non Executive Director (Upto Feb 15, 2020)

Ms. Bharti Dhar - Independent Director (Effective Feb 15, 2020)

Mr. Krishan Kumar Phophalia - Non Executive Director

Mr. Angad Singh Kalsi - Non Executive Director (Upto May 29, 2019)

Mr. John Francis Singer - Non Executive Director (Effective May 29, 2019)

**Other related parties**

Dow Chemical International Private Limited (Ceased effective April 01, 2019)

Hampshire Chemical Corporation (Ceased effective April 01, 2019)

Dow Europe GMBH (Ceased effective April 01, 2019)

Dow Chemical Silicones Korea Limited (Ceased effective April 01, 2019)

Dow Chemical Taiwan Limited (Ceased effective April 01, 2019)

Dow Chemical Thailand Limited (Ceased effective April 01, 2019)

Dow Silicones Corporation (Ceased effective April 01, 2019)

Dow Chemical Pacific (Singapore) P Ltd. (Ceased effective April 01, 2019)

DDP Speciality Electronics Materials USA (Effective from April 01, 2019)

DDP Speciality Electronic Materials US9, LLC (Effective from April 01, 2019)

DDP Speciality Products India Private Limited (Effective from April 01, 2019)

DDP Speciality Products Korea Limited (Effective from April 01, 2019)

ROHM and HAAS Electronic Materials Taiwan Ltd. (Effective from April 01, 2019)

Specialty Electronic Materials (Thailand) Company Limited (Effective from April 01, 2019)

Performance Specialty Products India Pvt Ltd (Effective from April 01, 2019)

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Dupont Toray Specialty Materials (Effective from April 01, 2019)

Cuposit Electronic Materials Zhangjiang Co, Ltd (Effective from April 01, 2019)

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Transactions</b>								
<b>Purchase of raw materials</b>								
Multibase S.A, France	-	-	1,039.25	1,596.63	-	-	-	-
Dow Europe GMBH	-	-	-	-	-	-	-	1,346.70
Dow Silicones Corporation	-	-	-	-	-	-	-	240.59
DDP Specialty Electronics Materials USA	-	-	-	-	-	-	470.31	86.54
DDP Specialty Products Korea Ltd	-	-	-	-	-	-	23.03	-
<b>Purchase of property, plant and equipment</b>								
DDP Specialty Products India Private Limited	-	-	-	-	-	-	1.09	-
<b>Purchase of services</b>								
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	27.53	-
<b>Rent Expense</b>								
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	16.59	-
<b>Expenses incurred by related party on behalf of us</b>								
Dow Chemical International Private Limited	-	-	-	-	-	-	-	26.12
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	10.56	-
<b>Support charges</b>								
Dow Chemical International Private Limited	-	-	-	-	-	-	-	44.58
Hampshire Chemical Corporation	-	-	-	-	-	-	-	5.97

Particulars	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Royalty</b>							-	
Dow Silicones Corporation	-	-	-	-	-	-	-	160.48
<b>Sale of finished goods</b>							-	
Dow Chemical Taiwan Limited	-	-	-	-	-	-	-	44.00
Dow Chemical Silicones Korea Limited	-	-	-	-	-	-	-	130.72
Dow Chemical Thailand Limited	-	-	-	-	-	-	-	149.04
ROHM and HAAS Electronic Materials Taiwan Ltd.	-	-	-	-	-	-	123.51	29.08
Dow chemical pacific (Singapore) P Ltd	-	-	-	-	-	-	-	3.55
Dupont Toray Specialty Materials	-	-	-	-	-	-	1.19	-
Multibase Inc	-	-	-	-	-	-	4.04	-
Multibase SA	-	-	-	-	-	-	0.67	-
DDP Specialty Products Korea Ltd	-	-	-	-	-	-	121.59	-
Cuposit Electronic Materials Zhangjiang Co, Ltd	-	-	-	-	-	-	20.35	-
Specialty Electronic Materials (Thailand) Company Limited	-	-	-	-	-	-	146.34	27.17
<b>Interest Income on Intercompany deposit</b>							-	
DDP Specialty Products India Private Limited	-	-	-	-	-	-	23.42	1.27
<b>Intercompany deposits given</b>								
DDP Specialty Products India Private Limited	-	-	-	-	-	-	-	1,050.00
<b>Rent Income</b>								
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	7.65	-

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Particulars	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Expenses incurred by us on behalf of other related party</b>								
DDP Speciality Products India Private Limited	-	-	-	-	-	-	3.26	-
<b>Service Income</b>							-	
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	23.17	-
<b>Managerial remuneration*</b>							-	
Mr. Deepak Dhanak	-	-	-	-	66.41	67.19	-	-
Ms.Sunaina Goraksh	-	-	-	-	28.02	23.76	-	-
Mr. Pankaj Holani	-	-	-	-	38.95	-	-	-
<b>Director sitting Fees</b>							-	
H N Motiwalla	-	-	-	-	8.80	9.60	-	-
Ashok Chhabra	-	-	-	-	8.80	9.60	-	-

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

Particulars	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Recievables/ other assets</b>								
Multibase, Inc.	-	-	-	-	-	-	3.00	-
ROHM & HAAS Electronics Materials Taiwan Limited	-	-	-	-	-	-	-	29.08
Dow Chemical Silicones Korea Limited	-	-	-	-	-	-	-	20.93
Speciality Electronics Materials (Thailand) Company Limited	-	-	-	-	-	-	42.84	27.17
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	32.20	-
DDP Speciality Products India Private Limited	-	-	-	-	-	-	-	1,051.27
DDP Speciality Products Korea Limited	-	-	-	-	-	-	12.55	-
<b>Trade payables</b>							-	
Hampshire Chemical Corporation	-	-	-	-	-	-	-	44.07
Dow Europe GMBH	-	-	-	-	-	-	-	7.83
Dow Silicones Corporation	-	-	-	-	-	-	-	163.96
Multibase S.A, France	-	-	-	-	-	-	234.68	25.50
DDP Speciality Electronic Materials US9, LLC	-	-	-	-	-	-	-	80.06



Particulars	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	61.73	-
DDP Speciality Products India Private Limited	-	-	-	-	-	-	3.22	-
DDP Speciality Products Korea Limited	-	-	-	-	-	-	23.03	-
<b>Director sitting fees payables</b>								
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, 2020	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	-	-	14.64	14.64	-	-	-	-
Loan to other related parties	-	-	-	-	-	-	-	-
Interest accrued on deposits	-	-	30.65	30.65	-	-	-	-
Trade receivables	-	-	1,184.58	1,184.58	-	-	-	-
Cash and cash equivalents	-	-	7,952.75	7,952.75	-	-	-	-
	-	-	<b>9,182.62</b>	<b>9,182.62</b>	-	-	-	-
<b>Financial liability</b>								
Other payable	-	-	1.00	1.00	-	-	-	-
Trade payables	-	-	777.87	777.87	-	-	-	-
	-	-	<b>778.87</b>	<b>778.87</b>	-	-	-	-

#### 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, 2019	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	-	-	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	-	-	-	-
	-	-	<b>7,822.55</b>	<b>7,822.55</b>	-	-	-	-
<b>Financial liability</b>								
Other payable	-	-	2.00	2.00	-	-	-	-
Trade payables	-	-	890.66	890.66	-	-	-	-
	-	-	<b>892.66</b>	<b>892.66</b>	-	-	-	-

## B. Calculation of fair values

- (i) 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, 2019.
- (ii) 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, 2020, the ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount	
	March 31, 2020	March 31, 2019
Neither past due nor impaired	915.53	1,464.98
Past due 0-90 days	230.80	353.23
Past due 91-180 days	10.84	17.13
Past due 181-270 days	7.10	-
Past due 271-360 days	1.63	2.36
More than 360 days	23.19	6.19
	<u>1,189.09</u>	<u>1,843.89</u>

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, 2020	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Trade payables	765.00	765.00	765.00	-	-	-
Other financial liabilities	1.00	1.00	1.00	-	-	-
	<u>766.00</u>	<u>766.00</u>	<u>766.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

March 31, 2019	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
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>

**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, 2020 and March 31, 2019 are as below:

	March 31, 2020	March 31, 2019
	USD	Euro
<b>Financial assets</b>		
Trade Receivables	61.09	102.14
	<b>61.09</b>	102.14
<b>Financial liabilities</b>		
Trade payables	563.89	537.18
	<b>563.89</b>	537.18
<b>Net exposure</b>	<b>(502.80)</b>	(435.04)

**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
<b>March 31, 2020</b>				
USD (1 % movement)	(5.03)	5.03	(3.76)	3.76
	<b>(5.03)</b>	<b>5.03</b>	<b>(3.76)</b>	<b>3.76</b>
	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2019</b>				
USD (1 % movement)	(4.35)	4.35	(3.26)	3.26
	<b>(4.35)</b>	<b>4.35</b>	<b>(3.26)</b>	<b>3.26</b>

### 35 Tax Expense

		March 31, 2020	March 31, 2019
<b>a) Amounts recognised in Statement of Profit and loss</b>			
Current Income Tax		243.28	640.61
<b>Deferred Tax liability/(asset)</b>			
Origination and reversal of temporary difference		(1.35)	1.58
<b>Deferred tax charge/(credit)</b>		(1.35)	1.58
<b>Tax Expense for the year</b>		241.93	642.19
<b>b) Amounts recognised in Other comprehensive income</b>			
<b>Remeasurement of defined benefit plan</b>			
Before tax		20.58	(4.45)
Tax benefit		(5.18)	1.30
<b>Net of tax</b>		15.40	(3.15)
<b>c) Reconciliation of effective tax rate</b>		<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Profit before tax</b>		<b>995.92</b>	<b>2,177.71</b>
		<b>25.17%</b>	<b>29.12%</b>
Tax using the Company's domestic tax rate		250.65	634.15
Tax using co domestic rate	25.17%	250.65	634.15
Donation	0.01%	0.10	0.11
Bad debts	0.88%	8.79	-
Donation under 80G	-0.52%	(5.19)	-
Others	-1.25%	(12.42)	7.93
<b>Effective tax</b>	<b>24.29%</b>	<b>241.93</b>	<b>642.19</b>
As per Financials	24.29%	241.93	642.19

### Note 36 Deferred tax

	As at April 01, 2019	Provided during the year	As at March 31, 2020
<b>Deferred tax liability</b>			
Excess of depreciation as per Income tax Act, 1961 over book depreciation	94.63	1.83	96.46
	94.63	1.83	96.46
<b>Deferred tax assets</b>			
Provision for bad and doubtful debts			
(a) Deductions claimed on payment basis	4.25	4.53	8.78
(b) Provision for employee benefits- compensated absences	24.56	(1.35)	23.21
	28.81	3.18	31.99
<b>Net deferred tax liabilities (net)</b>	(65.82)	1.35	(64.47)

### 37 Leases:

The Company has adopted Ind AS 116 'Leases', effective annual reporting period beginning April 01, 2019 and applied the Standard to its leases. There is no impact of Ind AS 116 on the leases as the leases are of low value.

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, 2020	March 31, 2019
<b>a) the total future minimum lease payments under non-cancellable operating leases for each of the following periods</b>		
Future lease commitments		
- Within one year	0.80	4.80
- Later than one year but not later than five years	-	-
- Later than five years	-	-
	0.80	4.80
<b>b) Lease rentals recognised in the statement of profit and loss for the year</b>		
Minimum lease payments	22.59	6.00

### Note 38 Contingent liabilities:

Claims against the Company not acknowledged as debts :

	March 31, 2020	March 31, 2019
Income tax demand, including interest and penalty and net off amount paid under protest	2.55	2.55
Sales tax and Service tax matters	1.61	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.

### Note 39 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
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### Note 40 Earnings per share

	March 31, 2020	March 31, 2019
Profit after tax attributable to equity shareholders [A]	753.99	1,532.37
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 Rs. 10 [A]/[D]	5.97	12.14

### 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 2019. Management believes that the Company's international and domestic transactions with related parties post 31 March 2019 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 with current year classification/ disclosure.

**Note 43 Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

**Note 44**

The Ministry of Home Affairs on March 24, 2020 notified a nation-wide lockdown in India to contain the outbreak of the COVID-19 pandemic due to which there have been several restrictions imposed by the Governments across the globe on the travel, movement of goods and transportation considering public health and safety measures. In view of the lockdown across the country, operations of the Company's (manufacturing, offices, etc.) are scaled down or shut down from second half of March 2020. As per our current assessment, no significant impact on carrying amounts of inventories, trade receivables, and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results. The operations have gradually resumed in compliance with Government directives since end of April, 2020.

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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 : June 25, 2020

**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 : June 25, 2020

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)

## CSR INITIATIVES 2019-20

### SOCIO-ECONOMIC DEVELOPMENT “SURAKSHA” CRECHE FACILITY (A CHILD FRIENDLY SPACE)

The Daman District has large Members of Industries/Factories, therefore number of people are migrating to Daman from the Various States for livelihood. Since in most of the families as both the parents are Working they were finding it difficult to keep their children at home without any proper supervision.

Hence, the Company alongwith few other companies contributed to build “Sureksha” a Crèche facility at Kachigram Daman through SATH NGO





## CSR. Project: Day care center for “Autistic” Children

**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.

### Challenge:

There is no school at Daman for Autistic and special needs ( Divyang) children. The challenge faced by parents of these children is basically being occupied with the children for whole day and unable to do any activity. Also these children need special attention and special skills to live their life.

**Solution:** Under CSR activities - Multibase India Limited decided to open school for such children. A Day care center for “Divyang “ ( Autistic, disabled) children was inaugurated on 24<sup>th</sup> December 2019 at Daman. The center is named as “PRAYAS”. Approximately 40 children are registered in this school.

Multibase India Limited will support this school in association with Dinbandhu Youth Welfare Trust who will be responsible for running the school. Multibase India Limited shall pay for the expenses of this school. The school has employed teachers as well as psychologist, physiotherapist who will coach and counsel these children . They will be teaching different types of education & activities to such children to make them independent . The project was very much appreciated by Daman Administration.

## Helping people to thrive



# **Eat Right Schools**

**An Initiative  
to Educate Students on  
Healthy Eating  
By Health Mascots "Master  
Sehat & Miss Sehat"**



# Promoting Health Care: EAT RIGHT SCHOOLS PROGRAMME

The Food Safety & Standards Authority of India (FSSAI) under the Ministry of Health and Family Welfare, Government of India, had launched the campaign Eat Right India under which Multibase India Limited Adopted **SNF@ School**. Children are powerful change agents who can usher in behavioural change and a culture of safe and wholesome food, and this is the underlying philosophy behind this SNF initiative. Based on the content created by FSSAI, Schools are invited to be a part of the initiative.

The campaign Kicked off in Mumbai on 10<sup>th</sup> January 2020 from Nanik English High School. The programme aims at engaging the schools to be actively adopting Eat Right India initiative for which the team first get the schools register on SNF Portal of FSSAI . Following activities are done to achieve the same in each school :

- Health Mascots Master & Miss Sehat meet the students & have an interactive sessions with them. This will be a visual treat and an impactful registration of SNF messages around Nutrition & Fortification. An edutainment engaging module to promote social and behavioral change around food safety, hygiene and healthy diets in schoolchildren. Here the students derive the key messages of Safe & Nutritious food from a **stage play, which showcases our Life Size Mascots The Stage Play**, has a story line, Jingles & Gigs which gives audience a visual treat & occupies the mind share.
- In the next section there are **challenges & Games** related to Key messages of Safe & Nutritious Food. The games are designed in such a way that a large as well as small gathering can perform them. In turn they get hampers or books. The school is also briefed on **Yellow Books & pink Books**.
- Co-Curricular Engagement Activities around food safety & Nutrition- Using FSSAI Activity Book & Other IEC Material. Activities are Demonstrated from yellow book like Go Grow Glow foods , Glitter activity to make students understand hygiene & Germs .
- Ensuring creation of trained and certified health & wellness coordinators in school premises. They can be teachers / senior school students and will be responsible for regular activities in the schools as well as spearheading the messages around food safety and healthy eatin
- The last section of the program the school gets an opportunity to have photo op with the Mascots, which further engages them on **social media**. Master & Miss Sehat have become new favorite superheroes for children and they look forward to interact more with them.



## Some Glimpses from the Eat Right Initiative



## Some Glimpses from the Eat Right Initiative



## NOTES

[illegible]

## NOTES

[illegible]



