



**Date: 7<sup>th</sup> September 2018**

To,  
The Corporate Relationship Department  
**BSE Limited**  
P. J. Towers, Dalal Street,  
Mumbai - 400 001

Dear Sir/Madam,

Sub. : **Scrip: 526169**

**Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find attached the Annual Report of the company for financial year 2017-18 duly approved and adopted by the members at the Annual general meeting held on 6<sup>th</sup> September 2018 as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking you,

Yours faithfully,  
For **Multibase India Limited**

  
Sunaina Goraksh  
Company Secretary  
Encl: As above



**Multibase India Limited**

Regd. Office & Works : 74/5 - 6, Daman Industrial Estate, Kadaiya, Nani Daman - 396210 (U.T.) Tel. : +91 260 6614 400 Fax : +91 260 2221 578

Corporate Office : 1st Floor, Block B, 02 Godrej Business District, Pirojshanagar, LBS Marg, Vikhroli (West), Mumbai 400079 Tel: +91 22 6674 1500 Fax: +91 22 6674 1825

Email : [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) Website : [www.multibaseindia.com](http://www.multibaseindia.com) CIN No. L01122DD1991PLC002959



WE  
COMPOUND

YOUR  
CREATIONS

Multibase India Limited  
27<sup>th</sup> Annual Report 2017 -18



## Board of Directors

Mr. Deepak Dhanak (DIN 03157491)	Managing Director
Ms. Suely Mori (DIN 07046468)	Non-Executive Director
Mr. Harish Narendra Motiwalla (DIN 00029835)	Independent Director
Mr. Ashok Chhabra (DIN 00059677)	Independent Director
Mrs. Maithilee Mistry (DIN 02152619)	Non-Executive Director
Mr. Vipul Babu (DIN 07737345)	Non-Executive Director

## Chief Financial Officer

Mr. Satya Nagesh Ventrapragada

## Company Secretary

Ms. Sunaina Goraksh

## Auditors

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

## Internal Auditors

M/s. Mukund & Rohit, Chartered Accountants

## Bankers

Citi Bank  
HDFC Bank Limited  
State Bank of India  
HSBC Bank

## Registered Office & Plant

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

## Registrar & Transfer Agents

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

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 27<sup>th</sup> (Twenty Seventh) Annual General Meeting of the Company will be held on Thursday, September 6, 2018, at Hotel Reevanta, Tin Batti, Devka Road, Nani Daman, Daman-396210 at 11.00 am to transact the following business as:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018, together with the Auditors' Report and Directors' Report thereon.
- To appoint a Director in place of Ms. Maithilee Mistry (DIN 02152619), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party transactions and such other rules as may be applicable and amended from time to time, consent of the shareholders be and is hereby accorded for the following arrangement/transactions to be entered into by the Company in ordinary course of business and at arm's length basis for the financial year 2017-18 and for every financial year thereafter:

#### Value of Related party transactions/Arrangements per financial year:

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	Multibase S.A.
	Nature of Relationship	Holding Company
	Name of interested Director(s)/ KMPs	None
1.	Sale, purchase of materials	20.00

### Terms and conditions:

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

**“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.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing the Related Party transactions and such other rules as may be applicable and amended from time to time, consent of the shareholders be and is hereby accorded for the following arrangement/transactions to be entered into by the Company in ordinary course of business and at arm's length basis for the financial year 2017-18 and for every financial year thereafter:

#### Value of Related party transactions/Arrangements per financial year:

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	Dow Europe GmbH
	Nature of Relationship	Fellow Subsidiary
	Name of interested Director(s)/ KMPs	None
1.	Sale, purchase of materials	20.00

### Terms and conditions:

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

**“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.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s B F Modi & Associates, Cost Accountants, (Registration No100604), appointed as Cost Auditors of the Company by the Board of Directors on recommendation of the Audit Committee for the financial year 2018-19 be and are hereby paid fees of ₹ 1,00,000 plus GST and reimbursement of out of pocket at actuals.

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

**By order of the Board of Directors**

**Sunaina Goraksh**  
Company Secretary

**Registered Office:**

74/5-6, Daman Industrial Estate,  
Kadaiya Village, Nani Daman,  
Daman and Diu, Union Territory,  
Pin – 396 210.

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: 24<sup>th</sup> May 2018

**NOTES:**

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the business set out under Item No. 3, 4 & 5 of the Notice is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, to be effective, should be deposited at the Registered office of the Company, duly completed, signed and stamped not less than 48 hours before the commencement of the meeting i.e. 11.00 am on Tuesday, 4<sup>th</sup> September 2018. A PROXY / PROXIES SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. A person can act as a proxy on behalf of a member or members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law, blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holding of a member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid
4. The proxy-holder shall prove his identity at the time of attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 31, 2018 to Thursday, September 6, 2018 (Both Days Inclusive).
6. Members holding shares in physical form are requested to notify immediately change of address, transfer, demat request, E-mail id, if any, to the Registrars and Transfer Agents of the Company quoting their Folio Number and those holding shares in demat mode are requested to notify any change in address, Bank Details, E-mail id to their respective depository participants and make sure that such changes are recorded by them.
7. Members/proxies are requested to bring their copies of Annual Report & duly filled admission/attendance slips sent herewith along with the copies of annual report at the meeting and produce the same at the entrance where the Annual General Meeting is held.
8. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney



authorizing their representative to attend and vote at the Annual General Meeting.

9. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
10. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
11. The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
12. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during normal business hours on all days except Saturday, Sunday and Public holidays, up to the date of the Annual General Meeting.
13. For the security and safety of the shareholders, no article/ baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage, etc. at the venue of the meeting.
14. The Annual Report of your Company for the Financial Year 2017-18 is displayed on the website of the Company i.e. [www.multibaseindia.com](http://www.multibaseindia.com).
15. Members are requested to register / update their E-mail address with the Company / Link Intime India Pvt. Ltd. so as to receive Annual Report and other communication electronically.
16. The notice of the AGM alongwith the Annual Report 2017-18 is being sent by electronic mode to those members whose email-addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email-address, physical copies are being sent by the permitted mode.
17. To support the 'Green Initiative', the members who have not registered their email addresses are requested to register the same with RTA/ Depositories.
18. The business set out in the notice will be transacted through remote e-voting system and the. Instructions and other information relating to remote e-voting provided by National Securities Depository Limited are given herein below in this Notice. In case of any queries or grievances

in connection with remote e-voting, the shareholders may contact Ms. Sunaina Goraksh at 022 66741795 or may write to them at the registered office address of the Company.

19. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their right to vote at 27<sup>th</sup> Annual General Meeting of the Company by electronic means through e-voting facility provided by National Securities Depository Limited (NSDL). Members, who are holding shares in physical or dematerialized form as on Thursday, August 30, 2018 shall exercise their vote by electronic means.

### **E VOTING:**

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote on business proposed to be transacted at the Annual general Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the AGM, ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through the ballot paper shall be made available at the AGM premises and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their vote at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Saturday, September 1, 2018 at 9:00 am and ends on Wednesday, September 5, 2018 at 5:00 P.M. During this period shareholders' of the Company holding shares either in physical form or in de-materialised form, as on the cut-off date Thursday, August 30, 2018 may cast their vote by remote e-voting. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. The process and the manner for e-voting is as under:
  - A. In case a member receives an email from NSDL (for

members whose email IDs are registered with the Company/Depository participants:

- (i) Open the attached PDF file “e-Voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- (iii) Click on “Shareholder - Login”.
- (iv) Put User ID and password as initial password noted in step (i) above and Click Login.
- (v) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- (vi) Home page of “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” of Multibase India Limited. Members can cast their vote online from **Saturday, September 1, 2018 at 9:00 am till Wednesday, September 5, 2018 at 5:00 P.M.**  
**Note: e-Voting shall not be allowed beyond said time.**
- (viii) Now you are ready for “e-Voting” as “Cast Vote” page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
- (x) Upon Confirmation, the message “Vote caste successfully will be prompted.”
- (xi) Once you have voted on the resolution you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [dhrumil@dmshah.in](mailto:dhrumil@dmshah.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

B. In case a member receives physical copy of the notice of AGM and e-voting form (For members whose email Ids are not registered with the

Company/Depository Participants or requesting physical copy.)

- (i) Initial password is mentioned in the e-voting form;
  - (ii) Please follow all steps from Sr. no.(A)(ii) to (xii)
- VI. In case of any queries, you may refer Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for members available at downloads section [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - VIII. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending the future communications.
  - IX. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off-date of Thursday, 30<sup>th</sup> August 2018,
  - X. Any person who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares on the cut-off date i.e Thursday, 30<sup>th</sup> August 2018,, may obtain the login id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA. However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
  - XI. If you forgot your password, you can reset your password by using “Forgot user details/password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
  - XII. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - XIII. Mr. Dhruvil M. Shah, Practising Company Secretary (Membership No. FCS 8021, COP 8978) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the voting through ballot paper, to be conducted at the Annual General Meeting, in a fair and transparent manner.
  - XIV. The Scrutiniser shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make not later than 48 hours from conclusion of the meeting

a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.

- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.multibaseindia.com and on the website of NSDL immediately after the declaration of the result by the Chairman/Managing Director or a person authorised by him in writing. The results shall also be immediately forwarded to BSE Limited.

**MEMBERS MAY PLEASE NOTE THAT NO GIFTS/ GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACTS, 2013**

**Item No.3**

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.

Multibase S.A. is located in France and is the holding company. The Company enters into transaction with the said company which are 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 in one or more tranches.

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	Multibase S.A.
	Nature of Relationship	Holding Company
	Name of interested Director(s)/KMPs	None
1.	Sale, purchase of materials	20.00

**Terms and conditions:**

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

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

The Board of Directors recommends the resolution set forth in item no. 3 of this Notice for approval of the shareholders as an Ordinary 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.4**

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.

Dow Europe GmbH is the fellow subsidiary of the Company. The Company enters into transaction with the said company which are 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 in one or more tranches.

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	Dow Europe GmbH
	Nature of Relationship	Fellow Subsidiary
	Name of interested Director(s)/KMPs	None
1.	Sale, purchase of materials	20.00

**Terms and conditions:**

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



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

The Board of Directors recommends the resolution set forth in item no. 4 of this Notice for approval of the shareholders as a ordinary 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.5**

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 2018-19 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.5 as Ordinary Resolution.

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

**By order of the Board of Directors**

**Sunaina Goraksh**  
Company Secretary

**Registered Office:**

74/5-6, Daman Industrial Estate,  
Kadaiya Village, Nani Daman,  
Daman and Diu, Union Territory,  
Pin – 396 210.

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: 24<sup>th</sup> May 2018

**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:**

<b>Name of Director</b>	<b>Maithilee Mistry</b>
Type	Non-Executive Director
Date of Birth	21/10/1973
Date of Appointment	03/08/2016
Qualification	Chartered Accountant
No. of Equity Shares held	NIL
Expertise in Specific Functional area	A chartered accountant with over 18 years of track record and diverse experience in Finance.
Experience	Over 18 years of experience in finance in various Indian and multinational companies. Expertise in handling cross functional activities like HR & IT.
Shareholding in the Company	NIL
Directorships held in other Companies	Dow Agrosiences India Pvt. Ltd.
Particulars of Committee Chairmanship / Membership held in other Companies	Audit committee.
Relationship with other Directors inter-se	None

**Note:**

1. 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, 2018

To

The Members,

Your Directors are pleased to present the 27<sup>th</sup> Annual Report together with Audited Financial Statements of your Company for the Financial Year ended March 31, 2018.

(₹ In Lac)

FINANCIAL RESULTS	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Profit before Depreciation</b>	<b>3068.40</b>	2,100.69
Depreciation	<b>81.35</b>	67.83
<b>Profit before Tax</b>	<b>2,987.05</b>	2,030.59
Provision for tax	<b>1031.79</b>	702.91
<b>Profit after Tax</b>	<b>1,955.26</b>	1,328.45
Balance brought forward from previous year	<b>5054.98</b>	3,725.03
<b>Balance carried forward to Balance Sheet</b>	<b>7,008.74</b>	5,054.98

### OPERATIONS

During the year under review, the Company reported gross revenue from operations of ₹ 11,151.61 Lac as against ₹ 9,648.67 Lac during the FY 2016-17. The Company reported Profit before Tax of ₹ 2,987.05 Lac and Profit after Tax of ₹ 1,955.26 Lac as against ₹ 2,030.59 Lac and ₹ 1,328.45 Lac respectively for the previous Financial Year.

### DIVIDEND

The Board does not recommend payment of dividend for this year in order to conserve resources.

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

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

During the year Multibase SA (France) sold 800 equity shares purchased during the open offer in 2016 to public through offer for sale. Thus Multibase S.A. (France) now holds 75% of the equity shares in the share capital of Multibase India Limited.

### BOARD OF DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Maithilee Mistry (DIN 02152619) will retire at the ensuing Annual General Meeting of the Company and being eligible, offers herself for reappointment.

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

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

### DECLARATION GIVEN BY INDEPENDENT DIRECTORS

During the financial year under review, declarations were received from all 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.

### 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.

#### 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 Dhruvil M Shah & Co, Practicing Company Secretary, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is enclosed as 'Annexure I' to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### STATUTORY AUDITORS' REPORT

The Auditors' Report for the year ended March 31, 2018 does not contain any qualification, reservation or adverse remark.

#### 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 is not required to conduct Cost Audit for financial year 2017-18.

However the Company is required to maintain cost records.

Accordingly, your Company appointed B. F. Modi & Associates, Cost Accountants for issuing the Compliance report for maintenance of the Cost records.

However 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 units for the year 2018-19. The Company has appointed M/s B F Modi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2018-19 at a remuneration of Rs. 1,00,000(excluding taxes) and reimbursement of out of pocket at actuals. The remuneration shall be placed before the shareholders of the Company at the forthcoming Annual general meeting of the Company for ratification.

### **AUDIT COMMITTEE**

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

### **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, 2018, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **MANAGEMENT DISCUSSION & ANALYSIS**

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

### **CORPORATE GOVERNANCE**

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from a Practising 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.

### **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 and Mr. Deepak Dhanak. The other members of the Committee are Ms. Ramolla Karnani and Ms. Ruby Thapar.

The company has spent an amount of ₹ 54,577 under preventive health care for CSR activity of the Company and the Company is looking forward to perceive more appropriate and suitable activities for investing in the field of Corporate Social Responsibility.

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

### **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.

### **ANNUAL EVALUATION OF THE DIRECTORS AND THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and the directors individually. The evaluation of the Chairman, non-independent directors and the Board was conducted at the Independent Directors meeting held on 13<sup>th</sup> February 2018. 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. The details of the familiarization programme is uploaded on the website of the Company [www.multibaseindia.com](http://www.multibaseindia.com)

### **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.

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. As per the Regulation 23(8) of the SEBI Regulations, the Company seeks approval of shareholders for passing necessary resolution at the forthcoming Annual General meeting of the Company.

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>

### **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>

### **MEETINGS**

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

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

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



#### **INSURANCE**

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

#### **INDUSTRIAL RELATION**

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

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

The disclosures as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 have been marked as 'Annexure V'.

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

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

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are enclosed as 'Annexure VII' to this report.

#### **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: 24<sup>th</sup> May 2018  
Place: Mumbai

## ANNEXURE I TO DIRECTORS' REPORT

### FORM NO MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

Ref No: 575 /2018-19

To,

The Members,

#### MULTIBASE INDIA LIMITED

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the financial year ended on **March 31, 2018** 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, 2018 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, 2009; - Not applicable to the company for the financial year ended March 31, 2018.
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable to the company for the financial year ended March 31, 2018.
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not Applicable to the company for the financial year ended March 31, 2018;
- 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; - Not applicable to the company for the financial year ended March 31, 2018.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable to the company for the financial year ended March 31, 2018;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- Not applicable to the company for the financial year ended March 31, 2018; and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other applicable laws 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 changes in the composition of the Board of Directors that took place during the period under review were 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.

**I further report that** during the audit period, Multibase S.A, the Promoter of the Company, made an Offer for Sale through the Stock Exchange Mechanism in accordance with the SEBI Circular and guidelines to dilute its shareholding to comply with the requirements of Minimum Public Shareholding to 75% in accordance with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 with the Stock exchange. The offer for sale was made on December 13, 2017 for 800 equity shares (0.0063% of equity share capital) of the Company through Bombay Stock Exchange (BSE). The Offer for sale was completed successfully on 15<sup>th</sup> December 2017 and BSE approved the sale of 800 shares to the 6 bidders.

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

**Place: Mumbai**

**Date: 24<sup>th</sup> May, 2018**

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

**Annexure I  
(to the Secretarial Audit Report)**

To,  
The Members,  
**MULTIBASE INDIA LIMITED**

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

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Place: Mumbai  
Date: 24<sup>th</sup> May, 2018**

## ANNEXURE II TO DIRECTORS' REPORT REPORT ON CSR ACTIVITIES

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

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other(2) Specify the state and district where the projects or programs was undertaken	Amount outlay (budget) project or programs otherwise	Amount spent on the projects or programs sub heads (1) Direct expenditure on projects and programs	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	Providing sweaters to school children	Preventive healthcare	Sarigam	₹ 54,557	₹ 54,557	₹ 54,557	₹ 54,557 (Direct through Company)

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

The company has spent an amount of ₹ 54,557 under preventive health care for CSR activity of the Company during the financial year. During the year the Company was unable to find suitable activities/project and areas in order to invest under CSR. The Board on the recommendation of the CSR committee in its meeting held on February 13, 2018 is looking forward to perceive more appropriate and suitable activities for investing in the field of Corporate Social Responsibility.

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

**H.N. Motiwalla**  
Chairman of CSR Committee  
DIN: 00029835

**Deepak Dhanak**  
Managing Director  
DIN: 03157491

Date: 24<sup>th</sup> May 2018  
Place: Mumbai

## ANNEXURE III TO THE DIRECTORS' REPORT

A. The Nomination and Remuneration Committee has laid down the following criteria for appointment, appointment and removal of directors, KMPs, members of senior management.

**1. Criteria for appointment and removal of directors, KMPs, members of senior management as follows;**

- i. The candidate shall possess the necessary qualifications, professional/functional expertise, desired experience that the position to be filled may demand as may be specified from time to time by the NRC which will be in compliance with the applicable laws, policy of the Company, business needs, interest of the Company.
- ii. In addition to the above while recommending the appointment of directors NRC shall be guided by the diversity policy.
- iii. Removal decisions of the directors shall be guided by the disqualifications as may be prescribed under the provisions of the Companies Act, 2013 or applicable laws.
- iv. Removal decisions of the Key Managerial Personnel and Senior Management Personnel shall be guided by Code of Conduct Policy of the Company, or by virtue of disqualifications as may be prescribed under the provisions of the applicable laws.

**2. Criteria for evaluation of the directors, independent directors, and the Board;**

- a. Attendance at the meetings of the Board, Committee meetings and shareholders meetings.
- b. Contribution at the meetings
- c. Expert/Domain knowledge
- d. Decisions taken in the best interest of the company
- e. Adherence to the legal code of conduct
- f. Performance of the annual plan

**3. Criteria for determining qualifications, positive attributes and independence of a director as follows;**

- a. An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, marketing, corporate governance, operations or other disciplines related to the company's business.
- b. An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient

time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

- c. An Independent director should meet the requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015 as amended from time to time concerning independence of directors.

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

### B. REMUNERATION POLICY

#### 1. Introduction

The Company hereunder states the principles governing its remuneration programs. The remuneration policy is designed to attract, motivate and retain employees in a competitive market.

The Board of the Company has adopted the policy on the recommendation of the Nomination & Remuneration Committee. This Policy has been formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

#### 2. Scope

This policy applies to employees below directors' level and to the directors of the Company.

#### 3. Definitions

- i. **"Nomination & Remuneration Committee"** means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.
- ii. **"Board of Directors"** means the "Board of Directors" of Multibase India Limited.
- iii. **"Company"** means Multibase India Limited
- iv. **"Independent Director"** means a Director who satisfies the criteria of independence as prescribed under the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.
- v. **"Policy"** means Remuneration Policy.

#### 4. Policy framework:

The Company cares about its employees at all levels; offers a competitive compensation package that includes base pay and goal driven incentive programs, which are based on philosophy of pay for performance, merit and



retention. Its remuneration programs remain competitive among companies doing business where it operates.

The Company offers array of benefits choices in the area of health and well-being (healthy and fit employees work better); finances, professional development, and work-life balance (employee needs in respect of family, friends, emotional and social needs are recognised; happier employees mean happier career).

The Company evaluates employees purely on merit and performance as per the aligned benchmarks with a view to encourage higher contribution and long term continuation in the company.

The Company retains balance between fixed and variable pay as circumstances, financial performance or goals permits in line with the global policies of Dow in this behalf. It helps the Company to arrive at compensation that is reasonable and sufficient to attract and retain, motivate employees in order to enhance performance and encourage healthy balance in decision making at all levels in the company.

Remuneration and rewards at levels below director levels are determined by the Managing Director in consultation with functional heads.

The appointment and removal of directors, KMPs and senior management shall be recommended by the Nomination and Remuneration Committee to the Board.

Remuneration at Board level is determined by the Board on recommendation of Nomination & Remuneration

Committee, which is guided by the principles of remuneration policy as above.

Required disclosures, if any, under the applicable provisions of law as above shall be made in the Annual Report.

#### **5. Responsibilities & Monitoring**

The Nomination and Remuneration Committee of the Board is responsible for monitoring compliance of this policy.

#### **6. Policy Review**

The Nomination & Remuneration Committee will review this policy from time to time as necessary and make recommendations regarding required changes to the Board for its consideration and approval.

#### **7. Interpretation**

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 and rules made there under or Clause 49 of the Listing Agreement or any other statutory enactments/ rules, the provisions of applicable Act or Listing Agreement or statutory enactment/s shall prevail over this Policy.

#### **8. Amendment(s)**

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from 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, 2018, 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, 2018 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 ₹ 14,09,68,780	February 13, 2018	Not applicable

B) Name of Related Party: Dow Europe GMBH

Nature of Relationship: Fellow Subsidiary

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 ₹ 10,87,46,414	February 13, 2018	Not applicable

**For Multibase India Limited**

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

**Deepak Dhanak**  
Managing Director  
DIN: 03157491

Place: Mumbai

Date: 24<sup>th</sup> May 2018

## 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 2017-18, 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. 2017-18#	% increase in the remuneration for financial year 2017-18#	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	78,30,736	57%	15:1	Profit Before Tax increased by 46.94% and Profit After Tax increased by 47.02%
2.	Mr. Satya Nagesh Ventrpragada	Chief Financial Officer	15,00,000	N.A.	N.A.	
3.	Ms. Sunaina Goraksh	Company Secretary	17,38,524	N.A.	N.A.	

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

II. The median remuneration of employees during the financial years was ₹ 5,34,207

III. There were 36 permanent employees on the rolls of the Company as on March 31, 2018

IV. In the financial year there was an increase of 3.39% in the median remuneration.

V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 was 7% and average increase in the managerial remuneration w.r.t. Mr. Deepak Dhanak for the financial year 2017-18 was 57%.

VI. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.

VII. List of top 10 employees in terms of remuneration drawn

Sr. No.	Name of the employee	Designation	Remuneration drawn (in ₹)	Nature of employment	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification	If the employee is relative of director or manager
1	Deepak Dhanak	Managing Director	78,73,043	Permanent	13/08/2008	46	Johnson Diversey India Ltd. ( Daman )	B.Tech. Chemical & MBA. Marketing	No
2	Dr. Pratap Mahapatra	AETS Manager	29,07,727	Permanent	01/8/2009	58	Bhansali Engg.Polymers Ltd. ( Mumbai )	PHD. In Polymer Science & Technology - M.SC. ( Chemistry)	No
3	Subir Chakrabarti	Sales Developer	28,68,941	Permanent	19/08/1999	46	Ferro Alloys Corporation Limited ( Nagpur )	International Master of Business Administration in Marketing	No
4	Apurba Kumar Roy	AETS-Technical	20,81,571	Permanent	16/07/2014	40	Kalpana Industries Ltd. (Dadra )	B.Tech. in polymer science & technology-B.SC.	No
5	Muralidoss Thirukondagokuldoss	Sales Developer	20,12,514	Permanent	03/08/2009	47	Hydro S & S Industries Limited (Chennai)	Post Graduation Diploma in Plastic Technology - B.SC. Chemistry	No
6	Deepak Karhadey	QA/QC Manager	18,26,945	Permanent	02/05/2014	45	Bajaj Steel Industries Limited ( Nagpur )	Diploma in Chemical Engg. -B.Tech-Ploymer Technology	No
7	Sunaina Goraksh	Company Secretary	17,38,524	Permanent	12/1/2015	31	Pidilite Industries Ltd. (Mumbai )	M.Com.CS.,LLB	No
8	Ashish Bhatt	Senior Finance Technician	11,15,009	Permanent	14/07/2011	42	Thomson Holdings India Pvt.Ltd.	B.com, Diploma in export Management	No
9	Nitin Khule	LOFM Sr. Technologist	10,13,784	Permanent	01/12/2004	46	Yash Pharma Laboratories Ltd.	B.com & PGDHRM	No
10	Sandeep Ghodmare	Asst.Manager-Electrical maintenance	9,48,354	Permanent	28/04/2016	41	Luck infrastructure Pvt Ltd	Diploma in Engineering	NO

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

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

**B. TECHNOLOGY ABSORPTION:**

1)	the efforts made towards technology absorption	It is an ongoing process. The Company has replaced the old Compressor with a new one which has resulted in electricity savings and also improved quality and performance.
2)	the benefits derived like product improvement, cost reduction, product development or import substitution	The Company has replaced some raw material which has resulted in regaining business and substantial margin improvement.
3)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NA
	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	

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(₹ In Lacs)

	<b>FY 2017-18</b>	<b>FY 2016-17</b>
Actual foreign exchange earnings	<b>514.67</b>	516.28
Actual foreign exchange outgo	<b>4,597.61</b>	3,822.73

## ANNEXURE VII TO DIRECTORS' REPORT

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

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

## I. REGISTRATION &amp; 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)

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000



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Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>[2]</b>	<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	9464994	800	9465794	'75.0063	9464994	0	9464994	'75.0000	'-0.0063
	<b>Sub Total (A)(2)</b>	<b>94,64,994</b>	<b>800</b>	<b>94,65,794</b>	<b>'75.0063</b>	<b>9,464,994</b>	<b>0</b>	<b>94,64,994</b>	<b>'75.0000</b>	<b>'-0.0063</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1) + (A)(2)</b>	<b>94,64,994</b>	<b>800</b>	<b>94,65,794</b>	<b>'75.0063</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>'75.0000</b>	<b>'-0.0063</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>[1]</b>	<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	1,10,144	0	1,10,144	'0.8728	1,08,348	0	1,08,348	'0.8585	'-0.0143
(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>1,10,144</b>	<b>0</b>	<b>1,10,144</b>	<b>'0.8728</b>	<b>1,08,348</b>	<b>0</b>	<b>1,08,348</b>	<b>'0.8585</b>	<b>'-0.0143</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>
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	13,94,345	4,56,007	18,50,352	'14.6621	15,46,080	4,43,232	19,89,312	'15.7632	'1.1011
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5,54,566	0	5,54,566	'4.3943	4,42,827	0	4,42,827	'3.5089	'-0.8854
(b)	NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Employee Trusts	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	99,938	0	99,938	'0.7919	1,16,459	0	1,16,459	'0.9228	'0.1309
	Non Resident Indians (Non Repat)	39,418	1,60,000	1,99,418	'1.5802	51,281	1,58,700	2,09,981	'1.6639	'0.0837
	Non Resident Indians (Repat)	1,12,342	0	1,12,342	'0.8902	97,831	0	97,831	'0.7752	'-0.1150
	Office Bearers	46	111	157	'0.0012	40	111	151	'0.0012	'0.0000
	Clearing Member	43,899	0	43,899	'0.3479	33,395	0	33,395	'0.2646	'-0.0833
	Bodies Corporate	1,80,590	2,800	1,83,390	'1.4532	1,53,902	2,800	1,56,702	'1.2417	'-0.2115
	<b>Sub Total (B)(3)</b>	<b>24,25,144</b>	<b>6,18,918</b>	<b>30,44,062</b>	<b>'24.1209</b>	<b>24,41,815</b>	<b>6,04,843</b>	<b>30,46,658</b>	<b>'24.1415</b>	<b>'0.0206</b>
	<b>Total Public Shareholding (B)=(B)(1) + (B)(2) + (B)(3)</b>	<b>25,35,288</b>	<b>6,18,918</b>	<b>31,54,206</b>	<b>'24.9937</b>	<b>25,50,163</b>	<b>6,04,843</b>	<b>31,55,006</b>	<b>'25.0000</b>	<b>'0.0063</b>
	<b>Total (A) + (B)</b>	<b>1,20,00,282</b>	<b>6,19,718</b>	<b>1,26,20,000</b>	<b>'100.0000</b>	<b>1,20,15,157</b>	<b>6,04,843</b>	<b>1,26,20,000</b>	<b>'100.0000</b>	<b>'0.0000</b>
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	<b>Total (A) + (B) + (C)</b>	<b>1,20,00,282</b>	<b>6,19,718</b>	<b>1,26,20,000</b>	<b>'100.0000</b>	<b>1,20,15,157</b>	<b>6,04,843</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 2017			Shareholding at the end of the year 2018			% 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	9,465,794	75.01	0	9,464,994	75.00	0	0
	<b>Total :</b>	<b>9,465,794</b>	<b>75.01</b>	<b>0</b>	<b>9,464,994</b>	<b>75.00</b>	<b>0</b>	<b>0</b>

iii. CHANGE IN SHAREHOLDING OF PROMOTERS:

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MULTIBASE SA	94,65,794	75.01			94,65,794	75.01
	Sale through offer for sale			15 <sup>th</sup> December 2017	800		
	<b>AT THE END OF THE YEAR</b>					<b>94,64,994</b>	<b>75.00</b>

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding during the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	DIPAK KANAYALAL SHAH	1,32,000	1.0460			1,32,000	1.0460
	Purchase			29 Dec 2017	1,100	1,33,100	1.0547
	Purchase			19 Jan 2018	300	1,33,400	1.0571
	Purchase			26 Jan 2018	75	1,33,475	1.0576
	Purchase			09 Feb 2018	225	1,33,700	1.0594
	Purchase			16 Feb 2018	100	1,33,800	1.0602
	Purchase			09 Mar 2018	200	1,34,000	1.0618
	<b>AT THE END OF THE YEAR</b>					<b>1,34,000</b>	<b>1.0618</b>
2	GYMKHANA PARTNERS L.P.	58,283	0.4618			58,283	0.4618
	<b>AT THE END OF THE YEAR</b>					<b>58,283</b>	<b>0.4618</b>
3	NOMURA SINGAPORE LIMITED	51,861	0.4109			51,861	0.4109
	Purchase			07 Apr 2017	2,759	54,620	0.4328
	Sale			08 Dec 2017	(4,464)	50,156	0.3974
	Sale			05 Jan 2018	(641)	49,515	0.3924
	<b>AT THE END OF THE YEAR</b>					<b>49,515</b>	<b>0.3924</b>
4	ASHISH VITHAL BHATIA	33,889	0.2685			33,889	0.2685
	Sale			28 Apr 2017	(1,690)	32,199	0.2551
	Sale			09 Jun 2017	(1,070)	31,129	0.2467
	<b>AT THE END OF THE YEAR</b>					<b>31,129</b>	<b>0.2467</b>
5	PHARMASYNTH FORMULATIONS LTD.	28,363	0.2247			28,363	0.2247
	<b>AT THE END OF THE YEAR</b>					<b>28,363</b>	<b>0.2247</b>

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding during the year - 2018	
		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
6	NALINI T VASSA	28,000	0.2219			28,000	0.2219
	<b>AT THE END OF THE YEAR</b>					28,000	0.2219
7	SAMIR JITENDRA JAVERI	37,000	0.2932			37,000	0.2932
	Sale			14 Apr 2017	(2,000)	35,000	0.2773
	Sale			24 Nov 2017	(200)	34,800	0.2758
	Sale			01 Dec 2017	(400)	34,400	0.2726
	Sale			08 Dec 2017	(492)	33,908	0.2687
	Sale			15 Dec 2017	(2,320)	31,588	0.2503
	Sale			22 Dec 2017	(1,588)	30,000	0.2377
	Sale			05 Jan 2018	(2,457)	27,543	0.2182
	Sale			12 Jan 2018	(428)	27,115	0.2149
	Sale			19 Jan 2018	(115)	27,000	0.2139
	<b>AT THE END OF THE YEAR</b>					<b>27,000</b>	<b>0.2139</b>
8	PARUL PATEL	23,010	0.1823			23,010	0.1823
	<b>AT THE END OF THE YEAR</b>					23,010	0.1823
9	SAMIT R. BHARTIA	21,506	0.1704			21,506	0.1704
	<b>AT THE END OF THE YEAR</b>					21,506	0.1704
10	SANGEETA GUPTA	34,025	0.2696			34,025	0.2696
	Sale			14 Apr 2017	(205)	33,820	0.2680
	Sale			21 Apr 2017	(1820)	32,000	0.2536
	Sale			05 May 2017	(2170)	29,830	0.2364
	Purchase			26 May 2017	4170	34,000	0.2694
	Purchase			02 Jun 2017	2000	36,000	0.2853
	Sale			09 Jun 2017	(1000)	35,000	0.2773
	Sale			16 Jun 2017	(1395)	33,605	0.2663
	Sale			23 Jun 2017	(4605)	29,000	0.2298
	Sale			30 Jun 2017	(1000)	28,000	0.2219
	Purchase			28 Jul 2017	693	28,693	0.2274
	Purchase			04 Aug 2017	1307	30,000	0.2377
	Purchase			18 Aug 2017	1000	31,000	0.2456
	Sale			25 Aug 2017	(277)	30,723	0.2434
	Sale			01 Sep 2017	(223)	30,500	0.2417
	Purchase			22 Sep 2017	43	30,543	0.2420
	Purchase			29 Sep 2017	457	31,000	0.2456
	Purchase			13 Oct 2017	1024	32,024	0.2538
	Purchase			27 Oct 2017	190	32,214	0.2553
	Sale			01 Dec 2017	(714)	31,500	0.2496
	Sale			08 Dec 2017	(117)	31,383	0.2487
	Sale			15 Dec 2017	(7133)	24,250	0.1922
	Sale			22 Dec 2017	(3250)	21,000	0.1664

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding during the year - 2018	
		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
	Purchase			02 Feb 2018	70	21,070	0.1670
	Sale			16 Feb 2018	(1020)	20,050	0.1589
	Sale			02 Mar 2018	(396)	19,654	0.1557
	Purchase			16 Mar 2018	346	20,000	0.1585
	<b>AT THE END OF THE YEAR</b>					<b>20,000</b>	<b>0.1585</b>
11	RAJESH POONAMCHAND MARU	30,000	0.2377			30,000	0.2377
	Sale			07 Jul 2017	(10000)	20,000	0.1585
	Sale			21 Jul 2017	(5000)	15,000	0.1189
	Sale			11 Aug 2017	(5000)	10,000	0.0792
	<b>AT THE END OF THE YEAR</b>					<b>10000</b>	<b>0.0792</b>
12	MARWADI SHARES AND FINANCE LTD.	34,479	0.2732			34,479	0.2732
	Purchase			07 Apr 2017	1514	35,993	0.2852
	Purchase			14 Apr 2017	13306	49,299	0.3906
	Sale			21 Apr 2017	(2640)	46,659	0.3697
	Sale			28 Apr 2017	(13777)	32,882	0.2606
	Sale			05 May 2017	(653)	32,229	0.2554
	Sale			12 May 2017	(800)	31,429	0.2490
	Sale			19 May 2017	(2465)	28,964	0.2295
	Sale			26 May 2017	(20070)	8,894	0.0705
	Sale			02 Jun 2017	(900)	7,994	0.0633
	Sale			09 Jun 2017	(3074)	4,920	0.0390
	Purchase			16 Jun 2017	485	5,405	0.0428
	Purchase			23 Jun 2017	2875	8,280	0.0656
	Sale			30 Jun 2017	(1634)	6,646	0.0527
	Purchase			07 Jul 2017	14370	21,016	0.1665
	Sale			14 Jul 2017	(6736)	14,280	0.1132
	Purchase			21 Jul 2017	286	14,566	0.1154
	Purchase			28 Jul 2017	100	14,666	0.1162
	Purchase			04 Aug 2017	145	14,811	0.1174
	Sale			11 Aug 2017	(295)	14,516	0.1150
	Sale			08 Sep 2017	(667)	13,849	0.1097
	Sale			15 Sep 2017	(2395)	11,454	0.0908
	Purchase			22 Sep 2017	10816	22,270	0.1765
	Sale			29 Sep 2017	(4308)	17,962	0.1423
	Purchase			06 Oct 2017	80	18,042	0.1430
	Sale			13 Oct 2017	(2650)	15,392	0.1220
	Sale			20 Oct 2017	(50)	15,342	0.1216
	Sale			03 Nov 2017	(3465)	11,877	0.0941
	Sale			10 Nov 2017	(2790)	9,087	0.0720
	Sale			17 Nov 2017	(3137)	5,950	0.0471

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding during the year - 2018	
		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
	Sale			24 Nov 2017	(2,199)	3,751	0.0297
	Purchase			01 Dec 2017	1,242	4,993	0.0396
	Sale			08 Dec 2017	(1,388)	3,605	0.0286
	Purchase			15 Dec 2017	2,098	5,703	0.0452
	Purchase			22 Dec 2017	1,166	6,869	0.0544
	Sale			29 Dec 2017	(1,888)	4,981	0.0395
	Transfer			05 Jan 2018	978	5,959	0.0472
	Sale			12 Jan 2018	(65)	5,894	0.0467
	Sale			19 Jan 2018	(1,363)	4,531	0.0359
	Transfer			26 Jan 2018	70	4,601	0.0365
	Sale			02 Feb 2018	(137)	4,464	0.0354
	<b>Sale</b>			09 Feb 2018	(440)	4,024	0.0319
	Transfer			16 Feb 2018	81	4,105	0.0325
	<b>Transfer</b>			02 Mar 2018	2,046	6,151	0.0487
	Sale			09 Mar 2018	(72)	,6079	0.0482
	Transfer			16 Mar 2018	1,052	7,131	0.0565
	Transfer			23 Mar 2018	2,442	9,573	0.0759
	<b>AT THE END OF THE YEAR</b>					<b>9,573</b>	<b>0.0759</b>
13	MAMTHA A MUTHAA	34,025	0.2696			34,025	0.2696
	Sale			12 Jan 2018	(1,622)	3,2403	0.2568
	Sale			19 Jan 2018	(3,938)	28,465	0.2256
	Sale			26 Jan 2018	(3,475)	24,990	0.1980
	Sale			02 Feb 2018	(272)	24,718	0.1959
	Sale			09 Feb 2018	(4,939)	19,779	0.1567
	Sale			16 Feb 2018	(4,164)	15,615	0.1237
	Sale			23 Feb 2018	(678)	14,937	0.1184
	Sale			02 Mar 2018	(1,985)	12,952	0.1026
	Sale			09 Mar 2018	(2,849)	10,103	0.0801
	Sale			16 Mar 2018	(7,870)	2,233	0.0177
	Sale			23 Mar 2018	(2,233)	0	0.0000
	<b>AT THE END OF THE YEAR</b>					<b>0</b>	<b>0.0000</b>

- Note:
1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 12620000 Shares.
  2. The details of holding has been clubbed based on PAN.
  3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

## 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)(31.03.2018)	1	0	1	0
2	Maithilee Mistry (At the end of the year or on the date of separation)(31.03.2018)	0	0	0	0
3	Suely Mori (At the end of the year or on the date of separation)(31.03.2018)	0	0	0	0
4	Vipul Babu (At the end of the year or on the date of separation) (31.03.2018)	0	0	0	0
5	Harish N Motiwalla (At the end of the year or on the date of separation)(31.03.2018)	0	0	0	0
6	Ashok Chhabra (At the end of the year or on the date of separation)(31.03.2018)	0	0	0	0
7	Satya Nagesh Ventrpragada (At the end of the year or on the date of separation)(31.03.2018)	0	0	0	0
8	Sunaina Goraksh (At the end of the year or on the date of separation)(31.03.2018)	2	0	2	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 ₹)

Sr. No.	Particulars of Remuneration	Name of managing Director/Whole-time Director(s)	
		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	78,09,136	78,09,136
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	21,600
	(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>78,30,736</b>	<b>78,30,736</b>
	Ceiling as per the Companies Act	₹ 1,49,36,590 (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	

## B) REMUNERATION TO OTHER DIRECTORS

(Amount in ₹)

Sr. No	Particulars of remuneration	Name of Directors	Total Amount
1	<b>Independent Directors</b>		
	For attending Board/committee meetings	Harish Motiwalla	7,00,000
		Ashok Chhabra	7,00,000
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
	<b>Total (1)</b>		<b>14,00,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Name of Directors</b>	<b>Total Amount (₹ In lakhs)</b>
	For attending Board/committee meetings	Vipul Babu	0
		Maithilee Mistry	0
		Suely Mori	0
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
		<b>Total (2)</b>	<b>0</b>
		<b>Total (1+2)</b>	<b>14,00,000</b>
		Total managerial remuneration	<b>78,30,736</b>
		Overall ceiling as per Act	<b>1,49,36,590</b>

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

(Amount in ₹)

Sr. No	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer	Company Secretary
1	Gross salary	Satya Nagesh Ventrpragada	Sunaina Goraksh
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000	17,38,524
	(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>15,00,000</b>	<b>17,38,524</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

### CAVEAT

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.

### BACKGROUND & INDUSTRY OUTLOOK

The Year under review witnessed good growth in revenues. The Company continued its push towards increasing presence in high performance applications. Implementation of stringent safety norms and fuel efficiency norms in automotive industry has increased demand for thermoplastics elastomers and overall plastics in passenger cars. Thermoplastic Elastomers (TPE) sales in India continued to grow at a steady rate by converting some of the non TPE applications to TPE as consumers looked for comfort and aesthetics. Infrastructure expansion and investment in 4G network across country resulted in strong demand for silicone products in Optical Fiber cable application. The company managed to hold the margins in an increasingly competitive market through a mix of innovative products, product mix improvement and price increase in certain segments.

### OVERVIEW

India continues to be fastest growing economy in the world with wide spread growth across most industries in manufacturing sector. The relevant markets are also showing robust growth and we expect that the Company will benefit from this. The business prospects for the Company are good with increased volumes in these market

segments and will require continued efforts to capture right value in the market. Increased competition and strong increase in crude oil prices could put some pressure on margins across value chain. Company produces a range of both commodity and specialty products which are used in a wide range of applications in markets such as Automotive, Personal Care, Personal hygiene, Stationery, Telecommunications and Engineering Polymers etc. The Company continuously develops new generation products through its R & D plant in Daman to stay ahead of the competition. Localization of global grades is helping to improve overall margins in automotive sector.

### FINANCIAL REVIEW

The overall performance of the Company for the current financial year improved as compared to previous financial year in spite of various challenges faced during the year such as high inflation and an increase in prices of imported raw materials and commodities globally. During the year under review, the Company reported gross revenue from operations of ₹ 11,151.61 lac as against ₹ 9,648.67lac during the FY 2016-17. The Company reported Profit before Tax of ₹ 2,987.05 Lac and Profit After Tax of ₹ 1,955.26 Lac as against ₹ 2,030.59 Lac and ₹ 1,328.45 Lac respectively for the previous Financial Year.

### RISKS AND CONCERNS

The Company being a part of DowDuPont Inc, has always come out with positive mitigations against such risks and has been successful in maintaining its position; 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 and the threats faced by your Company in achieving its future targets may be due to pressure on pricing. This may affect the business and or margins to an extent. In addition, the uncertainty in the global political, economic and stock market scenarios has resulted in crude oil price increase which could have cascading effect on cost of the raw materials used by the Company. We expect our eminent position as the leading supplier of these products due to our ability in identifying and meeting the customers' expectation in terms of quality, fast reaction time, new developments etc.

The Risk, which the Indian Plastics Industry foresees are possible slowdown of Indian and global economy, myths and misconceptions about plastics and its impact on environment and increased competition from the

foreign manufactures. The other risks which prevail in the industry are high fluctuations in the prices of raw materials, technology obsolescence and competition from the global players.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

**INTERNAL CONTROL SYSTEMS**

The Company has put in place adequate system of internal control measures in all risk areas, implemented by the

management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

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

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

## REPORT ON CORPORATE GOVERNANCE

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

### I. Company's Philosophy

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

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

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

### II. Board of Directors

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

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, 2018:

Sr. No.	Name of the Director	Category	No. of Board Meeting during the tenure of Directors in FY 2017-18		Attendance at the last AGM held on 25.07.2017	Directorship in other public companies <sup>1</sup>	Committee position held in other public companies <sup>2</sup>	
			Held	Attended			Chairman	Member
1	Mr. Deepak Dhanak Managing Director (DIN: 03157491)	Executive	6	5	Yes	-	-	-
2	Mr. Harish Narendra Motiwalla (DIN: 00029835)	Independent	6	6	Yes	7	5	3
3	Mr. Ashok Chhabra (DIN: 00059677)	Independent	6	6	Yes	-	-	-
4	Mr. Vipul Babu (DIN: 07737345)	Non-Executive	6	6	Yes	-	-	-
5	Ms. Suely Mori (DIN 07046468)	Non-Executive	6	1	No	-	-	-
6	Ms. Maithilee Mistry (DIN: 02152619)	Non-Executive	6	6	Yes			

<sup>1</sup> Directorship held in Private Companies, Section 25 Companies and Foreign Companies is not included.

<sup>2</sup> Only Audit Committee and Stakeholders Relationship Committee are taken into consideration as per the provisions of Regulation 25 of the Listing Regulations. None of the Directors of the Company is a member of

more than 10 committees or acts as a Chairman of more than 5 committees across all the Companies wherein he is a director.

- ii) None of the Non-Executive Directors of the Company have any pecuniary relationship and / or transaction with the Company. The disclosure of fees / compensation, if any, paid to the Non-Executive Directors is done at appropriate place later in this Report on Corporate Governance.
- iii) During the year 2017-18, the Board of Directors of your Company met 6 times on 22/05/2017, 12/07/2017, 25/07/2017, 11/09/2017, 07/12/2017 and 13/02/2018.

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

- iv) The compliance reports of all applicable laws are placed before the Board periodically. All the material and important items pertaining to the development and working of the Company is included with a detailed note in the Agenda and the same is circulated to the Board well in advance, so as to enable them to take strategic decisions. The information which could not be circulated to the Board, in advance, is placed at the table during the Board Meeting. The information as specified in Schedule IIA read with Regulation 17(7) of the SEBI Listing Regulations is provided to the Board as and when applicable and material.
- v) The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company". All the Board Members and Senior Management have affirmed the compliance with the said Code of Conduct during the year 2017-18.

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)

### III. Audit Committee

- i) Composition of the Audit Committee, particulars of meetings held and attended during the year 2017-18:

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

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

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 25<sup>th</sup> July 2017.

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 2017-18.

During the year 2017-18, four 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			
		22/05/2017	11/09/2017	07/12/2017	13/02/2018
1	Mr. Harish Narendra Motiwalla	Present	Present	Present	Present
2	Mr. Ashok Chhabra	Present	Present	Present	Present
3	Ms. Maithilee Mistry	Present	Present	Present	Present

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



### ii) Terms of reference

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

- 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.

**IV. Nomination and Remuneration Committee (Earlier known as 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 2017-18:

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

<b>Name</b>	<b>Position Held</b>	<b>Category</b>
Mr. Harish Narendra Motiwalla	Chairman	Non-Executive Independent Director
Mr. Ashok Chhabra	Member	Non-Executive Independent Director
Ms. Maithilee Mistry	Member	Non-Executive Director

The Company Secretary acts as the Secretary to the Committee.

During the year 2017-18, 2 meetings of Nomination and Remuneration Committee were held on 22/05/2017 and 13/02/2018 and was attended by all the members.

- ii) Terms of reference:
  1. Identify persons who are qualified to become directors and persons who may be appointed in senior management of the Company in accordance with the criteria laid down for such position and recommend to the Board their appointment and removal,
  2. Recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations
  3. Carry out evaluation of every director's performance as per the criteria laid down.
  4. Formulate, in accordance with the provisions of the Act or guidelines or Listing Agreement as may be prescribed in this behalf, the criteria for determining qualifications, positive attributes and independence of a director
  5. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Policy shall ensure:
    - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
    - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
  6. Formulate the criteria for evaluation of independent directors and the Board.
  7. Devise a policy regarding observance of principles of diversity in the composition of the Board.
  8. 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 2017-18, Mr. Deepak Dhanak, Managing Director was paid ₹ 78.09 Lac as Salary and ₹ 0.21 Lac as Perquisites. He does hold 1(one) equity share in the Company as on March 31, 2018. On 7<sup>th</sup> February 2017 he was re-appointed as the Managing Director for a period of 3 years commencing from March 2, 2017 till March 2, 2020. The notice period is 3 months and severance fees is payable as per the statutory requirements.

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2017-18 and the number of equity shares held by them is as follows:

Name	Relationship between Directors inter-se	Sitting fees paid for Board Meetings and Committee Meetings (In ₹)	Number of Equity Shares held in MIL as on March 31, 2018
Mr. Harish Narendra Motiwalla	-	7,00,000	NIL
Mr. Ashok Chhabra	-	7,00,000	NIL
Ms. Suelly Mori	-	0	NIL
Ms. Maithilee Mistry	-	0	NIL
Mr. Vipul Babu	-	0	NIL

Except Mr. Harish Narendra Motiwalla and Mr. Ashok Chhabra, none other Non-Executive Directors were paid any Sitting Fees during FY 2017-18 since they have voluntarily waived off the sitting fees payable to them.

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

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

i) The Committee as of March 31, 2018 comprises of following members:

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

The Company Secretary acts as the Secretary to the Committee.

ii) Name, Designation and Address of Compliance Officer:

Ms. Sunaina Goraksh  
 Company Secretary  
 1<sup>st</sup> Floor, Block B, 02 Godrej Business district,  
 Pirojshanagar, LBS marg, Vikroli (W) mumbai - 400079

iii) Procedure for approval and details of meetings and attendance during the year 2017-18:

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 2017-18, four meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance			
		22/05/2017	11/09/2017	07/12/2017	13/02/2018
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

iv) Terms of reference:

- a) To look into the redressal of shareholders and investors complaints like non-receipt of notices / annual reports, non-receipt of declared dividends, non-receipt of share certificates, etc;
- b) To approve and register share transfer and transmission;
- c) To expedite the process of dematerialization and / or rematerialisation of shares;
- d) To take on record the Certificate taken under Regulation 40(9) of the SEBI Listing Regulations from Practising Company Secretary;
- e) To take on record the Reconciliation of Share Capital Audit Report submitted by Practising Company Secretary every quarter.

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 2017-18 is as follows:

Nature of Complaints	No. of complaints at the beginning of the year	Number of Complaints Received	Number of Complaints Resolved	No. of complaints pending at the end of the year
Non-receipt of Share Certificates	0	2	2	0
Non-receipt of Annual Reports	0	1	1	0
Non-receipt of stickers	0	2	2	0
Others	0	3	1	2
<b>Total</b>	<b>0</b>	<b>8</b>	<b>6</b>	<b>*2</b>

\* The complaint pertains to same complaint received on SCORES and BSE.w.r.t. transfer of shares. The shares were transferred on 9.3.2018 and complaint was resolved. Accordingly reply was uploaded on SCORES website. However SEBI disposed off the complaint in the SCORES system on 2<sup>nd</sup> April 2018.

## 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, 2018 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.

## Annual Report 2017-2018 .....

During the year 2017-18 three meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance		
		22/05/2017	07/12/2017	13/02/2018
1.	Mr. Harish Narendra Motiwalla	Present	Present	Present
2.	Mr. Ashok Chhabra	Present	Present	Present
3.	Mr. Deepak Dhanak	Present	Absent	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, 2018 comprises of following members:

Name	Position Held	Category
Mr. Deepak Dhanak	Chairman	Managing Director
Mr. Vipul Babu	Member	Non-Executive Director
Ms. Maithilee Mistry	Member	Non-Executive Director

The Company Secretary acts as the Secretary to the Committee.

During the year 2017-18, fourteen meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance							
		07/04/2017	24/04/2017	03/05/2017	05/06/2017	18/07/2017	21/07/2017	10/08/2017	13/10/2017
1	Mr. Deepak Dhanak	Present	Present	Present	Present	Present	Present	Present	Present
2	Mr. Vipul Babu	NA	NA	NA	Present	Present	Present	Present	Present
3	Ms. Maithilee Mistry	Present	Present	Present	Present	Present	Present	Present	Present

Sr. No.	Name of Member	Meetings / Attendance					
		15/11/2017	02/01/2018	19/01/2018	02/02/2018	28/02/2018	09/03/2018
1	Mr. Deepak Dhanak	Present	Present	Present	Present	Present	Present
2	Mr. Vipul Babu	Present	Present	Present	Present	Present	Present
3	Ms. Maithilee Mistry	Present	Present	Present	Present	Present	Present

Terms of Reference:

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

### VIII. Meeting of Independent Directors

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25(3) of the SEBI Listing Regulations, the Meeting of Independent Directors of the Company was held on February 13, 2018 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.

### IX. General Body Meetings

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

Financial year	AGM No.	Day & Date	Venue	Time
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
2015-16	25 <sup>th</sup>	Wednesday, 28 <sup>th</sup> September 2016	74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T)	11.00 am
2014-15	24 <sup>th</sup>	Tuesday, 29 <sup>th</sup> September 2015	74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T)	11.30 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
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
25 <sup>th</sup>	1	Revision in remuneration of Mr. Deepak Dhanak (DIN 03157491), Managing Director
24 <sup>th</sup>	1	Approval of material Related party transaction

iii) Details of resolutions passed through Postal Ballot:

During the year 2017-18, none of the resolutions were passed through Postal Ballot. As on date of this Report, none of the resolutions are proposed to be passed through Postal Ballot. As and when required, the Postal Ballot shall be conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014.

### X. Disclosures

i) Related party transactions:

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

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

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

ii) Disclosure of Accounting treatment:

The financial statements of the Company for the year ended March 31, 2018 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 the last three years ending on March 31, 2018, 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 2017-2018 does not contain any modified audit opinion.

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

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

xiii) Policy on Sexual Harassment at workplace

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

xiv) Means of Communication:

a) Financial results

The quarterly, half yearly and annual results of the Company in the format prescribed under Regulation 33 of the SEBI Listing Regulations are published in prominent dailies such as Financial Express and Gujarat Chitra and also posted on the website of the Company i.e., [www.multibaseindia.com](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, 2018 as required under Regulation 17(8) of SEBI Listing Regulations, 2015, was placed and taken on record at the Board Meeting of the Company held on May 24, 2018.

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, 2018 is appended to this Report on Corporate Governance.

xvii) Insider Trading Code:

In compliance with Regulation 8(1) and Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has framed the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure and Conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2016.

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

xviii) General Shareholders Information:

a) Annual General Meeting

Date	: Thursday, September 6, 2018
Time	: 11.00 a.m.
Venue	: Hotel Reevanta, Tin Batti, Devka Road, Nani Daman, Daman 396210

b) Financial year 2018-19 (tentative schedule)

Quarter Results

Ending on June 30, 2018	: Second week of August 2018
Ending on September 30, 2018	: Second week of November 2018
Ending on December 31, 2018	: Second week of February 2019
Year ended March 31, 2019	: In the month of May 2019

AGM is proposed to be held on September 2019.

c) Date of Book Closure : Friday, August 31, 2018, to Thursday, September 6, 2018 (Both days inclusive)

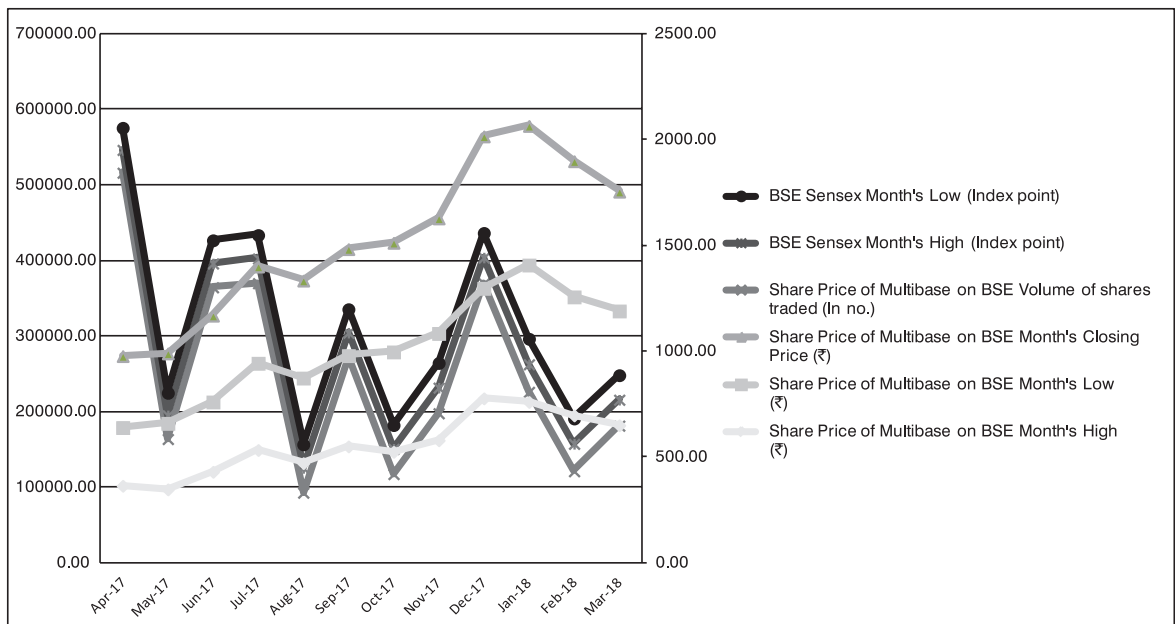
## Annual Report 2017-2018

- 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 2018-19 is been fully paid within stipulated time.
- f) Stock Code : 526169
- g) Corporate Identification Number (CIN) : L01122DD1991PLC002959
- h) Stock Market Price Data :

Month & Year	Share Price of Multibase on BSE				BSE Sensex	
	Month's High (₹)	Month's Low (₹)	Month's Closing Price (₹)	Volume of shares traded (In no.)	Month's High (Index point)	Month's Low (Index point)
April 2017	366.00	275.05	337.65	5,16,613	30,184.22	29,241.48
May 2017	349.00	312.05	330.20	1,64,359	31,255.28	29,804.12
June 2017	432.00	330.00	407.65	3,65,050	31,522.87	30,680.66
July 2017	535.00	410.00	456.80	3,70,489	32,672.66	31,017.11
August 2017	473.00	402.00	460.45	93,395	32,686.48	31,128.02
September 2017	551.90	429.00	503.25	2,72,470	32,524.11	31,081.83
October 2017	526.40	472.05	515.50	1,18,012	33,340.17	31,440.48
November 2017	581.00	505.00	543.15	1,98,412	33,865.95	32,683.59
December 2017	779.00	520.00	717.65	3,70,262	34,137.97	32,565.16
January 2018	762.00	647.00	657.25	2,26,763	36,443.98	33,703.37
February 2018	698.45	560.00	641.00	1,21,761	36,256.83	33,482.81
March 2018	652.00	540.00	563.55	1,82,029	34,278.63	32,483.84

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

MIL Share Price and Sensex Movement (For FY 2017-18) Taken 100 as Base Point



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

k) Share Transfer System:

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

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

l) Distribution of shareholding as on March 31, 2018:

Equity Shares held	No. of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-500	8,955	91.4989	9,99,607	7.9208
501-1000	410	4.1892	3,25,249	2.5773
1001-2000	214	2.1866	3,17,720	2.5176
2001-3000	58	0.5926	1,43,989	1.1410
3001-4000	41	0.4189	1,47,408	1.1681
4001-5000	30	0.3065	1,41,125	1.1183
5001-10000	48	0.4904	3,60,706	2.8582
Above 10000	31	0.3167	1,01,84,196	80.6989
<b>Total</b>	<b>9,787</b>	<b>100.00</b>	<b>1,26,20,000</b>	<b>100.00</b>

Shareholding pattern as on March 31, 2018:

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding	No. Shares Pledged or otherwise encumbered	Percentage of Shares Pledged
<b>A</b>	<b>Promoters' Holding</b>				
1	Promoters				
	Indian	-	-	-	-
	Foreign	1	94,64,994	75.00	-
<b>B</b>	<b>Public Shareholding</b>				
2	Foreign Institutional Investors	0	0	0	-
3	Foreign Portfolio investors	3	1,08,348	0.85	-
4	Non Institutional Investors				
	a. Bodies Corporate	109	1,56,702	1.25	-
	b. Indian Public	8,892	24,32,139	19.26	-

Category		No. of Shareholders	No. of Shares held	Percentage of Shareholding	No. Shares Pledged or otherwise encumbered	Percentage of Shares Pledged
<b>C.</b>	<b>Any other</b>					
1.	Clearing Member	77	33,395	0.26	-	-
2.	Office Bearer	24	151	0.00	-	-
3.	NRIs	135	97,831	0.77	-	-
4.	NRN	198	2,09,981	1.67	-	-
5.	Hindu Undivided Family	229	1,16,459	0.92	-	-
<b>Total (1+2+3)</b>		<b>9,668</b>	<b>1,26,20,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

m) Dematerialization of shares and liquidity:

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, 2018, 95.09% of outstanding Equity shares of the Company are held in dematerialized form.

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

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

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

p) Address for Correspondence : Registered Office  
74/5-6, Daman Industrial Estate,  
Kadaiya Village, Nani Daman – 396210(U.T).  
Tel No. : 0260 6614400  
Fax No. : 0260 2221578  
Email:compliance.officer@multibaseindia.com  
Compliance Officer  
Ms. Sunaina Goraksh  
1<sup>st</sup> Floor, Block B, 02 Godrej Business district,  
Pirojshanagar, LBS Marg, Vikroli (w) MUMBAI-400079  
Tel No.: 022 66741795  
Fax No.: 022 66741825  
Email:compliance.officer@multibaseindia.com

For and on behalf of the Board

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

**Deepak Dhanak**  
Managing Director  
DIN: 03157491

Mumbai, May 24, 2018

## 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 2018.

Daman, 16<sup>th</sup> May 2018

**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, 2018

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

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

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

**For Dhrumil M Shah & Co.**

Place: Mumbai  
Date: 24<sup>th</sup> May 2018

**Dhrumil M Shah**  
Practicing Company Secretary  
CP 8978; FCS 8021



## INDEPENDENT AUDITOR'S REPORT

To the Members of

### Multibase India Limited

#### Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Multibase India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statement').

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit (including 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) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Other matter

The financial statements of the Company for the year ended 31 March 2017, were audited by Deloitte Haskins & Sells who expressed an unmodified opinion on those standalone financial statements on 22 May 2017.

#### Report on Other Legal and Regulatory Requirements

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

2. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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".
  - (g) With respect to the other matters to be included in the Auditor's 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 on its financial position in its Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

**Vikas R Kasat**  
Partner  
Membership No: 105317

Mumbai  
24<sup>th</sup> May 2018

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2018

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report the following:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has made physical verification of its fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings which are freehold are held in the name of the Company.
- ii. The inventory, except goods-in-transit, has been physically verified by the management during the year. In respect of goods-in-transit, subsequent goods receipt have been verified. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and has been properly dealt with in the books of account.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly Clause (iii) (a), (b), (c) are not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of section 185 and 186 of the Act hence reporting under clause (iv) is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause (v) not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules

prescribed by the central government for maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of products manufactured by the Company, 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 with a view to determine whether they are accurate or complete.

- 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, Professional tax, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Goods and Service tax, Value added tax, 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, Professional tax, Income-tax, Sales-tax, Service-tax, Duty of Customs, Duty of Excise, Goods and Service tax, Value added tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Service tax, Value added tax, Goods and Service tax, Excise duty, Duty of Customs, Labour cess and Sales tax which have not been deposited with the appropriate authorities on account of any dispute.

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

Name of the statute	Nature of the dues	Amount Involved (₹)	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Date of payment
The Income Tax Act, 1961	Income tax	3,415,284	673,307	2005 – 2006	Income Tax Appellate Tribunal	Not yet paid
The Income Tax Act, 1961	Income tax	2,885,306	79,713	2006 – 2007	Income Tax Appellate Tribunal	Not yet paid

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

compliance with section 177 and 188 of Act, and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

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

**Vikas R Kasat**  
Partner  
Membership No: 105317

Mumbai  
24<sup>th</sup> May 2018

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2018

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Multibase India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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" (ICAI). 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 ('the Act').

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

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

Mumbai  
24<sup>th</sup> May 2018

**Vikas R Kasat**  
Partner  
Membership No: 105317



BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018

	Notes	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	Amount in ₹ 1 <sup>st</sup> April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	97,209,271	88,423,718	78,000,151
Capital work-in-progress	4	1,060,405	610,408	835,404
Financial assets:				
Loans	5	1,295,000	1,295,000	1,295,000
Non-current tax assets (net)		14,507,111	3,548,875	8,765,078
Other non-current assets	6	-	400,114	20,550
<b>Total non-current assets</b>		<b>114,071,787</b>	<b>94,278,115</b>	<b>88,916,183</b>
<b>Current assets</b>				
Inventories	7	238,484,883	192,437,090	128,071,965
Financial assets:				
Trade receivables	8	238,355,431	192,294,226	128,605,463
Cash and cash equivalents	9	225,482,411	273,921,815	190,246,387
Bank balances other than cash and cash equivalents	10	300,000,000	-	40,500,000
Loans	11	890,137	1,401,062	1,531,508
Other financial assets	12	2,370,136	300,514	1,896,053
Other current assets	13	35,452,110	13,353,760	10,164,614
<b>Total current assets</b>		<b>1,041,035,108</b>	<b>673,708,467</b>	<b>501,015,990</b>
<b>TOTAL ASSETS</b>		<b>1,155,106,895</b>	<b>767,986,582</b>	<b>589,932,173</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	126,200,000	126,200,000	126,200,000
Other equity				
Securities premium	15	11,700,000	11,700,000	11,700,000
Retained earnings	15	700,874,232	505,348,005	372,502,975
Others (including items of other comprehensive income)		151,306	150,552	-
<b>Total equity</b>		<b>838,925,538</b>	<b>643,398,557</b>	<b>510,402,975</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities:				
Other financial liabilities	16	200,000	100,000	100,000
Deferred tax liability (net)	17	6,423,424	5,464,894	3,590,046
Provisions	18	7,275,736	4,903,158	3,867,647
<b>Total non-current liabilities</b>		<b>13,899,160</b>	<b>10,468,052</b>	<b>7,557,693</b>
<b>Current liabilities</b>				
Financial liabilities:				
Trade Payables				
Due to micro and small enterprises	19	-	-	372,376
Due to others	19	282,954,787	98,710,964	63,003,193
Other current liabilities	20	18,915,983	15,134,103	8,000,850
Provisions	21	411,427	274,906	595,086
<b>Total current liabilities</b>		<b>302,282,197</b>	<b>114,119,973</b>	<b>71,971,505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,155,106,895</b>	<b>767,986,582</b>	<b>589,932,173</b>
<b>Significant accounting policies</b>	1 - 3			
<b>Notes to the financial statements</b>	4 - 43			

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

As per our report of even date attached

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

Chartered Accountants

Firm registration number :101248W/W-100022

**Vikas R Kasat**

Partner

Membership No : 105317

Place : Mumbai

Date : 24<sup>th</sup> May 2018

**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 : 24<sup>th</sup> May 2018

**H.N. Motiwalla**

(Director)

DIN No.00029835

**V S Nagesh**

(Chief Financial Officer)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

	Notes	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>Income</b>			
Revenue from operations	22	1,115,161,454	964,867,247
Other income	23	21,170,141	20,928,490
<b>Total income</b>		<b>1,136,331,595</b>	<b>985,795,737</b>
<b>Expenses</b>			
Cost of materials consumed	24	513,703,949	436,900,615
Purchase of stock-in-trade	25	146,655,233	135,017,056
Changes in inventories of finished goods and stock-in-trade	26	(850,352)	(24,527,201)
Excise duty		29,669,887	100,071,385
Employee benefits expense	27	40,447,729	40,516,105
Depreciation expenses	28	8,135,173	6,783,308
Other expenses	29	99,864,884	87,974,637
<b>Total expenses</b>		<b>837,626,503</b>	<b>782,735,905</b>
<b>Profit before tax</b>		<b>298,705,092</b>	<b>203,059,832</b>
Tax expense			
Current tax	17	102,220,335	68,339,954
Deferred tax	17	958,530	1,874,848
<b>Total tax expense</b>		<b>103,178,865</b>	<b>70,214,802</b>
<b>Profit for the year (A)</b>		<b>195,526,227</b>	<b>132,845,030</b>
<b>Other comprehensive income</b>	32		
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of the net defined benefit plans		1,147	226,803
Income tax related to above		(393)	(76,251)
<b>Other comprehensive income, net of taxes (B)</b>		<b>754</b>	<b>150,552</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>195,526,981</b>	<b>132,995,582</b>
<b>Earnings per equity share</b>			
Basic and diluted (face value of Rs.10 each)	40	15.49	10.53
<b>Significant accounting policies</b>	1 - 3		
<b>Notes to the financial statements</b>	4 - 43		
The notes referred to above form an integral part of the financial statements.			

As per our report of even date attached

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

Chartered Accountants

Firm registration number :101248W/W-100022

**Vikas R Kasat**

Partner

Membership No : 105317

Place : Mumbai

Date : 24<sup>th</sup> May 2018**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 : 24<sup>th</sup> May 2018**H.N. Motiwalla**

(Director)

DIN No.00029835

**V S Nagesh**

(Chief Financial Officer)

**STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Amount in ₹

	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>(A) Cash flow from operating activities</b>		
<b>Net profit before extraordinary items and tax</b>	<b>298,705,092</b>	203,059,832
<i>Adjustments for:</i>		
Depreciation expenses	<b>8,135,173</b>	6,783,308
(Profit) on sale of fixed assets (net)	-	(216,000)
Interest income	<b>(19,155,561)</b>	(14,768,190)
Liabilities / provisions no longer required written back	-	1,366,673
Net unrealised exchange loss/ (gain)	<b>672,536</b>	(1,816,460)
	<b>(10,347,852)</b>	<b>(8,650,669)</b>
<b>Operating profit before working capital changes</b>	<b>288,357,240</b>	194,409,163
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	<b>(46,047,793)</b>	(64,365,125)
Trade receivables	<b>(44,673,322)</b>	(65,482,433)
Non-current and current financial assets	<b>510,925</b>	1,725,985
Other non current and current assets	<b>(22,098,350)</b>	(3,189,146)
	<b>(112,308,540)</b>	(131,310,719)
Adjustments for increase in operating liabilities:		
Trade payables	<b>182,183,404</b>	37,578,852
Other current liabilities	<b>3,781,880</b>	7,133,253
Non-current and current financial liabilities	<b>100,000</b>	-
Other non current and current provision	<b>2,509,852</b>	865,883
	<b>188,575,136</b>	<b>45,577,988</b>
Cash generated from operations	<b>364,623,836</b>	108,676,432
Net income tax (paid)	<b>(113,178,571)</b>	(63,123,751)
<b>Net cash flow generated from operating activities (A)</b>	<b>251,445,265</b>	45,552,681



**STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd...)**

	Amount in ₹	
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>(B) Cash flows from investing activities</b>		
Capital expenditure on PPE, including capital advances	(16,970,608)	(17,361,444)
Proceeds from sale of fixed assets	-	216,000
Net proceeds/ investment in fixed deposits in banks	(300,000,000)	40,500,000
Interest received from others	17,085,939	14,768,190
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>(299,884,669)</b>	<b>38,122,746</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B)</b>	<b>(48,439,404)</b>	<b>83,675,428</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>273,921,815</b>	<b>190,246,387</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>225,482,411</b>	<b>273,921,815</b>
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>Notes :-</b>		
1. Cash and cash equivalents at the end of the year (refer note 9)		
Cash on hand	7,083	8,413
With banks -		
In current accounts	50,475,328	3,913,402
In deposit accounts (original maturity of 3 months or less)	175,000,000	270,000,000
	<b>225,482,411</b>	<b>273,921,815</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 registration number :101248W/W-100022

**Vikas R Kasat**

Partner

Membership No : 105317

Place : Mumbai

Date : 24<sup>th</sup> May 2018

**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 : 24<sup>th</sup> May 2018

**H.N. Motiwalla**

(Director)

DIN No.00029835

**V S Nagesh**

(Chief Financial Officer)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

Amount in ₹

## (a) Equity share capital

	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	12,620,000	126,200,000	12,620,000	126,200,000	12,620,000	126,200,000
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the year	12,620,000	126,200,000	12,620,000	126,200,000	12,620,000	126,200,000

## (b) Other equity

	Reserves and Surplus		Items of OCI	Total
	Securities premium	Retained earnings	Other items of OCI	
Balance as at 1 April 2016	11,700,000	372,502,975	-	384,202,975
Profit for the year	-	132,845,030	-	132,845,030
Remeasurements of defined benefit liability (asset)	-	-	150,552	150,552
Balance as at 31 March 2017	11,700,000	505,348,005	150,552	517,198,557
Profit for the year	-	195,526,227	-	195,526,227
Remeasurements of defined benefit liability (asset)	-	-	754	754
<b>Balance as at 31 March 2018</b>	<b>11,700,000</b>	<b>700,874,232</b>	<b>151,306</b>	<b>712,725,538</b>

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

As per our report of even date attached

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

**Vikas R Kasat**  
Partner  
Membership No : 105317

Place : Mumbai  
Date : 24<sup>th</sup> May 2018

**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 : 24<sup>th</sup> May 2018

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

**V S Nagesh**  
(Chief Financial Officer)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

Amount in ₹

**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 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 Company's financial statements up to end for the year ended 31<sup>st</sup> March 2017 were prepared in accordance with the Companies (Accounting standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the first financial statements prepared in accordance with Ind AS, Ind AS 101 'First -time Adoption of Indian Accounting Standards' has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 3.

The financial statements under Ind AS were authorised for issue by the Company's Board of Directors on 24<sup>th</sup> May 2018. 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), 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 35 – determining the amount of expected credit loss on financial assets (including trade receivables) and
- Note 31 – identification of reportable operating segments."

**Assumptions and estimation uncertainties**

- Note 4 and 28 – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.
- Note 17 and 37 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used:
- Note 32 – measurement of defined benefit obligations: key actuarial assumptions; and
- Notes 18, 21 and 38 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources"

**2.5 Measurement of fair values**

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

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

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

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

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

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

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

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

- Note 34 – financial instruments.”

## 2.6 Significant accounting policies

### (a) Operating cycle

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

### (b) Foreign currency

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

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

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

### (c) Financial instruments

#### **Recognition and initial measurement**

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

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

Financial assets - classification and subsequent measurement

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

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

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

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

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

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

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

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

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

All financial assets not classified as 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.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties. (see Note 3).

**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**

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated depreciation along with method of depreciation are provided below:

- Plant and Machineries are depreciated on Straight line Method (SLM) as per the estimated useful life of the asset: 5 to 35 years
- Buildings are depreciated on Written Down Value Method (WDV) as per the estimated useful life of the asset: 10 to 60 years
- In respect of all other Fixed Assets depreciation is provided on WDV as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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**

**Internally generated: Research and development and software development**

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

**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.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

**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.

**(f) Investment properties**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

**Depreciation**

Based on technical evaluation and consequent advice, the management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over this period on a straight-line basis. This is different from the indicative useful life of relevant type of assets mentioned in Schedule II to the Companies Act 2013.

**Fair value disclosure**

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

**(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**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

### **Defined benefit plans - Leave encashment**

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

### **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

### **Termination benefits**

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

## **(j) Provisions, contingent liabilities and contingent assets**

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

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

## **(k) Revenue**

### **Sale of goods**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, recovery of consideration is probable, the associates costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, sales tax, goods and service tax, value added tax except excise duty. The Company does not provide any warranties or maintenance contracts to its customers.

### **Other income**

#### **Interest**

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

**(l) Income taxes**

**Current tax**

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

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

**Deferred tax**

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

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

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

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

**(m) Borrowing cost**

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

**(n) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 31.

**(o) Cash and cash equivalents**

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

**(p) Earnings per share**

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

**Note 3 First Time adoption of Ind AS**

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31<sup>st</sup> March 2016, the Company had prepared these financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP or IGAAP').

The accounting policies set out in Note 2 have been applied in preparing these financials statements for the year ended 31<sup>st</sup> March 2018 including the Comparative information for the year ended 31<sup>st</sup> March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1<sup>st</sup> April 2016.

In preparing the Ind AS balance sheet as at 1<sup>st</sup> April 2015 and in presenting the comparative information for the year ended 31<sup>st</sup> March 2016, the Company has adjusted amounts reported previously in financials statements prepared in accordance with the Previous GAAP. An explanation of how the transition from Previous GAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables:

## Exemptions applied

Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

### Mandatory exceptions

#### 1. Estimates

An entity's estimates in accordance with Ind ASs at the transition date to Ind AS and end of the comparative period shall be consistent with estimates made Under the Previous GAAP unless there is objective evidence that those estimates were in error.

Accordingly, the Company's Ind AS estimates as on the transition date as well as end of the comparative period are consistent with the estimates made under the Previous GAAP on the respective dates. The Company made estimates for following items in accordance with Ind AS at the transition date as these were not required under the Previous GAAP:

- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.

#### 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

### Optional exemptions

#### 1. Deemed cost for property, plant and equipment (PPE), intangible assets and investment properties

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
  - fair value;
  - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, intangible assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

For property, plant and equipment and intangible assets, the Previous GAAP carrying values on the transition date has been carried forward as the deemed cost on transition to Ind AS.

### Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to present reconciliations of equity, total comprehensive income and cash flows as reported under the Previous GAAP and the ones reported under Ind AS. Below are the reconciliations along with the relevant explanatory notes:

#### A. Reconciliation of equity

	31 <sup>st</sup> March 2017			1 <sup>st</sup> April 2016		
	Previous GAAP	Adjustments on transition to Ind AS	Ind AS	Previous GAAP	Adjustments on transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	88,423,718	-	88,423,718	78,000,151	-	78,000,151

	31 <sup>st</sup> March 2017			1 <sup>st</sup> April 2016		
	Previous GAAP	Adjustments on transition to Ind AS	Ind AS	Previous GAAP	Adjustments on transition to Ind AS	Ind AS
Capital work-in-progress	610,408	-	610,408	835,404	-	835,404
<b>Financial assets</b>						
(i) Loans	1,295,000	-	1,295,000	1,295,000	-	1,295,000
Non-current tax assets (net)	3,625,126	(76,251)	3,548,875	8,765,078	-	8,765,078
Other non-current assets	400,114	-	400,114	20,550	-	20,550
	<b>94,354,366</b>	<b>(76,251)</b>	<b>94,278,115</b>	<b>88,916,183</b>	<b>-</b>	<b>88,916,183</b>
<b>Current assets</b>						
Inventories	192,437,090	-	192,437,090	128,071,965	-	128,071,965
Financial assets						
(i) Trade receivables	192,294,226	-	192,294,226	128,605,463	-	128,605,463
(ii) Cash and cash equivalents	273,921,815	-	273,921,815	190,246,387	-	190,246,387
(iii) Bank balances other than cash and cash equivalents	-	-	-	40,500,000	-	40,500,000
(iv) Loans	1,401,062	-	1,401,062	1,531,508	-	1,531,508
(v) Other financial assets	300,514	-	300,514	1,896,053	-	1,896,053
Current tax assets (net)	-	-	-	-	-	-
Other current assets	13,353,760	-	13,353,760	10,164,614	-	10,164,614
	<b>673,708,467</b>	<b>-</b>	<b>673,708,467</b>	<b>501,015,990</b>	<b>-</b>	<b>501,015,990</b>
<b>TOTAL ASSETS</b>	<b>768,062,833</b>	<b>(76,251)</b>	<b>767,986,582</b>	<b>589,932,173</b>	<b>-</b>	<b>589,932,173</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	126,200,000	-	126,200,000	126,200,000	-	126,200,000
Other equity	517,198,557	-	517,198,557	384,202,975	-	384,202,975
<b>Total equity</b>	<b>643,398,557</b>	<b>-</b>	<b>643,398,557</b>	<b>510,402,975</b>	<b>-</b>	<b>510,402,975</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial liabilities						
Other financial liabilities	100,000	-	100,000	100,000	-	100,000
Deferred tax liabilities (net)	5,541,145	(76,251)	5,464,894	3,590,046	-	3,590,046
Provisions	4,903,158	-	4,903,158	3,867,647	-	3,867,647
<b>Total non-current liabilities</b>	<b>10,544,303</b>	<b>(76,251)</b>	<b>10,468,052</b>	<b>7,557,693</b>	<b>-</b>	<b>7,557,693</b>
<b>Current liabilities</b>						
Financial liabilities						
Trade payables						
Due to micro and small enterprises	-	-	-	372,376	-	372,376
Due to others	98,710,964	-	98,710,964	63,003,193	-	63,003,193
Other current liabilities	15,134,103	-	15,134,103	8,000,850	-	8,000,850
Provisions	274,906	-	274,906	595,086	-	595,086
<b>Total current liabilities</b>	<b>114,119,973</b>	<b>-</b>	<b>114,119,973</b>	<b>71,971,505</b>	<b>-</b>	<b>71,971,505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>768,062,833</b>	<b>(76,251)</b>	<b>767,986,582</b>	<b>589,932,173</b>	<b>-</b>	<b>589,932,173</b>

**Note 3 First Time adoption of Ind AS (continued)**

**B. Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2017**

	Notes	Year ended 31 <sup>st</sup> March 2017		Ind AS
		Previous GAAP	Adjustments on transition to Ind AS	
Revenue from operations		864,795,862	100,071,385	964,867,247
Other income		20,928,490	-	20,928,490
<b>Total income</b>		<u>885,724,352</u>	<u>100,071,385</u>	<u>985,795,737</u>
<b>Expenses</b>				
Cost of materials consumed		436,900,615	-	436,900,615
Purchase of stock-in-trade		135,017,056	-	135,017,056
Changes in inventories of finished goods and stock-in-trade		(24,527,201)	-	(24,527,201)
Excise duty	2	-	100,071,385	100,071,385
Employee benefits expense	3	40,289,302	226,803	40,516,105
Depreciation expenses		6,783,308	-	6,783,308
Other expenses		87,974,637	-	87,974,637
<b>Total expenses</b>		<u>682,437,717</u>	<u>100,298,188</u>	<u>782,735,905</u>
<b>Profit before tax</b>		203,286,635	(226,803)	203,059,832
<b>Tax expenses</b>				
Current tax		68,339,954	-	68,339,954
Deferred tax credit	1	1,951,099	(76,251)	1,874,848
<b>Income tax expense</b>		<u>70,291,053</u>	<u>(76,251)</u>	<u>70,214,802</u>
<b>Profit for the year (A)</b>		<u>132,995,582</u>	<u>(150,552)</u>	<u>132,845,030</u>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>	3			
Remeasurements of the net defined benefit plans		-	226,803	226,803
Income tax related to above		-	(76,251)	(76,251)
<b>Other comprehensive income for the year, net of tax (B)</b>		-	<u>150,552</u>	<u>150,552</u>
<b>Total comprehensive income for the year (A+B)</b>		<u>132,995,582</u>	-	<u>132,995,582</u>

**Adjustments to statement of cash flows**

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP.

**Notes to the reconciliations**

**1 Deferred Tax**

Under Previous GAAP, deferred taxes are recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet approach for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases."

**2 Excise Duty**

Under Previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss as an expense. Thus sale of goods under Ind AS has increased with a corresponding increase in expense.

**3 Provision for employee benefits expenses**

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurement gain and loss (actuarial gains and losses on defined benefit obligation and the plan assets) are recognised immediately in the balance sheet with a corresponding debit or credit



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to retained earnings through OCI. Thus, the employee benefit cost is reduced and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

### C. Equity reconciliation 31<sup>st</sup> March 2017

	31 <sup>st</sup> March 2017
Equity under Previous GAAP	517,198,557
Ind AS adjustments	-
<b>Equity under Ind AS</b>	<b>517,198,557</b>

### D. Reconciliation of comprehensive income for the year ended on 31<sup>st</sup> March 2017

	31 <sup>st</sup> March 2017
Profit under Previous GAAP	132,845,030
Summary of Ind AS adjustments	
Actuarial gains and losses accounted through OCI	226,803
Tax effect including tax on above adjustments	(76,251)
Total Ind AS adjustments	150,552
<b>Comprehensive income under Ind AS</b>	<b>132,995,582</b>

#### Notes to reconciliations

##### Actuarial gains and losses accounted through OCI

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under Previous GAAP, these remeasurements were forming part of the profit or loss for the year. Accordingly, Rs. 150,552 (net off tax) has been reclassified from the statement of profit and loss to statement of comprehensive income in 2016-17. However, this adjustment has no impact on the total equity on the transition date as well as 31<sup>st</sup> March 2017.

#### Note 4 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 31<sup>st</sup> March 2018

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, 2017	2,841,552	14,426,886	55,443,747	15,119,919	4,181,094	841,339	175,783	93,030,320	610,408
Additions	-	2,676,043	13,633,790	303,000	250,749	-	57,143	16,920,725	1,265,125
Deletions/Transfers	-	-	-	-	-	-	-	-	815,128
<b>As at 31 March 2018</b>	<b>2,841,552</b>	<b>17,102,929</b>	<b>69,077,537</b>	<b>15,422,919</b>	<b>4,431,843</b>	<b>841,339</b>	<b>232,926</b>	<b>109,951,045</b>	<b>1,060,405</b>
<b>Accumulated depreciation</b>									
As at April 01, 2017	-	845,478	1,400,087	829,658	1,008,701	425,853	96,824	4,606,601	-
Depreciation for the year	-	913,923	4,155,624	1,845,491	961,971	209,109	49,055	8,135,173	-
Deletions/Transfers	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	-	1,759,401	5,555,711	2,675,149	1,970,672	634,962	145,879	12,741,774	-
<b>Net carrying amount as at 31<sup>st</sup> March 2018</b>	<b>2,841,552</b>	<b>15,343,528</b>	<b>63,521,826</b>	<b>12,747,770</b>	<b>2,461,171</b>	<b>206,377</b>	<b>87,047</b>	<b>97,209,271</b>	<b>1,060,405</b>

Following are the changes in the carrying amount of property, plant and equipment for the year ended 31 March 2017:

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 1 April 2016 *	2,841,552	12,737,731	53,090,063	4,755,625	3,558,058	841,339	175,783	78,000,150	835,404
Additions	-	1,689,155	4,530,391	10,364,294	623,036	-	-	17,206,876	
Deletions/Transfers	-		(2,176,707)	-	-	-	-	(2,176,707)	(224,996)
As at 31 March 2017	2,841,552	14,426,886	55,443,747	15,119,919	4,181,094	841,339	175,783	93,030,319	610,408



Description	Land - freehold	Building	Plant and machinery	Laboratory equipment	Office and other equipment	Computer systems	Furniture and fittings	Total	Capital work in progress
Accumulated depreciation									
As at 1 April 2016	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	845,478	3,576,794	829,658	1,008,701	425,853	96,824	6,783,308	-
Deletions/Transfers	-	-	(2,176,707)	-	-	-	-	(2,176,707)	-
As at 31 March 2017	-	845,478	1,400,087	829,658	1,008,701	425,853	96,824	4,606,601	-
Net carrying amount as at 31 March 2017	2,841,552	13,581,408	54,043,660	14,290,261	3,172,393	415,486	78,959	88,423,718	610,408

\* The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the Previous GAAP.

Description	Land - freehold	Building	Plant and machinery	Laboratory equipment	Office and other equipment	Computer systems	Furniture and fittings	Total	Capital work in progress
Gross Block as at 1 April 2016	2,841,552	24,838,751	136,566,843	6,674,107	6,149,678	8,970,494	5,216,021	191,257,446	835,404
Accumulated depreciation	-	(12,101,020)	(83,476,780)	(1,918,482)	(2,591,620)	(8,129,155)	(5,040,238)	(113,257,295)	-
Net carrying amount as at 1 April 2016	2,841,552	12,737,731	53,090,063	4,755,625	3,558,058	841,339	175,783	78,000,151	835,404

**Intangible Assets :**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on 1<sup>st</sup> April 2016 under the Previous GAAP.

DESCRIPTION	Software	TOTAL
Gross block	754,658	754,658
Accumulated amortisation and impairment	(754,658)	(754,658)
Net carrying amount 1 <sup>st</sup> April 2016	-	-

	Amount in ₹		
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Note 5 Loans</b>			
Unsecured, considered good			
Security deposits (at amortised cost)	<b>1,295,000</b>	1,295,000	1,295,000
	<b>1,295,000</b>	<u>1,295,000</u>	<u>1,295,000</u>
<b>Note 6 Other non-current assets</b>			
Capital advances	-	400,114	20,550
	-	<u>400,114</u>	<u>20,550</u>
<b>Note 7 Inventories (valued at lower of cost and net realisable value)</b>			
Raw materials (including packing materials) {(Include in transit ₹ 75,047,500 (31 <sup>st</sup> March 2017: ₹ 28,379,508; 1 <sup>st</sup> April 2016: ₹ 11,226,243 )}	<b>153,102,369</b>	107,904,928	68,067,004
Finished goods	<b>40,953,112</b>	52,530,309	36,970,170
Stock-in-trade {(Include in transit ₹ 14,100,026 (31 <sup>st</sup> March 2017: ₹ 6,41,852; 1 <sup>st</sup> April 2016: ₹ 11,148,475 )}	<b>44,429,402</b>	32,001,853	23,034,791
	<b>238,484,883</b>	<u>192,437,090</u>	<u>128,071,965</u>

The company follows a suitable provisioning norms for writing down the value of inventories towards slow moving, non moving and surplus inventory. Provision for the year ₹ 58,86,848 (31<sup>st</sup> March 2017: ₹ 27,11,294; 1<sup>st</sup> April 2016: ₹ 29,21,592)

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	Amount in ₹		
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Note 8 Trade receivables</b>			
Unsecured			
Considered good	238,355,431	192,294,226	128,605,463
Considered doubtful	-	-	1,366,673
	<u>238,355,431</u>	<u>192,294,226</u>	<u>129,972,136</u>
Less: Provision for doubtful debts	-	-	1,366,673
	<u>238,355,431</u>	<u>192,294,226</u>	<u>128,605,463</u>
Trade receivables include's dues from related party (refer note 33)	<u>9,858,102</u>	<u>10,739,242</u>	<u>6,689,727</u>
<b>Note 9 Cash and cash equivalents</b>			
a) Cash on hand	7,083	8,413	5,142
b) Balance with banks :			
i) In current account	50,475,328	3,913,402	11,241,245
ii) Term deposits (with original maturity of less than three months)	175,000,000	270,000,000	179,000,000
	<u>225,482,411</u>	<u>273,921,815</u>	<u>190,246,387</u>
<b>Note 10 Bank balances other than cash and cash equivalents</b>			
Margin money deposits (with original maturity of more than three months but less than twelve months)	300,000,000	-	40,500,000
	<u>300,000,000</u>	<u>-</u>	<u>40,500,000</u>
<b>Note 11 Loans</b>			
Unsecured, considered good			
Security deposits (at amortised cost)	344,308	1,400,831	1,451,481
Loans and advances to employees	545,829	231	80,027
	<u>890,137</u>	<u>1,401,062</u>	<u>1,531,508</u>
<b>Note 12 Other financial assets (current)</b>			
Interest accrued on fixed deposits	2,370,136	300,514	1,896,053
	<u>2,370,136</u>	<u>300,514</u>	<u>1,896,053</u>
<b>Note 13 Other current assets</b>			
Considered good			
Advance to vendors	229,432	1,195,771	2,167,822
Balances due from government authorities	33,369,936	10,352,516	7,203,472
Other receivables	891,828	480,718	-
Prepaid expenses	960,914	1,324,755	793,320
	<u>35,452,110</u>	<u>13,353,760</u>	<u>10,164,614</u>
<b>Note 14 Equity share capital</b>			
<b>Authorised:</b>			
13,000,000 (March 31,2017: 13,000,000; 1 April 2016: 13,000,000) equity shares of Rs. 10/- each	130,000,000	130,000,000	130,000,000
<b>Issued, subscribed and paid up:</b>			
12,620,000 (March 31,2017: 12,620,000; 1 April 2016: 12,620,000) equity shares of Rs. 10/- each	126,200,000	126,200,000	126,200,000
	<u>126,200,000</u>	<u>126,200,000</u>	<u>126,200,000</u>

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

Description	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,620,000	126,200,000	12,620,000	126,200,000
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>12,620,000</u>	<u>126,200,000</u>	<u>12,620,000</u>	<u>126,200,000</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	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017	
	Number	%	Number	%
Multibase S.A, France	9,464,994	75.00%	9,465,794	75.01%

**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.

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	Amount in ₹ 1 <sup>st</sup> April 2016
<b>Note 15 Other equity</b>			
<b>Securities premium</b>			
At the commencement and at the end of the year (On 1,800,000 equity shares of Rs. 10/- each issued at a premium of Rs. 6.50/- per share)	11,700,000	11,700,000	11,700,000
<b>Retained earnings</b>			
Opening balance	505,348,005	372,502,975	273,733,835
Add: Profit for the year	195,526,981	132,995,582	98,769,140
Less: Transferred to items other than OCI	(754)	(150,552)	-
	<u>700,874,232</u>	<u>505,348,005</u>	<u>372,502,975</u>
<b>Items other than OCI</b>			
<b>Remeasurements of defined benefit liability (asset)</b>			
Opening balance	150,552	-	-
Add: Remeasurements of defined benefit liability (asset)	754	150,552	-
	<u>151,306</u>	<u>150,552</u>	<u>-</u>
	<u>712,725,538</u>	<u>517,198,557</u>	<u>384,202,975</u>
<b>Note 16 Other financial liabilities (non-current)</b>			
<b>Security deposit (at amortised cost)</b>	200,000	100,000	100,000
	<u>200,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Note 17 Deferred tax liability (net)</b>			
<b>Deferred tax balances consist of the following:</b>			
(i) Deferred tax assets (net)			
(a) Deductions claimed on payment basis	539,454	437,242	397,670
(b) Provision for employee benefits- compensated absences	2,737,171	1,868,379	1,544,552
<b>Sub-total (A)</b>	<b>3,276,625</b>	2,305,621	1,942,222
(ii) Deferred tax liabilities (net)			
(a) Difference between book balance and tax balance of property, plant and equipment	(9,700,049)	(7,770,515)	(5,532,268)
<b>Sub-total (B)</b>	<b>(9,700,049)</b>	(7,770,515)	(5,532,268)
<b>Deferred tax liability (net) (A-B)</b>	<b>6,423,424</b>	5,464,894	3,590,046

	Amount in ₹		
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Note 18 Provisions</b>			
Provision for employee benefits			
Provision for gratuity (refer note 32)	5,282,690	3,284,114	2,888,191
Provision for leave encashment (refer note 32)	1,993,046	1,619,044	979,456
	<u>7,275,736</u>	<u>4,903,158</u>	<u>3,867,647</u>
<b>Note 19 Trade payables</b>			
Micro and small enterprises *	-	-	372,376
Other trade payables **	282,954,787	98,710,964	63,003,193
	<u>282,954,787</u>	<u>98,710,964</u>	<u>63,375,569</u>
* On the basis of information and records available, there are no outstanding dues and outstanding interest on dues to micro and small enterprises.			
** Includes due to related party Rs 19,78,59,470 (31 March 2017: Rs. 4,52,16,300; 1 April 2016: Rs. 3,62,45,136)			
<b>Note 20 Other current liabilities</b>			
Balance due to government authorities	18,915,983	15,134,103	8,000,850
	<u>18,915,983</u>	<u>15,134,103</u>	<u>8,000,850</u>
<b>Note 21 Provisions</b>			
Provision for employee benefits			
Gratuity (refer note 32)	236,357	152,836	482,120
Provision for leave encashment (refer note 32)	175,070	122,070	112,966
	<u>411,427</u>	<u>274,906</u>	<u>595,086</u>

	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
		Amount in ₹
<b>Note 22 Revenue from operations</b>		
Sales of products		
Manufacturing sale (including excise duty)	<b>946,381,576</b>	807,370,653
Trading sales	<b>168,779,878</b>	157,496,594
	<u><b>1,115,161,454</b></u>	<u>964,867,247</u>
<b>Note 23 Other income</b>		
Interest from bank deposits	<b>19,155,561</b>	14,768,190
Shared service	-	2,329,016
Profit on sale of fixed assets (Net)	-	216,000
Exchange rate variation (Net)	-	1,190,386
Other non-operating income	<b>2,007,663</b>	2,275,345
Provision for doubtful debt no longer required written back	<b>6,917</b>	149,553
	<u><b>21,170,141</b></u>	<u>20,928,490</u>
<b>Note 24 Cost of materials consumed</b>		
Opening stock	<b>107,904,928</b>	68,067,004
Add: Purchases	<b>558,901,390</b>	476,738,539
	<b>666,806,318</b>	544,805,543
Less: Closing stock	<b>153,102,369</b>	107,904,928
	<u><b>513,703,949</b></u>	<u>436,900,615</u>
<b>Note 25 Purchase of stock-in-trade</b>		
Purchases	<b>146,655,233</b>	135,017,056
	<u><b>146,655,233</b></u>	<u>135,017,056</u>
<b>Note 26 Changes in inventories of finished goods and work in progress</b>		
<u>Opening Stock :</u>		
Finished goods	<b>52,530,309</b>	48,118,645
Stock-in-trade (traded goods)	<b>32,001,853</b>	11,886,316
Less:	<b>84,532,162</b>	60,004,961
Closing Stock:		
Finished goods	<b>40,953,112</b>	52,530,309
Stock-in-trade (traded goods)	<b>44,429,402</b>	32,001,853
	<u><b>85,382,514</b></u>	<u>84,532,162</u>
<u>Changes In Inventories:</u>		
Work in progress	-	-
Finished goods	<b>11,577,197</b>	(4,411,664)
Stock-in-trade (traded goods)	<b>(12,427,549)</b>	(20,115,537)
Changes in inventories of finished goods	<u><b>(850,352)</b></u>	<u>(24,527,201)</u>

	Amount in ₹	
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>Note 27 Employee benefit expense</b>		
Salaries, wages and bonus	35,523,820	37,002,048
Contribution to provident fund	1,418,754	1,455,137
Gratuity expenses [refer note 32]	2,274,902	1,069,279
Staff welfare expenses	1,230,253	989,641
	<u>40,447,729</u>	<u>40,516,105</u>
<b>Note 28 Depreciation expenses</b>		
Depreciation on tangible assets	8,135,173	6,783,308
	<u>8,135,173</u>	<u>6,783,308</u>
<b>Note 29 Other expenses</b>		
Stores and spares consumed	944,920	3,043,513
Power, fuel and utilities	7,450,792	7,018,613
Service charges	7,272,179	6,234,545
Repair and maintenance		
- Building	77,640	32,081
- Plant and machinery	2,292,100	1,632,085
- Others	2,480,778	1,690,665
Legal, professional and other contractual charges	11,984,876	11,790,118
Payments to auditors (refer note below)	1,135,019	1,123,709
Printing, stationery and communication charges	2,733,678	3,311,455
Rent, rates and taxes	6,649,967	2,843,445
Travelling and conveyance	6,862,542	6,396,468
Insurance expenses	1,199,030	2,406,438
Royalty charges	12,604,724	5,819,648
Support charges	7,912,528	9,188,914
Directors' sitting fees	1,403,000	1,328,700
Freight outward	17,529,083	14,460,446
Commission on sales	4,209,392	7,415,453
Bank charges	345,348	822,199
Exchange rate variation (net)	3,465,011	-
Advertisement, subscription and membership fees	490,784	396,803
Bad debts and miscellaneous balances written off	-	1,217,120
Provision for doubtful debt no longer required written back	-	(1,217,120)
CSR expenses	54,557	-
Miscellaneous expenses	766,936	1,019,339
	<u>99,864,884</u>	<u>87,974,637</u>
Payments to auditors		
For audit	1,100,000	524,944
For taxation matters	-	110,000
Certification	-	148,500
For other services	-	275,000
Reimbursement of expenses	35,019	65,265
	<u>1,135,019</u>	<u>1,123,709</u>

**Note 30 Corporate social responsibility**

The Company has spent ₹ 54,557 (31 March 2017: Nil) 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 ₹ 30,36,837.
- 2) Amount spent during the year:

Particulars	Year ended 31 <sup>st</sup> March 2018
Preventive healthcare	54,557

**Note 31 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 not reportable segments applicable to the Company.

**B. Geographic information**

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

	Year ended 31 <sup>st</sup> March 2018	Year ended 31 March 2017
India	1,063,694,798	915,568,478
Outside India	51,466,656	49,298,769
<b>Total</b>	<b>1,115,161,454</b>	<b>964,867,247</b>

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

**C. Information about major customers**

Revenues from three major customers represented approximately ₹ 218,063,094 (31<sup>st</sup> March 2017: ₹ 6,84,42,476), ₹ 85,526,661 (31<sup>st</sup> March 2017: 48,062,143) and ₹ 83,546,812 (31<sup>st</sup> March 2017: ₹ 53,146,834) of the Company's total revenues.

**Note 32 Employee benefits**

(A) Defined contribution plans:

The Company recognised ₹ 1,418,754 for the year ended 31<sup>st</sup> March 2018 (31<sup>st</sup> March 2017: ₹ 1,455,137) 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 31<sup>st</sup> March 2018. 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:

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Defined benefit obligation	5,519,047	3,436,950	3,370,311
Net defined benefit (obligation)	5,519,047	3,436,950	3,370,311



**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		
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Opening balance	3,436,950	3,370,311	3,370,311
Included in profit or loss			
Current service cost	433,539	454,072	-
Past service cost	1,451,628	(82,481)	-
Interest cost	241,958	244,082	-
	2,127,125	615,673	-
Included in OCI			
Remeasurement loss (gain):			
Actuarial loss (gain) arising from:	1,147	226,803	-
Experience adjustment	-	-	-
	1,147	226,803	-
	5,565,222	4,212,787	3,370,311
Other			
Contributions paid by the employer			
Benefits paid	(46,175)	(775,837)	-
Closing balance	5,519,047	3,436,950	3,370,311

**ii. Plan assets**

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
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).

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Discount rate	7.60%	7.20%	7.80%
Future salary growth	7.00%	7.00%	7.00%
Rate of employee turnover	25 & Below - 5% 26 to 35 - 4% 26 to 45 - 3% 46 to 55 - 2% 56 & Above - 1% "	25 & Below - 5% 26 to 35 - 4% 26 to 45 - 3% 46 to 55 - 2%	25 & Below - 5% 26 to 35 - 4% 26 to 45 - 3% 46 to 55 - 2%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

**iv. Sensitivity analysis**

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

	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	5,243,396	5,815,617	3,268,163	3,618,771
Future salary growth (0.5% movement)	5,815,905	5,240,651	3,524,634	3,341,004
Rate of employee turnover (10% movement)	5,522,449	5,515,492	3,457,097	3,416,143

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 9.83 years (31<sup>st</sup> March 2017: 9.64 years).

**v. Expected future cash flows**

The expected future cash flows in respect of gratuity 31 March 2018 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 31<sup>st</sup> March 2017.

Expected future benefit payments from the fund	2017-18	2016-17
1 <sup>st</sup> following year	140,528	152,836
2 <sup>nd</sup> following year	607,816	133,636
3 <sup>rd</sup> following year	157,446	547,176
4 <sup>th</sup> following year	167,197	139,857
5 <sup>th</sup> following year	173,799	141,584
Sum of Years 6 to 10	1,763,106	1,112,213

**(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 charge towards compensated absences for the year ended 31<sup>st</sup> March 2018 based on actuarial valuation using the projected accrued benefit method is INR 434,318 (31<sup>st</sup> March 2017 : INR 717,332).

**Note 33 Related party disclosures**

a) List of related parties

Related parties where control exists:

Ultimate Holding Company

Dow Corning Corporation (Upto 31<sup>st</sup> August 2017)\*\*

Dow Dupont Inc. (Effective 1<sup>st</sup> September 2017)

Holding Company

Multibase S.A, France

Directors and Key Management Personnel (KMP)

Mr. Deepak Dhanak- Managing Director

Ms. Sunaina Goraksh- Company Secretary

Mr. VS Nagesh- Chief Financial Officer

Mr. Harish Narendra Motiwalla- Independent Director

Mr. Ashok Chhabra- Independent Director

Ms. Maithilee Kaizad Mistry- Non Executive Director

Ms. Suely Ono Mori- Non Executive Director

Mr. Vipulkumar Babu- Non Executive Director

Other related parties

Dow Corning (Zhangjiagang) Holding Company Limited

Dow Chemical International Private Limited

Dow Corning Limited-Barry

Dow Corning Korea Limited

Dow Corning Europe S.A.

Dow Corning Taiwan Inc.

Dow Corning India Private Limited

Dow Corning India Private Limited

Dow Corning India Private Limited

DC New Zealand (Auckland) Limited

Dow Corning Toray Company Limited

Dow Corning Singapore Pte. Limited

Dow Corning (Thailand) Limited

Dow Europe GMBH

Dow Silicones Corporation

Hampshire Chemical Corporation

Multibase, Inc.

H N Motiwalla & Co

\*\* The name for Dow Corning Corporation has changed its name to Dow Silicones Corporation since 1<sup>st</sup> February 2018.

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

	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
<b>Transactions</b>								
<b>Purchase of raw materials</b>								
Multibase S.A, France	-	-	140,968,780	118,003,996	-	-	-	-
Dow Corning Corporation	33,013,313	2,520,948	-	-	-	-	-	-
Dow Corning Limited-Barry	-	-	-	-	-	-	10,204,796.00	39,066,436
Dow Corning Europe S.A.	-	-	-	-	-	-	45,129,271	84,409,916
Dow Europe GMBH	-	-	-	-	-	-	108,746,414	-
Dow Silicones Corporation	-	-	-	-	-	-	2,246,185	-
Dow Corning Toray Company Limited	-	-	-	-	-	-	106,268	-
<b>Sale of finished goods</b>								
Multibase S.A, France	-	-	-	98,717	-	-	-	-
Dow Corning Taiwan Inc.	-	-	-	-	-	-	7,546,604	3,277,017
Dow Corning Korea Limited	-	-	-	-	-	-	18,667,766	19,934,224
Dow Corning India Private Limited	-	-	-	-	-	-	-	324,997
DC New Zealand (Auckland) Limited	-	-	-	-	-	-	-	82,973
Dow Corning (Zhangjiagang) Holding Company Limited	-	-	-	-	-	-	73,842	120,118
Dow Corning Singapore Pte. Limited	-	-	-	-	-	-	609,077	1,310,440
Dow Corning (Thailand) Limited	-	-	-	-	-	-	24,021,966	23,455,141
Dow Corning Toray Company Limited	-	-	-	-	-	-	52,033	-
Multibase, Inc.	-	-	-	-	-	-	39,646	-

	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
<b>Purchase of property, plant and equipment</b>								
Dow Corning Corporation	-	325,937	-	-	-	-	-	-
Dow Chemical International Private Limited	-	-	-	-	-	-	-	158,500
Support charges								
Dow Corning Corporation	14,016,591	9,188,914	-	-	-	-	-	-
Dow Chemical International Private Limited	-	-	-	-	-	-	4,503,118	455,581
Hampshire Chemical Corporation	-	-	-	-	-	-	182,685	-
<b>Sale of services</b>								
Multibase S.A, France	-	-	-	1,497,297	-	-	-	-
Multibase, Inc.	-	-	-	-	-	-	-	831,719
<b>Royalty</b>								
Dow Corning Corporation	10,712,962	5,819,648	-	-	-	-	-	-
Dow Silicones Corporation	-	-	-	-	-	-	1,891,762	-
<b>Rent paid</b>								
Dow Corning India Private Limited	-	-	-	-	-	-	-	120,000
<b>Professional charges</b>								
Dow Chemical International Private Limited	-	-	-	-	-	-	-	770,532
<b>Managerial remuneration</b>								
Mr. Deepak Dhanak	-	-	-	-	7,830,736	4,987,363	-	-
Ms.Sunaina Goraksh	-	-	-	-	1,738,524	1,055,990	-	-
<b>Director sitting Fees</b>								
H N Motiwalla	-	-	-	-	700,000	660,000	-	-
Ashok Chhabra	-	-	-	-	700,000	660,000	-	-

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

Mr. V S Nagesh (Chief Financial Officer-CFO) is on secondment from Dow Chemical International Private Limited, remuneration to CFO is reimbursed by way of Legal and Professional charges for Current year ₹ 15,00,000 (PY ₹ 625,000).

Particulars	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
<b>Receivables/ other assets</b>								
Dow Corning (Thailand) Limited	-	-	-	-	-	-	1,629,470	4,016,030
Dow Silicones Corporation	-	-	-	-	-	-	7,937,332	-
Dow Corning Korea Limited	-	-	-	-	-	-	-	2,030,152
Dow Corning Singapore Pte. Limited	-	-	-	-	-	-	-	164,524
Dow Corning Taiwan Inc	-	-	-	-	-	-	-	2,652,155
Multibase S.A, France	-	-	-	-	-	-	-	1,612,145
Multibase, Inc.	-	-	-	-	-	-	291,300	264,236
<b>Trade payables</b>								
Dow Corning Europe S.A.	-	-	-	-	-	-	-	27,554,268
Dow Corning Corporation	-	5,185,209	-	-	-	-	-	-
Hampshire Chemical Corporation	-	-	-	-	-	-	3,307,048	-
Dow Europe GMBH	-	-	-	-	-	-	109,806,322	-
Dow Silicones Corporation	-	-	-	-	-	-	24,265,679	-
Multibase S.A, France	-	-	-	-	-	-	66,516,600	11,799,888
Dow Chemical International Private Limited	-	-	-	-	-	-	1,438,356.00	676,935

**Note 34 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.

31 <sup>st</sup> March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Security deposits	-	-	1,639,308	1,639,308	-	-	-	-
Loans and advances to employees	-	-	545,829	545,829	-	-	-	-
Interest accrued on deposits	-	-	2,370,136	2,370,136	-	-	-	-
Trade receivables	-	-	238,355,431	238,355,431	-	-	-	-
Cash and cash equivalents	-	-	225,482,411	225,482,411	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	300,000,000	300,000,000	-	-	-	-
	-	-	768,393,115	768,393,115	-	-	-	-

31 <sup>st</sup> March 2018		Carrying amount			Fair value			
Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial liability</b>								
Other payable	-	-	200,000	200,000	-	-	-	-
Trade payables	-	-	282,954,787	282,954,787	-	-	-	-
	-	-	<b>283,154,787</b>	<b>283,154,787</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.

31 <sup>st</sup> March 2017		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	-	-	2,695,831	2,695,831	-	-	-	-
Loans and advances to employees	-	-	231	231	-	-	-	-
Interest accrued on deposits	-	-	300,514	300,514	-	-	-	-
Trade receivables	-	-	192,294,226	192,294,226	-	-	-	-
Cash and cash equivalents	-	-	273,921,815	273,921,815	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
	-	-	<b>469,212,617</b>	<b>469,212,617</b>	-	-	-	-
<b>Financial liability</b>								
Other payable	-	-	100,000	100,000	-	-	-	-
Trade payables	-	-	98,710,964	98,710,964	-	-	-	-
	-	-	<b>98,810,964</b>	<b>98,810,964</b>	-	-	-	-

1 <sup>st</sup> April 2016		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	-	-	2,746,481	2,746,481	-	-	-	-
Loans and advances to employees	-	-	80,027	80,027	-	-	-	-
Interest accrued on deposits	-	-	1,896,053	1,896,053	-	-	-	-
Trade receivables	-	-	128,605,463	128,605,463	-	-	-	-
Cash and cash equivalents	-	-	190,246,387	190,246,387	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	40,500,000	40,500,000	-	-	-	-
	-	-	<b>364,074,411</b>	<b>364,074,411</b>	-	-	-	-
<b>Financial liability</b>								
Other payable	-	-	100,000	100,000	-	-	-	-
Trade payables	-	-	63,375,569	63,375,569	-	-	-	-
	-	-	<b>63,475,569</b>	<b>63,475,569</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 31<sup>st</sup> March 2017.
- (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 35 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 31<sup>st</sup> March 2018, the ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount		
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Neither past due nor impaired	224,974,932	190,410,242	128,025,226
Past due 0-90 days	10,426,852	-	375,613
Past due 91-180 days	2,143,949	-	204,623
Past due 181-270 days	809,698	1,883,984	-
Past due 271-360 days	-	-	-
More than 360 days	-	-	-
	<u>238,355,431</u>	<u>192,294,226</u>	<u>128,605,462</u>
<b>Movement in impairment provision</b>	<b>Amount</b>		
Balance as at 1 <sup>st</sup> April 2016	1,366,673		
Amounts written off	(1,217,120)		
Amount written back	(149,553)		
Balance as at 31 <sup>st</sup> March 2017	-		
Amounts written off	-		
<b>Balance as at 31<sup>st</sup> March 2018</b>	-		

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.

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31 <sup>st</sup> March 2018	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	282,954,787	282,954,787	282,954,787	-	-	-
Other financial liabilities	200,000	200,000	200,000	-	-	-
	<b>283,154,787</b>	<b>283,154,787</b>	<b>283,154,787</b>	-	-	-
<hr/>						
31 <sup>st</sup> March 2017	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	98,710,964	98,710,964	98,710,964.00	-	-	-
Other financial liabilities	100,000	100,000	100,000	-	-	-
	<b>98,810,964</b>	<b>98,810,964</b>	<b>98,810,964</b>	-	-	-
<hr/>						
1 <sup>st</sup> April 2016	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	-	-	-	-	-	-
Other financial liabilities	98,710,964	98,710,964	98,710,964	-	-	-
	<b>98,710,964</b>	<b>98,710,964</b>	<b>98,710,964</b>	-	-	-

### 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 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016 are as below:

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016	1 <sup>st</sup> April 2016
	USD	Euro	USD	Euro	USD	Euro
<b>Financial assets</b>						
Trade Receivables	9,776,678	-	9,146,263	1,391,491	6,594,110	1,062,010
	<b>9,776,678</b>	-	<b>9,146,263</b>	<b>1,391,491</b>	<b>6,594,110</b>	<b>1,062,010</b>
<b>Financial liabilities</b>						
Trade payables	196,437,731	10,532,871	56,720,678	11,385,270	20,451,385	18,202,109
	<b>196,437,731</b>	<b>10,532,871</b>	<b>56,720,678</b>	<b>11,385,270</b>	<b>20,451,385</b>	<b>18,202,109</b>
<b>Net exposure</b>	<b>(186,661,053)</b>	<b>(10,532,871)</b>	<b>(47,574,415)</b>	<b>(9,993,779)</b>	<b>(13,857,275)</b>	<b>(17,140,099)</b>

### 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>31<sup>st</sup> March 2018</b>				
USD (1 % movement)	(1,866,611)	1,866,611	(1,220,614)	1,220,614
EUR (1 % movement)	(105,329)	105,329	(68,877)	68,877
	(1,971,939)	1,971,939	85.80	85.80

	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31<sup>st</sup> March 2017</b>				
USD (1 % movement)	(475,744)	475,744	(311,099)	311,099
EUR (1 % movement)	(99,938)	99,938	(65,351)	65,351

	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>1<sup>st</sup> April 2016</b>				
USD (1 % movement)	(138,573)	138,573	(90,615)	90,615
EUR (1 % movement)	(171,401)	171,401	(112,083)	112,083

#### Note 36 Reconciliation of effective tax rate

		31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
<b>Profit before tax</b>		<b>298,705,092</b>	203,059,832
		<b>34.61%</b>	34.61%
Tax using the Company's domestic tax rate		<b>103,381,832</b>	70,279,008
Tax using Company domestic rate	34.61%	<b>103,381,832</b>	70,279,008
Donation	-0.01%	<b>(28,919)</b>	-
Bad debts	0.00%	<b>(2,394)</b>	-
Others	-0.06%	<b>(171,654)</b>	(64,206)
<b>Effective tax</b>	<b>34.54%</b>	<b>103,178,865</b>	70,214,802

**Note 37 Deferred tax**

	As at 1 <sup>st</sup> April 2016	Provided during the year	As at 31 <sup>st</sup> March 2017	Provided during the year	As at 31 <sup>st</sup> March 2018
<b>Deferred tax liability</b>					
Excess of depreciation as per Income tax Act, 1961 over book depreciation	5,532,268	2,238,247	7,770,515	1,929,534	<b>9,700,049</b>
	5,532,268	2,238,247	7,770,515	1,929,534	<b>9,700,049</b>
<b>Deferred tax assets</b>					
Provision for bad and doubtful debts					
(a) Deductions claimed on payment basis	397,670	39,572	437,242	102,212	<b>539,454</b>
(b) Provision for employee benefits-compensated absences	1,544,552	323,827	1,868,379	868,792	<b>2,737,171</b>
	1,942,222	363,399	2,305,621	971,004	<b>3,276,625</b>
<b>Net deferred tax liabilities (net)</b>	<b>(3,590,046)</b>	<b>(1,874,848)</b>	<b>(5,464,894)</b>	<b>(958,530)</b>	<b>(6,423,424)</b>

**Note 38 Contingent liabilities:**

Claims against the Company not acknowledged as debts :

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Incometaxdemand,includinginterestandpenaltyandnetoffamountpaid under protest	<b>753,020</b>	2,139,860	1,553,190

The above income tax demand pertains For AY 2005-06 which is regarding less loss set off by AO and for AY 2006-07 which is of 115JB assesment pending at Tribunal

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

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

**Note 39 Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>259,889</b>	-	-
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**Note 40 Earnings per share**

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Profit after tax attributable to equity shareholders [A]	<b>195,526,227</b>	132,845,030
Number of equity shares at the beginning of the year [B]	<b>12,620,000</b>	12,620,000
Number of equity shares outstanding at the end of the year [C]	<b>12,620,000</b>	12,620,000
Weighted average number of equity shares outstanding during the year [D]	<b>12,620,000</b>	12,620,000
Basic and diluted earnings per share of face value Rs. 10 [A]/[D]	<b>15.49</b>	10.53

**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<sup>st</sup> March 2017. Management believes that the Company's international and domestic transactions with related parties post March 2017 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**Note 41 A** Previous year figures have been regrouped/ reclassified wherever necessary to correspond current year classification/disclosure.

**Note 42 Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

**Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive standard for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS11 Construction Contracts when it becomes effective.

The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer to promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specially, the standard introduces a 5-step approach to revenue recognition:

- Step 1 : Identify the contract(s) with a customer
- Step 2 : Identify the performance obligation in contract
- Step 3 : Determine the transaction price
- Step 4 : Allocate the transaction price to the performance obligations in the contract
- Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is in the process of evaluating the impact of these standards on the financial statements. These amendments will come into force from 1<sup>st</sup> April 2018.

**Ind AS 21 – The effect of changes in Foreign Exchange rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

**Note 43 Disclosure on Specified Bank Notes (SBN’s)**

During the year ended 31 March 2017, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBN’s and other notes as per the notification given below:

Particulars	SBN’s*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	10,119	10,119
(+) Permitted cash receipts	-	-	-
(-) Permitted payments	-	6,748	6,748
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	3,371	3,371

\* For the purpose of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

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

As per our report of even date attached

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

Chartered Accountants

Firm registration number :101248W/W-100022

**Vikas R Kasat**

Partner

Membership No : 105317

Place : Mumbai

Date : 24<sup>th</sup> May 2018

**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 : 24<sup>th</sup> May 2018

**H.N. Motiwalla**

(Director)

DIN No.00029835

**V S Nagesh**

(Chief Financial Officer)

### ROUTE MAP OF ANNUAL GENERAL MEETING





## MULTIBASE INDIA LIMITED

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

### ATTENDANCE SLIP

Folio No.: \_\_\_\_\_

\* Client ID No.: \_\_\_\_\_

\* DP ID No.: \_\_\_\_\_

I hereby record my presence at the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company on THURSDAY, SEPTEMBER 6, 2018 at 11:00 a.m. at Hotel Reevanta Tin Batti, Devka Road, Nani Daman, Daman - 396210.

\_\_\_\_\_  
Name of attending Member/Proxy

\_\_\_\_\_  
Member's/Proxy's Signature  
(To be signed at the time of handing over this slip)

#### NOTE :

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

\* Applicable in case shares are held in demat mode.



## MULTIBASE INDIA LIMITED

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

### PROXY FORM

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

#### 27<sup>th</sup> ANNUAL GENERAL MEETING

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

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

1. Name : ..... Address : .....

E-mail Id : ..... Signature : ..... or failing him

2. Name : ..... Address : .....

E-mail Id : ..... Signature : ..... or failing him

3. Name : ..... Address : .....

E-mail Id : ..... Signature : .....



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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company to be held on THURSDAY, SEPTEMBER 6, 2018 at 11.00 am at Hotel Reevanta, Tin Batti, Devka Road, Nani Daman, Daman-396210 and at any adjournment thereof in respect of following resolutions:

No.	Resolution
1.	Adoption of Audited Balance Sheet as of 31 <sup>st</sup> March, 2018, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Auditors' Report and Directors' Report thereon.
2.	Appointment of a Director in place of Ms. Maithilee Mistry (DIN 02152619), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
3.	Approval of material related party transaction with Multibase SA.
4.	Approval of material related party transaction with Dow Europe GmbH.
5.	Ratification of fees to be paid to M/s B F Modi & Associates, Cost Accountants, (Registration No.100604), appointed as cost auditors of the Company for the financial year 2018-19.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix Revenue Stamp Re.1
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\_\_\_\_\_  
Signature of member

\_\_\_\_\_  
Signature of 1<sup>st</sup> Proxy holder

\_\_\_\_\_  
Signature of 2<sup>nd</sup> Proxy holder

\_\_\_\_\_  
Signature of 3<sup>rd</sup> Proxy holder

**Note:**

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

