



Date: 28.08.2021

To

**Corporate Relationship Department  
BSE Limited**

Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai – 400 001

**Scrip Code: 526169**

Dear Sir/Madam,

**Sub.: Annual Report and Notice of the 30<sup>th</sup> Annual General Meeting (AGM)**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2020-21 containing inter alia the Notice of the 30<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, 21<sup>st</sup> September, 2021 at 11.00 A.M through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”).

The Notice of AGM along with the Annual Report for the financial year 2020-21 is being sent through electronic mode to the Members and is also available on the website of the Company.

This is for your information and records.

Thanking you,

Yours truly,

For **Multibase India Limited**

**Sunaina Goraksh  
Company Secretary**

**Encl: As above**



## Multibase India limited



## Board of Directors

Mr. Deepak Dhanak (DIN 03157491)	Managing Director
Mr. Harish Narendra Motiwalla (DIN 00029835)	Independent Director (Non-Executive Chairman)
Mr. Ashok Chhabra (DIN 00059677)	Independent Director
Ms. Bharti Dhar (DIN 00442471)	Independent Director
Mr. Krishan Kumar Phophalia (DIN 08395171)	Non-Executive Director
Mr. RT Paullin (DIN 08759596) (w.e.f. June 25, 2020)	Non-Executive Director
Mr. John Francis Singer (DIN 08416391) (upto June 25, 2020)	Non-Executive Director

## Chief Financial Officer

Mr. Pankaj Holani

## Company Secretary

Ms. Sunaina Goraksh

## Auditors

BSR & Co LLP, Chartered Accountants  
Firm's Registration No: 101248W/W-100022  
(upto 12.08.2021)

Price Waterhouse LLP, Chartered Accountants  
Firm's Registration No: 301112E/E-300264  
(w.e.f 12.08.2021)

## 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)  
Fax No.: (0260) 2221 578  
Tel. No.: (0260) 6614 400  
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 30<sup>th</sup> (Thirtieth) Annual General Meeting of Multibase India Limited will be held on Tuesday, 21<sup>st</sup> day of September 2021, through Video Conferencing (VC) / Other Audio Visual Means (OVAM) at 11.00 a.m. (IST) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021, together with the Report of Auditor's and Directors' thereon.
2. To declare Final dividend of ₹ 2/- on Equity Shares of ₹ 10/- each for the Financial Year ended 31<sup>st</sup> March, 2021.
3. To appoint a Director in place of Mr. Deepak Arun Dhanak (DIN: 03157491), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

4. To enter into material related party transaction(s) with DDP Speciality Electronics materials US, LLC, a Related Party and in this regard, if consider and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rules made there under, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party transactions and such other rules as may be applicable and amended from time to time, the consent of the members be and is hereby accorded for the following arrangement/transactions to be entered into by the Company in ordinary course of business and at arm's length basis for the financial year 2021-22 and for every financial year thereafter for a period of 5 financial years thereafter:

Value of Related party transactions/Arrangements per financial year:

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	Description
1.	Name of the related party	DDP Speciality Electronics materials US, LLC
2.	Nature of Relationship	Fellow subsidiary
3.	Name of interested Director(s)/ KMPs	None
4.	Sale, purchase of materials	₹ 20.00

### Terms and conditions:

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

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

5. To ratify the remuneration of the Cost Auditors for the financial year ended 31<sup>st</sup> March, 2022 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the M/s B F Modi & Associates, Cost Accountants, (Registration No. 100604), who have appointed as Cost Auditors of the Company by the Board of Directors on recommendation of the Audit Committee of the Company for the financial year 2021-22, to conduct the audit of the Cost Accounts of the Company be hereby paid the fees of ₹ 1,00,000 (Rupees One lac only) plus GST and reimbursement of out of pocket at actuals .

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

6. To approve the appointment of M/s. Price Waterhouse LLP Chartered Accountants (Firm Registration No. - 301112E/E300264) as Statutory Auditors to fill the casual vacancy to hold office upto the conclusion of this Meeting and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') as amended from time to time or any other law for the time being in force, M/s. Price Waterhouse LLP, Chartered Accountants (Firm Registration. No 301112E/E300264), who have given their consent and certificate pursuant to the said provisions of the Act, be and are hereby appointed

as Statutory Auditors of the Company with effect from August 12, 2021 to fill the casual vacancy caused by the resignation of M/s. BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) to hold the office till the conclusion of the this Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors, the Chief Financial Officer and the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and take such steps as may be considered necessary and expedient to give effect to the foregoing resolution.”

7. To appoint M/s. M/s. Price Waterhouse LLP Chartered Accountants, Chartered Accountants (Firm Registration No. - 301112E/E300264) as Statutory Auditors of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and rules, circulars, notifications made/issued thereunder, including any amendment, modification, variation or re-enactment thereof, the consent of the members be and is hereby accorded for appointment of M/s. Price Waterhouse LLP Chartered Accountants Chartered Accountants Firm Registration no. 301112E/E300264) as the Statutory

Auditors of the Company for a term of 5 consecutive years i.e. from the conclusion of the 30<sup>th</sup> Annual General Meeting till the conclusion of the 35<sup>th</sup> Annual general Meeting at such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors, the Chief Financial Officer and the severally Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/ or otherwise considered by them to be in the best interest of the Company including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

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

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

Tel.: +91 260 6614400

Fax: +91 260 2221578

Email: [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com)

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

CIN:L01122DD1991PLC002959

**Sunaina Goraksh**  
Company Secretary  
Membership No. A27934

Date: August 12, 2021

Place: Mumbai



**NOTES:**

1. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of Special Business to be transacted at the Annual General Meeting (AGM), as set out under Item No. 4, Item No. 5, Item 6 and Item 7 is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 39 dated December 31 read with Circular No. 14 dated April 8, 2020, Circular No. 20 dated May 5, 2020 and Circular No. 17 dated April 13, 2020, Circular No. 22 dated June 15, 2020 and Circular No. 33 dated September 28, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as per the above referred circulars issued by the Ministry of Corporate Affairs, members are not allowed to appoint a proxy in case of holding of meeting through video conferencing facilities. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. The dividend on Equity Shares, as recommended by the Board of Directors, if approved by the shareholders, will be credited / dispatched on or after September 21, 2021 to those members whose names shall appear on the Company's Register of Members on September 14, 2021. In the case, if postal services are not working on to their capacity because of the current Covid-19 pandemic situation, the dispatch of warrants/DD may get delayed and the warrants will be dispatched in due course of time upon normalization of the postal. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Members are requested to note that, dividend(s) if not encashed for a consecutive period of 7 (Seven) years

from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. In view of this, Members are requested to claim their dividend(s) from the Company, within the stipulated timeline.

6. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after 01 April 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment or distribution of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to send the required documents in accordance with the provisions of the IT Act through email at [multibasedivtax@linkintime.co.in](mailto:multibasedivtax@linkintime.co.in). or upload the required documents on Link Intime India Pvt Limited's (RTA) web portal as mentioned hereinafter in the Notice.

For Resident shareholders, taxes shall be deducted at source generally on dividend distributed during financial year 2021-22 under Section 194 of the IT Act as follows:

- Members having valid PAN: 10% unless exempt under any of the provisions of the IT Act.
- Members not having PAN / valid PAN and/or covered as specified person under section 206AB of IT Act : 20%

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him/her during the financial year 2021-22 does not exceed Rs. 5,000/-. Furthermore, no tax shall be deducted in cases where members provide Form 15G (applicable to resident individuals) or Form 15H (applicable to resident individuals aged 60 years or more) subject to conditions specified in the IT Act. Nil/lower tax shall be deducted on the dividend payable to certain category of resident shareholders on submission of self-declaration, registration certificate and other supporting documents. Needless to mention, Valid PAN is mandatory required to be quoted on all such documents.

For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable Sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.

As per Section 90/90A of the IT Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") read with applicable Multilateral Instrument (MLI) between India and the country of tax residence of the shareholder, if they are more beneficial to the

shareholder. For this purpose, i.e. to avail the Double Tax Avoidance Agreement (DTAA) benefits, the non-resident shareholder will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member. In case, PAN is not available, self-declaration containing specified information (i.e. contact number, email, etc.).
- Tax Residency Certificate (TRC) for the financial year 2021-22 obtained from the revenue authority of the country of tax residence.
- Self-declaration in Form 10F.
- Self-declaration by the non-resident shareholder of meeting DTAA eligibility requirement (including but not limited to principal purpose and period of holding, having no PE and satisfying beneficial ownership requirement).
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

Lower tax shall be deducted on the dividend payable to non-resident Shareholders who have provided a valid certificate issued u/s. 197 of the IT Act for lower rate of deduction along with Self Declaration. The non-resident who does not have the permanent establishment is excluded from the scope of a specified person under section 206AB of the IT Act. It is presumed by the Company that all the non-resident shareholder doesn't have a permanent establishment in India for tax withholding purpose. If there is variation in this presumption, non-resident shareholder should bring this fact within the knowledge of the undersigned for higher withholding.

Application of nil / lower rate of TDS shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by shareholders and meeting the requirement of the Act. In absence of the same, the Company will not be obligated to apply the nil/ lower rate at the time of tax deduction on dividend.

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming the beneficial rate of tax deduction and tax would be deducted accordingly.

Aforesaid declarations and documents must be submitted by the shareholders on or before September 14, 2021. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, presumption or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all

information / documents and co-operation in any tax proceedings. Members shall receive TDS certificate in Form 16A at their registered Email id only.

7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company from their registered email address mentioning their name, DP ID and Client ID/ Folio Number and mobile number to reach the Company's email address [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) on or before September 14, 2021. The same will be replied by the Company suitably.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of the AGM. Members seeking to inspect such documents can send an email to [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com)
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the 30<sup>th</sup> AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.multibaseindia.com](http://www.multibaseindia.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
11. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM is provided under Annexure-A to this Notice. Brief resume of all Directors including that of Director proposed to be re-appointed are provided under Corporate Governance Report forming part of this Annual Report.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 15<sup>th</sup> September, 2021 to Tuesday 21<sup>st</sup> September 2021 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.

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

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

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and 13<sup>th</sup> January, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

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

- (i) The voting period begins on Saturday, September 18, 2021 (9.00AM I.S.T) and ends on Monday, September 20, 2021 (5.00 P.M. I.S.T). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, September 14, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

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

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

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

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

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

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

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) / [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self- attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) / [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members

login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to minimise/mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker alongwith their queries by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number and mobile number, to reach the Company’s email address [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com) on or before September 14, 2021. Only those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions at the AGM.

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

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



## INSTRUCTIONS FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

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

### OTHER INSTRUCTIONS:

1. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
2. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
3. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 14, 2021, may obtain the login ID and

password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID No.

4. The Company has appointed Mr. Dhruvil M Shah, Practicing Company Secretary, as the Scrutinizer for conducting the voting process in a fair and transparent manner.

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

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

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company viz. [www.multibaseindia.com](http://www.multibaseindia.com) and on website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com) within 48 hours of conclusion of the 30<sup>th</sup> AGM of the Company and shall also be communicated to BSE Limited, where the shares of the Company are listed.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT

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

#### 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.

The Company enters into transaction with the said company which may be material in nature. Hence in compliance with the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) rules, 2014 and under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company proposes to obtain approval of the shareholders by way of ordinary resolution for entering into the said material related party transaction with DDP Speciality Electronics Materials US, LLC in one or more tranches for financial year 2021-22 and every financial year thereafter for a period of 5 years.

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

Value of Related party transactions/Arrangements per financial year:

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	DDP Speciality Electronics materials US, LLC
	Nature of Relationship	Fellow subsidiary
	Name of interested Director(s)/KMPs	None
1.	Sale, purchase of materials	₹ 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 an Ordinary Resolution.

Multibase SA being related party cannot vote on this resolution. Other than the above, none of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said 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 conducting of audit of the cost records of the Company for the Financial year 2021-22 at a remuneration of ₹ 1,00,000 (Rupees One lac only) 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 an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Item No. 6 & 7**

The Members of the Company at the 26<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> July, 2017 had approved the appointment of M/s. BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for a term of five years to hold office till the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company.

However, they have tendered their resignation on 11<sup>th</sup> August 2021 as the Statutory Auditors of the Company with effect from 12<sup>th</sup> August 2021 since the management is of the view to align its auditors across entities within the group. In order to achieve synergies, it would be beneficial to appoint the global audit firm as it would be helpful for the company to leverage the support of the common audit firm. The Statutory auditors understand this alignment and have raised no concerns on the same. The Audit committee also at their meeting held on 12<sup>th</sup> August 2021 noted that there were no concerns raised by the Statutory auditors on the financial statements of the Company. In accordance with the provisions of the Companies Act, 2013, the casual vacancy caused by the resignation of the Auditors shall be filled by the Board within a period of 30 days and such appointment shall also be approved by the Members of the Company within 3 months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee, and the confirmation received from M/s. Price Waterhouse LLP Chartered Accountants (Firm Registration No.– 301112E/E300264) on their eligibility, the Board of Directors have approved their appointment at their meeting held on 12<sup>th</sup> August, 2021 and recommends to the Members their appointment as the Statutory Auditors of the Company in Casual Vacancy to hold office with effect from 12<sup>th</sup> August, 2021 till the conclusion of this Annual General Meeting.

The Board of Directors, on the recommendation of the Audit Committee, have further recommended to appoint M/s. Price Waterhouse LLP Chartered Accountants (Firm Registration No.– 301112E/E300264) as Statutory Auditors for a of five (5) years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company to be held in the year 2026. The Audit Committee considered various parameters like the years of experience,

capability to serve the diverse and unique business landscape as that of the Company, Audit experience in Company's Operating business segment, synergies to be obtained on appointment of the global audit firm and found M/s. M/s. Price Waterhouse LLP Chartered Accountants (Firm Registration No.– 301112E/E300264).suitable to handle the volume and diverse Audit function of the Company.

M/s. Price Waterhouse LLP Chartered Accountants (Firm Registration No.– 301112E/E300264) have given their consent to act as the Auditors of the Company in Casual Vacancy caused by the resignation of the present Auditor and also consented to act as Auditors of the Company for a full term of five (5) years from conclusion of this Annual General Meeting of the Company until the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company.

The Board recommends the passing of resolution as set out at Item No. 6 and 7 as Ordinary Resolution respectively.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

**Registered Office:**

74/5-6, Daman Industrial Estate,  
Kadaiya Village, Nani Daman,  
Daman and Diu, Union Territory,  
PIN – 396210, India.  
Tel.: +91 260 6614400  
Fax: +91 260 2221578  
Email: [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com)  
Website: [www.multibaseindia.com](http://www.multibaseindia.com)  
CIN:L01122DD1991PLC002959

**By order of the Board of Directors**

**Sunaina Goraksh**  
Company Secretary  
Membership No. A27934

Date: August 12, 2021

Place: Mumbai

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

<b>Name of Director</b>	<b>Deepak Dhanak</b>
Type	Managing Director
Date of Birth	05/06/1972
Date of Appointment	29/06/2010
Qualification	B.Tech Chemical. MDBA
No. of Equity Shares held	1
Experience (including expertise in specific functional area)/ Brief Resume / Qualification	Mr. Deepak Dhanak has over 20 years of experience in the industry. He is Engineering Graduate(B.Tech Chemical) from College of Engineering & Technology, Akola and Diploma holder in Chemical Engineering. He has an MDBA from Symbiosis Institute of Management Studies, Pune.
Terms and Conditions of Appointment/ Reappointment	As per the Nomination and Remuneration Policy of the Company as placed on the Company's website
Shareholding in the Company	1
Directorships held in other Companies	None
Particulars of Committee Chairmanship / Membership held in other Companies	None
Relationship with other Directors inter-se	None

Note: For other details, such as number of Board Meetings attended during the year remuneration drawn etc., please refer to Corporate Governance Report.

## REPORT OF THE BOARD OF DIRECTORS

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To

The Members,

Your Directors are pleased to present the 30<sup>th</sup> Annual Report together with Audited Financial Statements of your Company for the Financial Year ended March 31, 2021.

(₹ In lacs)

FINANCIAL RESULTS	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Profit before Depreciation</b>	<b>1082.82</b>	1,091.80
Depreciation	<b>99.34</b>	95.88
<b>Profit before Tax</b>	<b>983.48</b>	995.92
Provision for tax	<b>311.88</b>	241.93
<b>Profit after Tax</b>	<b>671.60</b>	753.99
Balance brought forward from previous year	<b>9,298.24</b>	8,544.25
<b>Balance carried forward to Balance Sheet</b>	<b>9,969.83</b>	9,298.24

### OPERATIONS

During the year under review, the Company has reported gross revenue from the operations of ₹ 5,345.29 lacs as against ₹ 5977.61 lacs during F.Y. 2019-20. Accordingly, the Company has reported Profit Before Tax of ₹ 983.48 lacs and Profit After Tax of ₹ 671.60 lacs as against ₹ 995.92 lacs and ₹ 753.99 lacs respectively for the previous financial year.

The decrease in revenue by 10% as against last year is because of COVID-19 pandemic and lockdown announced by Govt. of India, in April & May of last year where only essentials were allowed, has impacted most businesses across industries. However, the Company could recover strongly where sales picked up in last two quarters, thereby minimizing the impact of pandemic.

The Company was able to maintain gross margins of 32.66% as against 33.92% in last year even in pandemic situation. Further the Company has earned interest income on fixed deposits of ₹ 210.79 lakhs and also could recover bad debts written off last year amounting to ₹ 28 lacs appx.

### DIVIDEND

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a final dividend of ₹ 2 per equity share subject to approval of the Shareholders at the Annual General Meeting, subject to withholding tax. The final dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 252.40 Lakhs.

The Dividend Distribution Policy of the Company is available on Company's website at [www.multibaseindia.com](http://www.multibaseindia.com)

### TRANSFER TO RESERVES

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

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

The Company does not have any Subsidiaries, Associates or Joint venture companies.

### REVISION OF FINANCIAL STATEMENT

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

### BOARD OF DIRECTORS

The present composition of the Board is in compliance with the provisions of Section 149 of the Companies Act, 2013.

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

Mr. RT Paullin, (DIN: 08759596) was appointed as an Additional Director (Non-executive) of the Company with effect from 25<sup>th</sup> June 2020. The Shareholders at their Annual General Meeting held on 29<sup>th</sup> September, 2020 appointed him as Non-Executive & Non Independent Director of the Company.

Ms. Bharti Dhar, (DIN: 00442471) was appointed as a Director (Non-executive and Independent) of the Company for a period of five years to hold office from 15<sup>th</sup> February 2020 to 14<sup>th</sup> February, 2025 by the shareholders of the company in their AGM held on 29<sup>th</sup> September, 2020.

Further, the shareholders of the Company at their Annual General Meeting held on 29<sup>th</sup> September, 2020 re-appointed Mr. Deepak Dhanak (DIN: 03157491) as the Managing Director of the company for a further period of 3 years with effect from 2<sup>nd</sup> March, 2020.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Deepak Dhanak (DIN: 03157491) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice of the 30<sup>th</sup> Annual General Meeting of the Company.

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

Company. None of Directors are disqualified from being appointed / re-appointed as Directors of the Company as per the disclosure received from them pursuant to Section 164(2) of the Companies Act, 2013. Apart from the above, no other Director or KMP was/were appointed or had retired or resigned during FY 2020-21.

All Directors have given a certificate to the Compliance Officer confirming the adherence to the Code of Conduct & Ethics Policy of the Company for the financial year 2020-21.

#### **DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

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

#### **CHANGE IN SHARE CAPITAL**

The Company has not made any issue of shares during the year and its Share Capital for the year ended 31<sup>st</sup> March 2021 remains unchanged.

#### **DEPOSITS**

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

#### **STATUTORY AUDITORS**

The Members of the Company at the 26<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> July, 2017 had approved the appointment of M/s. BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for a term of five years to hold office till the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company.

However, they have tendered their resignation on 11<sup>th</sup> August 2021 as the Statutory Auditors of the Company with effect from 12<sup>th</sup> August 2021 since the management is of the view to align its auditors across entities within the group. In order to achieve synergies, it would be beneficial to appoint the global audit firm as it would be helpful for the company to leverage the support of the common audit firm. The Statutory auditors understand this alignment and have raised no concerns on the same.

Further, based on the recommendation of the Audit Committee, and the confirmation received from M/s. Price Waterhouse LLP Chartered Accountants (Firm Registration No. 301112E/E300264) on their eligibility, the Board recommends to the Members their appointment as the Statutory Auditors of the Company in Casual Vacancy to hold office with effect from 12<sup>th</sup> August 2021 till the conclusion of this Annual General Meeting at the ensuing Annual General Meeting of the Company.

The Board of Directors, on the recommendation of the Audit Committee, also recommends to appoint M/s. Price Waterhouse LLP Chartered Accountants (Firm Registration No.– 301112E/E300264) as Statutory Auditors for a term of five (5) years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company to be held in the year 2026 at the ensuing Annual General Meeting of the Company.

Further, the report of the Statutory Auditors along with notes to Schedules prepared by M/s. BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) forms part of the Annual Report. The Report is self-explanatory and does not contain any qualification, adverse remark or observation.

#### **SECRETARIAL AUDITORS:**

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s Dhrumil M Shah & Co, Practicing Company Secretary, to conduct the Secretarial Audit of your Company for the financial year 2020-21. 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.

#### **COST AUDITORS:**

As per the provisions of Section 148 of the Companies Act, 2013, the Company is required to appoint Cost Accountant, to carry out the cost audit of cost records of the Company’s manufacturing unit for the year 2021-22. The Company has appointed M/s B F Modi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2020-21. The remuneration as fixed by the Board of Directors is required to be ratified by members at the forthcoming Annual General Meeting of the Company.

The Board of Directors recommends the ratification of the Cost Auditor’s remuneration at the forthcoming Annual General Meeting.

#### **INTERNAL AUDITORS:**

M/s. Mukand & Rohit, Chartered Accountants have been appointed as Internal Auditors of the Company for the financial 2021-22.



### 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.

### AUDIT COMMITTEE

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

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

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

The Company Secretary acts as Secretary of the Committee.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

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

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

The company has spent an amount of ₹ 60.20 lacs under promoting education including special education, women empowerment, covid relief activities and contribution to PM relief and Prime Minister relief fund towards CSR activities of the Company.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2021, 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;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### MANAGEMENT DISCUSSION & ANALYSIS

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

### CORPORATE GOVERNANCE

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

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

### RISK MANAGEMENT

The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value. The Board has also adopted a Risk Management Policy. The Company has adopted an enterprise wide framework that incorporates a system of risk oversight, risk management and internal control designed to identify, assess, monitor and manage risks consistent with the size of the business. Multibase applies risk management in a well-defined,

integrated framework that promotes awareness of risks and understanding of the company's risk tolerances. The Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid risks.

### **INTERNAL CONTROL AND INTERNAL AUDIT**

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

### **CRITERIA FOR APPOINTMENT OF DIRECTORS AND RELATED MATTERS**

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

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and the directors individually. The evaluation of the Chairman, non-independent directors and the Board was conducted at the Independent Directors meeting 11<sup>th</sup> February 2021

The Major Evaluation Criteria, amongst other criteria, applied are:

- (a) For Independent Directors:
- Knowledge and Skills
  - Professional conduct
  - Duties, roles and functions
- (b) For Executive Directors
- Performance as Team Leader/ Member;
  - Evaluating Business Opportunity and analysis of Risk Reward Scenarios;
  - Professional Conduct, Integrity;

- Sharing of Information with the Board.

The Directors were satisfied with the evaluation process undertaken during the year. Further, in the opinion of the Board, all the Independent Directors possess utmost integrity, professional expertise and requisite experience including proficiency.

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

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

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

The details of the familiarization programme are uploaded on the website of the Company [www.multibaseindia.com](http://www.multibaseindia.com).

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

### **RELATED PARTY TRANSACTIONS**

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

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

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

### **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES**

During the financial year, the Company has neither provided any securities nor provided corporate guarantees for loans availed by the others.

### **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>

No instance under the Whistle Blower Policy was reported during the financial year 2020-21.

### MEETINGS OF THE BOARD

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 5 Board Meetings and 4 Audit Committee Meetings were convened and held. All the recommendations made by the Audit Committee during the year were accepted by the Board.

The details of meeting and attendance of Board/Committee Members are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under SEBI (Listing Obligation and Disclosures Requirements), Regulations, 2015 and the Companies Act, 2013.

### SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

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

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

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

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

### INSURANCE

During the year the properties, assets and inventories of your Company are safeguarded properly.

### INDUSTRIAL RELATION

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

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

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

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

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

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

### ANNUAL RETURN

Annual Return for the said financial year will also be made available on the Company web-site - [www.multibaseindia.com](http://www.multibaseindia.com)

### FRAUD REPORTING

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

### SEXUAL HARASSMENT AT WORKPLACE:

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

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

No. of complaints filed during Financial Year 2020-21	NIL
No. of complaints disposed off during Financial Year 2020-21	NIL
No. of complaints pending as on 31 <sup>st</sup> March, 2021	NIL

### GREEN INITIATIVES:

Electronic copies of Annual Report 2020-21 are sent to all members whose email addresses are registered with the Company/depository participant(s). Pursuant to the applicable provisions of the Companies Act, 2013, Rules made there under and General Circular No. 39/2020 dated December 31 read with General Circular No. 20/2020 dated 5<sup>th</sup> May 2020 and Circular No. 22/2020 dated June 15, 2020 and Circular No. 33/2020 dated September 28, 2020 issued by Ministry of Corporate Affairs, Notice of 30<sup>th</sup> Annual General Meeting along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories, no physical copies of Notice of Annual General Meeting and Annual Report will be sent to any Member.

### GENERAL:

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

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

### ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board

**H.N. Motiwalla**

Non-Executive Chairman

DIN: 00029835

**Deepak Dhanak**

Managing Director

DIN: 03157491

Registered Office:

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

Tel.: +91 260 6614400

Fax: +91 260 2221578

Email: [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com)

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

CIN: L01122DD1991PLC002959

Date: August 12, 2021

Place: Mumbai

## ANNEXURE I TO DIRECTORS' REPORT

FORM NO MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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, (records were verified in electronic form due to situation of "Covid-19") 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, 2021 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, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent of Foreign Direct Investment and overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable for the financial year ended March 31, 2021;
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable for the financial year ended March 31, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable for the financial year ended March 31, 2021;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable for the financial year ended March 31, 2021;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not applicable for the financial year ended March 31, 2021; and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The Company has informed that there are no laws which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The change in the composition of the Board of Directors that took place during the

period under review was carried out in compliance with the provisions of the Act.

- Adequate notice is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions have been taken unanimously and no dissent recorded in Board Meetings.

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

**For Dhrumil M Shah & Co.**  
UDIN: F008021C000504979

**Dhrumil M Shah**  
Practising Company Secretary  
CP 8978; FCS 8021  
PR 995/2020

Place: Mumbai  
Date: June 23, 2021

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.**  
UDIN: F008021C000504979

**Dhrumil M Shah**  
Practising Company Secretary  
CP 8978; FCS 8021  
PR 995/2020

Place: Mumbai  
Date: June 23, 2021

## ANNEXURE II TO DIRECTORS' REPORT

### REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company:

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 areas and areas around the Company's operations.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Harish Narendra Motiwalla	Chairman of Committee & Non-executive Independent Director	2	2
2	Mr. Ashok Chhabra	Non-executive Independent Director	2	2
3	Mr. Deepak Dhanak	Managing Director	2	2

#### 3. The Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the Website of the Company : <http://www.multibaseindia.com/financial-result/policies.htm>

#### 4. The Details of Impact Assessment of CSR

Projects carried on out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : **Not Applicable**

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	NA	NA	NA
	<b>TOTAL</b>		

#### 6. Average net profit of the company as per section 135(5) : ₹ 205,331,087

#### 7. a) Two percent of average net profit of the company as per section 135(5) : ₹ 41,06,622

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : NIL

c) Amount required to be set off for the Financial year, if any : NIL

d) Total CSR obligation for the financial year (7a+7b-7c). : ₹ 41,06,622 for the current year plus ₹ 19, 14,000 carried forward from the preceding financial year.

Thus total CSR expenditure was ₹ 60,20,622



**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount Transferred to unspent CSR Account as per section 135(6)		Amount Transferred to any fund specified under Schedule VII as per proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 60,20,622	NIL	NA	NA	NA	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	9	10	11		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency State	
				State	District						Name	CSR Registration number.
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5	6	7	8		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency State	
				State	District			Name	CSR Registration number.
1	Project Prayaas: Annual expenses for the Autistic School	Education including special education	Yes	Daman	Daman	9,88,000	No	Dinbandhu Youth Welfare Trust	CSR00004861
2	Project Unnati: Annual expenses for training women in Tailoring and beautician courses	Women empowerment	Yes	Daman	Daman	8,76,200	No	Dinbandhu Youth Welfare Trust	CSR00004861
3	Distribution of ration kits	Covid relief	Yes	Daman	Daman	7,25,010	No	Dinbandhu Youth Welfare Trust	CSR00004861
4	School renovation	Promoting education	No	Gujrat	Valsad	23,68,260	Direct	NA	NA
5	Donation to PM cares fund	Covid relief	No	Pan India	Pan India	10,00,000	Direct	NA	NA
6	Donation to PM relief Fund	PM relief Fund	No	Pan India	Pan India	63,152	Direct	NA	NA
Total									

**(d) Amount spent in Administrative Overheads : NIL**

**(e) Amount spent on Impact Assessment, if applicable : NIL**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 60,20,622**

**(g) Excess amount for set off, if any**

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	41,06,622
(ii)	Total amount spent for the Financial Year	60,20,622
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	NIL



## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1	(2019-20) ₹ 19,14,000	NIL	19,14,000	NA	NA	NA	NA
2	(2018-19) ₹ 6,97,731	NIL	NIL	NA	NA	NA	NA
3	(2017-18) ₹ 29,82,280	NIL	NIL	NA	NA	NA	NA
<b>Total</b>							

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing.
1	NA	NA	NA	NA	NA	NA	NA	NA
<b>TOTAL</b>		<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) : NA
- (b) Amount of CSR spent for creation or acquisition of capital asset.: NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: NA

Date: June 23, 2021  
Place: Mumbai

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

**Deepak Dhanak**  
Managing Director  
DIN: 03157491

## 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;**
- 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.
  - In addition to the above while recommending the appointment of directors NRC shall be guided by the diversity policy.
  - 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.
  - 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;**
- Attendance at the meetings of the Board, Committee meetings and shareholders meetings.
  - Contribution at the meetings
  - Expert/Domain knowledge
  - Decisions taken in the best interest of the company
  - Adherence to the legal code of conduct
  - Performance of the annual plan
- 3. Criteria for determining qualifications, positive attributes and independence of a director are as follows;**
- An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, marketing, HR, corporate governance, operations or other disciplines related to the company's business.
  - 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.
  - An Independent director should meet the requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015 as amended from time to time concerning independence of directors.

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

## ANNEXURE IV

## FORM AOC-2

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

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

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

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

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2021, 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, 2021 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 ₹ 1369.94 lacs and sale of materials worth ₹ 0.64 lacs	12.02.2019	Not applicable

For Multibase India Limited

Place: Mumbai  
Date: June 23, 2021

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

**Deepak Dhanak**  
Managing Director  
DIN: 03157491

## 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 2020-21, 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. 2020-21 #	% increase/ decrease in the remuneration for financial year 2020-21#	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	71.76	8%	9.29	
2.	Mr. Pankaj Holani	Chief Financial Officer	41.77	7.26%	5.51	Profit before tax decreased by 1%
3.	Ms. Sunaina Goraksh	Company Secretary	26.87	(1%)	3.92	and profit after tax decreased by 10%

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

- II. The median remuneration of employees during the financial year was ₹ 758,422
- III. There were 23 permanent employees on the rolls of the Company as on March 31, 2021
- IV. In the financial year there was an increase of 6.21% in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2020-21 was 8.97% and average increase in the managerial remuneration w.r.t Mr. Deepak Dhanak for the financial year 2020-21 was 8%.
- VI. Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.

## ANNEXURE VI TO DIRECTORS' REPORT

### DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

#### A. Conservation of energy:

1)	The steps taken or impact on conservation of energy; Electricity, Water usage	The Company has initiated to install Variable Frequency Drives (VFDs) to reduced peak power demand and electricity saving for vacuum loader blower, Injection molding machine and to the LEV System. The Company has Continued Rain Water Harvesting in soil and additional rain water @ 75 KL is stored in fire water tank. This has reduced the electricity consumption. The Company installed 30 KWp capacity roof top solar plant, which helps to reduce carbon emission of 48 MT / Year, as well cost saving approximately of ₹ 90,000 yearly. The Company also installed RO Plant and the recycled water is used for cooling tower.
2)	the steps taken or impact on conservation of energy; Electricity, Fuel	The company has replaced lights with LED lights. This has reduced the electricity consumption and the Company also plans for solar lighting for street lights. Weekly offs at the plant are adjusted based on notice of power staggering received from the Electricity Department.  This has resulted in saving of approximately 4000 Liters of fuel which costs about ₹ 320,000/ per year. The company has identified high efficiency blender which will reduce 40% electrical consumption for blending.
3)	the capital investment on energy conservation equipment's;	The Company has replaced the old Oil Filled 750 KVA Transformer with 630 KVA Dry type cast resin transformer. Based on the analysis of the past 3 years the company identified that the actual electricity demand can be reduced from 600 KVA to 400 KVA. Accordingly, the reduction in electricity demand is made and this shall result in savings of ₹ 6,42,600/ per Year.

#### B. Technology Absorption:

1)	the efforts made towards technology absorption	It is an ongoing process. The Company replaced oil circuit Breaker with Vacuum Circuit breaker for safety of the site electrical system as well upgraded the electrical safety system with environment friendly. This shall also result in saving the cost of oil filtration of ₹ 27,000 Per year.
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)	
	FY 2020-21	FY 2019-20
Actual foreign exchange earnings	282.29	477.06
Actual foreign exchange outgo	2,371.32	2,003.40

## MANAGEMENT DISCUSSION AND ANALYSIS

### BACKGROUND & INDUSTRY OUTLOOK

At the beginning of the Financial year 2020-21, there were signs that the economy was beginning to recover after the NBFC crisis earlier in the year, particularly in Q4. However, in the last 2 weeks of March 2020 the impact of COVID-19 first wave hit us in India. There was a significant slowdown in the economy from March 2020 till about September 2020 with the Auto industry being severely impacted. Since October 2020 the auto industry began to improve with a sudden increase in demand which continued to remain strong until the end of the financial year. However, in March 2021 we began to witness the 2<sup>nd</sup> wave of Covid-19 in India which resulted in various state announced lockdowns that resulted in downstream demand getting impacted as showrooms were prohibited from staying open in several states even though manufacturing was permitted to continue. This resulted another drop-in demand which is now beginning to recover in June 2021. The markets are beginning to improve but the rate of bounce back is still a little uncertain.

Business was impacted in the FY 2020-21 on account of wave 1 of Covid and there is expected to be some impact in FY 2021-2022, but the degree of impact is yet to be ascertained as uncertainty of demand still prevails.

### BUSINESS & FINANCIAL REVIEW

With the current business portfolio, we are largely operating in the area of Automotive, Consumer & Industrial and Thermoplastic Additives. All these segments were adversely impacted on account of the industrial shutdown during the lockdown in FY 2020-2021 and also reduced demand on account of the economic impact of the lockdowns. Further impact in FY 2021-2022 is yet to be ascertained on account of the various state announced lockdowns.

During the year under review, the Company reported gross revenue from operations of ₹ 5,349.29 Lacs as against ₹ 5,977.61 Lacs during the FY 2019-20. The Company reported Profit before Tax of ₹ 983.48 Lacs and Profit after Tax of ₹ 671.60 Lacs as against ₹ 995.92 Lac and ₹ 753.99 Lacs respectively for the previous Financial year. The decrease in revenue by 10% as against last year is on account of COVID-19 pandemic and lockdown announced by Govt. of India, in April & May of last year where only essentials were allowed, has impacted most businesses across industries. However, the Company could recover strongly where sales picked up in last two quarters, thereby minimizing the impact of pandemic.

The Company was able to maintain gross margins of 32.66% as against 33.92% in last year even in pandemic situation. Further the Company has earned interest income on fixed deposits of ₹ 210.79 lakhs and also could recover bad debts written off last year amounting to ₹ 28 lacs approximately.

### KEY FINANCIAL RATIOS AS ON 31<sup>ST</sup> MARCH 2021

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

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

Ratios	2020-21	2019-20
Inventory turnover	4.53	4.18
Debtors turnover	4.63	3.95
Assets turnover	0.47	0.56
Current ratio	10.81	12.61
Debt equity ratio	0.11	0.09
Gross profit (%)	32.66%	33.92%
Net profit margin (%)	12.56%	12.61%

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

**Current ratio:** Decrease is primarily due to increase in trade creditors mainly intercompany payables by 28.73% as major amount payable was not due as on March 31,2021

### OPPORTUNITIES AND THREATS

In general, there was contraction in the GDP (percentage terms) of India on account of the lockdowns, triggered by the COVID-19 pandemic in wave 1 in FY 2020-2021. However, since October 2020 the recovery was quite quick and strong.

In Auto sector, we saw very strong levels of demand since October 2020 till the end of the financial year and saw a good start to the FY 2021-2022. However on account of wave 2 we witnessed another drop-in demand from April-May'21 onwards. Recovery since June 2021 has begun but there should be some clarity on the level of bounce back in a couple of months.

### RISKS AND CONCERNS

The biggest uncertainty impacting demand and supply of our products at this point in time is the timing of the recovery of the industry due to the uncertainty of how well the economy will recover after wave 2 state announced lockdowns. It is yet to be seen as to whether the recovery will be as robust as it was after wave 1. One risk we see is that in this wave rural India has also been impacted with Covid-19, which had remained relatively unscathed in wave 1. So the recovery may be slower and a little more prolonged.

Logistics for imported grades and raw materials has been a significant challenge with uncertain shipping times, shortage of vessels and increased costs.

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

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

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

#### **INTERNAL CONTROL SYSTEMS**

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

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

These measures are in the form of procedures/ processes set by the management covering all critical and important areas.

These controls are periodically updated and are subject to review by internal auditors. Internal audit function has been outsourced to independent firm of Chartered Accountants who submit quarterly reports to the Board. The Audit Committee reviews the report of the Internal Auditors and recommends steps to be taken to improve internal controls if any.

#### **CAUTIONARY STATEMENT**

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

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

## REPORT ON CORPORATE GOVERNANCE

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

### I. Company's Philosophy

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

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

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

### II. Board of Directors

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

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

- i) Details of Composition and Category of Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at March 31, 2021:

Sr. No.	Name of the Director	Category	No. of Board Meeting during the tenure of the Directors in the FY 2020-21		Attendance at the last AGM held on 29/09/2020	Directorship in other Public Companies	Committee position held in other Public Companies	
			Held	Attended			Chairman	Member
1.	Mr. Deepak Dhanak (DIN: 03157491)	Executive Director [Managing Director]	5	5	Yes	-	-	-
2.	Mr. Harish Narendra Motiwalla (DIN: 00029835)	Independent & Non - Executive Director [Chairman]	5	5	Yes	7	5	3
3.	Mr. Ashok Chhabra (DIN: 00059677)	Independent & Non – Executive Director	5	5	Yes	-	-	-
4.	Ms. Bharti Dhar (DIN: 00442471)	Independent Non – Executive Director	5	5	Yes	1	-	2
5.	Mr. Krishan Phophalia Kumar (DIN: 08395171)	Non – Executive & Non-Independent Director	5	5	Yes	-	-	-
6.	*Mr. John Singer (DIN: 08416391)	Non – Executive & Non-Independent Director	1	0	NA	-	-	-
7.	**Mr. RT Paullin (DIN: 08759596)	Non – Executive & Non-Independent Director	4	3	Yes	-	-	-

\* upto 25<sup>th</sup> June, 2020

\*\* Appointed on Company's Board with effect from 25<sup>th</sup> June, 2020

- Directorship held in Private Companies, Non-profit Organizations (Under Section 8 of the Companies Act, 2013) and Foreign Companies is not included.



2. Only Audit Committee and Stakeholders Relationship Committee are taken into consideration as per the provisions of Regulation 25 of the Listing Regulations. None of the Directors of the Company held Directorship in more than 20 Companies (Public or Private), 10 public Companies, is a member of more than 10 committees or acts as a Chairman of more than 5 committees across all the Companies wherein he is a director. None of the Directors serves as Independent Director in more than 7 listed Companies.
- ii) None of the Non-Executive Directors of the Company have any pecuniary relationship and / or transaction with the Company. The disclosure of fees / compensation, if any, paid to the Non-Executive Directors is done at appropriate place later in this Report on Corporate Governance.
- iii) During the year 2020-21, the Board of Directors of your Company met 5 times on 25/06/2020, 27/08/2020, 24/09/2020, 11/11/2020 and 11/02/2021.
- The intervening period between any two meetings did not exceed the period prescribed under the SEBI Listing Regulations and the amendments made thereof from time to time.
- iv) None of the Directors are related to each other.
- v) Web-link where details of familiarisation programme imparted to independent directors is disclosed: [www.multibaseindia.com](http://www.multibaseindia.com)
- vi) 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.
- vii) 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 2020-21. A declaration to this effect signed by Managing Director is appended to this Report of Corporate Governance. The Code of Conduct is also available on the web-site of the Company i.e., [www.multibaseindia.com](http://www.multibaseindia.com)
- viii) Particulars of Directorship of other companies

Sr. No.	Name of the Director	Name of the Company	Position
1.	Mr. Harish Narendra Motiwalla	Ashapura Minechem Limited	Independent Director
		Balkrishna Paper Mills Limited	Independent Director
		Excel Industries Limited	Independent Director
		Orient Abrasives Limited	Independent Director
		Hitech Corporation Limited	Independent Director
		Ashapura International Limited	Independent Director
		Ashapura Perfoclay Limited	Independent Director
		Geetanjali Trading And Investments Private Limited	Independent Director
		LIC Mutual Fund Trustee Private Limited :	Independent Director
2.	Mr. Ashok Chhabra	Signet Excipients Private Limited	Independent Director
3.	Ms. Bharti Dhar	Nitco Limited	Independent Director
		Vitasta Consulting Private Limited	Executive Director

- vii. (a) Following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively and those available with the Board as a whole:
- Finance and Accounting Skills: Leadership experience in handling financial management of a large organisation along with understanding of accounting, financial statements, financial controls and risk management.
  - Global Business: Experience in driving business success in market around the world, with an understanding of diverse business environment, economic conditions and broad perspective of global market opportunity.

- Operations management: Overseeing an organization's daily business activities. They are responsible for managing its resources, developing and implementing an operational plan and ensuring that procedures are carried out properly.
- Legal and Compliance: Experience in matters relating to compliances, understanding of changing regulatory framework.
- General Management and Governance: Strategic thinking, decision making, oversight to all dimensions of business and Board accountability, high standard of governance with changing regulatory framework.
- Human Resource Development: Experience to Human Resource Management in different corporates in various countries, understanding employee attitude in different countries, representation of gender, ethnic, geographical, cultural, or other perspectives that expand the Board's understanding of needs and viewpoints of customers, employees, governments and other stakeholders worldwide.

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

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

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

Sr. No.	Name of the Director	Skills/ Expertise/ Competence
1.	Mr. Deepak Dhanak	Operations management, General Management and Governance
2.	Mr. Harish Narendra Motiwalla	Finance and Accounting Skills, General Management and Governance
3.	Mr. Ashok Chhabra	Legal and Compliance, General Management and Governance, Finance and Accounting Skills
4.	Ms. Bharti Dhar	General Management and Governance, Human Resource Development
5.	Krishan Phophalia Kumar	Finance and Accounting Skills, General Management and Governance.
6.	John Singer (resigned w.e.f. 25.06.2020)	Global Business, General Management and Governance,
7.	Mr. RT Paullin (appointed w.e.f. 25.06.2020)	Global Business, Operations Management, Management and Governance

- ix) In the opinion of Board of Directors, the Independent Directors fulfill the conditions specified in SEBI Listing regulations and are Independent of the management.
- x) None of the Independent Director has resigned during the year under review.

#### **Audit Committee**

- i) Composition of the Audit Committee, particulars of meetings held and attended during the year 2020-21:

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

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

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. H N Motiwalla, Chairman of the Audit Committee was present at the Annual General Meeting held on 29<sup>th</sup> September 2020.

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 2020-21:**

During the year 2020-21, 4 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			
		25/06/2020	27/08/2020	11/11/2020	11/02/2021
1	Mr. Harish Narendra Motiwalla	Present	Present	Present	Present
2	Mr. Ashok Chhabra	Present	Present	Present	Present
3	Mr. Krishan Phophalia	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.
  - t) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

**B. The audit committee mandatorily reviews the following information:**

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

**III. Nomination and Remuneration Committee**

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

**i) Composition of the Nomination and Remuneration Committee, particulars of meetings held and attended during the year 2020-21:**

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

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

The Company Secretary acts as the Secretary to the Committee.

During the year 2020-21, 3 meetings of the Nomination and Remuneration Committee were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance		
		25/06/2020	27/08/2020	11/02/2021
1	Mr. Harish Narendra Motiwalla	Present	Present	Present
2	Mr. Ashok Chhabra	Present	Present	Present
3	Mr. Krishan Phophalia	Present	Present	Present

**ii) Terms of reference:**

Identify persons who are qualified to become directors and persons who may be appointed in senior management of the Company in accordance with the criteria laid down for such position and recommend to the Board their appointment and removal,

Recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations

1. Carry out evaluation of every director's performance as per the criteria laid down.
2. Formulate, in accordance with the provisions of Companies Act, 2013 or guidelines or Listing Regulations as may be prescribed in this behalf, the criteria for determining qualifications, positive attributes and independence of a director
3. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Policy shall ensure:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
4. Recommend to the board, all remuneration, in whatever form, payable to senior management.
5. Formulate the criteria for evaluation of independent directors and the Board.
6. Devise a policy regarding observance of principles of diversity in the composition of the Board.
7. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
8. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
9. Carrying out such other function as may be necessary or incidental to the above under Companies Act, 2013, Listing Regulations or such other applicable regulations.

**iii) Employee Stock Option Scheme:**

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

**iv) Performance Evaluation Criteria for Independent Directors:**

The Criteria for Performance Evaluation Criteria of Independent Directors are discussed in Annexure III annexed to the Directors' Report.

**v) 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 2020-21, Mr. Deepak Dhanak, Managing Director was paid ₹ 71.76 Lac as Salary. He held 1 equity share in the Company as on March 31, 2021. He was re-appointed as the Managing Director for a period of 3 years commencing from March 2, 2020. The notice period is 3 months and severance fees is payable as per the statutory requirements.

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2020-21 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, 2021
Mr. Harish Narendra Motiwalla	-	7,60,000	NIL
Mr. Ashok Chhabra	-	7,60,000	5
Ms. Bharti Dhar	-	2,40,000	NIL
Mr. Krishan Phophalia Kumar	-	NIL	NIL
Mr. John Singer upto 25.06.2020	-	NIL	NIL
Mr. RT Paullin w.e.f. 25.06.2020	-	NIL	NIL

Remuneration Policy of the Company is available on Company's web-site [www.multibaseindia.com](http://www.multibaseindia.com)

#### VI. 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, 2021 comprises of following members:

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

The Company Secretary acts as the Secretary to the Committee.

- ii) **Terms of reference:**

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

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

- iii) Name, Designation and Address of Compliance Officer:

**Ms. Sunaina Goraksh**

Company Secretary & Compliance Officer  
82, 83, 8<sup>th</sup> floor, 2 North Avenue,  
Makermaxity, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051.

- iv) Procedure for approval and details of meetings and attendance during the year 2020-21:

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 2020-21, 4 meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance			
		25/06/2020	27/08/2020	11/11/2020	11/02/2021
1	Mr. Ashok Chhabra	Present	Present	Present	Present
2	Mr. Harish Narendra Motiwalla	Present	Present	Present	Present
3	Mr. Deepak Dhanak	Present	Present	Present	Present

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

The details of Investors' Complaints received and redressed by the Company and Link Intime India Pvt. Ltd. during the year 2020-21 is as follows:

Nature of Complaints	No. of complaints at the beginning of the year 01/04/2020	Number of Complaints Received 01/04/2020 to 31/03/2021	Number of Complaints Resolved 01/04/2020 to 31/03/2021	No. of complaints pending at the end of the year 31/03/2021
Non Receipt of Rejected DRF	0	0	0	-
Non Receipt of Share Certificate(s) - Transfer	0	0	0	-
Non receipt of stickers for change in the name of the company	0	0	0	-
Others	0	1	1	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

#### V. 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, 2021 comprises of following members:

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

The Company Secretary acts as the Secretary to the Committee.

During the year 2020-21, 2 meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance	
		27/08/2020	11/02/2021
1.	Mr. Harish Narendra Motiwalla	Present	Present
2.	Mr. Ashok Chhabra	Present	Present
3.	Mr. Deepak Dhanak	Present	Present

Terms of Reference:

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

#### VI. 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, 2021 comprises of following members:

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

The Company Secretary acts as the Secretary to the Committee.

During the year 2020-21, no meetings were held

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; and
- 3) To perform such other functions as may be determined by the Board from time to time.

#### VII. Meeting of Independent Directors

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Meeting of Independent Directors of the Company was held on 11<sup>th</sup> February 2021 inter-alia to review the performance of non-independent Directors and Board as a whole, the Chairperson of the Company and to assess the quality, quantity and flow of information between the management and the Board.

The terms and conditions of appointment of Independent Directors have been placed on the Company’s website at [www.multibaseindia.com](http://www.multibaseindia.com)

#### VIII. General Body Meetings

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

Financial year	AGM No.	Day & Date	Venue	Time
2019-20	29 <sup>th</sup>	Tuesday, 29 <sup>th</sup> September, 2020	Video Conferencing (“VC”) / Other Visual Means (“OAVM”)	11.00 a.m.
2018-19	28 <sup>th</sup>	Thursday, 26 <sup>th</sup> September 2019	Hotel Reevanta, Tin Batti, Devka Road, Nani Daman – 396210 (U.T)	11.00 a.m.
2017-18	27 <sup>th</sup>	Thursday, 6 <sup>th</sup> September 2018	Hotel Reevanta, Tin Batti, Devka Road, Nani Daman – 396210 (U.T)	11.00 a.m.

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

AGM No.	No. of Special resolutions passed	Particulars of Special resolutions
29 <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 2 <sup>nd</sup> March, 2020.
28 <sup>th</sup>	1	Continuation of the term of Mr. Harish Motiwalla (DIN 00029835) being the age of 75 years, as an Independent Director of the Company.
27 <sup>th</sup>	0	None

- iii) Details of resolutions passed through Postal Ballot:

There were no resolutions passed by way of Postal ballot or by convening of any Extra-ordinary General Meeting during the financial year 2020-21.

Further, 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.

## IX. Disclosures

### i) Related party transactions:

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

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

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

The policy on dealing with related party transactions is disclosed on the website of the Company i.e., [www.multibaseindia.com](http://www.multibaseindia.com)

### ii) Disclosure of Accounting treatment:

The financial statements of the Company for the year ended March 31, 2021 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:

Details of remuneration paid to Directors has been disclosed in Clause IV "Nomination and Remuneration committee" Section of this report.

### vii) Subsidiary Company:

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

### viii) Management:

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

**ix) Shareholders:**

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

**x) Compliances:**

- a) During last 3 years ending on March 31, 2021 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 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:  
Modified opinion(s) in audit report - During the year under review, there was no qualification on the Company's financial statement.

**xi) 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

**xii) Policy on Sexual Harassment at workplace**

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

**xiii) 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 as well as sent to Stock Exchange.

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)

**xiv) CEO/CFO Certificate:**

The CEO/CFO Certificate for the year ended March 31, 2021 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 23<sup>rd</sup> June 2021

**xv) 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, 2021 is appended to this Report on Corporate Governance.

- xvi) The Certificate of Company Secretary in practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.
- xvii) Details relating to total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are given in Note 29 to the Financial Statements.
- xviii) Disclosures in relation to Prevention of Sexual Harassment of Women at Workplace like number of complaints filed and disposed of during the year and pending as on 31<sup>st</sup> March, 2021 pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' report.
- xix) The policy for determining 'material' subsidiaries is disclosed on the website of the Company i.e., [www.multibaseindia.com](http://www.multibaseindia.com)

**xx) Insider Trading Code:**

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

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

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

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

**xxi) General Shareholders Information:**

- a) Annual General Meeting
  - Date : Tuesday, 21<sup>st</sup> September, 2021
  - Time : 11.00..AM
  - Venue : Audio Video conference
- b) Financial year 2021-22: 1<sup>st</sup> April 2021 to 31<sup>st</sup> March, 2022.
  - Tentative Calendar for the financial year:
    - Quarter Ending on June 30, 2021 : August 2021
    - Quarter Ending on September 30, 2021 : November 2021
    - Quarter Ending on December 31, 2021 : February 2021
    - Financial Year ended March 31, 2022 : May 2022
    - AGM is proposed to be held for financial year 2021-22 : September 2022
- c) Date of Book Closure : Wednesday, 15<sup>th</sup> September., 2021 to Tuesday, 21<sup>st</sup> September 2021 (Both days inclusive)
- d) Dividend Payment date : Credit/dispatch of final dividend will commence on or after September 21, 2021 and will be completed on or before October 20, 2021, subject to the approval of the shareholders at the Annual General Meeting.

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

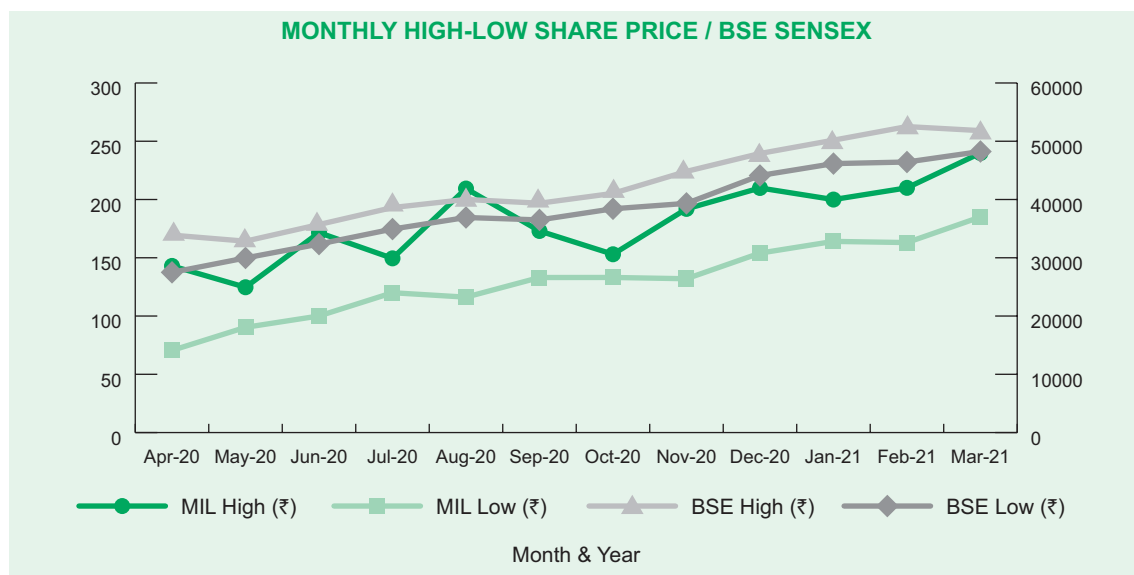
The Company confirms that its Annual Listing fees for the year 2021-22 has been fully paid within stipulated time.

- f) Stock Code : 526169  
g) Corporate Identification Number (CIN) : L01122DD1991PLC002959  
h) Stock Market Price Data :

Month & Year	Share Price of Multibase on BSE				BSE Sensex	
	Month's High (₹)	Month's Low (₹)	Month's Closing Price (₹)	Volume of shares traded (In no.)	Month's High (Index point)	Month's Low (Index point)
April 2020	143.00	70.50	108.55	1,45,483	33,887.25	27,500.79
May 2020	124.70	90.30	107.80	2,10,467	32,845.48	29,968.45
June 2020	171.60	100.05	142.65	4,11,284	35,706.55	32,348.10
July 2020	149.50	120.00	121.10	1,26,736	38,617.03	34,927.20
August 2020	209.40	116.20	155.15	3,67,717	40,010.17	36,911.23
September 2020	173.00	133.05	145.90	66,182	39,359.51	36,495.98
October 2020	153.00	133.10	137.00	70,907	41,048.05	38,410.20
November 2020	191.95	132.00	174.00	2,37,083	44,825.37	39,334.92
December 2020	209.90	154.00	193.60	3,65,945	47,896.97	44,118.10
January 2021	199.95	164.05	167.55	1,42,003	50,184.01	46,160.46
February 2021	210.00	163.05	192.15	1,83,240	52,516.76	46,433.65
March 2021	239.85	185.00	191.20	4,68,397	51,821.84	48,236.35

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

MIL Share Price and Sensex Movement (For FY 2020-21) Taken 100 as Base Point



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

k) Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, as amended, the securities can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019, except in case of requests received for transmission or transposition of securities. The members holding shares in physical form are requested to consider converting their holding to dematerialized form. Transfers of equity shares in an electronic form are effected through the depositories with no involvement of the Company.

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

- l) Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account: Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company is required to transfer all unclaimed shares to an "Unclaimed Suspense Account" and dematerialize the same subsequently.

In view of the above, the Company is in process of opening of the Demat account and three reminders were also sent vide letters dated 21<sup>st</sup> April, 2021, 10<sup>th</sup> May 2021 and 20<sup>th</sup> May 2021 respectively.

m) Distribution of shareholding as on March 31, 2021:

Equity Shares held	No. of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1 to 500	7,941	90.0238	934,408	7.4042
501 to 1000	445	5.0448	350,882	2.7804
1001 to 2000	221	2.5054	319,951	2.5353
2001 to 3000	85	0.9636	209,190	1.6576
3001 to 4000	31	0.3514	110,207	0.8733
4001 to 5000	25	0.2834	115,077	0.9119
5001 to 10000	40	0.4535	297,631	2.3584
10001 to 99999999999	33	0.3741	10,282,654	81.4790
<b>TOTAL:</b>	<b>8,821</b>	<b>100.00</b>	<b>12,620,000</b>	<b>100.00</b>

Shareholding pattern as on March 31, 2021:

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding	No. Shares Pledged or otherwise encumbered	Percentage of Shares Pledged
<b>A Promoters' Holding</b>					
<b>1 Promoters</b>					
Indian	-	-	-	-	-
Foreign	1	94,64,994	75.00%	-	-
<b>B Public Shareholding</b>					
<b>2 Foreign Institutional Investors</b>	-	-	-	-	-
<b>3 Foreign Portfolio investors</b>	1	1,29,375	1.03%	-	-
<b>4 Non Institutional Investors</b>					
a. Bodies Corporate	63	1,30,457	1.03%	-	-
b. Indian Public	8,070	24,80,133	19.65%	-	-
c. Any other	-	-	-	-	-

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding	No. Shares Pledged or otherwise encumbered	Percentage of Shares Pledged
1. Clearing Member	34	8,226	0.07%		
2. Office Bearer	14	33	0.00%	-	-
3. NRIs	92	83,898	0.66%	-	-
4. NRN	174	1,80,533	1.43%	-	-
5. Hindu Undivided Family	240	1,41,272	1.12%	-	-
6. NBFCs registered with RBI	1	881	0.00%	-	-
7. Trust	1	198	0.00%	-	-
<b>Total (1+2+3)</b>	<b>8821</b>	<b>1,26,20,000</b>	<b>100%</b>	-	-

- n) Updating necessary KYC details of registered and/or joint holders holding shares in physical form:

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

- o) Dematerialization of shares and liquidity:

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

The Company's Shares are traded in Stock Exchange in dematerialized form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2021, 95.64% of outstanding Equity shares of the Company are held in dematerialized form.

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

- p) Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity: NIL
- q) Plant Location : Multibase India Limited  
74/5-6, Daman Industrial Estate,  
Kadaiya Village, Nani Daman – 396210 (U.T).

r) Address for Correspondence : Registered Office  
74/5-6, Daman Industrial Estate,  
Kadaiya Village, Nani Daman – 396210(U.T).  
Tel No. : 0260 6614400  
Fax No. : 0260 2221578  
Email:compliance.officer@multibaseindia.com

Compliance Officer

**Ms. Sunaina Goraksh**  
82,83, 8<sup>th</sup> Floor,  
2 North Avenue Maker Maxity,  
Bandra Kurla Complex,  
Bandra East, Mumbai-400051.  
Tel No.: +91-22-4071-6000  
Fax No.: +91-22-4022-0749  
Email:compliance.officer@multibaseindia.com

Details of Credit ratings to be provided, if any: None

For and on behalf of the Board

Place: Mumbai,  
Date: June 23, 2021

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

**Deepak Dhanak**  
Managing Director  
DIN: 03157491

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members of  
MULTIBASE INDIA LIMITED  
74/5 6 Daman Industrial Estate,  
Kadaiya, Village Nani-Daman,  
UT Daman and Diu- 396210.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Names of Director	DIN	Date of appointment in Company
1.	Harish Narendra Motiwalla	00029835	27/10/2009
2.	Ashok Faqirchand Chhabra	00059677	27/10/2009
3.	Deepak Arun Dhanak	03157491	29/06/2010
4.	Krishan Kumar Phophalia	08395171	01/04/2019
5.	RT Paullin	08759596	25/06/2020
6.	Bharti Pradeep Dhar	00442471	15/02/2020

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

For **Dhruvil M Shah & Co.**  
UDIN: F008021C000505001

**Dhruvil M Shah**  
Practising Company Secretary  
CP 8978; FCS 8021  
PR 995/2020

Place: Mumbai  
Date: June 23, 2021



## 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 2021

Daman, 23<sup>rd</sup> June 2021

**Deepak Dhanak**  
Managing Director

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Multibase India Limited  
74/5 6, Daman Industrial Estate,  
Kadaiya Village, NaniDaman,  
Union Territory, DD 396210, India

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 March 31, 2021.

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

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

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

For **Dhrumil M Shah & Co.**  
UDIN: F00821C000505012

**Dhrumil M Shah**  
Practising Company Secretary  
CP 8978; FCS 8021  
PR 995/2020

Place: Mumbai  
Date: June 23, 2021

## INDEPENDENT AUDITORS' REPORT

To the Members of **Multibase India Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Multibase India Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Description of Key Audit Matter

##### Revenue Recognition

The key audit matter	How the matter was addressed in our audit
<p>Revenue of the Company mainly comprises of Thermoplastic Elastomer and Silicone Masterbatch to its customers.</p> <p>Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. This requires detailed analysis of each sales order regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. This may result in revenue being overstated because of risk pressure to achieve performance targets or meeting external expectations.</p> <p>Accordingly, timing of recognition of revenue is a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of Company's accounting policies relating to revenue recognition as per the applicable accounting standards;</li> <li>• Obtained an understanding of the Company's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end;</li> <li>• Performed testing on selected statistical samples of customer contracts. Checked terms and condition related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition.</li> <li>• Selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents</li> <li>• Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.</li> </ul>

#### Basis for Opinion

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

#### Key Audit Matters

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

### Other Information

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

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

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

### Management's and Board of Directors' Responsibility for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government Of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 1 April 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 38 to the financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

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

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

Firm's Registration No: 101248W/W-100022

**Farhad Bamji**  
Partner

Membership No. 105234

UDIN: 21105234AAAABF8645

Mumbai  
23 June 2021

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program all the fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings which are freehold are held in the name of the Company.
- ii. The inventory, except goods-in-transit, has been physically verified by the management during the year. In respect of goods-in-transit, subsequent goods receipt have been verified. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans, made investments or provided guarantees or securities which require compliance with the provisions of Section 185 and 186 of the Act hence reporting under paragraph 3 (iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under sub-section (1) of Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of cost records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, duty of custom, duty of excise, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, duty of custom, duty of excise, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Service Tax, Goods and Service tax and Income Tax which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Nature of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest if any
The Income Tax Act, 1961	Income Tax	16.2 lakhs	2010-11 2015-16 2019-20	Income Tax Appellate Tribunal	-
Finance Act, 1994	Service Tax	1.62 lakhs	2010-11	Commissioner Appeals	-

- viii. In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings to any financial institution, bank, government or debenture holder during the year



- ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments). No term loans were taken during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us, managerial remuneration has been paid / provided for in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties which are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the applicable Indian Accounting Standards (Ind AS)
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Farhad Bamji**

Partner

Membership No. 105234

UDIN: 21105234AAAABF8645

Mumbai

23 June 2021

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

### on the financial statements of Multibase India Limited for the period ended 31 March 2021

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to financial statements of Multibase India Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating

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

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

#### Meaning of Internal Financial controls with Reference to Financial Statements

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

#### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Farhad Bamji**  
Partner

Mumbai  
23 June 2021

Membership No. 105234  
UDIN: 21105234AAAABF8645

## BALANCE SHEET AS AT MARCH 31, 2021

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

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,037.25	1,076.12
Capital work-in-progress	3	-	29.50
Financial assets:			
Loans	4	13.46	14.64
Non-current tax assets (net)	5	8.61	141.43
Other non-current assets	6	7.87	4.72
<b>Total non-current assets</b>		<b>1,067.19</b>	<b>1,266.41</b>
<b>Current assets</b>			
Inventories	7	1,209.36	1,149.87
Financial assets:			
Trade receivables	8	1,045.75	1,164.63
Unbilled reveue		78.68	19.95
Cash and cash equivalents	9	9,111.12	7,952.75
Loans	10	-	-
Other financial assets	11	22.97	30.65
Other current assets	12	43.94	72.31
<b>Total current assets</b>		<b>11,511.82</b>	<b>10,390.16</b>
<b>TOTAL ASSETS</b>		<b>12,579.01</b>	<b>11,656.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,262.00	1,262.00
Other equity	14	10,101.97	9,429.01
<b>Total equity</b>		<b>11,363.97</b>	<b>10,691.01</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities:			
Other financial liabilities	15	1.00	1.00
Deferred tax liability (net)	16	57.00	64.47
Provision	17	92.30	75.99
<b>Total non-current liabilities</b>		<b>150.30</b>	<b>141.46</b>
<b>Current liabilities</b>			
Financial liabilities:			
Trade payables			
total outstanding dues of micro enterprises and small enterprises	18	12.36	12.87
total outstanding dues of creditors other than micro enterprises and small enterprises	18	984.80	765.00
Other current liabilities	19	34.10	44.32
Provisions	20	2.39	1.91
Current tax liabilities (net)	21	31.09	-
<b>Total current liabilities</b>		<b>1,064.74</b>	<b>824.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,579.01</b>	<b>11,656.57</b>
<b>Significant accounting policies</b>	1 - 2		
<b>Notes to the financial statements</b>	3 - 45		
The notes referred to above form an integral part of the financial statements.			

As per our report of even date attached

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

Chartered Accountants

Firm's Registration No :101248W/W-100022

**Farhad Bamji**

Partner

Membership No : 105234

Place : Mumbai

Date : June 23, 2021

**For and on behalf of the Board of Directors of**

**Multibase India Limited**

CIN- L01122DD1991PLC002959

**Deepak Dhanak**

(Managing Director)

DIN No.03157491

**Sunaina Goraksh**

(Company Secretary)

Place : Mumbai

Date : June 23, 2021

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	22	5,345.29	5,977.61
Other income	23	409.46	437.43
<b>Total income</b>		<b>5,754.75</b>	<b>6,415.04</b>
<b>Expenses</b>			
Cost of materials consumed	24	2,062.65	2,557.89
Purchase of stock-in-trade	25	1,594.00	982.94
Changes in inventories of finished goods and stock-in-trade	26	(57.18)	408.98
Employee benefits expense	27	389.75	510.67
Depreciation expenses	28	99.34	95.88
Other expenses	29	682.70	862.76
<b>Total expenses</b>		<b>4,771.26</b>	<b>5,419.12</b>
<b>Profit before tax</b>		<b>983.49</b>	<b>995.92</b>
<b>Tax expense</b>			
Current tax		251.71	243.28
Adjustment of tax relating to earlier years		68.09	-
Deferred tax (credit)	16	(7.92)	(1.35)
<b>Total tax expense</b>		<b>311.88</b>	<b>241.93</b>
<b>Profit for the year (A)</b>		<b>671.61</b>	<b>753.99</b>
<b>Other comprehensive income</b>			
	14		
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of the net defined benefit plans	32	(1.80)	(20.58)
Income tax related to above		0.45	5.18
<b>Other comprehensive income, net of taxes (B)</b>		<b>(1.35)</b>	<b>(15.40)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>672.96</b>	<b>769.39</b>
<b>Earnings per equity share</b>			
Basic and diluted (face value of ₹10 each)	40	5.32	5.97
<b>Significant accounting policies</b>	1-2		
<b>Notes to the financial statements</b>	3 - 45		

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

As per our report of even date attached

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

Chartered Accountants

Firm's Registration No :101248W/W-100022

**Farhad Bamji**

Partner

Membership No : 105234

Place : Mumbai

Date : June 23, 2021

**For and on behalf of the Board of Directors of**

**Multibase India Limited**

CIN- L01122DD1991PLC002959

**Deepak Dhanak**

(Managing Director)

DIN No.03157491

**Sunaina Goraksh**

(Company Secretary)

Place : Mumbai

Date : June 23, 2021

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>983.49</b>	995.92
Adjustments for:		
Depreciation expense	<b>99.34</b>	95.88
Loss / (Profit) on sale of fixed assets (net)	<b>1.36</b>	(0.83)
Provision for bad & doubtful debts	-	34.90
Provision for doubtful advances	-	13.35
Interest income	<b>(210.79)</b>	(138.42)
Net unrealised exchange Loss	<b>0.67</b>	45.75
Provision for Inventory	<b>(9.78)</b>	23.58
Liabilities / provisions no longer required written back	<b>(26.33)</b>	(236.00)
	<b>(145.53)</b>	(161.79)
<b>Operating profit before working capital changes</b>	<b>837.96</b>	834.13
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
(Increase) / Decrease in Inventories	<b>(49.71)</b>	534.51
Decrease in Trade receivables	<b>60.15</b>	623.28
Decrease / (Increase) in Non-current and current financial assets	<b>1.18</b>	(1.28)
Decrease in Other non current and current assets	<b>25.22</b>	288.02
	<b>36.84</b>	1,444.53
Adjustments for increase / (decrease) in operating liabilities:		
Increase Trade payables	<b>246.29</b>	77.03
Decrease)/Increase in Other current liabilities	<b>(10.22)</b>	(87.68)
(Decrease) in Non-current and current financial liabilities		(1.00)
Increase in Other non current and current provision	<b>16.79</b>	8.97
	<b>252.86</b>	(2.68)
Cash generated from operations	<b>1,127.66</b>	2,275.98
Net income tax (paid)	<b>(155.41)</b>	(237.66)
<b>Net cash flow generated from operating activities (A)</b>	<b>972.25</b>	2,038.32
<b>(B) Cash flows from investing activities</b>		
Capital expenditure on PPE, including capital advances	<b>(32.33)</b>	(151.82)
Proceeds from sale of fixed assets	-	5.40
Interest received from others	<b>218.45</b>	112.17
<b>Net cash flow Generated from investing activities (B)</b>	<b>186.12</b>	(34.25)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(C) Cash flows from financing activities</b>		
Repayment of Intercompany loan		1,050.00
<b>Net cash flow from financing activities (C)</b>	-	1,050.00
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,158.37</b>	3,054.07
<b>Cash and cash equivalents at the beginning of the period</b>	<b>7,952.75</b>	4,898.68
<b>Cash and cash equivalents at the end of the period</b>	<b>9,111.12</b>	7,952.75

**Notes :**

- Cash and cash equivalents for the year ended March 31, 2021

Particulars	March 31, 2021	March 31, 2020
Cash on hand	-	-
With banks -		
In current accounts	611.12	952.75
In deposit accounts (original maturity of 3 months or less)	8,500.00	7,000.00
	<b>9,111.12</b>	<b>7,952.75</b>

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

As per our report of even date attached

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

Chartered Accountants

Firm's Registration No :101248W/W-100022

**Farhad Bamji**

Partner

Membership No : 105234

Place : Mumbai

Date : June 23, 2021

**For and on behalf of the Board of Directors of**

**Multibase India Limited**

CIN- L01122DD1991PLC002959

**Deepak Dhanak**

(Managing Director)

DIN No.03157491

**Sunaina Goraksh**

(Company Secretary)

Place : Mumbai

Date : June 23, 2021

**H.N. Motiwalla**

(Director)

DIN No.00029835

**Pankaj Holani**

(Chief Financial Officer)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

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

### (a) Equity share capital

	March 31, 2021		March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	12,620,000	1,262.00	12,620,000	1,262.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	<u>12,620,000</u>	<u>1,262.00</u>	<u>12,620,000</u>	<u>1,262.00</u>

### (b) Other equity

	Reserves and Surplus			Total
	Securities premium	Retained earnings	Other Comprehensive Income	
<b>Balance as at March 31, 2019</b>	117.00	8,544.25	(1.63)	8,659.62
Profit for the year	-	753.99	-	753.99
Remeasurements of defined benefit liability (asset)	-	-	15.40	15.40
<b>Balance as at March 31, 2020</b>	<u>117.00</u>	<u>9,298.24</u>	<u>13.77</u>	<u>9,429.01</u>
<b>Balance as at March 31, 2020</b>	117.00	9,298.24	13.77	9,429.01
Profit for the year	-	671.61	-	671.61
Remeasurements of defined benefit liability (asset)	-	-	1.35	1.35
<b>Balance as at March 31, 2021</b>	<u>117.00</u>	<u>9,969.85</u>	<u>15.12</u>	<u>10,101.97</u>

#### Nature and purpose of reserves

##### 1. Securities Premium:

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

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

As per our report of even date attached

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

Chartered Accountants

Firm's Registration No :101248W/W-100022

#### Farhad Bamji

Partner

Membership No : 105234

Place : Mumbai

Date : June 23, 2021

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

CIN- L01122DD1991PLC002959

#### Deepak Dhanak

(Managing Director)

DIN No.03157491

#### Sunaina Goraksh

(Company Secretary)

Place : Mumbai

Date : June 23, 2021

#### H.N. Motiwalla

(Director)

DIN No.00029835

#### Pankaj Holani

(Chief Financial Officer)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

### 1 Corporate Information

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

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

### 2 Basis of preparation

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements under Ind AS were authorised for issue by the Company's Board of Directors on June 23, 2021.

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 (₹) amount in lakhs, unless otherwise stated, which is also the Company's functional currency.

#### 2.3 Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

#### 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 of uncertainties

- Note 3 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 16 and 37 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 17, 20, 32 – measurement of defined benefit obligations: key actuarial assumptions; and
- Notes 38 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

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

### Financial assets - classification and subsequent measurement

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

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

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

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

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

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

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

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

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

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

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

#### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

#### Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses

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

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Presently, all the financial liabilities are measured at amortised cost.

### **Derecognition**

#### **Financial assets**

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

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

#### **Financial liabilities**

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

### **Offsetting**

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

## **(d) Property, plant and equipment**

### **Recognition and measurement**

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

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

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

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

### **Subsequent measurement**

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

### **Depreciation**

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



## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

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

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

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

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

### **Derecognition**

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

### **(e) Intangible assets**

#### **Other intangible assets**

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

#### **Subsequent measurement**

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

#### **Amortisation**

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

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

### **(g) Inventories**

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

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving average basis.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

- **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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### Write off

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

### Impairment of non-financial assets

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

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

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

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

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

### (i) Employee benefits

#### Short term employee benefits

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

#### Defined contribution plans

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

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

#### Defined benefit plans - Gratuity

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

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### Defined benefit plans - Leave encashment

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

### Other long-term employee benefits

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

### Termination benefits

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

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

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

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

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

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

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

### (k) Revenue

The Company earns revenue primarily from selling of thermoplastic elastometers.

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

#### Sale of goods

Revenue from the sale of goods are recognized when control of the goods has transferred to our customer and when there are no longer any unfulfilled obligations to the customer. Depending on the contractual terms with the customers, this can be either at the time of dispatch, delivery or upon formal acceptance by the customer. This is considered the appropriate point where the performance obligations in our contracts are satisfied as the Company no longer have control over the inventory. The Company does not provide any warranties or maintenance contracts to its customers.

#### Other income

##### Interest

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

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### (I) Leases

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

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

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

#### Lease liabilities

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

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

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

#### Right-of-use assets

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

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

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

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### (m) Income taxes

#### Current tax

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

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

#### Deferred tax

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

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

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

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

### (n) Borrowing cost

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

### (o) Segment reporting

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

### (p) Cash and cash equivalents

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

### (q) Earnings per share

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

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

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

Following are the changes in the carrying amount of property, plant and equipment for the year ended March 31, 2021:

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, 2020	28.42	227.56	836.59	154.23	81.96	21.27	2.33	1,352.36	29.50
Additions	-	-	61.83	-	-	-	-	61.83	-
Deletions/Transfers	-	-	-	-	(48.32)	(8.41)	-	(56.73)	(29.50)
<b>As at March 31, 2021</b>	<b>28.42</b>	<b>227.56</b>	<b>898.42</b>	<b>154.23</b>	<b>33.64</b>	<b>12.86</b>	<b>2.33</b>	<b>1,357.46</b>	-
<b>Accumulated depreciation</b>									
As at April 01, 2020	-	38.89	120.41	63.70	38.21	12.70	2.33	276.24	-
Depreciation for the year	-	11.57	53.49	17.64	12.35	4.29	-	99.34	-
Deletions/Transfers	-	-	-	-	(46.96)	(8.41)	-	(55.37)	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>50.46</b>	<b>173.90</b>	<b>81.34</b>	<b>3.60</b>	<b>8.58</b>	<b>2.33</b>	<b>320.21</b>	-
<b>Net carrying amount as at March 31, 2021</b>	<b>28.42</b>	<b>177.10</b>	<b>724.52</b>	<b>72.89</b>	<b>30.04</b>	<b>4.28</b>	<b>-</b>	<b>1,037.25</b>	-

Following are the changes in the carrying amount of property, plant and equipment for the year ended March 31, 2020:

Description	Land - freehold	Building	Plant and Machinery	Laboratory Equipment	Office and other Equipment	"Computer Systems"	Furniture and Fittings	Total	Capital work in progress
<b>Gross carrying amount</b>									
As at April 01, 2019	28.42	198.92	721.33	154.23	45.87	8.41	2.33	1,159.51	6.10
Additions	-	28.64	120.88	-	36.09	12.86	-	198.47	29.50
Deletions/Transfers	-	-	(5.62)	-	-	-	-	(5.62)	(6.10)
<b>As at March 31, 2020</b>	<b>28.42</b>	<b>227.56</b>	<b>836.59</b>	<b>154.23</b>	<b>81.96</b>	<b>21.27</b>	<b>2.33</b>	<b>1,352.36</b>	<b>29.50</b>
<b>Accumulated depreciation</b>									
As at April 01, 2019	-	27.71	69.81	45.21	28.48	8.38	1.82	181.41	-
Depreciation for the year	-	11.18	51.65	18.49	9.73	4.32	0.51	95.88	-
Deletions/Transfers	-	-	(1.05)	-	-	-	-	(1.05)	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>38.89</b>	<b>120.41</b>	<b>63.70</b>	<b>38.21</b>	<b>12.70</b>	<b>2.33</b>	<b>276.24</b>	-
<b>Net carrying amount as at March 31, 2020</b>	<b>28.42</b>	<b>188.67</b>	<b>716.18</b>	<b>90.53</b>	<b>43.75</b>	<b>8.57</b>	<b>-</b>	<b>1,076.12</b>	<b>29.50</b>

### 4. Loans

	March 31, 2021	March 31, 2020
Unsecured, considered good		
Security deposits (at amortised cost)	13.46	14.64
	<b>13.46</b>	<b>14.64</b>

### 5 Non-current tax assets (net)

	March 31, 2021	March 31, 2020
Advance tax net of provision	8.61	141.43
{Provision for tax: ₹ 259.99 lakhs, (March 31, 2020 : ₹ 1,513.84 lakhs)}		
	<b>8.61</b>	<b>141.43</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 6 Other non-current assets

	March 31, 2021	March 31, 2020
Prepaid Expense	7.87	4.72
	<u>7.87</u>	<u>4.72</u>

### 7 Inventories (valued at lower of cost and net realisable value)

	March 31, 2021	March 31, 2020
Raw materials (including packing materials) {Goods in transit : ₹ 92.67 lakhs (March 31, 2020 : ₹ 8.81 lakhs)}	581.51	579.20
Finished goods (refer note below)	236.07	341.87
Stock-in-trade {Goods in transit : ₹ 193.57 lakhs (March 31, 2020 : ₹ 174.83 lakhs)}	391.78	228.80
	<u>1,209.36</u>	<u>1,149.87</u>

The Company follows a suitable provisioning norms for writing down the value of inventories towards slow moving, non moving and surplus inventory. Provision as on March 31, 2021 ₹ 89.38 lakhs (March 31, 2020 : ₹ 99.16 lakhs)

### 8 Trade receivables

	March 31, 2021	March 31, 2020
Trade Receivables	957.61	1,108.95
Receivables from related parties (refer note 33)	94.92	90.58
Less: Loss Allowance	(6.78)	(34.90)
	<u>1,045.75</u>	<u>1,164.63</u>
Break-up of Security details		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - unsecured	1,045.75	1,164.63
Trade Receivables - credit impaired	6.78	34.90
Less: Loss Allowance for expected credit loss	(6.78)	(34.90)
	<u>1,045.75</u>	<u>1,164.63</u>

### 9 Cash and cash equivalents

	March 31, 2021	March 31, 2020
<b>a) Balance with banks :</b>		
i) In current account	611.12	952.75
ii) Term deposits (with original maturity of less than three months)	8,500.00	7,000.00
	<u>9,111.12</u>	<u>7,952.75</u>



## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 10 Loans

	March 31, 2021	March 31, 2020
Security deposits	13.35	13.35
Less: Loss Allowance	(13.35)	(13.35)
	-	-
<b>Break up of security details</b>		
Loans Considered good - Secured	-	-
Loans Considered good - unsecured	-	-
Loans which have significant increase in credit risk	13.35	13.35
Loans - credit impaired	(13.35)	(13.35)
Total Loans	-	-

### 11 Other financial assets (current)

	March 31, 2021	March 31, 2020
Interest accrued on fixed deposits	22.62	30.65
Interest accrued on Other deposits	0.35	-
	22.97	30.65

### 12 Other current assets

#### Considered good

	March 31, 2021	March 31, 2020
Advance to vendors	40.48	41.81
Balances due from government authorities	2.03	27.78
Prepaid expenses	1.43	2.72
	43.94	72.31

### 13 Equity share capital

#### Authorised:

13,000,000 (March 31, 2020: 13,000,000) equity shares of ₹ 10/- each

1,300.00 1,300.00

#### Issued, subscribed and paid up:

12,620,000 (March 31, 2020: 12,620,000) equity shares of ₹ 10/- each

1,262.00 1,262.00

1,262.00 1,262.00

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

Description	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,620,000	1,262.00	12,620,000	1,262.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	12,620,000	1,262.00	12,620,000	1,262.00

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

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

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### c) Particulars of shareholders holding more than 5% shares

Description	March 31, 2021		March 31, 2020	
	Number	%	Number	%
Multibase S.A, France (Holding Company)	9,464,994	75.00%	9,464,994	75.00%

### D) Shares held by Holding Company

Description	March 31, 2021		March 31, 2020	
	Number	%	Number	%
Multibase S.A, France (Holding Company)	9,464,994	75.00%	9,464,994	75.00%

## 14 Other equity

	March 31, 2021	March 31, 2020
<b>Securities premium</b>		
At the commencement and at the end of the year (On 1,800,000 equity shares of ₹ 10/- each issued at a premium of ₹ 6.50/- per share)	117.00	117.00
<b>Retained earnings</b>		
Opening balance	9,298.24	8,544.25
Add: Profit for the year	671.61	753.99
	<u>9,969.85</u>	<u>9,298.24</u>
<b>Items of Other Comprehensive Income</b>		
Remeasurements of defined benefit liability (asset)		
Opening balance	13.77	(1.63)
Add: Remeasurements of defined benefit liability (asset)	1.35	15.40
	<u>15.12</u>	<u>13.77</u>

## 15 Other financial liabilities (non-current)

	March 31, 2021	March 31, 2020
Security deposit (at amortised cost)	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

## 16 Deferred tax liability (net)

Deferred tax balances consist of the following:

	March 31, 2021	March 31, 2020
(i) Deferred tax assets (net)		
(a) Deductions claimed on payment basis	5.07	8.78
(b) Provision for employee benefits- compensated absences	28.47	23.21
<b>Sub-total (A)</b>	<u>33.54</u>	<u>31.99</u>
(ii) Deferred tax liabilities (net)		
(a) Difference between book balance and tax balance of property, plant and equipment	(90.54)	(96.46)
<b>Sub-total (B)</b>	<u>(90.54)</u>	<u>(96.46)</u>
<b>Deferred tax liability (net) (A-B)</b>	<u>57.00</u>	<u>64.47</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

## 17 Provisions

	March 31, 2021	March 31, 2020
<b>Employee Benefit Obligations</b>		
- Gratuity Liability	70.28	57.83
- Compensated Absences	22.02	18.16
	<u>92.30</u>	<u>75.99</u>

## 18 Trade payables

	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises *	12.36	12.87
Total outstanding dues of creditors other than micro enterprises and small enterprises **	984.80	765.00
	<u>997.16</u>	<u>777.87</u>

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management

\*\* Includes due to related party ₹ 437.34 lakhs (March 31, 2020: ₹ 322.65 lakhs)

During the year, Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under;

**Particulars**

Principal amount remaining unpaid to any supplier as at the year end	12.36	12.87
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of MSMED Act, along with the amount of the payment made to a supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED, 2006	-	-
Amount of Interest remaining accrued and unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

## 19 Other current liabilities

	March 31, 2021	March 31, 2020
Balance due to government authorities	34.10	44.32
	<u>34.10</u>	<u>44.32</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 20 Provisions

	March 31, 2021	March 31, 2020
<b>Employee Benefit Obligations</b>		
- Gratuity Liability	1.82	1.46
- Compensated Absences	0.57	0.45
	<u>2.39</u>	<u>1.91</u>

### 21 Current tax liabilities:

	March 31, 2021	March 31, 2020
Provision for Income tax (net of advance tax )	31.09	-
{Advance tax: ₹ 220.29 lakhs, (March 31, 2020 : ₹ NIL)}	<u>31.09</u>	<u>-</u>

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

### 22 Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sales of products</b>		
Manufacturing sale	3,599.65	4,412.92
Trading sales	1,745.64	1,564.69
	<u>5,345.29</u>	<u>5,977.61</u>
<b>Disaggregation of revenue from contracts with customers</b>		
The Company derives revenue from the sale of products in the following major segments:		
<b>Revenue from contracts with customers:</b>		
<b>Sale of products (Transferred at point in time)</b>		
Manufacturing		
India	3,376.55	4,008.98
Other than India	223.10	403.94
	(A) <u>3,599.65</u>	<u>4,412.92</u>
Trading		
India	1,737.66	1,546.99
Other than India	7.98	17.70
	(B) <u>1,745.64</u>	<u>1,564.69</u>
Total Revenue (A) + (B)	<u>5,345.29</u>	<u>5,977.61</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

## 23 Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest from bank deposits	210.79	115.00
Interest from intercompany deposit	-	23.42
Profit on sale of fixed assets (Net)	-	0.83
Exchange rate variation (Net)	19.02	-
Other non-operating income	69.67	284.68
Service income	68.62	-
Bad debt recovered	27.98	13.50
Liabilities no longer required, written back	13.38	-
	<u>409.46</u>	<u>437.43</u>

## 24 Cost of materials consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock	579.20	728.31
Add: Purchases	2,064.96	2,408.78
	<u>2,644.16</u>	<u>3,137.09</u>
Less: Closing stock	581.51	579.20
	<u>2,062.65</u>	<u>2,557.89</u>

## 25 Purchase of stock-in-trade

	Year ended March 31, 2021	Year ended March 31, 2020
Purchases	1,594.00	982.94
	<u>1,594.00</u>	<u>982.94</u>

## 26 Changes in inventories of finished goods and work in progress

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening Stock :</b>		
Finished goods	341.87	517.65
Stock-in-trade (traded goods)	228.80	462.00
Less:	570.67	979.65
Closing Stock:		
Finished goods	236.07	341.87
Stock-in-trade (traded goods)	391.78	228.80
	<u>627.85</u>	<u>570.67</u>
<b>Changes In Inventories:</b>		
Work in progress		
Finished goods	105.80	175.78
Stock-in-trade (traded goods)	(162.98)	233.20
Changes in inventories of finished goods	<u>(57.18)</u>	<u>408.98</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 27 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	359.02	453.53
Contribution to provident fund (refer Note 32)	15.46	17.10
Gratuity expenses (refer Note 32)	11.01	10.18
Staff welfare expenses	4.26	9.28
	<b>389.75</b>	<b>490.09</b>

### 28 Depreciation expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on tangible assets	99.34	95.88
	<b>99.34</b>	<b>95.88</b>

### 29 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	4.23	5.40
Power, fuel and utilities	56.25	67.69
Service charges	49.42	60.70
Repair and Maintenance		
- Building	2.55	4.28
- Plant and machinery	3.07	9.70
- Others	88.98	73.10
Legal, professional and other contractual charges	65.90	121.21
Payments to auditors (refer note below)	15.27	14.62
Printing, stationery and communication charges	53.67	28.30
Rent, rates and taxes	64.81	16.31
Travelling and conveyance	1.83	42.56
Insurance expenses	8.55	8.70
Support charges	64.07	44.19
Directors' sitting fees	17.60	17.60
Freight outward	119.20	204.53
Bank charges	1.57	1.35
Provision for doubtful trade receivables	-	34.90
Provision for doubtful Advance	-	13.35
Exchange rate variation (net)	-	59.78
Advertisement, subscription and membership fees	4.00	3.58
Loss on Sale of Asset	1.36	-
CSR expenses	60.21	28.83
Miscellaneous expenses	0.16	2.08
	<b>682.70</b>	<b>862.76</b>
<b>Payments to auditors</b>		
Audit fees	15.00	13.50
Reimbursement of expenses	0.27	1.12
	<b>15.27</b>	<b>14.62</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 30 Corporate social responsibility

The Company has spent ₹ 60.21 lakhs (March 31, 2020: ₹ 28.83 lakhs) towards scheme of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

- 1) Gross amount required to be spent by the Company during the year ₹ 60.20 lakhs
- 2) Amount spent during the year:

Category	Nature of CSR expense	Year ended March 31, 2021
Social & Economic development	Contribution to NGO - Project Prayas (school for disabled children), Project Unnati (Women empowerment), Promoting Education - renovation of school	4,957,470
PM Care	Contribution to PM Care fund	1,000,000
PMNRF	Contribution to Prime Minister National Relief fund	63,152

- 3) Unspent amount - ₹ Nil.

### 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 no reportable segments applicable to the Company.

#### B. Geographic information

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

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

	Year ended March 31, 2021	Year ended March 31, 2020
India	5,114.21	5,555.97
Outside India	231.08	421.64
Total	5,345.29	5,977.61

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

#### C. Information about major customers

Revenues from three major customers represented approximately ₹ 1485.47 lakhs (March 31, 2020: ₹ 1,076.09 lakhs), ₹ 812.38 lakhs (March 31, 2020: ₹ 1,069.72 lakhs) and ₹ 685.10 lakhs (March 31, 2019: ₹ 708.23 lakhs) of the Company's total revenues.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 32 Employee benefits

#### (A) Defined contribution plans:

The Company recognised ₹ 15.46 lakhs for the year ended March 31, 2021 (March 31, 2020: ₹ 17.10 lakhs) towards provident fund contribution in the Statement of Profit and Loss.

#### (B) Defined Benefit Plan:

The most recent actuarial valuation of the defined benefit obligation in relation to the gratuity scheme was carried out at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	March 31, 2021	March 31, 2020
Defined benefit obligation	72.10	59.29
Net defined benefit (obligation)	72.10	59.29

#### i. Movement in net defined benefit (asset) liability

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

	Defined benefit obligation	
	March 31, 2021	March 31, 2020
Opening balance	59.29	50.36
<b>Included in profit or loss</b>		
Current service cost	6.98	6.35
Past service cost	-	-
Interest cost	4.03	3.83
	11.01	10.18
<b>Included in OCI</b>		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience adjustment	1.80	20.58
	1.80	20.58
	72.10	81.12
<b>Other</b>		
Contributions paid by the employer		
Benefits paid	-	(21.83)
<b>Closing balance</b>	72.10	59.29

#### ii. Plan assets

	March 31, 2021	March 31, 2020
Plan assets comprise the following		
Insurer managed fund (100%)	-	-
	-	-
	-	-



## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### iii. Actuarial assumptions

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

	March 31, 2021	March 31, 2020
Discount rate	6.89%	6.79%
Future salary growth	7.00%	7.00%
Rate of employee turnover	30 & Below - 5% 31 to 44 - 3% 45 & Above - 2%	30 & Below - 5% 31 to 44 - 3% 45 & Above - 2%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

### iv. Sensitivity analysis

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

	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(3.84)	4.14	(3.32)	3.59
Future salary growth (0.5% movement)	4.11	(3.85)	3.56	(3.33)

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 13.62 years (March 31, 2020: 14.42 years).

### v. Expected future cash flows

The expected future cash flows in respect of gratuity March 31, 2021 were as follows:

#### Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2020.

Expected future benefit payments from the fund	2020-21	2019-20
1 <sup>st</sup> following year	1.82	2.99
2 <sup>nd</sup> following year	1.86	1.49
3 <sup>rd</sup> following year	1.85	1.48
4 <sup>th</sup> following year	1.82	1.45
5 <sup>th</sup> following year	1.77	1.44
6 years and onwards	51.19	50.44

### (C) Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The total liability for compensated absences as at the year end is ₹ 22.58 lakhs (March 31, 2020: ₹ 18.61 lakhs), as shown under non-current provisions ₹ 22.01 lakhs (March 31, 2020: ₹ 18.16 lakhs) and current provisions ₹ 0.57 lakhs (March 31, 2020: ₹ 0.45 lakhs). The amount charged to the Statement of Profit and Loss is ₹ 4.02 lakhs {March 31, 2020 : ₹ (7.91) lakhs}.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 33 Related party disclosures

#### a) List of related parties

##### Related parties where control exists:

##### Ultimate Holding Company

DuPont de Nemours Inc.

##### Holding Company

Multibase S.A, France

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

Mr. Deepak Dhanak- Managing Director

Ms. Sunaina Goraksh- Company Secretary

Mr. Pankaj Holani- Chief Financial Officer

Mr. Harish Narendra Motiwalla- Independent Director

Mr. Ashok Faqirchand Chhabra- Independent Director

Ms. Bharti Dhar - Independent Director

Mr. Krishan Kumar Phophalia - Non Executive Director

Mr. John Francis Singer - Non Executive Director (Upto 25.06.2020)

Mr. R T Paulin - Non Executive Director (Effective from 25.06.2020)

##### Other related parties

Cuposit Electronic Materials Zhangjiang Co, Ltd.

DDP Speciality Electronics Materials USA

DDP Speciality Electronic Materials US9, LLC

DDP Speciality Products India Private Limited

DDP Speciality Products Korea Limited

DSP Singapore Holdings Ptd Ltd

DUPONT Specialty Products USA LLC

DuPont Toray Specialty Materials

Multibase Inc

Performance Specialty Products India Pvt Ltd

ROHM and HAAS Electronic Materials Taiwan Ltd.

Specialty Electronic Materials Switzerland GMBH

Specialty Electronic Materials (Thailand) Company Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Transactions</b>								
<b>Purchase of raw materials</b>								
Multibase S.A, France	-	-	98.09	209.31	-	-	-	-
DDP Speciality Electronics Materials USA	-	-	-	-	-	-	349.25	470.31
DDP Speciality Products Korea Ltd	-	-	-	-	-	-	-	-
Multibase Inc	-	-	-	-	-	-	6.63	-
Specialty Electronic Materials Switzerland GMBH	-	-	-	-	-	-	239.76	-
<b>Purchase of Finished Goods</b>								
Multibase S.A, France	-	-	1,369.94	829.94	-	-	-	-
DDP Speciality Products Korea Ltd	-	-	-	-	-	-	24.51	23.03
Multibase Inc	-	-	-	-	-	-	2.84	-
<b>Purchase of property, plant and equipment</b>								
DDP Speciality Products India Private Limited	-	-	-	-	-	-	-	1.09
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	0.03	-
<b>Purchase of services</b>								
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	39.74	27.53
DUPONT Specialty Products USA LLC	-	-	-	-	-	-	12.84	-
<b>Rent Expense</b>								
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	11.46	16.59
<b>Expenses incurred by related party on behalf of us</b>								
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	-	10.56
<b>Support charges</b>								
<b>Sale of finished goods</b>								
ROHM and HAAS Electronic Materials Taiwan Ltd.	-	-	-	-	-	-	96.37	123.51
Dupont Toray Specialty Materials	-	-	-	-	-	-	-	1.19
Multibase Inc	-	-	-	-	-	-	1.91	4.04
Multibase SA	-	-	0.64	0.67	-	-	-	-
DDP Speciality Products Korea Ltd	-	-	-	-	-	-	90.50	121.59
Cuposit Electronic Materials Zhangjiang Co, Ltd	-	-	-	-	-	-	15.73	20.35
Specialty Electronic Materials (Thailand) Company Limited	-	-	-	-	-	-	36.61	146.34
DSP Singapore Holdings Ptd Ltd	-	-	-	-	-	-	3.38	-
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	0.07	-
<b>Interest Income on Intercorporate deposit</b>								
DDP Speciality Products India Private Limited	-	-	-	-	-	-	-	23.42
<b>Rent Income</b>								
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	7.65	7.65
<b>Expenses incurred by us on behalf of other related party</b>								
DDP Speciality Products India Private Limited	-	-	-	-	-	-	-	3.26
<b>Service Income</b>								

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
DDP Specialty Electronic Materials US LLC	-	-	-	-	-	-	68.62	-
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	26.75	23.17
<b>Managerial remuneration*</b>								
Mr. Deepak Dhanak	-	-	-	-	71.76	66.41	-	-
Ms.Sunaina Goraksh	-	-	-	-	26.88	28.02	-	-
Mr. Pankaj Holani	-	-	-	-	41.77	38.95	-	-
Director sitting Fees								
H N Motiwalla	-	-	-	-	7.60	8.80	-	-
Ashok Chhabra	-	-	-	-	7.60	8.80	-	-
Bharti Dhar	-	-	-	-	2.40	-	-	-

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

	Ultimate Holding Company		Holding Company		Directors and Key management personnel		Other related parties	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Balances as at year end:</b>								
<b>Receivables/ other assets</b>								
Multibase S.A, France	-	-	0.64	-	-	-	-	-
Multibase, Inc.	-	-	-	-	-	-	-	3.00
Speciality Electronics Materials (Thailand) Company Limited	-	-	-	-	-	-	-	42.84
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	10.15	32.20
DDP Specialty Products Korea Limited	-	-	-	-	-	-	18.73	12.55
DDP Specialty Electronic Materials US LLC	-	-	-	-	-	-	68.62	-
<b>Trade payables</b>								
Multibase S.A, France	-	-	331.22	234.68	-	-	-	-
Performance Specialty Products India Pvt Ltd	-	-	-	-	-	-	4.70	61.73
DDP Specialty Products India Private Limited	-	-	-	-	-	-	3.22	3.22
DDP Specialty Products Korea Limited	-	-	-	-	-	-	14.01	23.03
DDP Specialty Electronics Materials USA	-	-	-	-	-	-	112.83	-
DUPONT Specialty Products USA LLC	-	-	-	-	-	-	6.27	-
Multibase Inc.	-	-	-	-	-	-	4.30	-
<b>Director sitting fees payables</b>								
H N Motiwalla	-	-	-	-	-	-	-	-
Ashok Chhabra	-	-	-	-	-	-	-	-
Bharti Dhar	-	-	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 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.

March 31, 2021	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	-	-	13.46	13.46	-	-	-	-	-
Interest accrued on deposits	-	-	22.97	22.97	-	-	-	-	-
Trade receivables	-	-	1,045.75	1,045.75	-	-	-	-	-
Cash and cash equivalents	-	-	9,111.12	9,111.12	-	-	-	-	-
	-	-	10,193.30	10,193.30	-	-	-	-	-
<b>Financial liability</b>									
Other payable	-	-	1.00	1.00	-	-	-	-	-
Trade payables	-	-	997.16	997.16	-	-	-	-	-
	-	-	998.16	998.16	-	-	-	-	-

#### Note:

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

March 31, 2020	Carrying amount				Fair value				
	Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Security deposits	-	-	14.64	14.64	-	-	-	-	-
Interest accrued on deposits	-	-	30.65	30.65	-	-	-	-	-
Trade receivables	-	-	1,164.63	1,164.63	-	-	-	-	-
Cash and cash equivalents	-	-	7,952.75	7,952.75	-	-	-	-	-
	-	-	9,162.67	9,162.67	-	-	-	-	-
<b>Financial liability</b>									
Other payable	-	-	1.00	1.00	-	-	-	-	-
Trade payables	-	-	777.87	777.87	-	-	-	-	-
	-	-	778.87	778.87	-	-	-	-	-

#### B. Calculation of fair values

- The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.
- 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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 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 March 31, 2021, the ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount	
	March 31, 2021	March 31, 2020
Neither past due nor impaired	1,029.43	915.53
Past due 0-90 days	12.16	230.80
Past due 91-180 days	-	10.84
Past due 181-270 days	-	7.10
Past due 271-360 days	-	1.63
More than 360 days	6.78	23.19
	<b>1,048.37</b>	<b>1,189.09</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.

March 31, 2021	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	997.16	997.16	997.16	-	-	-
Other financial liabilities	1.00	1.00	1.00	-	-	-
	<b>998.16</b>	<b>998.16</b>	<b>998.16</b>	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

March 31, 2020	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	765.00	765.00	765.00	-	-	-
Other financial liabilities	1.00	1.00	1.00	-	-	-
	<u>766.00</u>	<u>766.00</u>	<u>766.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

### c) Market risk

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

#### Exposure to currency risk

The currency profile of financial assets and financial liabilities March 31, 2021 and March 31, 2020 are as below:

	March 31, 2021 USD	March 31, 2020 USD
<b>Financial assets</b>		
Trade Receivables	19.41	61.09
	<u>19.41</u>	<u>61.09</u>
<b>Financial liabilities</b>		
Trade payables	729.36	563.89
	<u>729.36</u>	<u>563.89</u>
Net exposure	<u>(709.95)</u>	<u>(502.80)</u>

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against ₹ 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 ₹

	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2021</b>				
USD (1 % movement)	(7.10)	7.10	(5.31)	5.31
	<u>(7.10)</u>	<u>7.10</u>	<u>(5.31)</u>	<u>5.31</u>
<b>March 31, 2020</b>				
USD (1 % movement)	(5.03)	5.03	(3.76)	3.76
	<u>(5.03)</u>	<u>5.03</u>	<u>(3.76)</u>	<u>3.76</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### d) Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure

### 36 Tax Expense

	March 31, 2021	March 31, 2020
<b>a) Amounts recognised in Statement of Profit and loss</b>		
Current Income Tax	251.71	243.28
Adjustment of tax relating to earlier years	68.09	-
<b>Deferred Tax liability/(asset)</b>		
Origination and reversal of temporary difference	(7.92)	(1.35)
<b>Deferred tax charge/(credit)</b>	(7.92)	(1.35)
<b>Tax Expense for the year</b>	<b>311.88</b>	241.93
<b>b) Amounts recognised in Other comprehensive income</b>		
<b>Remeasurement of defined benefit plan</b>		
Before tax	(1.80)	(20.58)
Tax benefit	0.45	5.18
<b>Net of tax</b>	<b>(1.35)</b>	(15.40)

### c) Reconciliation of effective tax rate

		March 31, 2021	March 31, 2020
<b>Profit before tax</b>		983.49	995.92
		25.17%	25.17%
Tax using the Company's domestic tax rate		247.52	250.65
Tax using co domestic rate	25.17%	247.52	250.65
Donation	0.00%	-	0.11
Bad debts	0.00%	-	8.79
Donation under 80G	0.00%	-	(5.19)
Adjustment of tax relating to earlier years	6.92%	68.09	-
Others	-0.38%	(3.73)	(12.42)
<b>Effective tax</b>	31.71%	311.88	241.93
As per Financials	31.71%	311.88	241.93



## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

### 37 Deferred tax

	As at April 01, 2020	Provided during the year	As at March 31, 2021
<b>Deferred tax liability</b>			
Excess of depreciation as per Income tax Act, 1961 over book depreciation	96.46	(5.92)	<b>90.54</b>
	96.46	(5.92)	<b>90.54</b>
<b>Deferred tax assets</b>			
Provision for bad and doubtful debts			
(a) Deductions claimed on payment basis	8.78	(3.71)	<b>5.07</b>
(b) Provision for employee benefits- compensated absences	23.21	5.26	<b>28.47</b>
	31.99	1.55	<b>33.54</b>
Net deferred tax liabilities (net)	<u>(64.47)</u>	<u>7.47</u>	<u><b>(57.00)</b></u>

### 38 Contingent liabilities:

#### Claims against the Company not acknowledged as debts :

	March 31, 2021	March 31, 2020
Income tax demand, including interest and penalty and net off amount paid under protest	<b>7.68</b>	2.55
Sales tax and Service tax matters	<b>1.62</b>	1.62

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

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

### 39 Capital Commitments

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

	March 31, 2021	March 31, 2020
Profit after tax attributable to equity shareholders [A]	<b>671.61</b>	753.99
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 ₹ 10 [A]/[D]	<b>5.32</b>	5.97

### 41 Transfer pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management believes that the Company's international and domestic transactions with related parties post 31 March 2020 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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

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

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

Particular	Amount	Regrouped From	Regrouped to
Unbilled Revenue	19.95	Trade receivable	Unbilled Revenue

### 43 Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

- 44 The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.
- 45 Dividends declared by the Company are based on the profit available for distribution. On June 23, 2021, the Board of Directors of the Company have recommended a final dividend of 20% i.e; ₹ 2/- per equity share for the financial year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 252.40 lakhs.

As per our report of even date attached

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

Chartered Accountants

Firm's Registration No :101248W/W-100022

#### Farhad Bamji

Partner

Membership No : 105234

Place : Mumbai

Date : June 23, 2021

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

CIN- L01122DD1991PLC002959

#### Deepak Dhanak

(Managing Director)

DIN No.03157491

#### Sunaina Goraksh

(Company Secretary)

Place : Mumbai

Date : June 23, 2021

#### H.N. Motiwalla

(Director)

DIN No.00029835

#### Pankaj Holani

(Chief Financial Officer)

## CSR Project for FY 2020-21

### Day care center for “Autistic” Children

The company believes in providing education and support to the children with special needs in order to empower them to create their livelihood. In view of this Multibase India Limited provided support to the ‘School for Autistic children’ in Daman . This school is by NGO Dinbandhu Youth Welfare Trust and is named as Project PRAYAAS.

The school staff consists of psychologist, physiotherapist and Teachers . They provide education to these children and engage them in activities to develop skillsets. In the pandemic situation the school was run virtually. The faculties visited the children in order to assess their daily education needs. Also several online sessions were conducted for interacting with the children and their parents.



# Face book live session

Topic- Autism

Topic-Physiotherapyfordiivaang





**PRAYAAS DAY CARE SCHOOL**  
Supported by- Multibase India Limited  
Managed by- Dinbandhu Youth Welfare Trust  
Daman



Interaction with parents of intellectually disabled children




**26<sup>th</sup> Dec at 12:00 PM – 01:00 PM**

**SPEAKER**




**Dr. Rishi Desai**  
M.D Psychiatry, Consultant at  
Govt. Hospital, Marwad Daman


**Follow us on:**  
<https://www.facebook.com/Prayaas-DAY-CARE-School-103412378234115>



**PRAYAAS DAY CARE SCHOOL**  
Supported by- Multibase India Limited  
Managed by- Dinbandhu Youth Welfare Trust  
Daman




Physiotherapy for disable children



**28<sup>th</sup> Dec at 11:00 AM – 12:00 PM**

**SPEAKER**



**Dr. Pradeep Prajapati**  
Physiotherapist, Govt. Hospital,  
Marwad Daman

**Follow us on:**  
<https://www.facebook.com/Prayaas-DAY-CARE-School-103412378234115>

## Women Empowerment: Unnati Training Centre

The Company aims at developing vocational skills for women to earn their Livelihood . As a step towards women empowerment the company opened an institution at Daman for providing free professional courses to women in order to help them to earn livelihood.

With the support of Dinbandhu Welfare Trust (NGO) the institution provides free certified tailoring and beautician courses to underprivileged women. The center is named as “UNNATI”.

With qualified instructors, there are 2 courses provided and in a year total 160 Women will be trained.

The center also aims to provide employment opportunities to women in nearby industries or through self employment.

### Women empowerment project



# Unnati Centre



## Promoting Education: School Renovation

The Company believes that education is the mirror of the society and the seed of socio-economic development.

The Company continued its support towards empowering education in the communities around the Company, by providing basic infrastructure facilities in various schools for creating a better environment for students.

Accordingly the company conducted the renovation work for the SARVAJANI MADHYMIK SHALA RABDA , a residential school based in Valsad dist. Gujarat. The school was in dilapidated condition as the building was 20 years old. This school had 77 underprivileged children who were studying and residing in the school. The School approached Multibase India Limited for repair & renovation work. The Company decided to conduct the repair and renovation work of this school as CSR initiative . Thus this project enabled us to provide better facilities to the children for promoting education.

### Education Promotion Project



# ACTUAL PHOTO OF SCHOOL BEFORE RENOVATION





## PHOTOS AFTER RENOVATION







## **MULTIBASE INDIA LIMITED**

CIN: L01122DD1991PLC002959

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Tel: 0260-6614400

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