



multibase

A Dow Corning Company

Multibase India limited

20th
ANNUAL REPORT

Multibase India Ltd.

BOARD OF DIRECTORS

JEAN PAUL MOLLIE	Director
H. N. MOTIWALLA	Director
ASHOK CHHABRA	Director
SIMON BERNARD	Director
DEEPAK DHANAK	Managing Director

AUDITORS

Deloitte Haskins & Sells,
(Firm Regn. No. 117364W)
Vadodara

BANKERS

Citi Bank
HDFC Bank Limited
State Bank of India

REGISTERED - OFFICE

74/5-6, Daman Industrial Estate,
Kadaiya Village, Nani Daman
U.T. Daman & Diu - 396 210.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (W),
Mumbai - 400 078.
Tel. No. +91 22 25946970
Fax No. +91 22 25946969
Email ID : rnt.helpdesk@linkintime.co.in

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NOTICE

NOTICE is hereby given that the 20th (Twentieth) Annual General Meeting of the Company will be held at 11:30 a.m. on Thursday, 29th September, 2011, at 74/ 5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman, Union Territory – Daman & Diu – 396210, to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Jean Paul Mollie, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Chhabra, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration

For and on Behalf of the Board

Sd/-
(Deepak Dhanak)
Managing Director

Registered Office:

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

Date : 30.05.2011

Place: Mumbai.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2011 to 29th September, 2011 (Both Days Inclusive).
3. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office / Registrar and Transfer Agents quoting their Folio Number.
4. Members/proxies are requested to bring their copies of Annual Report & duly filled admission/attendance slips sent herewith along with the copies of annual report at the meeting and produce the same at the entrance where the Annual General Meeting is held.

5. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing there representative to attend and vote at the Annual General Meeting.
6. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
7. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting.
8. Information regarding particulars of the directors seeking reappointment requiring disclosure in terms of the listing agreement, are annexed hereto. The committee chairmanships/memberships considered for the purposes of disclosure are those prescribed under clause 49(I)(C) of the Listing Agreement(s) viz. Audit Committee and Shareholders'/Investors Grievance Committee of Indian public limited companies.
9. For the security and safety of the shareholders, no article/ baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage, etc. at the venue of the meeting.
10. Your Company has implemented the Green Initiative as per the Ministry of Corporate Affairs ("MCA") Circular Nos. 17/2011 and 18/2011 dated April 21,2011 and April 29,2011, respectively, which allows the Company to serve all notices/ documents and annual reports to its shareholders through an electronic mode. Henceforth, the email addresses registered by the shareholders : (a) in respect of shareholding in demat mode - with the respective Depository Participant which will be periodically downloaded from NSDL / CDSL, and (b) in respect of physical holding - through a written request letter to the Registrar and Transfer Agent of the Company M/s. Link Intime India Private Limited; will be deemed to be the registered email address for serving all notices / documents including those covered under Section 219 read with Section 53 of the Companies Act. Members are therefore requested to keep their email addresses updated in case of electronic holding with their respective Depository Participant and in case of physical holding with the Registrar and Transfer Agent of the Company. The Annual Report of your Company

Multibase India Ltd.

for the Financial Year 2010-11 will also be displayed on the website of the Company i.e. ww.multibaseindia.com. As a member of the Company you will be entitled to be furnished, free of cost, an Annual Report of the Company upon receipt of a written request from you at anytime

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

For and on Behalf of the Board

Sd/
(Deepak Dhanak)
Managing Director

Registered Office:

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

Date : 30.05.2011

Place: Mumbai.

Particulars of Directors seeking Reappointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement of Stock Exchanges.

Name of Director	Date of Birth	Relationships with other Directors inter-se	Date of Appointment	Expertise in specific functional areas	Qualification	No. of Equity Shares held in the Company	List of other Listed companies in which Directorships are held	List of committees of the Board of Directors (across all companies) in which Chairmanship/ Membership is held
Mr. Jean Paul Mollie	09-09-1954	None	30.09.2009	Electronics	Engg. Degree in Electronics, PTI, Marketing & Gen., Management courses	NIL	NIL	NIL
Mr. Ashok Chhabra	04-07-1952	None	27-10-2009	Practising Professional	LL.B.; FCS	NIL	NIL	Member Audit Committee of Multibase India Ltd. Chairman Shareholders / Grievance / Transfer Committee

1. Directorship held by Directors mentioned above, as per latest disclosure received from them, do not include Directorship of Foreign Companies, Section 25 Companies and Private Limited Companies.
2. Pursuant to Clause 49 of the Listing Agreement, only two Committees viz. Audit Committee and Shareholders Grievance / Transfer Committee have been considered.

DIRECTORS' REPORT**DIRECTORS' REPORT**

To

The Members,

Your Directors are pleased to present the 20th Annual Report together with audited accounts of your Company for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

Rs. In Lac

	March 31, 2011	March 31, 2010
A. Profit before Depreciation	476.44	416.02
B. Depreciation	37.19	65.64
C. Profit for the year/period	439.25	350.39
D. Provision for Taxes	148.35	81.23
E. Profit After Tax	290.90	269.16
F. Balance brought Forward	557.25	288.09
G. Net(Loss)/Profit carried Forward	848.15	557.25

OPERATIONS:

During the period 1st April, 2010 to 31st March, 2011, the Company reported a turnover of Rs 4102.22 lacs as against Rs.3557.42 lacs for the previous year April, 2009 to March, 2010. There was an operating profit of Rs. 449.63 lacs as against an operating profit of Rs. 362.34 lacs for the previous year. After providing for interest of Rs 10.38 lacs, depreciation of Rs. 37.19 lacs, and provision for Taxation of Rs. 148.35 lacs, the Company has made a Net Profit after Tax of Rs. 290.90 lacs.

DIVIDEND:

To conserve resources for the long term needs of the Company, your Directors do not recommend payment of any dividend for the year.

DIRECTORS:

In accordance with the requirements of the Companies Act 1956, Mr. Jean Paul Mollie and Mr. Ashok Chhabra will retire by rotation and, being eligible, has offered themselves for re-appointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance and Certificate from a practicing Company Secretary regarding compliance of conditions of corporate governance by the Company is attached to this report.

DEPOSITS

The Company has neither invited nor accepted any Fixed Deposits, within the meaning of Section 58-A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 made there under.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended 31.3.2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The Directors have 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 of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company has received letters from them to the effect that their reappointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of section 226 of the said Act. Accordingly, your Directors recommend re-appointment of Auditors.

The Auditors have confirmed that they have subjected themselves to the peer review process of the institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI."

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

The particulars as prescribed under section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in an Annexure "A" to this report.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was paid remuneration of Rs. 60,00,000/- p.a. or more for the year or Rs. 5,00,000/- p.m. or more and hence the information required under section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

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AUDIT COMMITTEE:

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with Stock Exchanges and in terms of Section 292(A) of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the listing agreements, the Management Discussion and Analysis Report forms a part of this report.

INSURANCE

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

INDUSTRIAL RELATION

The company continued to have cordial and harmonious relations with its employees.

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 are also thankful for the valuable co-operation and support extended by Company's Vendors, Bankers, Business Associates and Investors who have put their faith in the Company. The Company also acknowledges its appreciation for the co-operation extended by Stock-Exchanges, NSDL and CDSL without whose support the Company could not have fulfilled its obligation towards the members.

For and on Behalf of the Board

Sd/-
(Mr. H.N. Motiwalla)
Director

Sd/-
(Mr. Deepak Dhanak)
Managing Director

Registered Office:

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

Date : 30.05.2011.

Place: Mumbai.

ANNEXURE 'A' TO THE DIRECTORS' REPORT:

Additional information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY:

Power and fuel consumption in respect of the total energy consumption is given below:

(a) Purchased:

	Current year 2010-11	Last Year 2009-10
Units (KWH)	1267405	1160500
Total Amount (Rs)	41,70,748	43,22,475
Rate per unit (Rs)	3.29	3.72

(b) Furnace Oil / LSHS / LDO / HSQ / DIESELmm

	Current year 2010-11	Last Year 2009-10
Quantity (KL)	9.297	20.496
Total Amount (Rs.)	3,75,897	7,33,818
Average Rate (Rs.)	40.43	35.80

(c) Consumption per unit of Production

	Current year 2010-11	Last Year 2009-10
Electricity (KWH/Ton)	554.25	526.85
Furnace Oil/LSHS/LDO/ HSQ/Diesel (KL/Ton)	4.06	8.91

Your Company continues to take measures to conserve energy through optimal consumption and reduced wastage. Regular energy audits are conducted to review the benchmarks and standards established. Employees are encouraged to give suggestions that will result in energy saving. Concurrent measures are adopted such as:

- Monitoring of high energy consuming equipment closely for better control.
- Regular monitoring of and checking of electrical load on all the motors and repair the defective ones.
- Maximizing use of daylight.

(B) TECHNOLOGY ABSORPTION:

Multibase India Limited, since its inception have continuously been undergoing changes in its product profile and targeted markets, keeping in line with the changing business environment in the country. Starting out with manufacturing filled PP compounds, the company later on diversified into more value-added products such as Thermoplastic Elastomers and Siloxane Masterbatches.

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The company is continuously looking at introduction of new products and participation in new markets, while finding the most competitive way to serve the mature markets. With this business strategy, the company expects growth in the coming years.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Current year 2010-11	Last Year 2009-10
Total Foreign Exchange earned	Rs. 482.10 lacs	Rs.438.24 lacs
Total Foreign Exchange used	Rs. 1558.32 lacs	Rs.1380.92 lacs

For and on Behalf of the Board

Sd/-

(Mr. H.N. Motiwalla)

Director

Sd/-

(Mr. Deepak Dhanak)

Managing Director

Registered Office:

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

Date : 30.05.2011.

Place: Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS

CAVEAT

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the 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 risk 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.

BACKGROUND

The data of the current accounting year is for 12 months. The year started with the backdrop of the markets recovering from the slow-down. The Company has started to increase presence in the Automotive and silicon based thermoplastics segment, which is a growing market in India. The Company has prioritized its focus on Silicon-enhanced products and targeted to find new markets for this product in India. Thermoplastic Elastomers sales in India continued to grow at a steady rate. We managed to hold our margins in an increasingly competitive market through innovative products.

OVERVIEW

It has been recognized world over that India is one of the fastest growing economies. The relevant markets for Multibase are growing at decent pace and we expect that the Company will benefit from this. The business prospects for the Company are good with increased volumes in these market segments. Increased competition and uncertainty in the world petrochemical markets could put some pressure on margins, since there could be the double effect of raw material price rises as well as pressure from competition. Company produces a range of both commodity and specialty products which are used in a wide range of applications in markets such as Automotive, Personal Care, Personal hygiene, Stationery, Telecommunications etc. The Company is continuously doing research and development work at the modern R & D plant in Daman which yields a continuous flow of new generation products on a regular basis.

FINANCIAL REVIEW

The overall performance of the Company during the current financial period has been good. During the period 1st April, 2010 to 31st March, 2011, the Company reported a turnover of Rs 4102.22 lacs as against Rs.3557.42 lacs for the previous year April, 2009 to March, 2010. There was an

operating profit of Rs. 449.63 lacs as against an operating profit of Rs. 362.34 lacs for the previous year. After providing for interest of Rs 10.38 lacs, depreciation of Rs. 37.19 lacs, and provision for Taxation of Rs. 148.35 lacs, the Company has made a Net Profit after Tax of Rs. 290.90 lacs.

RISKS AND CONCERNS

The threats faced by your Company in achieving its future targets may be due to pressure on pricing due to severe competition and aggressive posturing by competition; both domestic and local. This may affect the margins to an extent. In addition, the uncertainty in the global political, economic and stock market scenarios affected the cost of the raw materials used by the Company. We expect our eminent position as the number one supplier of these products due to our ability in identifying and meeting the customers' expectation in terms of quality, fast reaction time, new developments etc.

The Risk, which the Indian Plastics Industry foresees are possible slow down of Indian and global economy, myths and misconceptions about plastics and its impact on environment and increased competition from the foreign manufactures. The other risk which prevails in the industry are high fluctuations in the prices of raw materials, technology obsolescence and competition from the global players.

The Company being a part of Dow Corning Corporation, has always come out with positive mitigations against such risks and has been successful in maintaining its leadership position.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

INTERNAL CONTROL SYSTEMS

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

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

CAUTIONARY STATEMENT

Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors.

Corporate Governance Report for the year 2010-11

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

1. Company's Philosophy on code of Corporate Governance

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

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

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

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

2. Board of Directors

a. Composition of the Board

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

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

The constitution of the Board is given below:

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

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

b. Board Meetings

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

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

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

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

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

Multibase India Ltd.

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

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

c. Code of Conduct

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

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

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

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

Sd/-
Deepak Dhanak
Managing Director & CEO

Daman,
30th May, 2011.

BOARD COMMITTEES :-

a) Audit Committee

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

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

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

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

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

Multibase India Ltd.

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

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

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

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

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

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

b) Shareholders / Investors Grievance/ Transfer Committee :

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

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

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

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

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

Name, designation and address of Compliance Officer:

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

c) Remuneration Committee

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

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

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

Multibase India Ltd.

The remuneration committee comprises of

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

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

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

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

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

¹ Resigned w.e.f. 22.10.2010

Note:

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

DISCLOSURES :

a. Related Party Transactions

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

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

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

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

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

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

e. Secretarial Audit

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

Multibase India Ltd.

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

f. Disclosure of Accounting Treatment

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

g. Subsidiary Company

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

h. Management Discussion and Analysis Report

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

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

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

j. CEO / CFO Certification

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

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

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

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

sd/-

sd/-

Date :30./05/2011.

(Shibaji Chakraborty)

(Deepak Dhanak)

Place: Mumbai.

Chief Financial Officer

Managing Director & CEO

k. Means of Communication

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

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

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

Multibase India Ltd.

I. General Body Meetings

The details of Annual General Meetings are below:

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

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

m. De-Materialisation of shares

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

n. General Share holder informations:

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

Annual General Meeting

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

Financial Calendar (tentative)

First Quarter Results 30th June, 2011 : 2nd week of August, 2011
Second Quarter Results 30th September, 2011 : 2nd week of November, 2011
Third Quarter Results 31st December, 2011 : 2nd week of February, 2012
Financial year ending 31st March 2012 : 2nd week of May, 2012
Book Closure Dates : 22nd September, 2011 to, 29th September, 2011
(Both days inclusive)
Registered Office & Factory : 74/5-6 Daman Indl. Estate,
Kadaiya Village, Nani Daman : 396 210.
Dividend Payment Date : No Dividend recommended by the Board
Registrar & Share Transfer Agent : M/s Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (W),
Mumbai - 400 078.
Tel No. 022- 25946970
Fax No. 022- 25946969
rnt.helpdesk@linkintime.co.in
Compliance Officer : Mr. Deepak Dhanak
Managing Director
Multibase India Limited,
74/5-6, Daman Industrial Estate,
Kadaiya Village, Nani Daman.
Pin - 396 210.

Multibase India Ltd.

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

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

o. Share Transfer System

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

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

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

Bombay Stock Exchange (BSE)

National Stock Exchange (NSE)

(Source – BSE & NSE)

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011

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

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

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

Certificate of Corporate Governance as per clause 49

To,
The Members of
Multibase India Limited

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

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

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

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

FOR AKSHAR J. PATEL

Company Secretary,

Sd/-

CS Akshar Patel

Proprietor

ACS : 24925, CP: 8962.

Place: Mumbai

Date : 30.05.2011

AUDITORS' REPORT

TO THE MEMBERS OF MULTIBASE INDIA LIMITED

1. We have audited the attached Balance Sheet of MULTIBASE INDIA LIMITED ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956; (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 117364W)

Gaurav J. Shah
Partner
(Membership No. 35701)

VADODARA, 30th May, 2011

Multibase India Ltd.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
- As explained to us, the inventories were physically verified by the Management as at year end.
 - In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - No transactions have been made in pursuance of such contracts or arrangements during the year.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed dues, including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Professional Tax, Service tax, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it, with the appropriate authorities.
 - Except for Demand for Fringe Benefit tax for Rs. 38,130/-, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals, Valsad	A.Y 2005-06	16,35,147/-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Ahmedabad	A.Y 2006-07	10,78,880/-

Multibase India Ltd.

- (x) The Company does not have any accumulated losses as at the end of the financial year. Further the Company has not incurred cash losses either during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the company is not a chit fund/nidhi/mutual benefit fund/society in terms of clause (xiii) of para 4 of the Companies (Auditor's Report) Order, 2003 and accordingly provisions of such special statutes are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments in terms of clause (xiv) of para 4 of the Companies (Auditor's Report) Order, 2003 and accordingly the provisions are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xviii) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) In our opinion and according to the information and explanations given to us, the company has not issued any debentures and accordingly clause (xix) of para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xx) In our opinion and according to the information and explanations given to us, the company has not raised any money by public issues during the period under audit and accordingly clause (xx) of para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117364W)

Gaurav J. Shah
Partner
(Membership No. 35701)

VADODARA, 30th May, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedules	As at 31st March, 2011	Amounts in Rs. As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	126,200,000	126,200,000
Reserves And Surpluses	2	96,515,205	67,425,665
		<u>222,715,205</u>	<u>193,625,665</u>
Loan Funds			
Unsecured Loans	3	9,617,456	9,257,170
		<u>9,617,456</u>	<u>9,257,170</u>
Deferred Tax Liabilities (Net)	4	795,269	-
TOTAL		<u><u>233,127,930</u></u>	<u><u>202,882,835</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	137,186,154	133,586,258
Less : Accumulated Depreciation		95,380,885	96,201,841
Net Block		<u>41,805,269</u>	<u>37,384,417</u>
Capital Work-In-Progress Including Capital Advances		1,541,232	396,300
		<u>43,346,501</u>	<u>37,780,717</u>
Deferred Tax Assets (Net)	4	-	1,817,000
Current Assets, Loans And Advances			
Inventories	6	64,151,650	84,068,847
Sundry Debtors	7	60,193,396	56,907,049
Cash And Bank Balances	8	79,934,426	52,383,092
Loans And Advances	9	85,032,261	73,407,935
(A)		<u>289,311,733</u>	<u>266,766,923</u>
Less: Current Liabilities And Provisions			
Current Liabilities	10	52,410,362	68,736,125
Provisions	11	47,119,942	34,745,680
(B)		<u>99,530,304</u>	<u>103,481,805</u>
Net Current Assets (A) - (B)		<u>189,781,429</u>	<u>163,285,118</u>
TOTAL		<u><u>233,127,930</u></u>	<u><u>202,882,835</u></u>
Significant Accounting Policies And Notes To Accounts	18		

In terms of our report attached
For Deloitte Haskins & Sells,
Chartered Accountants

For Multibase India Limited

sd/-
Gaurav Shah
Partner

sd/-
H. N. Motiwalla
Chairman

sd/-
Deepak Dhanak
Managing Director

sd/-
Shibaji Chakraborty
Chief Financial Officer

Place : Vadodara
Date : 30th May, 2011

Place : Mumbai
Date : 30th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedules	For the year ended 31-Mar-11	<i>Amounts in Rs.</i> For the year ended 31-Mar-10
INCOME			
Turnover (Gross)			
Gross Sales (Net Of Sales Return)		410,221,909	355,741,688
Less : Excise Duty		33,380,608	21,882,410
Turnover (Net)		376,841,301	333,859,278
Other Income	12	10,967,460	3,365,250
Increase / (Decrease) In Inventories	13	(14,383,358)	(8,804,679)
TOTAL		373,425,403	328,419,849
EXPENDITURE			
Raw Material Consumed	14	239,458,811	214,608,012
Personnel Expenses	15	30,716,586	24,682,454
Operating And Other Expenses	16	54,567,223	46,332,102
Depreciation	5	3,719,486	6,564,491
Interest & Financial Charges	17	1,038,251	1,194,593
TOTAL		329,500,357	293,381,652
Profit Before Tax		43,925,046	35,038,197
Provision For Tax			
- Current Tax		12,223,237	10,026,000
- Deferred Tax Charge		2,612,269	(1,903,000)
Total Tax Expense		14,835,506	8,123,000
Profit After Tax		29,089,540	26,915,197
Balance Brought Forward		55,725,665	28,810,468
Balance Carried To Balance Sheet		84,815,205	55,725,665
Earnings Per Share			
Basic & Diluted		2.31	2.13
[Nominal Value Per Share Rs. 10 (Previous Year : Rs. 10)]			
(Refer Note 11 of Schedule 18)			
Significant Accounting Policies And Notes To Accounts	18		

In terms of our report attached
For Deloitte Haskins & Sells,
 Chartered Accountants

For Multibase India Limited

sd/-
Gaurav Shah
 Partner

sd/-
H. N. Motiwalla
 Chairman

sd/-
Deepak Dhanak
 Managing Director

sd/-
Shibaji Chakraborty
 Chief Financial Officer

Place : Vadodara
 Date : 30th May, 2011

Place : Mumbai
 Date : 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Amount in Rupees

	For the year ended 31-Mar-11	For the year ended 31-Mar-10
A. Cash Flow From Operating Activities		
Net Profit /(Loss) Before Tax	43,925,046	35,038,197
Adjustments For:		
Depreciation & Impairment	3,719,486	6,564,491
(Profit)/ Loss On Sale Of Fixed Assets (Net)	(43,251)	76,168
Net Unrealised Foreign Exchange (Gain)/Loss	1,190,607	1,337,251
Interest Income	(1,220,643)	-
Interest and Financial Charges	1,038,251	1,194,593
Operating Profit Before Working Capital Changes	48,609,496	44,210,700
Movements In Working Capital :		
(Increase)/Decrease In Sundry Debtors	(3,310,296)	5,583,669
(Increase)/Decrease In Inventories	19,917,197	(4,562,020)
(Increase)/Decrease In Loans And Advances	2,851,992	(7,779,768)
Increase /(Decrease) In Current Liabilities	(16,735,587)	35,822,208
Cash Generated From Operations	51,332,802	73,274,789
Direct Taxes Paid (Net Of Refunds)	(14,721,841)	(8,896,715)
Net Cash From Operating Activities	36,610,961	64,378,074
B. Cash Flows From Investing Activities		
Purchase Of Fixed Assets	(9,490,463)	(5,624,883)
Proceeds From Sale Of Fixed Assets	248,444	521,045
Interest Received	1,220,643	-
Net Cash From Investing Activities	(8,021,376)	(5,103,838)
C. Cash Flows From Financing Activities		
Movement In Working Capital Facilities		(8,545,132)
Movement In ECB Loan	-	-
Interest Paid	(1,038,251)	(1,194,593)
Net Cash Used In Financing Activities	(1,038,251)	(9,739,725)
Net Increase In Cash And Cash Equivalents (A + B + C)	27,551,334	49,534,511
Cash And Cash Equivalents At The Beginning Of The Year	52,383,092	2,848,581
Cash And Cash Equivalents At The End Of The Year	79,934,426	52,383,092

Notes :-	As at 31-Mar-11	As at 31-Mar-10
01. Cash And Cash Equivalents Comprise Of Cash on Hand With Banks - On Current Account	28,390	67,865
In Current Accounts	31,906,036	51,315,227
In Deposit Accounts	48,000,000	1,000,000
	79,934,426	52,383,092

02. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 ("As-3") On Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006.
03. Previous year's figures have been regrouped wherever necessary to correspond with the current year's presentation.

In terms of our report attached
For Multibase India Limited

sd/-
H. N. Motiwalla
Chairman

sd/-
Deepak Dhanak
Managing Director

sd/-
Shibaji Chakraborty
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Amount in Rupees

	As at 31-Mar-11	As at 31-Mar-10
Schedule 1 : Share Capital		
Authorised		
1,30,00,000 (Previous Year: 1,30,00,000) Equity Shares Of Rs.10/- Each	130,000,000	130,000,000
Issued, Subscribed And Paidup		
1,26,20,000 (Previous Year: 1,26,20,000) Equity Shares Of Rs. 10/- Each Fully Paid Up	126,200,000	126,200,000
(Out Of The Above Equity Shares 9,465,000 Shares i.e. 75.00% (Previous Year 9,465,000 Shares i.e. 75.00 %) Are Held By M/S. Multibase S. A., France, The Holding Company (Of Which Dow Corning Corporation , USA Is The Ultimate Holding Company)	126,200,000	126,200,000
	126,200,000	126,200,000
Schedule 2 : Reserves And Surpluses		
Security Premium Account		
As Per Last Balance Sheet	11,700,000	11,700,000
(On 18,00,000 Equity Shares Of Rs.10/- Each Issued At A Premium Of Rs.6.50/- Per Share)		
Profit And Loss Account		
	84,815,205	55,725,665
	96,515,205	67,425,665
Schedule 3 : Unsecured Loans		
ECB Loan		
- From Promoters i.e. M/S Multibase S.A., France	9,617,456	9,257,170
	9,617,456	9,257,170
Schedule 4 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	2,900,865	2,113,473
Gross Deferred Tax Liabilities	2,900,865	2,113,473
Deferred Tax Assets		
Gratuity And Leave Encashment	1,149,925	1,353,705
Provision For Expense	-	401,167
Provision For Doubtful Debts	955,671	2,175,601
Gross Deferred Tax Assets	2,105,596	3,930,473
Net Deferred Tax Assets / (Liability)	(795,269)	1,817,000

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule : 5

Fixed Assets

Amounts in Rs.

Particulars	GROSS BLOCK (as cost)			DEPRECIATION				NET BLOCK		
	As on 01-Apr-10	Addition	Deduction	As on 31-Mar-11	As on 01-Apr-10	Provided During The Year	Deduction	As on 31-Mar-11	As on 31-Mar-11	As on 31-Mar-10
Tangible Assets										
Land & Site Development	2,841,552	-	-	2,841,552	-	-	-	-	2,841,552	2,841,552
Factory Building	15,592,568	232,713	-	15,825,281	8,335,621	521,447	-	8,857,068	6,968,213	7,256,947
Office Building	114,475	-	-	114,475	40,920	1,866	-	42,786	71,689	73,555
Plant & Machinery	89,824,638	3,026,078	-	92,850,716	73,851,119	1,218,723	-	75,069,842	17,780,874	15,973,519
Laboratory Equipment	126,777	4,174,770	-	4,301,547	2,095	27,005	-	29,100	4,272,447	124,682
Office Equipments	1,427,754	280,848	-	1,708,602	471,737	69,135	-	540,872	1,167,730	956,017
Air Conditioner	332,990	30,500	-	363,490	88,663	17,013	-	105,676	257,814	244,327
Furniture & Fixture	5,138,435	14,765	-	5,153,200	1,810,311	301,629	-	2,111,940	3,041,260	3,328,124
Computers	10,472,589	585,857	-	11,058,446	5,535,215	1,297,003	-	6,832,218	4,226,228	4,937,374
Vehicles	3,807,422	-	1,593,235	2,214,187	2,848,501	228,865	1,388,042	1,689,324	524,863	958,921
Intangible Assets										
Computer Software	3,907,058	-	3,152,400	754,658	3,217,659	36,800	3,152,400	102,059	652,599	689,399
Total Amount	133,586,258	8,345,531	4,745,635	137,186,154	96,201,841	3,719,486	4,540,442	95,380,885	41,805,269	37,384,417
Previous Year	125,653,954	8,700,208	767,904	133,586,258	89,808,041	6,564,491	170,691	96,201,841	37,384,417	35,845,913

As at 31-Mar-11 **As at 31-Mar-10**

Schedule 6: Inventories

Raw Materials And Components (Including Stock In Transit)	36,513,333	41,996,027
Finished Goods	27,638,317	42,072,820
	64,151,650	84,068,847

Schedule 7 : Sundry Debtors

(Unsecured)

-Over Six Months	2,845,609	7,368,321
-Others	60,224,797	56,088,292
	63,070,406	63,456,613
Less : Provision For Doubtful Debts	2,877,010	6,549,564
	60,193,396	56,907,049
Considered Good	60,193,396	56,907,049
Considered Doubtful	2,877,010	6,549,564
	63,070,406	63,456,613

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Amount in Rupees

	As at 31-Mar-11	As at 31-Mar-10
Schedule 8 : Cash And Bank Balances		
Cash On Hand	28,390	67,865
Balances With Scheduled Banks:		
In Current Accounts	31,906,036	51,315,227
In Deposit Accounts	48,000,000	1,000,000
	79,934,426	52,383,092
Schedule 9 : Loans and Advances		
(Unsecured, Considered Good)		
Advances Recoverable In Cash Or Kind Or For Value To Be Received	4,686,222	5,591,531
Balances With Excise And Other Indirect Tax Authorities	29,028,650	31,525,432
Deposits	908,000	308,000
Advance Tax And Tax Deducted At Source	50,409,389	35,982,972
	85,032,261	73,407,935
Schedule 10: Current Liabilities		
Sundry Creditors		
(A) Micro Enterprises And Small Enterprises (Refer Note 12 of Schedule 18)		-
(B) Others	43,000,222	59,442,209
Advance From Customers	1,206,237	570,053
Statutory Dues	654,992	594,000
Other Liabilities	7,548,911	8,129,863
	52,410,362	68,736,125
Schedule 11 : Provisions		
Provision For Current Tax	39,335,243	27,425,355
Provision For Fringe Benefit Tax	1,379,925	1,362,000
Provision For Gratuity (Refer Note 10 of Schedule 18)	2,020,279	3,119,155
Provision For Leave Encashment	1,441,525	956,122
Provision For Employee Variable Pay	2,766,965	1,883,048
Provision For Other Employee Benefits	176,005	-
	47,119,942	34,745,680

Multibase India Ltd.**Schedules forming part of Profit and Loss account for the year ended 31st March, 2011**

	Amounts in Rs.	
	For the year ended 31-Mar-11	For the year ended 31-Mar-10
Schedule 12 : Other Income		
Interest From Bank Deposits (Tax Deducted At Source Rs. 122064/- Previous Year: Rs. Nil)	1,220,643	-
Export Incentive	1,285,051	684,351
Profit On Sale Of Fixed Assets (Net)	43,251	-
Exchange Rate Variation (Net)	-	1,554,602
Income From Shared Services Operations	6,135,214	-
Interest On Income Tax	307,333	-
Miscellaneous Income	1,975,968	1,126,297
	<u>10,967,460</u>	<u>3,365,250</u>
Schedule 13 : Increase / (Decrease) In Inventories		
Inventories As At Year End		
- Work-In-Progress	-	-
- Finished Goods	27,638,317	42,072,820
	<u>27,638,317</u>	<u>42,072,820</u>
Inventories As At Year Beginning		
- Work-In-Progress	-	-
- Finished Goods	42,072,820	50,167,138
	<u>42,072,820</u>	<u>50,167,138</u>
Increase / (Decrease) in Excise Duty	51,145	(710,361)
	<u>(14,383,358)</u>	<u>(8,804,679)</u>
Schedule 14 : Material Consumed		
Raw Material Consumed	236,072,595	210,141,007
Stores And Spares Consumed	3,386,216	4,467,005
	<u>239,458,811</u>	<u>214,608,012</u>
Schedule 15 : Personnel Expenses		
Salaries, Wages And Bonus (Refer Note 5 of Schedule 18)	27,137,567	22,102,223
Contribution To Provident Fund	1,087,899	876,795
Gratuity Expenses (Refer Note 10 of Schedule 18)	1,197,791	27,305
Staff Welfare Expenses	1,293,329	1,676,131
	<u>30,716,586</u>	<u>24,682,454</u>

Schedules forming part of Profit and Loss account for the year ended 31st March, 2011

Amounts in Rs.

	For the year ended 31-Mar-11	For the year ended 31-Mar-10
Schedule 16 : Operating And Other Expenses		
Power , Fuel And Utilities	4,557,310	5,184,879
Service Charges	3,374,216	3,131,952
Repair & Maintenance		
- Building	380,702	403,460
- Machineries	1,187,697	2,845,622
- Others	1,274,188	888,443
Legal, Professional & Other Contractual Charges (Refer Note 7 of Schedule 18)	7,273,001	5,805,165
Printing , Stationery And Communication Charges	1,557,751	1,232,802
Rent, Rates And Taxes	920,756	438,146
Travelling And Conveyance	6,034,108	4,939,201
Vehicle Running & Maintenances	652,043	669,194
Insurance Expenses	893,511	1,162,394
Royalty Charges	3,245,730	1,912,525
Support Charges	5,060,676	3,097,037
Director'S Sitting Fees	500,000	90,000
Freight Outward	5,644,915	2,323,549
Commission On Sales	2,350,974	2,174,602
Discount And Miscellaneous Balances Written Off	509,742	766,120
Bad Debts Written Off	713,684	-
Provision For Doubtful Debts	2,411,765	6,549,564
Loss On Sale Of Fixed Assets (Net)	-	76,168
Exchange Rate Variation (Net)	3,859,238	-
Miscellaneous Expenses	2,165,216	2,641,279
	<u>54,567,223</u>	<u>46,332,102</u>
Schedule 17 : Interest and Financial Charges		
Interest		
- To Banks	-	171,234
- To Holding Company For External Commercial Borrowing	218,335	321,634
Bank Charges	819,916	701,725
	<u>1,038,251</u>	<u>1,194,593</u>

SCHEDULE - 18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Nature of Operations

Multibase India Limited is engaged in manufacturing and selling of Polypropylene Compound, Thermoplastic Elastomer, Silicon Master Batch and Thermoplastic Master Batch.

2. Significant Accounting Policies

(a) The financial statements have been prepared to comply in all material respects with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed assets are shown at cost of acquisition including direct materials, labour and overheads and incidental expenses related to acquisition, and installation, all pre-operative expenditure incurred up to the date of commercial production and borrowings cost till commissioning of assets. All fixed assets are valued at cost less depreciation.

(d) Depreciation

Depreciation is provided using the Straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Depreciation is provided at 100% on items of Fixed Assets costing less than Rs. 5,000/-

(e) Inventory

Inventories are valued as follows:

Raw materials are valued at Cost on Moving average basis.

Finished goods are valued at lower of cost and net realizable value. Cost includes material cost, cost of conversion and appropriate share of overheads allocated on Moving Average basis. Cost includes excise duty.

(f) Foreign Currency Transactions

Liabilities and Assets arising due to transactions in foreign currency are recorded at the average rates of exchange in force for the month in which the transactions are effected. Exchange differences arising on realisation of/ payment against the Assets and Liabilities denominated in foreign currency is accounted for as income/expenditure at the rate of exchange prevailing on the date of settlement.

At the year end, monetary items denominated in foreign currency are reported using the closing rates of exchange . Exchange differences arising on such restatement are accounted as income/expenditure.

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(h) Employee Benefits

(i) Short term employees benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

(ii) Long term employees benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuation.

(i) Income Taxes

Tax expenses comprises of both current tax and deferred tax at the applicable enacted / substantively enacted rates as of the Balance sheet date. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more

Multibase India Ltd.

subsequent periods. Assets on account of unabsorbed loss/depreciation are recognised only if virtual certainty as regards absorption thereof exists.

(j) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are neither recognised nor disclosed in the financial statements.

(k) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(l) VAT Credit

Credit available on the materials is adjusted against Purchases. Credit on capital goods is accounted on booking the capital goods, net of duty/ tax. Credit not recouped in payment of excise duty/ sales tax is shown under "Loans and Advances".

(m) Prior Period Items

All identifiable items of income and expenditure pertaining to prior period of accrual (except those not exceeding Rs.50,000/- in each case) are accounted as "Prior Period Items".

3. Contingent Liabilities And Claims Against The Company Not Acknowledged As Debt

Amount in Rupees

	2010-11	2009-10
Letters of Credit and Bank Guarantee	1,347,100	6,527,501
Income Tax & FBT Demand	3,252,577	3,252,577
Towards C-Forms Pending Collection	5,736,105	6,157,556

4. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 10.82 lacs (Previous Year Rs. 13.21 lacs).

5. Directors' Remuneration

Amount in Rupees

	2010-11	2009-10
Salary (including perquisites)	4,032,864	3,346,648

Note:

- Above does not include provision for Leave Encashment /Gratuity & Contribution to Provident Fund.
- The above remuneration comprises of Remuneration of Mr. Krishna Joshi who was the Managing Director of the Company from the beginning of the year till 21st October, 2010 and of Mr. Deepak Dhanak who was appointed as the Whole Time Director w.e.f 29th June 2010 and later as the Managing Director w.e.f 3rd March, 2011.
- Director's remuneration of previous year includes Rs. 3.25 lacs which is in excess of remuneration permissible under Schedule XIII to the Companies act, 1956 and for which the company had applied to the Central Govt for necessary approvals which was subsequently received in the current year.
- Advance Recoverable in cash or in kind or for value to be received' includes due from Managing Director (against expenses) Rs Nil (Previous Year Rs 5.47 lacs). Maximum amount outstanding thereagainst at any time during the year is Rs 0.14 lacs (Previous Year Rs 5.47 lacs)

7. Auditor's Remuneration:-

Amount in Rupees

	2009-10	2009-10
Audit Fees	500,000	380,000
Tax Audit Fees	120,000	120,000

Multibase India Ltd.

	2009-10	2009-10
Certification	25,000	-
Tax Services	505,000	300,000
Out of Pocket Expenses	15,934	12,420
	1,165,934	812,420

8. Segment Reporting :-

The Company operates in a single business segment of "Thermoplastic Compounds". Hence, being a single segment company, no additional reporting requirements under Accounting Standard-17 issued by the Companies (Accounting Standards) Rules, 2006 are attracted.

9. Related Party Disclosure

As per Accounting Standard-18 on 'Related Party Disclosures', issued by the Companies (Accounting Standards) Rules, 2006; the nature of relationship and nature of transactions with related parties are as below

Amount in Rupees

Nature of Relationship Name of the Party	Nature of Transaction	Transaction During		Outstanding Balance as at	
		2010-11	2009-10	31-Mar-11	31-Mar-10
A. Holding Company					
Multibase S.A, France	Participation in Equity Share Capital including Share Premium	-	-	106,350,000	106,350,000
	Purchase of goods	9,944,944	11,709,388	1,153,881	5,488,863
	Interest on ECB Loan	218,335	321,634	121,672	129,444
	Advance Received	1,935,871	-	1,935,871	-
	Income From Shared Services Operations	4,619,434	-	1,516,762	-
	ECB Loan	-	-	9,617,456	9,257,170
	Others	24,672	-	-	-
B. Subsidiary of Ultimate holding Co.					
Dow Corning Taiwan Inc.	Sale of goods		2,005,728	-	-
Dow Corning Sinapore Pte Ltd.	Sale of goods	6,162,361	6,328,319	833,941	1,086,011
Dow Corning Thailand Ltd	Sale of goods	5,578,770	6,349,586	3,104,209	1,242,689
Dow Corning India Pvt. Ltd	Professional Fees		108,867	49,128	49,128
Dow Corning Co. - Korea	Sale of goods	5,602,607	10,239,010	1,447,702	3,028,297
DC Multibase ZJG Co., Ltd	Sale of goods	97,769	125,428	7,062	125,427
DC Multibase ZJG Co., Ltd	Reimbursement of Costs	349,158	244,418	-	244,418
Dow Corning (Hongknog HQ) Asia	Sale of goods		186,724	186,724	186,724
Dow Corning (Barry HQ) Limited	Purchase of goods	19,482,456	-	7,376,954	-
DC New Zealand (Auckland)	Sale of goods	960,581	-	-	-
DC (SH) Management Co Ltd	Sale of goods	297,251	530,405	320,993	23,741
Multibase Inc. Copley	Income From Shared Services Operations	1,515,780		467,426	-
Multibase Inc. Copley	Purchase of goods	661,855	1,790,438	395,047	1,790,438
C. Ultimate Holding Company					
Dow Corning Corporation	Purchase of Goods	638,947	17,754,303	334,675	19,686,812
	Environmental Testing fees	-	-	3,642,613	3,642,613
	Support Charges	5,060,676	3,097,036	10,004,052	5,403,534
	Royalty	3,245,730	1,912,525	5,736,911	2,833,849

Multibase India Ltd.

Nature of Relationship Name of the Party	Nature of Transaction	Transaction During		Outstanding Balance as at	
		2010-11	2009-10	31-Mar-11	31-Mar-10
D. Key Management Personnel					
Mr. Deepak Dhanak (w.e.f 29th June, 2010)	Salary	1,471,377	-	-	-
	Perquisite & Other benefits	18,148	-	-	-
Mr. Krishna Joshi	Salary	2,531,267	3,007,347	-	547000*
	Perquisite & Other benefits	12,072	21,600	-	-

* Refer Note 6 above.

10. Defined Benefit Plan being Gratuity (Unfunded)

As per Actuarial valuations as on 31st March 2011 and in accordance with the Accounting Standard-15 (Revised) on 'Employee Benefits' issued under the Companies (Accounting Standards) Rules 2006.

a) Net employee benefit expense (recognized in Employee Cost)

Amount in Rupees

	2010-11	2009-10
Current Service Cost	338,491	416,657
Interest cost on benefit obligation	257,331	255,792
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognised in the year	601,969	(645,144)
Past service cost	-	-
Net expense	1,197,791	27,305

b) Details of Provision for Gratuity

Amount in Rupees

	2010-11	2009-10
Defined benefit obligation	2,020,279	3,119,155
Fair value of plan assets	-	-
	2,020,279	3,119,155
Less: Unrecognised past service cost	-	-
	2,020,279	3,119,155

c) Changes in the present value of the defined benefit obligation are as follows:

Amount in Rupees

	2010-11	2009-10
Opening defined benefit obligation	3,119,155	3,100,504
Interest cost on benefit obligation	257,331	255,792
Current Service Cost	338,491	416,657
Benefits paid	(2,296,667)	(8,654)
Net actuarial(gain) / loss recognised in the year	601,969	(645,144)
Closing defined benefit obligation	2,020,279	3,119,155

d) Principal Actuarial Assumptions

	2010-11 %	2009-10 %
Discount rate as at 31st March (Refer Note 1)	8.50	8.25
Expected increase in salary costs (Refer Note 2)	7.00	7.00

Multibase India Ltd.

e) Experience Adjustments

	2010-11	2009-10
- On Plan Commitments	766,745	(362,114)
- On Plan Assets	-	-
	766,745	(362,114)

Note:

- Discount rate is determined by reference to market yields at the Balance Sheet date on Govt. Bonds, where the currency and terms of the Govt. Bonds are consistent with the currency and estimated terms for the benefit obligation.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

11. Basic & Diluted Earnings per Share

	2010-11	2009-10
Profit after tax attributable to Equity Share Holders (Rs)	29,089,540	26,915,197
Weighted average number of shares outstanding during the year (Nos.)	12,620,000	12,620,000
Earning per share (Basic/Diluted) (Rs)	2.31	2.13
Nominal Value per share (Rs)	10	10

- Based on information available with the Company, no supplier of the Company is registered under the Micro, Small and Medium enterprises Development Act, 2006.
- The Company has not taken/entered any derivative instrument during the year and there is no derivative instrument outstanding as at the year end. The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows.

Particulars	Currency	Amount in foreign currency		Equivalent amount in INR	
		2010-11	2009-10	2010-11	2009-10
Sundry Creditors	USD	711,680	1,267,719	31,903,652	57,896,823
Sundry Creditors	EURO	23,616	16,713	1,602,160	1,031,890
Sundry Debtors	USD	237,737	226,581	10,834,599	10,348,072
Advance from Customer	EURO	31,158	-	1,935,871	-
Advance to Supplier	USD	142,324	70	6,434,446	3,215
Advance to Supplier	GBP	-	-	-	-
ECB Loan	EURO	150,000	150,000	9,617,456	9,257,170

14. Expenditure in foreign currency (Accrual basis)

	Amount in Rupees	
	2010-11	2009-10
Foreign Travelling	1,386,266	1,272,250
Support Charges	5,060,676	3,097,037
Interest	218,335	321,634
	6,665,277	4,690,921

15. Value of Import calculated on CIF basis

	2010-11	2009-10
Raw Material	145,922,218	133,254,879
Capital Goods	3,244,997	127,409
Others	-	19,204
	149,167,214	133,401,491

16. Earnings in foreign currency (Accrual basis)

	2010-11	2009-10
Exports at F.O.B. Value	42,075,353	43,823,211
Income From Shared Services Operations	6,135,214	-
	48,210,567	43,823,211

Multibase India Ltd.

17. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956:

17.1 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	UOM	Installed Capacity p.a		Actual Production * (Quantity in MT)	
		2010-11	2009-10	2010-11	2009-10
Polypropylene Compound	MT	6,000	6,000	48	54
Silicon Master Batch	MT			243	151
Synthetic Resin Master Batch	MT			62	32
Thermoplastic Elastomer	MT			1,921	1,879
				2,274	2,116
* Includes Traded Goods Purchases					

17.2 Sales

	Quantity in MT		Value in Rupees	
	2010-11	2009-10	2010-11	2009-10
Polypropylene Compound	49	52	6,176,881	5,863,193
Silicon Master Batch	226	162	77,361,487	51,620,522
Synthetic Resin Master Batch	64	29	7,278,456	3,489,539
Thermoplastic Elastomer	2,016	1,972	276,563,534	271,413,541
Others (including Raw material sales CY: Rs. 81,47,286/- (Qty: 68 MT))	-	-	9,460,942	1,472,483
	2,355	2,215	376,841,301	333,859,278

17.3 Consumption of raw materials and components

	Quantity in MT		Value in Rupees	
	2010-11	2009-10	2010-11	2009-10
Styrene Ethylene Butadin Styrene (SEBS)	333	246	56,138,903	39,609,079
Polypropylene	397	379	29,526,319	24,998,455
Oil	549	523	30,296,238	26,265,382
Gum	118	72	13,840,733	10,161,627
Septon / Kraton	17	34	4,158,426	7,283,742
Synthetic Resin	7	23	964,664	3,016,256
Others			101,147,312	98,806,467
			236,072,595	210,141,007

17.4 Imported and indigenous raw materials consumed :-

	% of total consumption		Value in Rupees	
	2009-10	2009-10	2009-10	2009-10
Imported	56	58	133,359,997	122,129,286
Indigenous	44	42	102,712,598	88,011,721
	100	100	236,072,595	210,141,007

17.5 Stores and Spare Consumed :

Indigenous	3,386,216	4,467,005
Imported	-	-
	3,386,216	4,467,005

Multibase India Ltd.

17.6 Detail of Finished Goods

	Quantity in MT	
	2010-11	2009-10
Opening Stock		
- Polypropylene Compound	5	3
- Silicon Master Batch	15	26
- Synthetic Resin Master Batch	5	2
- Thermoplastic Elastomer	271	364
Closing Stock		
- Polypropylene Compound	4	5
- Silicon Master Batch	32	15
- Synthetic Resin Master Batch	3	5
- Thermoplastic Elastomer	176	271

18. Previous Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification.

For Multibase India Limited

sd/-
H. N. Motiwalla
Chairman

sd/-
Deepak Dhanak
Managing Director

sd/-
Shibaji Chakraborty
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2011

Balance Sheet Abstract and Company's General Business Profile.

I.	Registration Details	
	Registration No. 0562959	State Code : 56
	Balance Sheet date 31st March 2011	
II.	Capital Raised during the year (amount in Rs. In Thousands)	
	Public Issue	Right Issue
	Nil	Nil
	Bonus Issue	Private Placement
	Nil	Nil
III.	Position of Mobilisation and Deployment of Funds (Amount Rs. In Thousands)	
	Total Liabilities	Total Assets
	233128	233128
	Sources of Funds	
	Paid Up Capital	Reserve & Surplus
	126200	96515
	Secured Loans	Deferred Tax Liabilities
	Nil	795
	Application of Funds	
	Net Fixed Assets	Investment
	43347	Nil
	Net Current Assets	Misc. Expenditure
	189781	Nil
	Accumulated Losses	Deferred Tax Assets
	Nil	Nil
IV.	Performance of Company (Amount Rs. In Thousands)	
	Turnover	Total Expenditure
	373425	329500
	Profit Before Tax	Profit After Tax
	43925	29090
	Earning Per Share in Rs.	Dividend Per Share in Rs.
	2.31	Nil
V.	Generic Names of Three Principal products / Services of Company (as per monetary terms)	
	Items code No. (ITC Code)	
	Product Description	Polypropylene Compound
	Items code No. (ITC Code)	
	Product Description	Silicon Master Batch
	Items code No. (ITC Code)	
	Product Description	Thermoplastic Elastomer

In terms of our report attached
For Multibase India Limited

sd/-
H. N. Motiwala
Chairman

sd/-
Deepak Dhanak
Managing Director

sd/-
Shibaji Chakraborty
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2011



MULTIBASE INDIA LIMITED

Regd.Office : 74/5 – 6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396 210

Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over at the entrance of the meeting hall.

Name of the Shareholder/Proxy

Folio No. : /DP ID No.* & Client ID No.*

* Applicable for members holding shares in electronic form

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company at MULTIBASE INDIA LIMITED, 74/ 5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman, Union Territory – Daman & Diu – 396210

Signature of the Shareholder/Proxy



MULTIBASE INDIA LIMITED

Regd.Office : 74/5 – 6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396 210

PROXY FORM

I/We ofin the district of being a Member/Members of the above named Company, hereby appoint..... of in the district ofor failing him of in the district of as my/ our Proxy to attend and vote for me/us on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company, to be held on Thursday, 29th September, 2011 at 11.30 a.m. and at any adjournment thereof.

Signed thisday of2011

Folio No.DP ID No.*Client ID No. *

* Applicable for members holding shares in electronic form

No. of Shares held

Signature



.....

- NOTE :
1. Strike out whichever is not applicable.
 2. Proxy Form complete in all respect should reach at the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

Book - Post

If undelivered please return to:
M/s Intime Spectrum Registry Ltd.
Unit: **MULTIBASE INDIA LIMITED**
C-13, Pannalal Silk Mills Compound, LBS
Road, Bhandup (W), Mumbai - 400 078