



**WE  
COMPOUND**

**YOUR  
CREATIONS**

Multibase India Limited  
25<sup>th</sup> Annual Report 2015 -16



## Board of Directors

Mr. Deepak Dhanak (DIN 03157491)	Managing Director
Mr. Peter Cartwright (DIN 06797101) (Resigned w.e.f. 10 <sup>th</sup> February 2016)	Non-Executive Director
Ms. Suely Mori (DIN 07046468)	Non-Executive Director
Mr. Krishna Joshi (DIN 00339957)	Non-Executive Director
Mr. Michel Rens (DIN 07430742) (Appointed w.e.f. 10 <sup>th</sup> February 2016) (Resigned w.e.f. 3 <sup>rd</sup> August 2016)	Non-Executive Director
Mr. Harish Narendra Motiwalla (DIN 00029835)	Independent Director
Mr. Ashok Chhabra (DIN 00059677)	Independent Director
Mrs. Maithilee Mistry (DIN 02152619) (Appointed w.e.f. 3 <sup>rd</sup> August 2016)	Non-Executive Director

## Company Secretary

Ms. Sunaina Goraksh

## Auditors

M/s Deloitte Haskins & Sells, Vadodara  
(Firm Reg. No. 117364W)

## Internal Auditors

M/s. Mukund & Rohit, Chartered Accountants

## Bankers

Citi Bank  
HDFC Bank Limited  
State Bank of India

## Registered Office & Plant

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

## Registrar & Transfer Agents

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai – 400078  
Tel. No.: (022) 2596 3838  
Fax No.: (022) 2594 6969  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 25<sup>th</sup> (Twenty Fifth) Annual General Meeting of the Company will be held at 11.00 am on Wednesday, September 28, 2016, 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 Financial Statements for the financial year ended March 31, 2016, together with the Auditors' Report and Directors' Report thereon.
2. To pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT since Mr. Krishna Joshi (DIN: 00339957), a Director of the Company, who retires by rotation at this Annual General Meeting in accordance with the provisions of Section 152 of the Companies Act, 2013 and does not seek re-appointment, the vacancy so caused on the Board of Directors of the Company be not filled up at this meeting.”

3. To ratify the appointment of Statutory Auditors and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions to 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 appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117364W) as the Statutory Auditors of the Company which had been approved at the 23<sup>rd</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September, 2014 for a term of 3 consecutive years i.e. from the conclusion of the 23<sup>rd</sup> Annual General Meeting till the conclusion of the 26<sup>th</sup> Annual general Meeting be and is hereby ratified for financial year 2016-17.

RESOLVED FURTHER THAT the Board of Directors 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.”

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 152 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, Mrs. Maithilee Mistry (DIN 02152619), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such upto the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Act, 2013 read with Article 137 of Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of a Director and being eligible, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with the relevant rules made thereunder & other applicable provisions of Companies Act, 2013 (hereinafter referred to as the Act) read with Schedule V to the Act including any re-enactments or modifications thereof and the Articles of Association of the Company consent of the members be and is hereby accorded for revision in remuneration of Mr. Deepak Dhanak, (DIN: 03157491) Managing Director as per the details given under:

### Remuneration:

Basic Salary: ₹1,36,620/- (Rupees One Lac Thirty Six Thousand Six Hundred and Twenty only) per month with such revision as the Board may approve from time to time in the salary grade of ₹1,10,000/- to ₹1,85,000/- per month.

Bonus: As per the Company's rules not exceeding 2 times of monthly remuneration.

### Perquisites:

Housing: Mr. Deepak Dhanak will be paid House Rent Allowance at the rate of 50% of his salary.

Car: Company car under the Company's Scheme applicable for senior executive staff of the Company.

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

Leave Travel Concession: As per applicable Rules of the Company.

Leave Encashment: As per applicable Rules of the Company.

Others: Cost of telephone at residence will be borne by the Company in accordance with the Rules of the Company. Personal Accident Insurance and other perquisites, which are applicable to senior executive staff of the Company, shall also apply to Mr. Deepak Dhanak.

Other Allowances: A special allowance and soft furnishing allowance of ₹ 56,140 per month and ₹ 53,291 per month respectively. In addition, other allowances may be paid as decided by the Board from time to time.

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

Minimum Remuneration: In the event of loss or inadequacy of profits in any year during the tenure of his office Mr. Deepak Dhanak shall be paid the remuneration as above as minimum remuneration subject to the provisions of Schedule V to the Companies Act, 2013 as amended from time to time.

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

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

The total Cost to Company (CTC) shall not exceed ₹ 52,00,000/- per annum from April 1, 2016 to March 31, 2017 inclusive of all perquisites and all statutory contributions to Provident Fund, Gratuity, etc as applicable.

Nature of Duties: Mr. Deepak Dhanak shall, subject to the superintendence, control and direction of the Board, perform such duties and exercise such powers which have been or may, from time to time, be entrusted to or vested in him by the Board.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/or as approved by the Central Government or such other competent authority.

**RESOLVED FURTHER THAT** in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director, the above remuneration as the minimum remuneration subject to provisions of Schedule V to the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter, vary and amend his terms of appointment within the overall limits specified under the Act and the rules framed thereunder, as may be agreed to by the Board of Directors and Mr. Deepak Dhanak.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, all the Directors of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings, including any agreements related thereto, as may be necessary, proper, desirable or expedient."

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party transactions and such other rules as may be applicable and amended from time to time, subject to the consent of the shareholders be and is hereby accorded for the following arrangement/ transactions to be entered into by the Company in ordinary course of business and at arm's length basis for the financial year 2015-16 and for every financial year thereafter:

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

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	Multibase S.A.
	Nature of Relationship	Holding company
	Name of interested Director(s)/KMPs	None
1.	Sale, purchase of materials	12.00

**Terms and conditions:**

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing the Related Party transactions and such other rules as may be applicable and amended from time to time, consent of the shareholders be and is hereby accorded for the following arrangement/transactions to be entered into by the Company in ordinary course of business and at arm’s length basis for the financial year 2016-17 and for every financial year thereafter:

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

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	Dow Corning Europe S.A.
	Nature of Relationship	Fellow Subsidiary
	Name of interested Director(s)/KMPs	None
1.	Sale, purchase of materials	10.00

**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.”

**By order of the Board of Directors**

sd/-  
Sunaina Goraksh  
**Company Secretary**

**Registered Office:**

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

Tel.: +91 260 661 4400

Fax: +91 260 222 1578

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

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

CIN: L01122DD1991PLC002959

Date : 22<sup>nd</sup> August 2016

Place: Mumbai

**NOTES:**

- The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the business set out under Item No. 4, 5, 6 & 7 of the Notice is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, to be effective, should be deposited at the Registered office of the Company, duly completed, signed and stamped not less than 48 hours before the commencement of the meeting i.e. 11.00 am on Monday, 26<sup>th</sup> September, 2016. A PROXY / PROXIES SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. A person can act as a proxy on behalf of a member or members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- An instrument appointing proxy is valid only if it is properly stamped as per the applicable law, blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holding of a member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
- The proxy-holder shall prove his identity at the time of attending the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 22<sup>nd</sup> September, 2016 to Wednesday, 28<sup>th</sup> September, 2016 (Both Days Inclusive).
- Members holding shares in physical form are requested to notify immediately change of address, transfer, demat request, E-mail id, if any, to the Registrars and Transfer Agents of the Company quoting their Folio Number and those holding shares in demat mode are requested to notify any change in address, Bank Details, E-mail id to their respective depository participants and make sure that such changes are recorded by them.
- Members/proxies are requested to bring their copies of Annual Report & duly filled admission/attendance slips sent herewith along with the copies of annual report



- at the meeting and produce the same at the entrance where the Annual General Meeting is held.
8. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
  9. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
  10. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
  11. The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
  12. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during normal business hours on all days except Saturday, Sunday and Public holidays, up to the date of the Annual General Meeting.
  13. For the security and safety of the shareholders, no article/ baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage, etc. at the venue of the meeting.
  14. The Annual Report of your Company for the Financial Year 2015-16 is displayed on the website of the Company i.e. [www.multibaseindia.com](http://www.multibaseindia.com).
  15. Members are requested to register / update their E-mail address with the Company / Link Intime India Pvt. Ltd. so as to receive Annual Report and other communication electronically.
  16. The notice of the AGM alongwith the Annual Report 2015-16 is being sent by electronic mode to those members whose email-addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email-address, physical copies are being sent by the permitted mode.
  17. To support the 'Green Initiative', the members who have not registered their email addresses are requested to register the same with RTA/ Depositories.
  18. The business set out in the notice will be transacted through remote e-voting system and the Instructions and other information relating to remote e-voting provided by National Securities Depository Limited are given herein below in this Notice. In case of any queries or grievances in connection with remote e-voting, the shareholders may contact Ms. Sunaina Goraksh at 022 6694 6860 or may write to them at the registered office address of the Company.
  19. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their right to vote at 25<sup>th</sup> Annual General Meeting of the Company by electronic means through e-voting facility provided by National Securities Depository Limited (NSDL). Members, who are holding shares in physical or dematerialized form as on Wednesday, 21<sup>st</sup> September, 2016 shall exercise their vote by electronic means.
- EVOTING:**
- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote on business proposed to be transacted at the Annual general Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the AGM, ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through the ballot paper shall be made available at the AGM premises and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on Friday, 23<sup>rd</sup> September, 2016 at 9:00 am and ends on Tuesday, 27<sup>th</sup> September 2016 at 5:00 P.M. During this period shareholders' of the Company holding shares either in physical form or in de-materialised form, as on the cut-off date Wednesday, 21<sup>st</sup> September, 2016 may cast their vote by remote e-voting. The e-voting module shall

be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

V. The process and the manner for e-voting is as under:

A. In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository participants:

(i) Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.

(ii) Launch internet browser by typing the URL **https://www.evoting.nsd.com/**

(iii) Click on "Shareholder - Login".

(iv) Put User ID and password as initial password noted in step (i) above and Click Login.

(v) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

(vi) Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of Multibase India Limited. Members can cast their vote online from **Friday, 23<sup>rd</sup> September, 2016 at 9:00 am and ends on Tuesday, 27<sup>th</sup> September 2016 at 5:00 P.M.**

**Note: e-Voting shall not be allowed beyond said time.**

(viii) Now you are ready for "e-Voting" as "Cast Vote" page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.

(x) Upon Confirmation, the message "Vote caste successfully will be prompted."

(xi) Once you have voted on the resolution you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **dhrumil@dmsah.in** with a copy marked to **evoting@nsdl.co.in**.

B. In case a member receives physical copy of the notice of AGM and e-voting form (For members whose email IDs are not registered with the Company/Depository Participants or requesting physical copy.)

(i) Initial password is mentioned in the e-voting form;

(ii) Please follow all steps from Sr. no.(A)(ii) to (xii)

VI. In case of any queries, you may refer Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for members available at downloads section [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending the future communications.

IX. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off-date of Wednesday, 21<sup>st</sup> September 2016.

X. Any person who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares on the cut-off date i.e Wednesday, 21<sup>st</sup> September 2016, may obtain the login id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA. However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

XI. If you forgot your password, you can reset your password by using "Forgot user details/password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no. 1800-222-990.

XII. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Dhrumil M. Shah, Practising Company Secretary (Membership No. FCS 8021, COP 8978) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the voting through ballot paper, to be conducted at the Annual General Meeting, in a fair and transparent manner.

XIV. The Scrutiniser shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of atleast two witnesses

not in the employment of the Company and shall make not later than three days of conclusion of the meeting a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.

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

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

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

#### Item No. 4

Mrs. Maithilee Kaizad Mistry was appointed as an Additional Director of the Company with effect from 3<sup>rd</sup> August 2016. Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 137 of Articles of Association of Company she holds office as such upto the date of this Annual General Meeting. The Company has received a notice in writing from one of its members along with a deposit of ₹1,00,000/- proposing the candidature of Mrs. Maithilee Mistry for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. Also company has received the requisite Form 'DIR 8' from Mrs. Maithilee Mistry, in terms of Section 164 (2) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules, 2014, confirming her eligibility for such appointment.

The brief profile covering the details of her qualification and experience, as required pursuant to SEBI Listing Regulations, 2015, is annexed to this Notice. Considering her experience and expertise, the Board recommends the appointment of Mrs. Maithilee Kaizad Mistry as Director of the Company liable to retire by rotation.

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

None of the Directors, Key Managerial Personnel and / or their relatives, except Mrs. Maithilee Kaizad Mistry and her relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 4.

The brief profile covering the details of their qualification and experience, as required pursuant to SEBI Listing Regulations, 2015, is annexed to this Notice.

#### Item No. 5:

At the 23<sup>rd</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September 2014 the members had approved the appointment and terms of remuneration of Mr. Deepak Dhanak as the Managing Director of the Company for a period of 3 years effective from 2<sup>nd</sup> March 2014 with authority to the Board to amend his terms of appointment and remuneration within the limits specified under Schedule V to the Act.

Considering his spearheading contribution towards the phenomenal growth of the Company, it is proposed to revise the remuneration payable to Mr. Deepak Dhanak from ₹40,00,000 p.a. to ₹ 52,00,000 p.a.(as detailed in resolution) with effect from 1<sup>st</sup> April 2016 for the remainder of his term, subject to the approval of the Members of the Company.

The proposed revision in terms of remuneration is also approved by the Audit Committee and Nomination and Remuneration Committee at the meeting held on 10<sup>th</sup> February 2016. The remuneration paid to Mr. Deepak Dhanak is commensurate with the industry standards and is within the maximum limits as laid down under the Act read with Schedule V, as amended and as in force today. All other terms and conditions of appointment of Mr. Deepak Dhanak as Managing Director of the Company, as approved at the Annual General Meeting of the Company held on 24<sup>th</sup> September 2014 remain unchanged.

In compliance with the provisions of Sections 196 and 197 read with Schedule V to the Act, the revised terms of remuneration of Mr. Deepak Dhanak is now being placed before the members for their approval.

None of the directors or key managerial personnel or their relatives is interested or concerned in this resolution (financial or otherwise), except Mr. Deepak Dhanak himself.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

#### Item No.6

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

Multibase S.A. located in France is the Holding Company. The Company enters into transaction with the said company which is 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



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proposes to obtain approval of the shareholders by way of ordinary resolution for entering into the said material related party transaction in one or more tranches.

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

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

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	Multibase S.A.
	Nature of Relationship	Holding company
	Name of interested Director(s)/ KMPs	None
1.	Sale, purchase of materials	12.00

#### Terms and conditions:

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

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

The Board of Directors recommends the resolution set forth in item no. 6 of this Notice for approval of the shareholders as a Ordinary Resolution. Except for the Director(s) and Key Management Personnel of the Company and their relatives (to the extent of their shareholding interest in the Company), none of the other person is concerned or interested, financially or otherwise in this resolution.

#### Item No.7

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

Dow Corning Europe S.A. located in Belgium is the fellow subsidiary of the Company. The Company enters into transaction with the said company which are material in nature. Hence in compliance with the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) rules, 2014 and under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company proposes to obtain approval of the shareholders by way of ordinary

resolution for entering into the said material related party transaction in one or more tranches.

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

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

(₹ In Crores)

Sr. No.	Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015	Dow Corning Europe S.A.
	Nature of Relationship	Fellow Subsidiary
	Name of interested Director(s)/ KMPs	None
2.	Sale, purchase of materials	10.00

#### 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. 7 of this Notice for approval of the shareholders as a Ordinary Resolution. Except for the Director(s) and Key Management Personnel of the Company and their relatives (to the extent of their shareholding interest in the Company), none of the other person is concerned or interested, financially or otherwise in this resolution

By order of the Board of Directors

sd/-  
(Sunaina Goraksh)  
Company Secretary

#### Registered Office:

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

Tel.: +91 260 661 4400

Fax: +91 260 222 1578

Email: compliance.officer@multibaseindia.com

Website: www.multibaseindia.com

CIN: L01122DD1991PLC002959

Date : 22<sup>nd</sup> August 2016

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>Maithilee Mistry</b>
Type	Non-Executive Director
Date of Birth	21/10/1973
Date of Appointment	03/08/2016
Qualification	Chartered Accountant
No. of Equity Shares held	NIL
Expertise in Specific Functional area	Finance
Experience	18 years of track record and diverse experience in Finance.
Shareholding in the Company	NIL
Directorships held in other Companies	Dow Agrosiences India private Limited
Particulars of Committee Chairmanship / Membership held in other Companies	NIL
Relationship with other Directors inter-se	None

**Note:**

1. Pursuant to SEBI Listing Regulations, 2015, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered.

## REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

To

**The Members,**

Your Directors are pleased to present the 25<sup>th</sup> Annual Report together with Audited Financial Statements of your Company for the Financial Year ended March 31, 2016.

(₹ In Lac)

FINANCIAL RESULTS	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>Profit before Depreciation</b>	<b>1,572.09</b>	<b>1,164.36</b>
Depreciation	59.90	70.71
<b>Profit before Tax</b>	<b>1,512.19</b>	<b>1,093.65</b>
Provision for tax	524.49	371.49
<b>Profit after Tax</b>	<b>987.69</b>	<b>722.16</b>
Balance brought forward from previous year	2,737.33	2,024.67
<b>Balance carried forward to Balance Sheet</b>	<b>3,725.03</b>	<b>2,737.33</b>

**OPERATIONS**

During the year under review, the Company reported gross revenue from operations of ₹ 7,854.91 Lacs as against ₹ 6,824.92 Lacs during the FY 2015-16. The Company reported Profit Before Tax of ₹ 1,512.18 Lacs and Profit After Tax of ₹ 987.69 Lacs as against ₹ 1,093.65 Lacs and ₹ 722.16 Lacs respectively for the previous Financial Year.

**DIVIDEND**

The Board is optimistic about the future of the Company in light of the current favorable business environment in Indian market. Hence the Company has opted to invest further in the company by installing a new R&D Extruder machine. However during the last 12 months the Company has benefitted from low raw material price due to low oil price and this has generated significant positive impact on the profitability of the Company but oil price remain uncertain and we need to remain cautious.

Therefore the Board proposes to plough back the funds into the Company for business expenditure and therefore does not recommend payment of dividend for the year.

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

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

**BOARD OF DIRECTORS**

During the financial year 2015-16, Mr. Peter Cartwright (DIN: 06797101) resigned as a director w.e.f. 10<sup>th</sup> February 2016. Mr. Michel Rens (DIN: 07430742) was appointed as the additional director of the Company w.e.f. 10<sup>th</sup> February 2016 to hold office upto the date of ensuing Annual general meeting. However Mr. Michel Rens (DIN 07430742) resigned as a director w.e.f. August 3, 2016.

Mrs. Maithilee Mistry (DIN:02152619) has been appointed as an Additional Director of the Company w.e.f. August 3, 2016 and holds office as such upto the date of the ensuing Annual General Meeting of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 137 of Articles of Association of Company. The Company has received a notice in writing from one of its members proposing the candidature of Mrs. Maithilee Mistry for the office of Directorship pursuant to Section 160 of the Companies Act, 2013.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Krishna Joshi (DIN 00339957) will retire at the ensuing Annual General Meeting of the Company since he does not seek re-appointment and the Board has decided not to fill up the vacancy.

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

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

**DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

During the financial year under review, declarations were received from all Independent Directors of the Company that they satisfy the "criteria of Independence" as defined under Regulation 16(b) of SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules made thereunder.

**AUDITORS****STATUTORY AUDITORS**

The Members at the 23<sup>rd</sup> Annual General Meeting ("AGM") had approved the appointment of M/s Deloitte Haskins & Sells (Firm Registration No.117364W) as Statutory Auditors of your Company for a period of 3 years to hold office from the conclusion of the 23<sup>rd</sup> AGM until the conclusion of the 26<sup>th</sup> AGM. In terms of Section 139 of the Companies Act, 2013 such appointment is subject to the ratification by the Members at each AGM. M/s Deloitte Haskins & Sells have confirmed their eligibility to act as the Auditors of your Company.

Further, as required under Regulation 33(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Accordingly, your Directors seek ratification of the appointment of the Statutory Auditors for the financial year 2016-17.

#### **SECRETARIAL AUDIT**

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

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

The Auditors' Report for the year ended March 31, 2016 does not contain any qualification, reservation or adverse remark.

#### **COST AUDIT**

Pursuant to provisions of Rule 5 (1) and Rule 3 (B) of the Companies (Cost records and Audit) Rules, 2014, your Company is not required to conduct Cost Audit.

However the Company is required to maintain cost records.

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

#### **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. Krishna Joshi.

#### **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, 2016, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company

at the end of the financial year and of the profit and loss of the company for that period;

- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

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

#### **CORPORATE GOVERNANCE**

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

#### **RISK MANAGEMENT**

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

The Company continues to engage M/s. Mukund & Rohit, Chartered Accountants as its Internal Auditor. During the year, the Company continued to implement their suggestions and

recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

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

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

However the Company needs to plough back funds for business expenditure. The Company does not have sufficient reserves and hence has also not paid dividend to its shareholders. Hence the Board on the recommendation of the CSR committee in its meeting held on February 10, 2016 has decided that the company would not spend on CSR activities till the time the Company has sufficient reserves to pay dividend to shareholders.

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

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

The criteria for appointment of directors, related matters and the remuneration policy is provided in 'Annexure III' to this Report.

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and the directors individually. The evaluation of the Chairman, non-independent directors and the Board was conducted at the Independent Directors meeting held on 10<sup>th</sup> February 2016. The criteria for evaluation are provided in 'Annexure III' of this report.

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

The independent directors of the Company are informed about their roles, rights, responsibilities in the company, nature of the industry in which the company operates, and related matters. The details of the familiarization programme is uploaded on the website of the Company [www.multibaseindia.com](http://www.multibaseindia.com)

**RELATED PARTY TRANSACTIONS**

All Related Party Transactions entered by the Company during the financial year were in the ordinary course of business and at arm's length basis. The details of material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements are furnished in 'Annexure IV' and forms part of this Report.

As per the requirement of Regulation 23 of under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), approval of the Audit Committee was received for all the Related Party Transactions. As per the Regulation 23(8) of the SEBI Regulations, the Company seeks approval of shareholders for passing necessary resolution at the forthcoming Annual General meeting of the Company.

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

**VIGIL MECHANISM POLICY:**

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors in their meeting held on May 31, 2014 established the 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/financial-result/policies.htm>

**MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Regulation 18 of the



SEBI (Listing Obligation and Disclosures Requirements), Regulations, 2015.

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

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

**INSURANCE**

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

**INDUSTRIAL RELATION**

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

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

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

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

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

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management

and Administration) Rules, 2014, are enclosed as 'Annexure VII' to this report.

**ACKNOWLEDGEMENT**

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

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

**For and on Behalf of the Board**

sd/-	sd/-
<b>H.N. Motiwalla</b>	<b>Deepak Dhanak</b>
Non-executive	Managing Director
Chairman	

**Registered Office:**

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

Tel.: +91 260 661 4400

Fax: +91 260 222 1578

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

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

CIN:L01122DD1991PLC002959

Date: 22<sup>nd</sup> August 2016

Place: Mumbai

**ANNEXURE I TO DIRECTORS' REPORT  
FORM NO MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

**[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 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 audit period covering the financial year ended on **March 31, 2016** 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, 2016** 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, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **- Not Applicable to the Company**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **- Not Applicable to the Company**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **- Not Applicable to the Company**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **- Not Applicable to the Company**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **- Not Applicable to the Company**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - vi. Other applicable laws to the Company.
- I have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
  - ii. The Listing Agreement entered into by the Company with BSE Limited.

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

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**For Dhrumil M Shah & Co.**

Place: Mumbai  
Date: 3<sup>rd</sup> August 2016

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

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 relied on Statutory Audit Report issued by Statutory Auditors of the Company for the purpose of compliances of financial records. 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.**

Place: Mumbai  
Date: 3<sup>rd</sup> August 2016

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

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

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

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

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

The CSR policy is available on the Company's website

<http://www.multibaseindia.com/financial-result/policies.htm>

2. **Composition of CSR committee:**

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

3. **Average Net Profit of the Company for last three financial years:** ₹ 8,30,00,505

4. **Prescribed CSR expenditure (2 % of the amount as per item 3 above):** ₹ 16,60,010

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

- a. Total amount spent for the financial years: NIL
- b. Amount unspent, if any: ₹ 16,60,010
- c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other(2) Specify the state and district where the projects or programs was undertaken	Amount outlay (budget) project or programs otherwise	Amount spent on the projects or programs sub heads (1) Direct expenditure on projects and programs 2) overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

The Company needs to plough back funds for business expenditure. The Company does not have sufficient reserves and hence has also not paid dividend to its shareholders. Hence the Board on the recommendation of the CSR committee in its meeting held on February 10, 2016 has decided that the company would not spend on CSR activities till the time the Company has sufficient reserves to pay dividend to shareholders.

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

sd/-

**H.N. Motiwalla**  
Chairman of CSR  
Committee

Date: 22<sup>nd</sup> August 2016  
Place: Mumbai

sd/-

**Deepak Dhanak**  
Managing Director

## ANNEXURE III TO THE DIRECTORS' REPORT

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

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

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

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

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

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

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

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

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

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

## B. REMUNERATION POLICY

### 1. Introduction

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

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

### 2. Scope

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

### 3. Definitions

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

### 4. Policy framework:

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



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

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

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

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

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

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

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

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

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

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

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

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

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

#### **7. Interpretation**

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

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

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination and Remuneration Committee.

**ANNEXURE IV**  
**FORM AOC - 2**

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

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

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

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, 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, 2016 are as follows:

Name of Related Party: Multibase S.A.

Nature of Relationship: Holding Company

<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of contracts/ arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>
Purchase of materials	Ongoing	Purchase of materials worth ₹ 6,26,78,888	30.05.2015	Not applicable
Sale of materials	Ongoing	Sale of materials worth ₹ 16,131	30.05.2015	Not applicable
Income from shared services operations	Ongoing	Income from shared services operations of ₹19,22,140	30.05.2015	Not applicable

**For Multibase India Limited**

Sd/-  
**H.N. Motiwalla**  
Non-executive Chairman

Sd/-  
**Deepak Dhanak**  
Managing Director

Place: Mumbai

Date: 22<sup>nd</sup> August 2016

## 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 2015-16, 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. 2015-16#	% increase in the remuneration for financial year 2015-16#	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	37.88	10.44	10:1	Profit before tax increased by 38.27% and profit after tax increased by 36.77%
2.	Mr. Dharmesh Painter	Chief Financial Officer	14.91	16.21	N.A.	
3.	*Ms. Sunaina Goraksh	Company Secretary	8.19	N.A.	N.A.	

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

\* Employed w.e.f. 12<sup>th</sup> January 2015

- II. The median remuneration of employees during the financial years was ₹ 4,09,140
- III. There were 40 permanent employees on the rolls of the Company as on March 31, 2016
- IV. In the financial year there was an increase of 5% in the median remuneration.
- V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2015-16 was 9.36 % and average increase in the managerial remuneration w.r.t Mr. Deepak Dhanak for the financial year 2015-16 was 10.44%.
- VI. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.
- VII. List of top 10 employees in terms of remuneration drawn

Sr. No.	Name of the employee	Designation	Remuneration drawn (₹)	Nature of employment	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification	If the employee is relative of director or manager
1.	Deepak Dhanak	Managing Director	3,788,915	Permanent	13/08/2008	44	Johnson Diversey India Ltd. ( Daman )	B.Tech. Chemical & MBA. Marketing	No
2.	Dr. Pratap Mahapatra	AETS Manager	20,95,944	Permanent	01/8/2009	56	Bhansali Engg Polymers Ltd. ( Mumbai )	PHD. In Polymer Science & Technology - M.SC. (Chemistry)	No
3.	Subir Chakrabarti	Sales Developer	18,64,008	Permanent	19/08/1999	44	Ferro Alloys Corporation Limited ( Nagpur )	International Master of Business Administration in Marketing	No
4.	Dharmesh Painter	Chief Financial Officer	14,91,404	Permanent	17/01/2013	37	International Packaging Products Pvt.Ltd. ( Silvassa )	C.A.	No
5.	Apurba Kumar Roy	AETS-Technical	14,89,872	Permanent	16/07/2014	38	Kalpna Industries Ltd. ( Dadra )	B.Tech. in polymer science & technology-B.SC.	No
6.	Muralidoss Thirukondagokuldoss	Sales Developer	13,59,504	Permanent	03/08/2009	45	Hydro S & S Industries Limited ( Chennai )	Post Graduation Diploma in Plastic Technology - B.SC. Chemistry	No
7.	Deepak Karhadey	QA/QC Manager	11,35,680	Permanent	02/05/2014	43	Bajaj Steel Industries Limited( Nagpur )	Diploma in Chemical Engg. -B.Tech-Polymer Technology	No
8.	Hemant Sahu	CSP Manager	10,23,360	Permanent	06/1/2009	40	Mettler Toledo India Pvt.Ltd.	Bachelor of Science - Diploma in software Technology	No
9.	Ramakrishna Choudhary	Procurement Executive	9,77,508	Permanent	17/12/2007	57	Suparna Chemical Ltd. ( Mumbai )	Graduate Diploma in Material Management-B.com	No
10.	Sunaina Goraksh	Company Secretary	8,19,453	Permanent	12/1/2015	29	Pidilite Industries Ltd. ( Mumbai )	M.Com.CS.,LLB.	No

## ANNEXURE VI TO DIRECTORS' REPORT

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

#### A. CONSERVATION OF ENERGY:

1)	the steps taken or impact on conservation of energy;	Electricity – The company has put a Program in place to reduce Units per Kgs. The New DG set installed to improve efficiency. The Diesel consumption is reduced by having weekly off on power staggering days. The Company has also identified a Water recycling project.
2)	the steps taken or impact on conservation of energy;	The Variable frequency drives are replaced to reduce 20% electricity consumption. The Tubelights (40 W) are replaced with CFL (18 W) in office. Fork truck uses is under monitoring.
3)	the capital investment on energy conservation equipments;	The Company has made capital investment in VFD panel for high speed, 40 W feeder is replaced. Spare Equipment to support change over activity resulting in downtime reduction as well as capacity utilization and productivity improvement.

#### B. TECHNOLOGY ABSORPTION:

1)	the efforts made towards technology absorption	New R & D Extrusion machine with upgraded technology is commissioned. Laboratory is well equipped with Rehometer lab testing equipment for Silicon Testing and Impact tester for automotive products testing.
2)	the benefits derived like product improvement, cost reduction, product development or import substitution	The company has upgraded product performance, identified different product mix and Improved consistency.
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 2015-16	FY 2014-15
Actual foreign exchange earnings	429.05	477.11
Actual foreign exchange outgo	3002.63	1994.50

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

As on the financial year ended on March 31, 2016

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

i)	CIN	L01122DD1991PLC002959
ii)	Registration Date	17/12/1991
iii)	Name of the Company	MULTIBASE INDIA LIMITED
iv)	Category / Sub-category of the Company	Company limited by shares
v)	Address of the Registered office & contact details	74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T.)
vi)	Whether listed company	Listed
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W), Mumbai – 400 078 Tel No.: +91 22 2596 3838 Fax No.: +91 22 2594 6969 Email:rnt.helpdesk@linkintime.co.in

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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



Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Sub Total (A)(1)	0	0	0	0.00	0	0	0	0.00	0.00
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Bodies Corporate	94,64,994	0	94,64,994	75.00	94,64,994	0	94,64,994	75.00	0.00
	<b>Sub Total (A)(2)</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.00</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1) + (A)(2)</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.00</b>	<b>94,64,994</b>	<b>0</b>	<b>94,64,994</b>	<b>75.00</b>	<b>0.00</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>[1]</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	26,855	0	26,855	0.2128	26,855	0	26,855	0.2128	0.00
(f)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>26,855</b>	<b>0</b>	<b>26,855</b>	<b>0.2128</b>	<b>26,855</b>	<b>0</b>	<b>26,855</b>	<b>0.2128</b>	<b>0.00</b>
[2]	Central Government/ State Government(s)/ President of India									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	13,09,959	4,57,205	17,67,164	14.0029	13,68,803	4,60,568	18,29,371	14.4958	0.4929
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,89,193	0	7,89,193	6.2535	6,26,537	0	6,26,537	4.9646	-1.2889
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									

## Annual Report 2015-2016

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	Hindu Undivided Family	0	0	0	0.00	1,12,483	0	1,12,483	0.8913	0.8913
(ii)	Freinds & Associates	0	13800	13800	0.1094	0	0	0	0.00	-0.1094
(iii)	Non Resident Indians (Non Repat)	42,119	1,88,800	2,30,919	1.8298	39,363	1,88,600	2,27,963	1.8064	-0.0234
(iv)	Non Resident Indians (Repat)	70,795	0	70,795	0.5610	86,762	0	86,762	0.6875	0.1265
(v)	Office Bearers	0	2,600	2,600	0.0206	0	2,600	2,600	0.0206	0.00
(vi)	Clearing Member	48,456	0	48,456	0.3840	52,320	0	52,320	0.4146	0.0306
(viii)	Bodies Corporate	2,02,424	2,800	2,05,224	1.6262	1,87,315	2,800	1,90,115	1.5065	-0.1197
	<b>Sub Total (B)(3)</b>	<b>24,62,946</b>	<b>6,65,205</b>	<b>31,28,151</b>	<b>24.7873</b>	<b>24,73,583</b>	<b>6,54,568</b>	<b>31,28,151</b>	<b>24.7873</b>	<b>0.00</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>24,89,801</b>	<b>6,65,205</b>	<b>31,55,006</b>	<b>25.00</b>	<b>25,00,438</b>	<b>6,54,568</b>	<b>31,55,006</b>	<b>25.00</b>	<b>0.00</b>
	Total (A)+(B)	1,19,54,795	6,65,205	1,26,20,000	100.00	1,19,65,432	6,54,568	1,26,20,000	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total (A)+(B)+(C)</b>	<b>1,19,54,795</b>	<b>6,65,205</b>	<b>1,26,20,000</b>	<b>100.00</b>	<b>1,19,65,432</b>	<b>6,54,568</b>	<b>1,26,20,000</b>	<b>100.00</b>	

### ii. SHAREHOLDING OF PROMOTERS

Sr. No.	NAME OF THE SHAREHOLDER	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	MULTIBASE SA	94,64,994	75	0	94,64,994	75	0	0
	<b>Total :</b>	<b>94,64,994</b>	<b>75</b>	<b>0</b>	<b>94,64,994</b>	<b>75</b>	<b>0</b>	<b>0</b>

### iii. CHANGE IN SHAREHOLDING OF PROMOTERS: Not Applicable

Sr. No.	NAME OF THE SHAREHOLDER	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
NIL MOVEMENT DURING THE YEAR								

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

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding during the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	DIPAK KANAYALAL SHAH	1,27,000	1.0063			127,000	1.0063
	Market Purchase			18 Dec 2015	3,000	130,000	1.0301
	<b>AT THE END OF THE YEAR</b>					<b>130,000</b>	<b>1.0301</b>
2	MARWADI SHARES AND FINANCE LTD.	33,069	0.2620			33,069	0.2620
	Market Purchase			10 Apr 2015	4,720	37,789	0.2994
	Market Purchase			17 Apr 2015	1,887	39,676	0.3144
	Market sale			24 Apr 2015	(484)	39,192	0.3106
	Market sale			01 May 2015	(275)	38,917	0.3084
	Market sale			08 May 2015	(65)	38,852	0.3079
	Market Purchase			15 May 2015	466	39,318	0.3116
	Market Purchase			22 May 2015	109	39,427	0.3124
	Market sale			29 May 2015	(995)	38,432	0.3045
	Market Purchase			05 Jun 2015	25	38,457	0.3047
	Market Purchase			12 Jun 2015	1,730	40,187	0.3184
	Market sale			19 Jun 2015	(310)	39,877	0.3160
	Market sale			26 Jun 2015	(1,355)	38,522	0.3052
	Market Purchase			30 Jun 2015	950	39,472	0.3128
	Market Purchase			03 Jul 2015	275	39,747	0.3150
	Market sale			10 Jul 2015	(2,729)	37,018	0.2933
	Market Purchase			17 Jul 2015	1,689	38,707	0.3067
	Market Purchase			24 Jul 2015	460	39,167	0.3104
	Market Purchase			31 Jul 2015	1,111	40,278	0.3192
	Market Purchase			07 Aug 2015	3,147	43,425	0.3441
	Market sale			14 Aug 2015	(1,890)	41,535	0.3291
	Market sale			21 Aug 2015	(378)	41,157	0.3261
	Market sale			28 Aug 2015	(966)	40,191	0.3185
	Market sale			04 Sep 2015	(244)	39,947	0.3165
	Market sale			11 Sep 2015	(490)	39,457	0.3127
	Market Purchase			18 Sep 2015	1,904	41,361	0.3277
	Market Purchase			25 Sep 2015	485	41,846	0.3316
	Market sale			30 Sep 2015	(1,337)	40,509	0.3210
	Market sale			09 Oct 2015	(1,136)	39,373	0.3120
	Market Purchase			16 Oct 2015	1,176	40,549	0.3213
	Market sale			23 Oct 2015	(345)	40,204	0.3186
	Market sale			30 Oct 2015	(90)	40,114	0.3179
	Market sale			06 Nov 2015	(1,378)	38,736	0.3069
	Market Purchase			13 Nov 2015	400	39,136	0.3101
	Market sale			20 Nov 2015	(50)	39,086	0.3097
	Market Purchase			27 Nov 2015	509	39,595	0.3137

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding during the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Market sale			04 Dec 2015	(274)	39,321	0.3116
	Market sale			11 Dec 2015	(120)	39,201	0.3106
	Market Purchase			18 Dec 2015	471	39,672	0.3144
	Market sale			25 Dec 2015	(1,535)	38,137	0.3022
	Market Purchase			31 Dec 2015	10	38,147	0.3023
	Market Purchase			01 Jan 2016	50	38,197	0.3027
	Market Purchase			08 Jan 2016	417	38,614	0.3060
	Market sale			15 Jan 2016	(25)	38,589	0.3058
	Market Purchase			29 Jan 2016	1,796	40,385	0.3200
	Market Purchase			05 Feb 2016	7,266	47,651	0.3776
	Market Purchase			12 Feb 2016	5,795	53,446	0.4235
	Market Purchase			19 Feb 2016	770	54,216	0.4296
	Market sale			26 Feb 2016	(3,812)	50,404	0.3994
	Market sale			04 Mar 2016	(1,300)	49,104	0.3891
	Market sale			18 Mar 2016	(471)	48,633	0.3854
	Market Purchase			25 Mar 2016	260	48,893	0.3874
	<b>AT THE END OF THE YEAR</b>					<b>48,893</b>	<b>0.3874</b>
3	SAMIR JITENDRA JAVERI	45,000	0.3566			45,000	0.3566
	Market Purchase			30 Jun 2015	4,920	49,920	0.3956
	Market sale			14 Aug 2015	(2,928)	46,992	0.3724
	Market sale			30 Sep 2015	(1,992)	45,000	0.3566
	<b>AT THE END OF THE YEAR</b>					<b>45,000</b>	<b>0.3566</b>
4	ASHISH VITHAL BHATIA	0	0.0000			0	0.0000
	Market Purchase			20 Nov 2015	11,320	11,320	0.0897
	Market Purchase			27 Nov 2015	16,139	27,459	0.2176
	Market Purchase			04 Dec 2015	6,295	33,754	0.2675
	Market Purchase			11 Dec 2015	14,889	48,643	0.3854
	Market Purchase			18 Dec 2015	7,357	56,000	0.4437
	<b>AT THE END OF THE YEAR</b>					<b>56,000</b>	<b>0.4437</b>
5	MAMTHA A MUTHAA	34,025	0.2696			34,025	0.2696
	<b>AT THE END OF THE YEAR</b>					34,025	0.2696
6	RAJESH POONAMCHAND MARU	30,000	0.2377			30,000	0.2377
	<b>AT THE END OF THE YEAR</b>					30,000	0.2377
7	PHARMASYNTH FORMULATIONS LTD.	28,363	0.2247			28,363	0.2247
	<b>AT THE END OF THE YEAR</b>					<b>28,363</b>	<b>0.2247</b>
8	SANGEETA GUPTA	35,500	0.2813			35,500	0.2813
	Market sale			24 Apr 2015	(1,808)	33,692	0.2670
	Market Purchase			01 May 2015	308	34,000	0.2694
	Market Purchase			15 May 2015	186	34,186	0.2709
	Market Purchase			22 May 2015	167	34,353	0.2722

Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding during the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Market sale			19 Jun 2015	(253)	34,100	0.2702
	Market Purchase			26 Jun 2015	400	34,500	0.2734
	Market sale			03 Jul 2015	(2,000)	32,500	0.2575
	Market sale			10 Jul 2015	(2,500)	30,000	0.2377
	Market sale			17 Jul 2015	(2,000)	28,000	0.2219
	Market sale			24 Jul 2015	(1,000)	27,000	0.2139
	Market sale			31 Jul 2015	(2,000)	25,000	0.1981
	Market sale			07 Aug 2015	(9,000)	16,000	0.1268
	Market sale			14 Aug 2015	(514)	15,486	0.1227
	Market sale			21 Aug 2015	(922)	14,564	0.1154
	Market sale			28 Aug 2015	(1,564)	13,000	0.1030
	Market sale			04 Sep 2015	(3,500)	9,500	0.0753
	Market Purchase			11 Sep 2015	2,525	12,025	0.0953
	Market sale			09 Oct 2015	(1,025)	11,000	0.0872
	Market sale			16 Oct 2015	(409)	10,591	0.0839
	Market sale			23 Oct 2015	(1,070)	9,521	0.0754
	Market Purchase			30 Oct 2015	2,042	11,563	0.0916
	Market Purchase			06 Nov 2015	1,450	13,013	0.1031
	Market Purchase			13 Nov 2015	2,581	15,594	0.1236
	Market sale			20 Nov 2015	(1,361)	14,233	0.1128
	Market Purchase			04 Dec 2015	330	14,563	0.1154
	Market Purchase			11 Dec 2015	2,187	16,750	0.1327
	Market sale			18 Dec 2015	(250)	16,500	0.1307
	Market Purchase			01 Jan 2016	500	17,000	0.1347
	Market Purchase			15 Jan 2016	645	17,645	0.1398
	Market Purchase			22 Jan 2016	1,355	19,000	0.1506
	Market Purchase			19 Feb 2016	1,500	20,500	0.1624
	Market Purchase			26 Feb 2016	2,500	23,000	0.1823
	Market Purchase			04 Mar 2016	2,000	25,000	0.1981
	Market Purchase			11 Mar 2016	1,000	26,000	0.2060
	Market Purchase			25 Mar 2016	469	26,469	0.2097
	<b>AT THE END OF THE YEAR</b>					<b>26,469</b>	<b>0.2097</b>
9	NALINI T. VASSA	28,000	0.2219			28,000	0.2219
	<b>AT THE END OF THE YEAR</b>					<b>28,000</b>	<b>0.2219</b>
10	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED	26,855	0.2128			26,855	0.2128
	<b>AT THE END OF THE YEAR</b>					<b>26,855</b>	<b>0.2128</b>
11	SHANTILAL NARSHI GADA	55,000	0.4358			55,000	0.4358
	Market sale			17 Jul 2015	(723)	54,277	0.4301
	Market sale			04 Dec 2015	(960)	53,317	0.4225
	Market sale			11 Dec 2015	(2,853)	50,464	0.3999



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Sr. No.	Name of the Shareholder & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding during the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Market sale			08 Jan 2016	(1069)	49,395	0.3914
	Market sale			15 Jan 2016	(1796)	47,599	0.3772
	Market sale			29 Jan 2016	(1304)	46,295	0.3668
	Market sale			05 Feb 2016	(5000)	41,295	0.3272
	Market sale			12 Feb 2016	(12201)	29,094	0.2305
	Market sale			19 Feb 2016	(5739)	23,355	0.1851
	Market sale			04 Mar 2016	(3689)	19,666	0.1558
	<b>AT THE END OF THE YEAR</b>					<b>19,666</b>	<b>0.1558</b>
12	KHETBAI NARSHI GADA	29,919	0.2371			29,919	0.2371
	Market sale			14 Aug 2015	(552)	29,367	0.2327
	Market sale			15 Jan 2016	(300)	29,067	0.2303
	Market sale			05 Feb 2016	(530)	28,537	0.2261
	Market sale			19 Feb 2016	(6643)	21,894	0.1735
	Market sale			04 Mar 2016	(3761)	18,133	0.1437
	<b>AT THE END OF THE YEAR</b>					<b>18,133</b>	<b>0.1437</b>
13	MANGLA SHANTILAL GADA	41,133	0.3259			41,133	0.3259
	Market sale			29 May 2015	(559)	40,574	0.3215
	Market sale			24 Jul 2015	(1000)	39,574	0.3136
	Market sale			07 Aug 2015	(1000)	38,574	0.3057
	Market sale			14 Aug 2015	(1966)	36,608	0.2901
	Market sale			04 Sep 2015	(3500)	33,108	0.2623
	Market sale			23 Oct 2015	(1000)	32,108	0.2544
	Market sale			06 Nov 2015	(3479)	28,629	0.2269
	Market sale			13 Nov 2015	(440)	28,189	0.2234
	Market sale			20 Nov 2015	(1000)	27,189	0.2154
	Market sale			11 Dec 2015	(136)	27,053	0.2144
	Market sale			31 Dec 2015	(736)	26,317	0.2085
	Market sale			15 Jan 2016	(144)	26,173	0.2074
	Market sale			05 Feb 2016	(341)	25,832	0.2047
	Market sale			12 Feb 2016	(2500)	23,332	0.1849
	Market sale			19 Feb 2016	(1000)	22,332	0.1770
	Market sale			26 Feb 2016	(1266)	21,066	0.1669
	Market sale			04 Mar 2016	(6802)	14,264	0.1130
	Market sale			18 Mar 2016	(500)	13,764	0.1091
	<b>AT THE END OF THE YEAR</b>					<b>13,764</b>	<b>0.1091</b>
14	UMANG M SHAH	40,299	0.3193			40,299	0.3193
	Market sale			10 Apr 2015	(460)	39,839	0.3157
	Market sale			11 Sep 2015	(1357)	38,482	0.3049
	<b>AT THE END OF THE YEAR</b>					<b>38,482</b>	<b>0.3049</b>

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

**v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL\***

Sr. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Deepak Dhanak (At the end of the year or on the date of separation) (31.03.2016)	1	0	1	0
2	Peter cartwright <sup>1</sup> (At the end of the year or on the date of separation) (10.02.2016)	0	0	0	0
3	Suely Mori (At the end of the year or on the date of separation) (31.03.2016)	0	0	0	0
4	Krishna Joshi (At the end of the year or on the date of separation) (31.03.2016)	0	0	0	0
5	Harish N Motiwalla (At the end of the year or on the date of separation) (31.03.2016)	0	0	0	0
6	Ashok Chhabra (At the end of the year or on the date of separation) (31.03.2016)	0	0	0	0
7	Michel Rens <sup>2</sup> (At the end of the year or on the date of separation) (31.03.2016)	NA	NA	0	0
8	Dharmesh painter (At the end of the year or on the date of separation) (31.03.2016)	1	0	1	0
9	Sunaina Goraksh (At the end of the year or on the date of separation) (31.03.2016)	0	0	1	0

<sup>1</sup> Resigned as director w.e.f. 10<sup>th</sup> February 2016

<sup>2</sup> Appointed as additional director w.e.f. 10<sup>th</sup> February 2016

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

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

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

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of managing Director/Whole-time Director(s)	
		Deepak Dhanak Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,67,315	37,67,315
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	21,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others, specify	0	0
5	Others, please specify	0	0
	<b>Total</b>	<b>37,88,915</b>	<b>37,88,915</b>
	Ceiling as per the Companies Act	₹ 53,70,180 (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	

## B) REMUNERATION TO OTHER DIRECTORS

(Amount in ₹)

Sr. No	Particulars of remuneration	Name of Directors	Total Amount
1	<b>Independent Directors</b>		
	For attending Board/committee meetings (Sitting Fees)	Harish Motiwalla	4,80,000
		Ashok Chhabra	4,80,000
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
	<b>Total (1)</b>		<b>9,60,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Name of Directors</b>	<b>Total Amount</b>
	For attending Board/committee meetings	Krishna Joshi	0
		Peter cartwright	0
		Suely Mori	0
		Michel Rens	0
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
	<b>Total (2)</b>		<b>0</b>
	<b>Total (1+2)</b>		<b>9,60,000</b>
	Total managerial remuneration		37,88,915
	Overall ceiling as per Act		53,70,180

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

(Amount in ₹)

SN	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer	Company Secretary
1	Gross salary	Dharmesh painter	Sunaina Goraksh
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,91,404	8,19,453
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	
	- others, specify	0	0
5	Others, please specify	0	0
	<b>Total</b>	<b>14,91,404</b>	<b>8,19,453</b>

**VII. Penalties/Punishment/Compounding of offences**

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAVEAT

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

The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with 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. Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors.

### BACKGROUND & INDUSTRY OUTLOOK

Year under review started with the backdrop of the markets recovering from the slow-down. The Company increased its presence in the Automotive (safety and non-safety products) and Silicon based thermoplastics segment. The Company prioritized its focus on Silicon-enhanced products and identified new opportunities in new markets and applications. Thermoplastic Elastomers sales in India continued to grow at a steady rate by converting some of the non TPE applications to TPE. The company managed to hold the margins in an increasingly competitive market and during the global economy slowdown through a mix of innovative products, selective price increase and qualifying alternate raw materials.

### OVERVIEW

It has been recognized world over that India is one of the fastest growing economies. The relevant markets for Multibase are growing steadily 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 and Engineering Polymers etc. The Company continuously develops new generation products through its modern R & D plant in Daman to stay ahead of the competition. Global grades are now being produced in Daman to address the requirement of Automotive sector.

### FINANCIAL REVIEW

The overall performance of the Company for the current financial year improved as compared to previous financial

year in spite of various challenges faced during the year such as high inflation and increase of prices of imported raw materials and commodities globally. During the year under review, the Company reported gross revenue from operations of ₹ 7,854.91 Lacs as against ₹ 6,824.92 lac during the FY 2014-15. The Company reported Profit Before Tax of ₹ 1,512.18 Lacs and Profit After Tax of ₹ 987.69 Lacs as against ₹ 1,093.65 Lacs and ₹ 722.16 Lacs respectively for the previous Financial Year.

### 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 international. 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 leading supplier of these products due to our ability in identifying and meeting the customers' expectation in terms of quality, fast reaction time, new developments etc.

The Risk, which the Indian Plastics Industry foresees are possible 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.

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

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

## REPORT ON CORPORATE GOVERNANCE

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

### I. Company's Philosophy

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

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

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

### II. Board of Directors

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

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

- i) Details of Composition and Category of Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at March 31, 2016:

Sr. No.	Name of the Director	Category	No. of Board Meeting during the tenure of Directors in FY 2015-16		Attendance at the last AGM held on 29.09.2015	Directorship in other public companies <sup>1</sup>	Committee position held in other public companies <sup>2</sup>	
			Held	Attended			Chairman	Member
1	Mr. Deepak Dhanak Managing Director (DIN: 03157491)	Executive	5	5	Yes	-	-	-
2	Mr. Harish Narendra Motiwalla (DIN: 00029835)	Independent	5	5	Yes	6	5	3
3	Mr. Ashok Chhabra (DIN: 00059677)	Independent	5	5	Yes	-	-	-
4	Mr. Krishna Joshi (DIN: 00339957)	Non-Executive	5	4	Yes	-	-	-
5	Ms. Suely Mori (DIN 07046468)	Non-Executive	5	1	No	-	-	-
6	Mr. Peter Cartwright <sup>3</sup> (DIN 06797101)	Non-Executive	5	2	No	-	-	-
7	Mr. Michel Rens <sup>4</sup> (DIN: 07430742)	Non-Executive	1	1	NA	-	-	-

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

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

<sup>3</sup> Resigned w.e.f. February 10, 2016.

<sup>4</sup> Appointed as Additional Director w.e.f. February 10, 2016.



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- 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 2015-16, the Board of Directors of your Company met 5 times on 30/05/2015, 04/08/2015, 29/09/2015, 23/10/2015 and 10/02/2016.

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

- iv) The compliance reports of all applicable laws are placed before the Board periodically. All the material and important items pertaining to the development and working of the Company is included with a detailed note in the Agenda and the same is circulated to the Board well in advance, so as to enable them to take strategic decisions. The information which could not be circulated to the Board, in advance, is placed at the table during the Board Meeting. The information as specified in Schedule IIA read with Regulation 17(7) of the SEBI Listing Regulations is provided to the Board as and when applicable and material.
- v) The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company". All the Board Members and Senior Management have affirmed the compliance with the said Code of Conduct during the year 2015-16.

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

### III. Audit Committee

- i) Composition of the Audit Committee, particulars of meetings held and attended during the year 2015-16:

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

Name	Position Held	Category
Mr. Harish Narendra Motiwalla	Chairman	Non-Executive Independent Director
Mr. Ashok Chhabra	Member	Non-Executive Independent Director
Mr. Krishna Joshi	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. The Chairman of the Audit Committee was present at the previous Annual General Meeting held on 29<sup>th</sup> September 2015.

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 2015-16:

During the year 2015-16, four meetings of the Audit Committee were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance			
		30/05/2015	04/08/2015	23/10/2015	10/02/2016
1	Mr. Harish Narendra Motiwalla	Present	Present	Present	Present
2	Mr. Ashok Chhabra	Present	Present	Present	Present
3	Mr. Krishna Joshi	Absent	Present	Present	Present

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

- ii) Terms of reference

The terms of reference of the Audit Committee includes the mandatory matters specified in Part C of Schedule II

and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly detailed as under:

- a) Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law requirements and to ensure that the financial statements are correct, sufficient and credible.
- b) Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval.
- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.
- d) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and Cost Auditor and the fixation of audit fees and terms of appointment.
- e) Review and monitor the auditor's independence and performance and effectiveness of audit process.
- f) Approval or any subsequent modification of transactions of the company with related parties.
- g) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- h) Review of adequacy of internal control systems, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit and further recommending to the Internal Auditors the nature and scope of internal audit. Evaluation of risk management systems.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the company, wherever it is necessary.
- k) Review of reports of Statutory and Internal Auditors and replies of the management thereof.
- l) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- m) Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- n) Review of the annual financial statements with the management before submission to the Board for approval, with particular reference to :
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment of management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosures of any related party transactions.
  - Qualifications in the draft audit report.
- o) Review of management representation letters to be issued to the Statutory Auditors.
- p) Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- q) Reviewing compliances as regards the Company's Whistle Blower Policy.
- r) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate.
- s) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**IV. Nomination and Remuneration Committee (Earlier known as Remuneration Committee)**

The Board of Directors, at their meeting held on May 31, 2014, renamed the Committee as "Nomination and Remuneration Committee" and enhanced its terms of reference 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 2015-16:

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

Name	Position Held	Category
Mr. Harish Narendra Motiwalla	Chairman	Non-Executive Independent Director
Mr. Ashok Chhabra	Member	Non-Executive Independent Director
Mr. Krishna Joshi	Member	Non-Executive Director

The Company Secretary acts as the Secretary to the Committee.

During the year 2015-16, 1 meeting of Nomination and Remuneration Committee was held on 10/02/2016 and was attended by all the members.

- ii) Terms of reference:

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

- iii) Employee Stock Option Scheme:

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

- iv) Remuneration Policy:

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

During the year 2015-16, Mr. Deepak Dhanak, Managing Director was paid ₹ 37.67 Lacs as Salary, and ₹ 0.22 Lacs

as Perquisites. He does hold 1(one) equity share in the Company as on March 31, 2016. His tenure is of 3 years commencing from March 2, 2014 till March 1, 2017. 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 2015-16 and the number of equity shares held by them is as follows:

<b>Name</b>	<b>Relationship between Directors inter-se</b>	<b>Sitting fees paid for Board Meetings and Committee Meetings (In ₹)</b>	<b>Number of Equity Shares held in MIL as on March 31, 2016</b>
Mr. Harish Narendra Motiwalla	-	4,80,000	NIL
Mr. Ashok Chhabra	-	4,80,000	NIL
Ms. Suely Mori	-	0	NIL
Mr. Krishna Joshi	-	0	NIL
Mr. Peter Cartwright <sup>1</sup>	-	0	NIL
Mr. Michel Rens <sup>2</sup>	-	0	NIL

<sup>1</sup> Resigned w.e.f. February 10, 2016

<sup>2</sup> Appointed as Additional Director w.e.f. February 10, 2016.

Except of Mr. Harish Narendra Motiwalla and Mr. Ashok Chhabra, none other Non-Executive Directors were paid any Sitting Fees during FY 2015-16 since they have voluntarily waived off the sitting fees payable to them.

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

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

i) The Committee as of March 31, 2016 comprises of following members:

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

The Company Secretary acts as the Secretary to the Committee.

ii) Name, Designation and Address of Compliance Officer:

Ms. Sunaina Goraksh  
 Company Secretary  
 5<sup>th</sup> Floor, SCORPIO HOUSE, Opposite Galleria  
 Hiranandani Business Park, Powai, Mumbai – 400 076

iii) Procedure for approval and details of meetings and attendance during the year 2015-16:

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 w.e.f. August 14, 2012 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 2015-16, four meetings were held and attended by the members as per the details given below:

## Annual Report 2015-2016 .....

Sr. No.	Name of Member	Meetings / Attendance			
		30/05/2015	04/08/2015	23/10/2015	10/02/2016
1	Mr. Ashok Chhabra	Present	Present	Present	Present
2	Mr. Harish Narendra Motiwalla	Present	Present	Present	Present
3	Mr. Deepak Dhanak	Present	Present	Present	Present

iv) Terms of reference:

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

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

The details of Investors' Complaints received and redressed by the Company and Link Intime India Pvt. Ltd. during the year 2015-16 is as follows:

Nature of Complaints	No. of complaints at the beginning of the year	Number of Complaints Received	Number of Complaints Resolved	No. of complaints pending at the end of the year
Non-receipt of Share Certificates	NIL	10	10	NIL
Non-receipt of Annual Reports	NIL	1	1	NIL
Non-receipt of stickers	NIL	1	1	NIL
Others	NIL	1	1	NIL
<b>Total</b>	<b>NIL</b>	<b>13</b>	<b>13</b>	<b>NIL</b>

### VI. Corporate Social Responsibility Committee

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

The Committee as of March 31, 2016 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 2015-16, one meeting was held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance
		10/02/2016
1.	Mr. Harish Narendra Motiwalla	Present
2.	Mr. Ashok Chhabra	Present
3.	Mr. Deepak Dhanak	Present

Terms of Reference:

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

**VII. Share transfer Committee:**

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

The Committee as of March 31, 2016 comprises of following members:

Name	Position Held	Category
Mr. Deepak Dhanak	Chairman	Managing Director
Mr. Krishna Joshi	Member	Non-Executive Director

The Company Secretary acts as the Secretary to the Committee.

During the year 2015-16, seven meetings were held and attended by the members as per the details given below:

Sr. No.	Name of Member	Meetings / Attendance						
		14/04/2015	12/05/2015	12/06/2015	10/08/2015	09/09/2015	29/09/2015	13/01/2016
1	Mr. Deepak Dhanak	Present	Present	Present	Present	Present	Present	Present
2	Mr. Krishna Joshi	Present	Present	Present	Present	Present	Present	Present

Terms of Reference:

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

**VIII. Meeting of Independent Directors**

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25(3) of the SEBI Listing Regulations, the Meeting of Independent Directors of the Company was held on February 10,2016 *inter-alia* to review the performance of non-independent Directors and Board as a whole, the Chairperson of the Company and to assess the quality, quantity and flow of information between the management and the Board.

**IX. General Body Meetings**

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

Financial year	AGM No.	Day & Date	Venue	Time
2014-15	24 <sup>th</sup>	Tuesday, 29 <sup>th</sup> September 2015	74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T)	11.30 am
2013-14	23 <sup>rd</sup>	Wednesday, 24 <sup>th</sup> September, 2014	74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T)	12 Noon
2012-13	22 <sup>nd</sup>	Wednesday, 14 <sup>th</sup> August, 2013	74/5-6, Daman Industrial Estate, Kadaiya, Nani Daman – 396210 (U.T)	12 Noon



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

<b>AGM No.</b>	<b>No. of Special resolutions passed</b>	<b>Particulars of Special resolutions</b>
24 <sup>th</sup>	1	Approval of material Related party transaction
23 <sup>rd</sup>	1	Re-appointment of Mr. Deepak Dhanak (DIN 03157491) as Managing Director of the Company for a period of 3 years with effect from March 2, 2014 and fix his remuneration
22 <sup>nd</sup>	NIL	NA

- iii) Details of resolutions passed through Postal Ballot:

During the year 2015-16, none of the resolutions were passed through Postal Ballot. As on date of this Report, none of the resolutions are proposed to be passed through Postal Ballot. As and when required, the Postal Ballot shall be conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014.

## **X. Disclosures**

- i) Related party transactions:

Related party transactions have been disclosed under Note 29 of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with "Accounting Standard 18". The company has taken prior approval of the Audit Committee for entering into related party transactions which are in the ordinary course of business and at arm's length basis in compliance with Regulation 23 of SEBI Listing Regulations.

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

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

- ii) Disclosure of Accounting treatment:

The financial statements of the Company for the year ended March 31, 2016 are prepared in conformity with the Accounting Standards.

- iii) Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL/ CDSL.

- iv) Risk Assessment:

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

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

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

- vi) Remuneration of Directors:

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

- vii) Subsidiary Company:

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

viii) Management:

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

ix) Shareholders:

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

x) Compliances:

- a) During the last three years ending on March 31, 2016, there were no non-compliances, penalties, strictures imposed on the Company by Stock Exchange, SEBI or any other statutory authority, on any matter related to capital markets.
- b) The Company has fully complied with all the statutory requirements under erstwhile Listing Agreement and SEBI Listing Regulations, 2015 to the extent applicable.
- c) Out of the non-mandatory requirement the Company has adopted the following:  
During the year under review, there was no qualification on the Company's financial statement.

xi) Modified Opinion in Auditors Report:

The Company's financial statement for the year 2015-2016 does not contain any modified audit opinion

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

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

xiii) Policy on Sexual Harassment at workplace

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

xiv) Means of Communication:

- a) Financial results  
The quarterly, half yearly and annual results of the Company in the format prescribed under Regulation 33 of the SEBI Listing Regulations are published in prominent dailies such as Financial Express and Daman Ganga and also posted on the website of the Company i.e., [www.multibaseindia.com](http://www.multibaseindia.com)
- b) Other information  
Important official news, if any is also posted on the Company's website [www.multibaseindia.com](http://www.multibaseindia.com), as and when released.  
The Company has also designated exclusive e-mail id for the use of investors in accordance Regulation 46(j) of the SEBI Listing Regulations which is [compliance.officer@multibaseindia.com](mailto:compliance.officer@multibaseindia.com)

xv) CEO/CFO Certificate:

The CEO/CFO Certificate for the year ended March 31, 2016 as required under Regulation 17(8) of SEBI Listing Regulations, 2015, was placed and taken on record at the Board Meeting of the Company held on May 30, 2016.

xvi) Certificate of compliance:

The Certificate of Practising Company Secretary in compliance with Schedule V (E) of the SEBI Listing Regulations confirming compliance with all corporate governance requirements for the year ended March 31, 2016 is appended to this Report on Corporate Governance.

xvii) Insider Trading Code:

In compliance with Regulation 8(1) and Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has framed the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of

## Annual Report 2015-2016

SEBI (Prohibition of Insider Trading) Regulations, 2015 Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure and Conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2016.

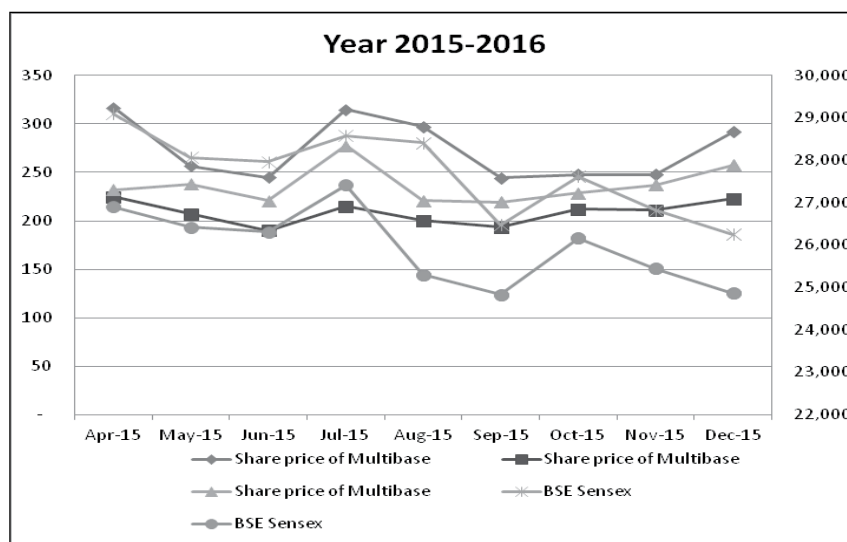
The Code of Conduct elaborates ways and measures to deal with unpublished price sensitive information and restricts the insider trading by any of the Directors and Designated Persons of the Company.

### xviii) General Shareholders Information:

- a) Annual General Meeting
- Date : Wednesday, September 28, 2016
- Time : 11.00 a.m.
- Venue : 74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman- 396210 U.T.
- b) Financial year 2016-17 (tentative schedule)
- Quarter Results
- Ending on June 30, 2016 : First week of August 2016
- Ending on September 30, 2016 : Second week of November 2016
- Ending on December 31, 2016 : Second week of February 2017
- Year ended March 31, 2017 : In the month of May 2017
- AGM is proposed to be held on September 2017.
- c) Date of Book Closure : Thursday, September 22, 2016 to Wednesday, September 28, 2016 (Both days inclusive)
- d) Dividend Payment date : No Dividend is recommended by Board
- e) Listing on Stock Exchange : BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
- The Annual Listing fees for the year 2016-17 is been fully paid within stipulated time.
- f) Stock Code : 526169
- g) Corporate Identification Number (CIN) : L01122DD1991PLC002959
- h) Stock Market Price Data :

Month & Year	Share Price of Multibase on BSE				BSE Sensex	
	Month's High (₹)	Month's Low (₹)	Month's Closing Price (₹)	Volume of shares traded (In no.)	Month's High (Index point)	Month's Low (Index point)
April 2015	317.00	224.90	231.90	4,33,391	29,094.61	26,897.54
May 2015	256.80	207.00	237.80	1,63,238	28,071.16	26,423.99
June 2015	245.00	190.10	220.60	1,92,994	27,968.75	26,307.07
July 2015	315.00	215.00	277.50	6,11,881	28,578.33	27,416.39
August 2015	297.00	200.10	220.70	3,07,515	28,417.59	25,298.42
September 2015	244.40	193.60	219.40	1,78,807	26,471.82	24,833.54
October 2015	248.00	212.00	228.60	2,06,374	27,618.14	26,168.71
November 2015	247.90	211.00	236.90	1,55,774	26,824.30	25,451.42
December 2015	292.00	222.70	257.50	3,82,543	26,256.42	24,867.73
January 2016	274.00	210.40	218.80	1,52,557	26,197.27	23,839.76
February 2016	225.00	178.00	179.90	2,18,863	25,002.32	22,494.61
March 2016	223.40	180.10	190.60	1,64,196	25,479.62	23,133.18

- i) Performance of share price of the Company in comparison to BSE Sensex:  
MIL Share Price and Sensex Movement (For FY 2015-16) Taken 100 as Base Point



- j) Registrar and Transfer Agents : Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound, LBS Road,  
Bhandup (W), Mumbai – 400 078  
Tel No.: +91 22 25963838  
Fax No.: +91 22 25946969  
Email: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in

- k) Share Transfer System:

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

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

- l) Distribution of shareholding as on March 31, 2016:

Equity Shares held	No. of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-500	6,309	89.00	8,66,273	6.87
501-1000	367	5.18	2,94,627	2.33
1001-2000	195	2.75	2,92,649	2.32
2001-3000	70	0.99	1,77,065	1.40
3001-4000	26	0.37	92,034	0.73
4001-5000	34	0.48	1,61,568	1.28
5001-10000	48	0.68	3,71,889	2.95
Above 10000	39	0.55	1,03,63,895	82.12
<b>Total</b>	<b>7,088</b>	<b>100.00</b>	<b>1,26,20,000</b>	<b>100.00</b>

Shareholding pattern as on March 31, 2016:

Category		No. of Shareholders	No. of Shares held	Percentage of Shareholding	No. Shares Pledged or otherwise encumbered	Percentage of Shares Pledged
<b>A</b>	<b>Promoters' Holding</b>					
1	Promoters					
	Indian	-	-	-	-	-
	Foreign	1	94,64,994	75.00	-	-
<b>B</b>	<b>Public Shareholding</b>					
2	Foreign Institutional Investors	1	26,855	0.21	-	-
3	Non Institutional Investors					
	a. Bodies Corporate	102	1,90,115	1.50	-	-
	b. Indian Public	6512	24,55,908	19.46	-	-
	c. Any other					
	1. Clearing Member	50	52,320	0.41	-	-
	2. Office Bearer	26	2,600	0.02	-	-
	3. NRIs	68	86,762	0.69	-	-
	4. NRN	158	2,27,963	1.82	-	-
	5. Trust	0	0	0	-	-
	6. Hindu Undivided Family	170	1,12,483	0.89	-	-
	<b>Total (1+2+3)</b>	<b>7,088</b>	<b>1,26,20,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

m) Dematerialization of shares and liquidity:

The Company's Shares are traded in Stock Exchange in dematerialized form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2016, 94.81% of outstanding Equity shares of the Company are held in dematerialized form.

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

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

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

p) Address for Correspondence : Registered Office  
74/5-6, Daman Industrial Estate,  
Kadaiya Village, Nani Daman – 396210(U.T).  
Tel No.: 0260 661 4400  
Fax No.: 0260 222 1578  
Email: compliance.officer@multibaseindia.com  
  
Compliance Officer  
Ms. Sunaina Goraksh  
Company Secretary  
5<sup>th</sup> Floor, SCORPIO HOUSE, Opp. Galleria  
Hiranandani Business Park, Powai  
Mumbai – 400 076  
Tel No.: 022 669 46860  
Fax No.: 022 669 46848  
Email:compliance.officer@multibaseindia.com

For and on behalf of the Board

sd/-

**H.N. Motiwalla**  
Chairman of CSR

sd/-

**Deepak Dhanak**  
Managing Director

Mumbai, August 22, 2016

## CODE OF CONDUCT DECLARATION

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 2016.

Place: Mumbai  
Date: 30<sup>th</sup> May 2016

sd/-  
**Deepak Dhanak**  
Managing Director

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## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
MULTIBASE INDIA LIMITED

I have examined the compliance of conditions of Corporate Governance by **Multibase India Limited** for the year ended **March 31, 2016** as stipulated in Clause 49 of the erstwhile Listing Agreement and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the erstwhile Listing Agreement and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

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

**For Dhrumil M Shah & Co.**

Place: Mumbai  
Date: 3<sup>rd</sup> August, 2016

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### MULTIBASE INDIA LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **MULTIBASE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on

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

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

#### Opinion

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 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<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report

expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 25 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.

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

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
Firm's Registration No. 117364W

sd/-

**Ketan Vora**

Partner

Membership No. 100459

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Multibase India Limited ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards

on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm's Registration No. 117364W

sd/-

**Ketan Vora**

Partner

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

Membership No. 100459

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### **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of 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 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.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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.
- (iv) The Company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to

us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Central Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. The Employees' State Insurance Scheme has not been implemented in the union territory of Daman and Diu and hence no statutory liability is accrued by the company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Central Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on 31<sup>st</sup> March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹)	Amount net off payment under protest (₹)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2005-06	4,460,334	1,635,147
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2006-07	2,885,306	2,346,756
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2011-12	800,170	800,170

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013,

where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 117364W

sd/-

**Ketan Vora**  
Partner

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

Membership No. 100459

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016**

Particulars	Note No.	Amount in ₹	
		Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	1	126,200,000	126,200,000
(b) Reserves and surplus	2	384,202,975	285,433,835
		<u>510,402,975</u>	<u>411,633,835</u>
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	3	3,590,046	1,684,870
(b) Other non current liabilities	4	100,000	100,000
(c) Long term provisions	5	3,867,647	3,819,881
		<u>7,557,693</u>	<u>5,604,751</u>
<b>(3) Current liabilities</b>			
(a) Trade payables	6		
(A) dues of micro enterprises and small enterprises		372,376	293,138
(B) dues of creditors other than micro enterprises and small enterprises		63,003,193	39,500,934
(b) Other current liabilities	7	8,000,850	7,861,186
(c) Short-term provisions	8	595,086	3,064,337
		<u>71,971,505</u>	<u>50,719,596</u>
<b>TOTAL</b>		<u><b>589,932,173</b></u>	<u><b>467,958,182</b></u>
<b>II. Assets</b>			
<b>(1) Non Current assets</b>			
(a) Fixed assets:			
(i) Tangible assets	9	78,000,151	50,105,707
(ii) Intangible assets	9	-	1,389
(iii) Capital work-in-progress		835,404	2,613,572
		<u>78,835,555</u>	<u>52,720,668</u>
(b) Long term loans and advances	10	10,080,628	9,893,741
		<u>10,080,628</u>	<u>9,893,741</u>
<b>(2) Current assets</b>			
(a) Inventories	11	128,071,965	93,505,488
(b) Trade receivables	12	128,605,463	100,703,352
(c) Cash and cash equivalents	13	230,746,387	177,626,244
(d) Short-term loans and advances	14	11,696,122	29,360,269
(e) Other current assets	15	1,896,053	4,148,420
		<u>501,015,990</u>	<u>405,343,773</u>
<b>TOTAL</b>		<u><b>589,932,173</b></u>	<u><b>467,958,182</b></u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117364W)

sd/-  
**Ketan Vora**  
(Partner)  
(Membership No. 100459)

**For Multibase India Limited**

sd/-  
**H.N. Motiwalla**  
(Director)  
(DIN 00029835)

sd/-  
**Dharmesh Painter**  
(Chief Financial Officer)

sd/-  
**Deepak Dhanak**  
(Managing Director)  
(DIN 03157491)

sd/-  
**Sunaina Goraksh**  
(Company Secretary)

Place :- Mumbai  
Date :- 30<sup>th</sup> May, 2016

Place :- Mumbai  
Date :- 30<sup>th</sup> May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

Particulars	Note No.	Amount in ₹	
		Figures for the year ended 31-Mar-16	Figures for the year ended 31-Mar-15
<b>I. Revenue from operations (Gross)</b>		<b>785,491,159</b>	682,492,713
Less : Excise duty		<b>79,306,423</b>	66,024,434
Revenue from operations (Net)	16	<b>706,184,736</b>	616,468,279
<b>II. Other income</b>	17	<b>15,737,354</b>	12,310,207
<b>III. Total revenue (I + II)</b>		<b>721,922,090</b>	628,778,486
<b>IV. Expenses</b>			
Cost of materials consumed	18	<b>380,862,975</b>	377,601,700
Purchase of stock-in-trade (traded goods)	19	<b>67,690,177</b>	40,554,004
Changes in inventories of finished goods and stock-in-trade	20	<b>(6,311,134)</b>	(10,198,407)
Employee benefits expense	21	<b>32,648,977</b>	30,901,434
Depreciation and amortisation expense	9	<b>5,990,506</b>	7,071,075
Other expenses	22	<b>89,821,805</b>	73,483,186
<b>Total expenses</b>		<b>570,703,306</b>	519,412,992
<b>V. Profit before tax (III - IV)</b>		<b>151,218,784</b>	109,365,494
<b>VI. Tax expense:</b>			
(1) Current tax		<b>50,543,876</b>	37,388,663
(2) Short/(Excess) Provision for tax relating to prior years		<b>592</b>	(33,732)
(3) Deferred Tax		<b>1,905,176</b>	(205,546)
		<b>52,449,644</b>	37,149,385
<b>VII. Profit for the year (V - VI)</b>		<b>98,769,140</b>	72,216,109
<b>VIII. Earnings per share (of ₹ 10/- each)</b>	31		
(1) Basic - ₹		<b>7.83</b>	5.72
(2) Diluted - ₹		<b>7.83</b>	5.72
See accompanying notes forming part of the financial statements			

In terms of our report attached.  
**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117364W)

sd/-  
**Ketan Vora**  
(Partner)  
(Membership No. 100459)

Place :- Mumbai  
Date :- 30<sup>th</sup> May, 2016

**For Multibase India Limited**

sd/-  
**H.N. Motiwalla**  
(Director)  
(DIN 00029835)

sd/-  
**Dharmesh Painter**  
(Chief Financial Officer)

Place :- Mumbai  
Date :- 30<sup>th</sup> May, 2016

sd/-  
**Deepak Dhanak**  
(Managing Director)  
(DIN 03157491)

sd/-  
**Sunaina Goraksh**  
(Company Secretary)



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	For the year ended		For the year ended	
	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
			Amount in ₹	
<b>(A). Cash flow from operating activities</b>				
Net profit before extraordinary items and tax		151,218,784		109,365,494
<i>Adjustments for:</i>				
Depreciation & amortisation	5,990,506		7,071,075	
(Profit)/ loss on sale of fixed assets (net)	324,274		12,682	
Interest income	(12,956,449)		(10,035,987)	
Provision for doubtful trade receivables	1,366,673		-	
Net unrealised exchange (gain) / loss	(105,966)		(649,816)	
		<b>(5,380,961)</b>		<b>(3,602,046)</b>
<b>Operating profit before working capital changes</b>		<b>145,837,823</b>		<b>105,763,448</b>
<i>Changes in working capital:</i>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(34,566,476)		17,918,179	
Trade receivables	(29,391,504)		5,575,183	
Short-term loans and advances	18,264,128		(7,149,534)	
Long term loans and advances	-		(288,000)	
		<b>(45,693,852)</b>		<b>16,055,828</b>
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	23,810,181		(15,154,008)	
Other current liabilities	139,664		2,011,766	
Short-term provisions	416,697		47,066	
Long-term provisions	47,766		1,023,379	
		<b>24,414,308</b>		<b>(12,071,797)</b>
Cash generated from operations		<b>124,558,279</b>		<b>109,747,479</b>
Net income tax (paid) / refunds		<b>(53,710,102)</b>		<b>(35,984,699)</b>
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>70,848,177</b>		<b>73,762,780</b>
<b>(B) Cash flows from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(32,343,654)		(10,976,803)	
Proceeds from sale of fixed assets	6,786		6,800	
Net Proceeds/ (Repayment) from Fixed deposits in banks	89,500,000		(84,500,000)	
Interest received from others	14,608,834		8,141,024	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>71,771,966</b>		<b>(87,328,980)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B)</b>		<b>142,620,143</b>		<b>(13,566,199)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>47,626,244</b>		<b>61,192,443</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>190,246,387</b>		<b>47,626,244</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (contd.)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Amount in ₹		
Notes:		
1. Refer Note 13 for cash and cash equivalents components.		
2. Cash and cash equivalents at the end of the year (refer Note 13)	<b>As at 31-Mar-16</b>	As at 31-Mar-15
Cash on hand	5,142	15,031
With banks -		
In current accounts	11,241,245	11,611,213
In deposit accounts (original maturity of 3 months or less)	179,000,000	36,000,000
	<b>190,246,387</b>	<b>47,626,244</b>

3. The Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS 3) Cash Flow Statements specified under Section 133 of the Companies Act, 2013.

4. Previous year's figures have been regrouped wherever necessary to correspond with the current year's presentation.

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 117364W)

sd/-

**Ketan Vora**

(Partner)

(Membership No. 100459)

**For Multibase India Limited**

sd/-

**H.N. Motiwalla**

(Director)

(DIN 00029835)

sd/-

**Dharmesh Painter**

(Chief Financial Officer)

sd/-

**Deepak Dhanak**

(Managing Director)

(DIN 03157491)

sd/-

**Sunaina Goraksh**

(Company Secretary)

Place :- Mumbai

Date :- 30<sup>th</sup> May, 2016

Place :- Mumbai

Date :- 30<sup>th</sup> May, 2016

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>1 Share capital</b>		
Authorised		
13,000,000 (Previous year: 13,000,000) equity shares of ₹10/- each	<b>130,000,000</b>	130,000,000
Issued, subscribed and fully paid up		
12,620,000 (Previous year: 12,620,000) equity shares of ₹ 10/- each	<b>126,200,000</b>	126,200,000
<b>Note</b>		
(1) 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 is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
(2) Out of the above equity shares 9,464,994 shares i.e. 75% (Previous year 9,464,994 shares i.e. 75%) are held by M/s. Multibase S.A, France, the Holding Company (of which Dow Corning Corporation, USA is the ultimate Holding Company)		
(3) Except for above, no other shareholder holds more than 5% of the equity shares of the Company.		
(4) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period;		
	<b>31-Mar-16</b>	31-Mar-15
Numbers of equity shares at the beginning of the year and outstanding at the end of year	<b>12,620,000</b>	12,620,000
Amount equity shares at the beginning of the year and outstanding at the end of year	<b>126,200,000</b>	126,200,000
<b>2 Reserves and surplus</b>		
<b>(a) Securities premium account</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)	<b>11,700,000</b>	11,700,000
<b>(b) Surplus in the Statement of Profit and loss</b>		
Opening balance	<b>273,733,835</b>	202,467,189
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	949,463
Add: Profit for the year	<b>98,769,140</b>	72,216,109
Closing balance	<b>372,502,975</b>	273,733,835
	<b>384,202,975</b>	285,433,835
<b>3 Deferred tax liabilities (Net)</b>		
<b>Tax effect of items constituting deferred tax liabilities</b>		
On difference between book balance and tax balance of fixed assets	<b>5,532,268</b>	3,819,453
Gross deferred tax liabilities	<b>5,532,268</b>	3,819,453
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for gratuity and leave encashment	<b>1,544,552</b>	1,297,239
Transition Provisions to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	456,004
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	<b>397,670</b>	381,340
Gross deferred tax assets	<b>1,942,222</b>	2,134,583
<b>Deferred tax liabilities (Net)</b>	<b>3,590,046</b>	1,684,870

Particulars	Amount in ₹	
	Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>4 Other non current liabilities</b>		
Trade / security deposits received	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>5 Long term provisions</b>		
Provision for employee benefits		
Provision for gratuity [Refer Note 30]	2,888,191	2,967,890
Provision for leave encashment [Refer Note 30]	979,456	851,991
	<u>3,867,647</u>	<u>3,819,881</u>
<b>6 Trade payables</b>		
Note		
(a) The amount due to Micro, small and medium enterprises is determined on the basis of intimation received by the Company from the suppliers. The same is relied on by auditors.		
(b) The company has neither paid any interest nor accrued any interest as at March 31, 2016 in terms of provisions of the Micro, Small and Medium Enterprises Development Act, 2006.		
<b>7 Other current liabilities</b>		
Other Payables		
Statutory remittances (Contributions to PF, Excise Duty, VAT, Service Tax, TDS etc.)	8,000,850	7,861,186
	<u>8,000,850</u>	<u>7,861,186</u>
<b>8 Short-term provisions</b>		
<b>(a) Provision for employee benefits</b>		
Provision for gratuity [Refer Note 30]	482,120	100,282
Provision for leave encashment [Refer Note 30]	112,966	78,107
	<u>595,086</u>	<u>178,389</u>
<b>(b) Provision - Others</b>		
Provision for tax (net of advance tax of ₹50,863,502 (₹ 34,502,715 as at March 31, 2015))	-	2,885,948
	<u>595,086</u>	<u>3,064,337</u>

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## 9 Fixed assets

Amount in ₹

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION					NET BLOCK	
	As On 01-Apr-15	Addition/ Transfer	Deduction/ Transfer	As On 31-Mar-16	As On 01-Apr-15	Other adjustments / Transition adjustment (refer note 9(b) below)	Provided During The Year	Deduction/ Transfer	As On 31-Mar-16	As On 31-Mar-16	As On 31-Mar-15
<b>Tangible assets</b>											
Land & site development	<b>2,841,552</b>	-	-	<b>2,841,552</b>	-	-	-	-	-	<b>2,841,552</b>	<b>2,841,552</b>
	2,841,552	-	-	2,841,552	-	-	-	-	-	2,841,552	2,841,552
Factory building	<b>23,021,443</b>	<b>1,702,833</b>	-	<b>24,724,276</b>	<b>11,252,507</b>	-	<b>796,803</b>	-	<b>12,049,310</b>	<b>12,674,966</b>	<b>11,768,936</b>
	18,953,732	4,067,711	-	23,021,443	10,548,335	-	704,172	-	11,252,507	11,768,936	8,405,397
Office building	<b>114,475</b>	-	-	<b>114,475</b>	<b>50,047</b>	-	<b>1,663</b>	-	<b>51,710</b>	<b>62,765</b>	<b>64,428</b>
	114,475	-	-	114,475	48,384	-	1,663	-	50,047	64,428	66,091
Plant & machinery	<b>110,458,217</b>	<b>26,880,535</b>	<b>771,909</b>	<b>136,566,843</b>	<b>81,357,070</b>	-	<b>2,560,560</b>	<b>440,850</b>	<b>83,476,780</b>	<b>53,090,063</b>	<b>29,101,147</b>
	105,994,102	4,464,115	-	110,458,217	78,728,327	335,094	2,293,649	-	81,357,070	29,101,147	27,265,775
Laboratory equipment	<b>4,721,328</b>	<b>1,952,779</b>	-	<b>6,674,107</b>	<b>1,274,857</b>	-	<b>643,625</b>	-	<b>1,918,482</b>	<b>4,755,625</b>	<b>3,446,471</b>
	4,721,328	-	-	4,721,328	691,226	-	583,631	-	1,274,857	3,446,471	4,030,102
Office equipments	<b>2,618,058</b>	<b>3,040,362</b>	-	<b>5,658,420</b>	<b>1,670,300</b>	-	<b>545,761</b>	-	<b>2,216,061</b>	<b>3,442,359</b>	<b>947,758</b>
	2,145,876	472,182	-	2,618,058	750,524	464,329	455,447	-	1,670,300	947,758	1,395,352
Air conditioner	<b>491,258</b>	-	-	<b>491,258</b>	<b>303,365</b>	-	<b>72,194</b>	-	<b>375,559</b>	<b>115,699</b>	<b>187,893</b>
	531,708	-	40,450	491,258	252,801	-	71,532	20,968	303,365	187,893	278,907
Furniture & fixture	<b>5,216,021</b>	-	-	<b>5,216,021</b>	<b>4,505,501</b>	-	<b>534,737</b>	-	<b>5,040,238</b>	<b>175,783</b>	<b>710,520</b>
	5,216,021	-	-	5,216,021	3,052,161	85,880	1,367,460	-	4,505,501	710,520	2,163,860
Computers	<b>8,332,383</b>	<b>638,111</b>	-	<b>8,970,494</b>	<b>7,295,381</b>	-	<b>833,774</b>	-	<b>8,129,155</b>	<b>841,339</b>	<b>1,037,002</b>
	8,332,383	-	-	8,332,383	5,223,386	520,164	1,551,831	-	7,295,381	1,037,002	3,108,997
<b>Total (A)</b>	<b>157,814,735</b>	<b>34,214,620</b>	<b>771,909</b>	<b>191,257,446</b>	<b>107,709,028</b>	-	<b>5,989,117</b>	<b>440,850</b>	<b>113,257,295</b>	<b>78,000,151</b>	<b>50,105,707</b>
Previous year	148,851,177	9,004,008	40,450	157,814,735	99,295,144	1,405,467	7,029,385	20,968	107,709,028	50,105,707	49,556,033
<b>Intangible assets</b>											
<b>Others</b>											
Computer software	<b>754,658</b>	-	-	<b>754,658</b>	<b>753,269</b>	-	<b>1,389</b>	-	<b>754,658</b>	-	<b>1,389</b>
	754,658	-	-	754,658	711,579	-	41,690	-	753,269	1,389	43,079
<b>Total (B)</b>	<b>754,658</b>	-	-	<b>754,658</b>	<b>753,269</b>	-	<b>1,389</b>	-	<b>754,658</b>	-	<b>1,389</b>
Previous year	754,658	-	-	754,658	711,579	-	41,690	-	753,269	1,389	43,079

### Note: 9 (a)

Figures in bold are for current year.

### Note: 9 (b)

Pursuant to Companies Act, 2013 ('the Act') being effective from 1<sup>st</sup> April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. In respect of assets whose useful life was already exhausted as on 1<sup>st</sup> April 2014, depreciation of ₹ 9.49 lacs (net of tax impact of ₹ 4.56 lacs) was adjusted in Retained Earnings in the year ended 31<sup>st</sup> March, 2015 in accordance with the requirements of Schedule II of the Act.

Amount in ₹

Particulars	Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>10 Long-term loans and advances (Unsecured , Considered good)</b>		
Capital advances	<b>20,550</b>	113,348
Security Deposits	<b>1,295,000</b>	1,295,000
Advance income tax and tax deducted at source [Net of provisions ₹ 43,924,157 (As at 31 March, 2015 ₹ 43,924,157)]- Unsecured, considered good	<b>8,765,078</b>	8,485,393
	<b>10,080,628</b>	9,893,741

Particulars	Amount in ₹	
	Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>11 Inventories</b>		
<b>(Raw materials are valued at cost on moving average basis and Finished goods are valued at lower of cost and net realizable value)</b>		
Raw materials and components	56,840,761	39,364,228
Raw materials in transit	11,226,243	447,432
Finished goods	36,970,170	38,075,359
Traded goods in transit	11,148,475	7,969,317
stock in trade	11,886,316	7,649,152
	<u>128,071,965</u>	<u>93,505,488</u>
<b>12 Trade receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	295,925	-
Unsecured, considered doubtful	309,825	-
Less : Provision for doubtful trade receivables	309,825	-
	-	-
Other Trade receivables		
Unsecured, considered good	128,309,538	100,703,352
Unsecured, considered doubtful	1,056,848	-
Less : Provision for doubtful trade receivables	1,056,848	-
	<u>128,605,463</u>	<u>100,703,352</u>
<b>13 Cash and cash equivalents</b>		
<b>A. Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>		
(a) Cash on hand	5,142	15,031
(b) Balance with banks		
(i) In current accounts	11,241,245	11,611,213
(ii) In other deposit accounts with original maturity of 3 months or less	179,000,000	36,000,000
<b>Total</b>	<u>190,246,387</u>	<u>47,626,244</u>
<b>B. Other bank balances</b>		
In other deposit accounts with original maturity more than 3 months but less than 12 months	40,500,000	130,000,000
	<u>230,746,387</u>	<u>177,626,244</u>
<b>14 Short-term loans and advances</b>		
<b>(Unsecured and Considered Good)</b>		
(a) Security Deposits	1,451,481	909,130
(b) Employee advances [Refer Note 27]	80,027	280
(c) Prepaid Expenses	793,320	505,806
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	5,495,043	9,687,777
(ii) VAT credit receivable	619,964	894,177
(iii) Service Tax credit receivable	1,088,465	104,474
	<u>7,203,472</u>	<u>10,686,428</u>
(e) Advances to vendors	2,167,822	17,258,624
	<u>11,696,122</u>	<u>29,360,269</u>

Particulars	Amount in ₹	
	Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>15 Other Current Assets</b>		
(a) Accrued Interest Receivable	1,896,053	3,548,439
(b) Export Incentive Receivable	-	599,981
	<b>1,896,053</b>	<b>4,148,420</b>
<b>16 Revenue from operations (Net)</b>		
<b>(a) Sale of products</b>		
- Manufacturing sale	710,786,203	628,497,936
Less : Excise duty	79,306,423	66,024,434
- Trading sales	71,626,742	48,566,930
	<b>703,106,522</b>	<b>611,040,432</b>
<b>Manufactured goods</b>		
Thermo plastic elastomers	455,838,728	433,835,605
Silicon masterbatch	172,172,579	125,138,298
Polypropelene compounds	2,217,400	3,127,215
Manufacturing scrap	499,604	372,383
Other	751,469	-
<b>Traded goods</b>		
Thermo plastic elastomers	65,191,902	40,959,580
Others	6,434,840	7,607,350
	<b>703,106,522</b>	<b>611,040,432</b>
<b>(b) Sale of services</b>		
- Shared Service	3,078,214	5,427,847
	<b>706,184,736</b>	<b>616,468,279</b>
<b>17 Other income</b>		
Interest from bank deposits	12,956,449	10,035,987
Interest on income tax refund	16,180	-
Other non-operating income	2,764,726	1,913,379
Liabilities no longer required written back	-	360,841
	<b>15,737,354</b>	<b>12,310,207</b>
<b>18 Cost of materials consumed</b>		
Opening stock	39,811,660	67,928,247
Add: Purchases	409,118,319	349,485,113
Less: Closing stock	68,067,004	39,811,660
<b>Raw material consumed [Refer Note 36]</b>	<b>380,862,975</b>	<b>377,601,700</b>
<b>Major class of materials consumed</b>		
Gum	57,722,667	52,813,225
Oil	62,432,641	66,481,247
Polypropelene	76,299,683	80,606,074
SEBS	133,274,679	135,897,328
Others	51,133,305	41,803,826
	<b>380,862,975</b>	<b>377,601,700</b>



Particulars	Amount in ₹	
	Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>19 Purchase of stock-in-trade (traded goods)</b>		
Thermo plastic elastomers	55,286,295	34,351,938
Others	12,403,882	6,202,066
	<u>67,690,177</u>	<u>40,554,004</u>
<b>20 Changes in inventories of finished goods, and stock-in-trade</b>		
Inventories as at year end		
Finished goods	48,118,645	46,044,675
Stock-in-trade	11,886,316	7,649,152
	<u>60,004,961</u>	<u>53,693,827</u>
Inventories as at year beginning		
Finished goods	46,044,675	38,193,562
Stock-in-trade	7,649,152	5,301,858
	<u>53,693,827</u>	<u>43,495,420</u>
<b>Total</b>	<u>6,311,134</u>	<u>10,198,407</u>
<b>21 Employee benefits expense</b>		
Salaries, wages and bonus	29,411,594	27,193,290
Contribution to provident fund	1,474,151	1,357,777
Gratuity expenses [Refer Note 30]	566,186	933,752
Staff welfare expenses	1,197,046	1,416,615
	<u>32,648,977</u>	<u>30,901,434</u>
<b>22 Other expenses</b>		
Stores and spares consumed [Refer Note 36]	2,134,972	2,470,388
Power, fuel and utilities	7,353,349	8,305,563
Service charges	5,403,732	4,962,695
Repair & maintenance		
- Building	26,305	128,575
- Machineries	1,904,659	1,941,505
- Others	2,034,364	1,700,742
Legal, professional & other contractual charges	10,445,934	7,511,866
Payments to auditors (Refer Note (i) below)	1,098,813	1,034,944
Printing , stationery and communication charges	2,575,405	1,786,188
Rent, rates and taxes	3,071,620	2,002,558
Travelling and conveyance	7,344,597	6,592,145
Insurance expenses	1,130,288	669,149
Royalty charges	3,941,285	2,510,112

Particulars	Amount in ₹	
	Figures as at 31-Mar-16	Figures as at 31-Mar-15
<b>22 Other expenses (Contd.)</b>		
Support charges	11,577,749	8,446,601
Directors' sitting fees	961,800	1,020,000
Freight outward	12,052,838	9,347,746
Commission on sales	8,407,220	8,310,903
Bank charges	759,216	597,876
Provision for doubtful trade receivables	1,366,673	-
Loss on sale of fixed assets (Net)	324,274	12,682
Net loss on foreign currency transactions and translation	5,018,649	2,818,486
Advertisement, subscription and membership fees	226,591	316,855
Discount, Bad debts and miscellaneous balances written off	50	1,027
Miscellaneous expenses	661,422	994,580
	<b>89,821,805</b>	<b>73,483,186</b>
<b>Note (i)</b>		
<b>Payments to the auditors comprise (net of service tax input credit, where applicable):</b>		
To statutory auditors		
For audit	515,000	515,000
For taxation matters	275,000	275,000
For other services	235,000	235,000
Reimbursement of expenses	73,813	9,944
	<b>1,098,813</b>	<b>1,034,944</b>

## SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 23. Nature of operations

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

### 24. Significant accounting policies

(a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### (b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### (c) Fixed assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

#### (d) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. Depreciation on tangible and intangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation is provided at 100% on items of Fixed Assets costing less than ₹ 5,000/-

#### (e) Inventory

Inventories are valued at the lower of cost calculated on moving average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies and receiving charges. Finished goods include appropriate proportion of overheads and, where applicable, 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.

#### Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.

**Other income**

**Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(h) Employee benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

**(i) Defined contribution plans**

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

**(ii) Defined benefit plans - Gratuity**

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

**(iii) 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 as at the balance sheet date.

**(i) Income taxes**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**(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 “Short Term Loans and Advances”.

**(m) Prior period items**

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

**25. Contingent liabilities against the Company not acknowledged as debt**

Claims against the Company not acknowledged as debt	Amount in Rupees	
	2015-16	2014-15
- Income tax demand, including interest and penalty and net off amount paid under protest	4,782,073	4,782,073
Future cashflows in respect of the above matters are determinable only on receipts of judgement/decisions pending at various forums / authorities.		

**26. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ NIL (Previous Year ₹ 719,398).

27. ‘Employee Advances’ includes due from Managing Director (against expenses) Rs NIL (Previous Year Rs NIL). Maximum amount outstanding there against at any time during the year is ₹ 33,100/- (Previous Year ₹ 47,909/-)

**28. Segment reporting :-**

**a) Business Segment**

The Company has considered business segment as the primary segment for disclosure. The Company is primarily engaged in manufacturing and trading of Thermoplastic Compounds, which in the context of Accounting Standard 17 “Segment Reporting” is considered the only business segment.

**b) Geographical Segment**

The Company sells its products mainly within India where the conditions prevailing are uniform. Since the sales outside India are below the threshold limit, no separate geographical segment disclosure is considered necessary.

**29. Related party disclosure**

(i) As per Accounting Standard 18 on Related Party Disclosures’, specified under Section 133 of the Companies Act, 2013; the nature of relationship and nature of transactions with related parties are as below:

					Amount in ₹	
					Debit/(Credit)	
	Nature of Relationship	Nature of Transaction	Transaction During		Outstanding Balance as at	
	Name of the Party		2015-16	2014-15	31-Mar-16	31-Mar-15
<b>A.</b>	<b>Holding Company</b>					
	Multibase S.A, France	Participation in equity share capital including share premium	-	-	(106,349,940)	(106,349,940)
		Purchase of goods	62,678,888	29,970,891	(17,857,540)	(8,678,853)
		Sale of goods	16,131	63,574	16,131	63,574
		Income from shared services operations	1,922,140	3,380,177	1,022,473	544,445

Amount in ₹  
Debit/(Credit)

	Nature of Relationship	Nature of Transaction	Transaction During		Outstanding Balance as at	
			2015-16	2014-15	31-Mar-16	31-Mar-15
<b>B.</b>	<b>Subsidiary of Ultimate holding Co.</b>					
	Dow Corning (Zhangjiagang) Holding Company Limited	Sale of goods	13,447	801,319	-	-
	Multibase (Zhangjiagang Free Trade Zone) Co. Ltd	Purchase of goods	-	3,586,550	-	-
	Dow Corning Limited-Barry	Purchase of goods	59,502,099	30,395,774	(14,452,609)	-
	Dow Corning Korea Ltd	Sale of goods	14,462,280	12,482,314	3,936,357	2,259,991
	Dow Corning Europe S.A.	Purchase of goods	2,501,064	-	-	-
	Dow Corning Taiwan Inc.	Sale of goods	462,362	-	-	-
	Dow Corning India Private Ltd	Rent Paid	240,000	240,000	(62,700)	(61,416)
	Dow Corning India Private Ltd	Purchase of goods	-	581,078	-	(581,078)
	Dow Corning Toray Co., Ltd.	Purchase of goods	15,622	-	-	-
	Dow Corning Singapore Pte. Ltd	Sale of goods	6,122,361	9,740,698	-	902,439
	Dow Corning (Thailand) Limited	Sale of goods	17,891,756	18,352,382	1,898,556	6,175,356
	Multibase, Inc.	Income from shared services operations	1,156,074	2,047,670	833,878	1,569,970
	Multibase, Inc.	Sale of goods	33,977	25,254	20,936	25,254
	Multibase, Inc.	Purchase of goods	357,498	-	(357,498)	-
<b>C.</b>	<b>Ultimate Holding Company</b>					
	Dow Corning Corporation	Purchase of goods	359,142	891,437	(359,142)	(447,432)
		Support charges & testing fees	11,577,749	8,446,601	(2,296,868)	(707,197)
		Royalty	3,805,378	2,510,112	(858,778)	(1,432,447)
		Misc Payable written back	-	360,841	-	-
<b>D.</b>	<b>Key Management Personnel</b>					
	Mr. Deepak Dhanak	Salary & perquisites *	3,788,915	3,411,222	-	-
<b>E.</b>	<b>Firm in which Director is a partner</b>					
	H N MOTIWALLA & CO	Professional Fees	50,000	-	-	-

\* Does not include provision for Leave Encashment/Gratuity, contribution to Provident fund.

- (ii) Following related parties with whom, the company has not entered into any transactions during the current year and previous year;

Sr. No	Names of other Related parties	Nature of Relationship
1	Bay Asset Leasing, L.L.C.	Fellow Subsidiary
2	Dow Corning STI, Inc.	Fellow Subsidiary
3	Dow Corning United Kingdom Holding Company, L.L.C.	Fellow Subsidiary
4	Valley Asset Funding LLC	Fellow Subsidiary

<b>Sr. No</b>	<b>Names of other Related parties</b>	<b>Nature of Relationship</b>
5	Devonshire Underwriters Limited	Fellow Subsidiary
6	DCC Litigation Facility, Inc.	Fellow Subsidiary
7	Dow Corning Enterprises, LLC	Fellow Subsidiary
8	Dow Corning Compound Semiconductor Solutions, LLC	Fellow Subsidiary
9	Dow Corning Foundation	Fellow Subsidiary
10	Site Services, Inc.	Fellow Subsidiary
11	Hemlock Semiconductor Corporation	Fellow Subsidiary
12	HSCPC, L.L.C.	Fellow Subsidiary
13	Dow Corning Alabama, Inc.	Fellow Subsidiary
14	Hemlock Semiconductor, L.L.C.	Fellow Subsidiary
15	Valley Asset Leasing, LLC	Fellow Subsidiary
16	Dow Corning Canada Inc.	Fellow Subsidiary
17	DC Feedstock Financing, LLC	Fellow Subsidiary
18	DC Canada Financing ULC	Fellow Subsidiary
19	Dow Corning S.r.l.	Fellow Subsidiary
20	Dow Corning Iberica S.A.	Fellow Subsidiary
21	Dow Corning Kimya Sanayi Ve Ticaret Limited Sirketi	Fellow Subsidiary
22	Dow Corning Polska Sp.zo.o.	Fellow Subsidiary
23	Dow Corning Luxembourg Holdings, S.à r.l.	Fellow Subsidiary
24	Dow Corning Ireland Limited	Fellow Subsidiary
25	Dow Corning France S.A.S.	Fellow Subsidiary
26	Dow Corning Korea Holdings, B.V.	Fellow Subsidiary
27	Dow Corning GmbH	Fellow Subsidiary
28	Dow Corning Limited Liability Company	Fellow Subsidiary
29	DC Metals Holdings B.V.	Fellow Subsidiary
30	DC Netherlands Holding B.V.	Fellow Subsidiary
31	DC Global Holdings S.à r.l.	Fellow Subsidiary
32	DC MIT Holdings B.V.	Fellow Subsidiary
33	DC Japan Holdings B.V.	Fellow Subsidiary
34	DC Finance S.à r.l.	Fellow Subsidiary
35	Dow Corning (Zhangjiagang) Co., Ltd.	Fellow Subsidiary
36	Dow Corning (China) Holding Company Ltd.	Fellow Subsidiary
37	Dow Corning (Zhangjiagang) Silicone Co. Ltd.	Fellow Subsidiary
38	Dow Corning China Limited	Fellow Subsidiary
39	Dow Corning (Shanghai) Management Company Limited	Fellow Subsidiary
40	Dow Corning Asia Branch	Fellow Subsidiary
41	Dow Corning (Shanghai) Co., Ltd.	Fellow Subsidiary
42	Site Services Japan, Co., Ltd.	Fellow Subsidiary
43	Dow Corning Holding Japan Company, Ltd.	Fellow Subsidiary
44	Dow Corning New Zealand Limited	Fellow Subsidiary
45	Dow Corning Australia Pty. Ltd.	Fellow Subsidiary
46	Dow Corning Siloxane (Zhangjiagang) Holding Co. Private Ltd.	Fellow Subsidiary
47	Hemlock Semiconductor Pte. Ltd.	Fellow Subsidiary
48	Dow Corning Silicones Malaysia Sdn. Bhd.	Fellow Subsidiary
49	Dow Corning de Argentina S.R.L.	Fellow Subsidiary
50	Dow Corning de Mexico S.A. de C.V.	Fellow Subsidiary
51	Palmyra Recursos Naturais Exploração e Comércio Ltda.	Fellow Subsidiary
52	Dow Corning de Colombia Ltda.	Fellow Subsidiary



Sr. No	Names of other Related parties	Nature of Relationship
53	Dow Corning do Brasil Ltda.	Fellow Subsidiary
54	Dow Corning Silício do Brasil Indústria e Comércio Ltda	Fellow Subsidiary
55	Dow Corning Pension Trustee Limited	Fellow Subsidiary
56	Dow Corning Titrisation	Fellow Subsidiary
57	Fonds de Pension Dow Corning O.F.P.	Fellow Subsidiary
58	HS Upstate Inc.	Fellow Subsidiary

**30. (i) Defined benefit plan being Gratuity (Unfunded)**

As per Actuarial valuations as on 31<sup>st</sup> March, 2016 and in accordance with the Accounting Standard 15 (Revised) 'Employee Benefits' specified under Section 133 of the Companies Act, 2013:

	Amount in ₹	
a) Net employee benefit expense (recognized in Employee Cost)	<b>2015-16</b>	2014-15
Current service cost	<b>410,279</b>	332,999
Interest cost on benefit obligation	<b>235,406</b>	206,068
Expected return on plan assets	-	-
Net actuarial( gain) / loss recognised in the year	<b>(79,499)</b>	394,685
Past service cost	-	-
Net expense	<b>566,186</b>	933,752
		Amount in ₹
b) Details of provision for Gratuity	<b>2015-16</b>	2014-15
Defined benefit obligation	<b>3,370,311</b>	3,068,172
Fair value of plan assets	-	-
	<b>3,370,311</b>	3,068,172
Less: Unrecognised past service cost	-	-
	<b>3,370,311</b>	3,068,172
		Amount in ₹
c) Changes in the present value of the defined benefit obligation are as follows:	<b>2015-16</b>	2014-15
Opening defined benefit obligation	<b>3,068,172</b>	2,307,559
Interest cost on benefit obligation	<b>235,406</b>	206,068
Current service cost	<b>410,279</b>	332,999
Benefits paid	<b>(264,047)</b>	(173,139)
Net actuarial( gain) / loss recognised in the year	<b>(79,499)</b>	394,685
Past service cost	-	-
Closing defined benefit obligation	<b>3,370,311</b>	3,068,172
d) Principal actuarial assumptions	<b>2015-16</b>	2014-15
	%	%
Discount rate as at 31 <sup>st</sup> March (Refer Note (i))	<b>7.80</b>	7.80
Expected increase in salary costs (Refer Note (ii))	<b>7.00</b>	7.00
Employee attrition Rate	<b>7.59</b>	14.63

Mortality Rate	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
e) Experience adjustments and assumptions	2015-16	2014-15
- On Plan commitments	(79,499)	394,685
- On Plan assets	-	-
	<b>(79,499)</b>	<b>394,685</b>

f) Amounts recognised in current year and previous four years

Particular of Gratuity	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	<b>3,370,311</b>	3,068,172	2,307,559	2,244,165	2,210,385
Fair value of plan assets	-	-	-	-	-
Surplus/(Deficit) in the plan	<b>(3,370,311)</b>	(3,068,172)	(2,307,559)	(2,244,165)	(2,210,385)
Actuarial (gain)/loss on plan obligation	<b>(79,499)</b>	394,685	(176,164)	162,452	(202,079)
Actuarial (gain)/loss on plan assets	-	-	-	-	-

(ii) Defined benefit plan being Leave Encashment (Unfunded)

As per Actuarial valuations as on 31<sup>st</sup> March, 2016 and in accordance with the Accounting Standard 15 (Revised) 'Employee Benefits' specified under Section 133 of the Companies Act, 2013:

	Amount in ₹	
a) Net employee benefit expense (recognized in Employee Cost)	2015-16	2014-15
Current Service Cost	<b>151,360</b>	128,121
Interest on obligation	<b>69,501</b>	54,389
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	<b>(29,970)</b>	208,882
Past service cost	-	-
Net expense	<b>190,891</b>	391,392
	Amount in ₹	
b) Details of provision for Leave Encashment	2015-16	2014-15
Defined benefit obligation	<b>1,092,422</b>	930,098
Fair value of plan assets	-	-
	<b>1,092,422</b>	930,098
Less: Unrecognised past service cost	-	-
	<b>1,092,422</b>	930,098
	Amount in ₹	
c) Changes in the present value of the defined benefit obligation are as follows:	2015-16	2014-15
Opening defined benefit obligation	<b>930,098</b>	620,266
Interest cost on benefit obligation	<b>151,360</b>	128,121
Interest cost	<b>69,501</b>	54,389
Benefits paid	<b>(28,567)</b>	(81,559)
Net actuarial (gain) / loss recognised in the year	<b>(29,970)</b>	208,882
Past service cost	-	-
Closing defined benefit obligation	<b>1,092,422</b>	930,099

d) Principal actuarial assumptions					
			<b>2015-16</b>		2014-15
			%		%
Discount rate as at 31 <sup>st</sup> March (Refer Note (i))			<b>7.80</b>		7.80
Expected increase in salary costs (Refer Note (ii))			<b>7.00</b>		7.00
Employee attrition Rate			<b>7.59</b>		14.63
Mortality Rate			<b>India Assured Lives Mortality (2006-08)</b>		India Assured Lives Mortality (2006-08)
e) Experience adjustments and assumptions			<b>2015-16</b>		2014-15
- On Plan commitments			<b>(29,970)</b>		208,882
- On Plan assets			-		-
			<b>(29,970)</b>		208,882
f) Amounts recognised in current year and previous four years					
<b>Particular of Leave encashment</b>		<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Defined benefit obligation		<b>1,092,422</b>	930,098	620,266	746,189
Fair value of plan assets		-	-	-	-
Surplus/(Deficit) in the plan		<b>(1,092,422)</b>	(930,098)	(620,266)	(746,189)
Actuarial (gain)/loss on plan obligation		<b>(29,970)</b>	208,882	(107,236)	(204,368)
Actuarial (gain)/loss on plan assets		-	-	-	-

**Notes:**

- (i) 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.
- (ii) 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.

**31. Basic & Diluted earnings per share**

		<b>2015-16</b>	2014-15
Profit after tax attributable to equity share holders (₹)		<b>98,769,140</b>	72,216,109
Weighted average number of shares outstanding during the year (Nos.)		<b>12,620,000</b>	12,620,000
Earning per share (Basic/Diluted) (₹)		<b>7.83</b>	5.72
Nominal value per share (₹)		<b>10</b>	10

**32.** The Company has not taken/entered into 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 ₹			
		Amount in foreign currency		Equivalent amount in Rupees	
		2015-16	2014-15	2015-16	2014-15
Trade Payables	USD	<b>308,315</b>	60,161	<b>20,451,385</b>	3,765,505
Trade Payables	EURO	<b>240,601</b>	124,110	<b>18,202,109</b>	8,334,436
Trade Receivables	USD	<b>99,410</b>	176,733	<b>6,594,110</b>	11,061,868
Trade Receivables	EURO	<b>14,038</b>	8,790	<b>1,062,010</b>	590,247
Advance to supplier	USD	<b>29,280</b>	269,887	<b>1,942,224</b>	16,892,420

**33. Expenditure in foreign currency (accrual basis)**

	Amount in ₹	
	2015-16	2014-15
Foreign travelling	731,008	1,090,956
Support charges	11,577,749	8,446,601
Royalty charges	3,941,285	2,510,112
	<b>16,250,042</b>	<b>12,047,669</b>
<b>34. Value of Import calculated on CIF basis</b>		
Raw material	261,518,662	189,617,038
Capital goods	22,495,293	-
	<b>284,013,955</b>	<b>189,617,038</b>
<b>35. Earnings in foreign currency (Accrual basis)</b>		
Exports at F.O.B. value	39,827,239	42,283,547
Income from Shared services operations	3,078,214	5,427,847
	<b>42,905,453</b>	<b>47,711,394</b>

**36. Details of consumption of imported and indigenous items \***

	% of total consumption		Amount in ₹	
	2015-16	2014-15	2015-16	2014-15
<b>Imported:</b>				
Raw materials	57	55	216,660,545	207,296,217
Stores and Spare	-	-	-	-
			<b>216,660,545</b>	<b>207,296,217</b>
<b>Indigenous:</b>				
Raw materials	43	45	164,202,430	170,305,483
Stores and Spare	100	100	2,134,972	2,470,388
			<b>166,337,402</b>	<b>172,775,871</b>

**37. Previous Year Comparatives**

The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification.

**For Multibase India Limited**

sd/-  
**H.N. Motiwalla**  
(Director)  
(DIN 00029835)

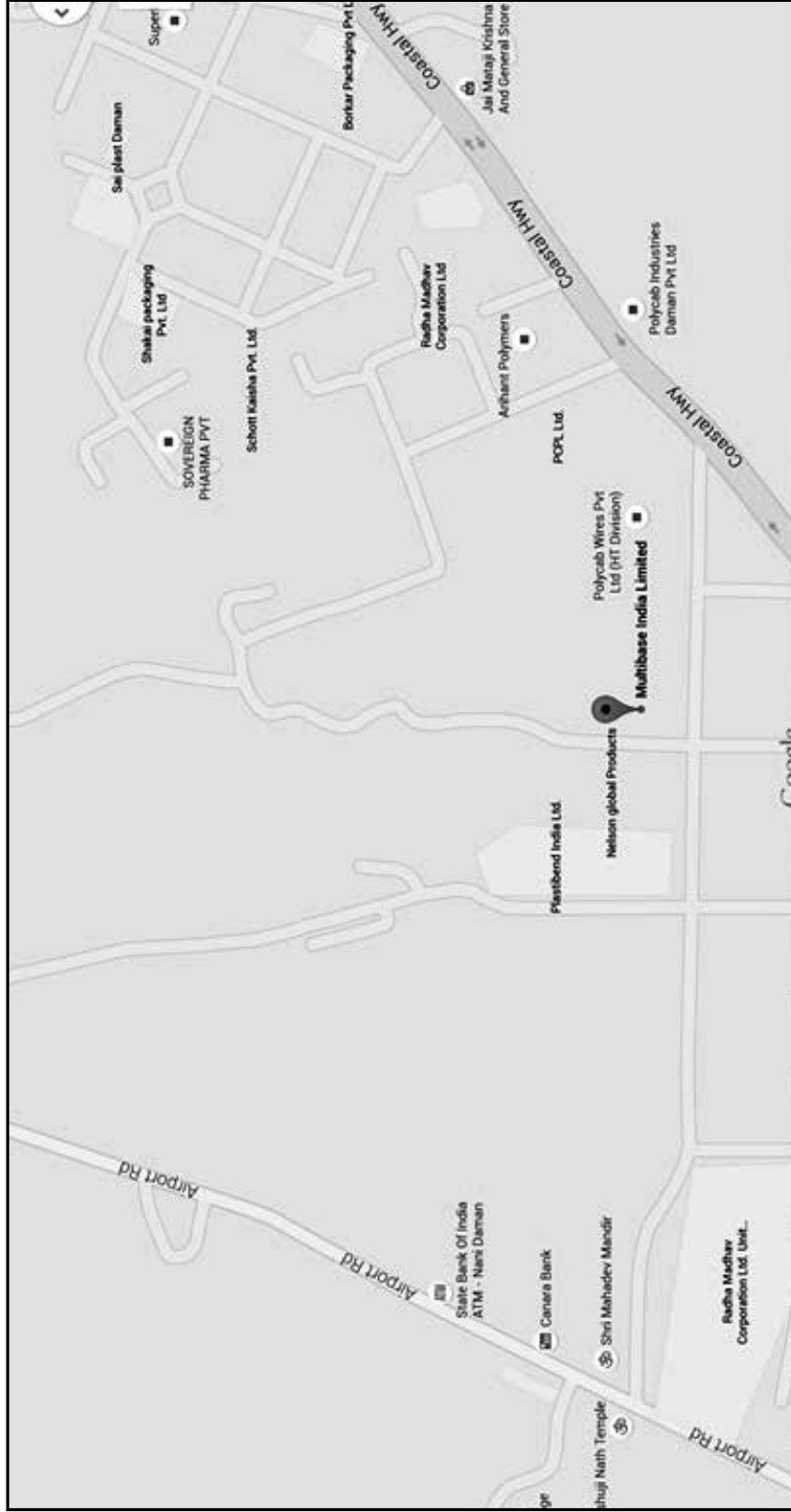
sd/-  
**Deepak Dhanak**  
(Managing Director)  
(DIN 03157491)

sd/-  
**Dharmesh Painter**  
(Chief Financial Officer)

sd/-  
**Sunaina Goraksh**  
(Company Secretary)

Place :- Mumbai  
Date :- 30<sup>th</sup> May, 2016

# ROUTE MAP OF ANNUAL GENERAL MEETING





# MULTIBASE INDIA LIMITED

Registered Office: 74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396 210 (U.T.)  
CIN: L01122DD1991PLC002959, 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)

## ATTENDANCE SLIP

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

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

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

I hereby record my presence at the TWENTY-FIFTH ANNUAL GENERAL MEETING of the Company on Wednesday, September 28, 2016 at 11:00 a.m. at 74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396210 (U.T.).

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

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

### NOTE :

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

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

----- (TEAR HERE) -----



# MULTIBASE INDIA LIMITED

Registered Office: 74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396 210 (U.T.)  
CIN: L01122DD1991PLC002959, 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)

## PROXY FORM

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

### 25<sup>th</sup> Annual General Meeting

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY-FIFTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, September 28, 2016 at 11.00 am at 74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman – 396210 (U.T.) and at any adjournment thereof in respect of following resolutions:

No.	Resolution
1.	Adoption of Audited Balance Sheet as of 31 <sup>st</sup> March, 2016, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Auditors' Report and Directors' Report thereon
2.	Retirement of Mr. Krishna Joshi (DIN: 00339957)
3.	Ratification of appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors
4.	Appointment of Mrs. Maithilee Mistry (DIN 02152619) as a Director of the Company.
5.	Revision in Remuneration of Mr. Deepak Dhanak (DIN: 03157491), Managing Director
6.	Approval of material related party transaction with Multibase S.A.
7.	Approval of material related party transaction with Dow Corning Europe S.A.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Revenue  
Stamp  
Re.1

\_\_\_\_\_  
Signature of member

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

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

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

### Note:

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

