



**multibase**

A Dow Corning Company

Multibase India Limited

19<sup>TH</sup>  
ANNUAL REPORT

**We are trusted global partners driven  
by our passion to create value  
with innovative and customized  
thermoplastic solutions.**

## Multibase India Ltd.

### BOARD OF DIRECTORS

JEAN PAUL MOLLIE	Director	(W.e.f. 30.09.2009)
H. N. MOTIWALLA	Director	(W.e.f. 27.10.2009)
ASHOK CHHABRA	Director	(W.e.f. 27.10.2009)
SIMON BERNARD	Director	(W.e.f. 29.05.2010)
KRISHNA H. JOSHI	Managing Director	
DEEPAK DHANAK	Whole Time Director	(W.e.f. 29.06.2010)
RAJ KAPUR	Director	(Upto 31.12.2009)
NOSH MODI	Director	(Upto 01.10.2009)
PATRICK MCLEOD	Director	(Upto 29.05.2010)
ISH BUDHIRAJA	Director	(Upto 30.09.2009)

### COMPANY SECRETARY

ASHISH DARAK

### AUDITORS

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

### BANKERS

Citi Bank

HDFC Bank Limited

State Bank of India

### REGISTERED - OFFICE

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

### REGISTRAR & SHARE TRANSFER AGENT

#### Link Intime India Private Ltd.

C-13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (W),  
Mumbai - 400 078.

Tel. No. +91 22 25946970

Fax No. +91 22 25946969

Email ID : mt.helpdesk@linkintime.co.in

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## NOTICE

**NOTICE** is hereby given that the 19<sup>th</sup> (Nineteenth) Annual General Meeting of the Company will be held at 11:30 a.m. on Saturday, 28<sup>th</sup> August, 2010, 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 and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010, the Balance Sheet as at that date and the Directors' and auditors' reports thereon for the financial year ended 31<sup>st</sup> March, 2010.
2. To appoint Statutory auditors of the company to hold office and to fix their remuneration and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:  
"RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117364 W), be and are hereby appointed as statutory auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

3. To consider, and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Jean Paul Mollie, be and is hereby appointed as a director of the Company, liable to retire by rotation."
4. To consider, and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. H. N. Motiwala, 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 the following resolution, with or without modification, as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Ashok Chhabra, be and is hereby appointed as a director of the Company, liable to retire by rotation."
6. To consider, and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Simon Bernard, be and is hereby appointed as a director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Deepak Dhanak, be and is hereby appointed as a director of the Company, liable to retire by rotation."

8. To appoint Mr. Deepak Dhanak as a Whole Time Director and in this regard to consider, and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the Companies act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the company be and is hereby accorded to the appointment of Mr. Deepak Dhanak, as Whole Time Director of the Company, for a period of 3 years w.e.f. 29<sup>th</sup> June, 2010 on the terms & conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the superintendence, direction and control of the Board of Directors of the Company and the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or reenactment thereof.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, remuneration payable to the Whole Time Director shall be governed by section Section II of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Sd/-  
**(KRISHNA H. JOSHI)**  
Managing Director

### Registered Office:

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

Date : 30.06.2010.

Place: Mumbai.

## Multibase India Ltd.

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR HOLDING THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> August, 2010 to 28<sup>th</sup> August, 2010 (Both Days Inclusive).
3. The Register of Directors shareholding maintained under section 307 of the Companies Act, 1956, will be available for inspection by members at the AGM.
4. The Register of Contracts maintained under section 301 of the Companies Act, 1956 will be available for inspection by members at the AGM.
5. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office / Registrar and Transfer Agents quoting their Folio Number.
6. 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.
7. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing there representative to attend and vote at the Annual General Meeting.
8. 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.
9. Members holding shares in more than one folio are requested to write to the Company to consolidate their holding in one folio.
10. Information regarding particulars of the directors to be appointed and the directors seeking reappointment requiring disclosure in terms of the listing agreement, are annexed hereto. The committee chairmanships/ memberships considered for the purposes of disclosure are those prescribed under clause 49(I)(C) of the Listing Agreement(s) viz. Audit Committee and Shareholders'/ Investors Grievance Committee of Indian public limited companies.
11. 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.

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

## **EXPLANATORY STATEMENT**

(Pursuant To Section 173(2) Of The Companies Act, 1956)

### **ITEM NO. 3**

Mr. Jean Paul Mollie has been appointed as an Additional Director w.e.f. 30<sup>th</sup> September, 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 ('the Act') and Article No. 137 of the Article of Association of the company.

In terms of Section 260 of the Act, Mr. Jean Paul Mollie would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice along with deposit of Rs. 500/- for proposing the candidature of Mr. Jean Paul Mollie for the office of Director of the Company under the provisions of section 257 of the Act.

Mr. Jean Paul Mollie is not disqualified from being appointed as Director in terms of section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from

Mr. Jean Paul Mollie in terms of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Details of Mr. Jean Paul Mollie, pursuant to the requirement of the Listing Agreement with the Stock Exchanges, are given in the statement attached.

None of the Directors except Mr. Jean Paul Mollie are, in any way, concerned or interested in the passing of the resolution.

The resolution mentioned in Item no.3 of the notice is recommended for your approval.

### **ITEM NO. 4**

Mr. H. N. Motiwalla has been appointed as an Additional Director w.e.f. 27<sup>th</sup> October, 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 ('the Act') and Article No. 137 of the Article of Association of the company.

## **Multibase India Ltd.**

In terms of Section 260 of the Act, Mr. H. N. Motiwalla would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice along with deposit of Rs. 500/- for proposing the candidature of Mr. H. N. Motiwalla for the office of Director of the Company under the provisions of section 257 of the Act.

Mr. H. N. Motiwalla is not disqualified from being appointed as Director in terms of section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from

Mr. H. N. Motiwalla in terms of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Details of Mr. H. N. Motiwalla, pursuant to the requirement of the Listing Agreement with the Stock Exchanges, are given in the statement attached.

None of the Directors except Mr. H. N. Motiwalla are, in any way, concerned or interested in the passing of the resolution.

The resolution mentioned in Item no.4 of the notice is recommended for your approval.

### **ITEM NO. 5**

Mr. Ashok Chhabra has been appointed as an Additional Director w.e.f. 27<sup>th</sup> October, 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 ('the Act') and Article No. 137 of the Article of Association of the company.

In terms of Section 260 of the Act, Mr. Ashok Chhabra would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice along with deposit of Rs. 500/- for proposing the candidature of Mr. Ashok Chhabra for the office of Director of the Company under the provisions of section 257 of the Act.

Mr. Ashok Chhabra is not disqualified from being appointed as Director in terms of section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from

Mr. Ashok Chhabra in terms of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Details of Mr. Ashok Chhabra, pursuant to the requirement of the Listing Agreement with the Stock Exchanges, are given in the statement attached.

None of the Directors except Mr. Ashok Chhabra are, in any way, concerned or interested in the passing of the resolution.

The resolution mentioned in Item no.5 of the notice is recommended for your approval.

### **ITEM NO. 6**

Mr. Simon Bernard has been appointed as an Additional Director w.e.f. 29<sup>th</sup> May, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 ('the Act') and Article No. 137 of the Article of Association of the company.

In terms of Section 260 of the Act, Mr. Simon Bernard would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice along with deposit of Rs. 500/- for proposing the candidature of Mr. Simon Bernard for the office of Director of the Company under the provisions of section 257 of the Act.

Mr. Simon Bernard is not disqualified from being appointed as Director in terms of section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from

Mr. Simon Bernard in terms of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Details of Mr. Simon Bernard, pursuant to the requirement of the Listing Agreement with the Stock Exchanges, are given in the statement attached.

None of the Directors except Mr. Simon Bernard are, in any way, concerned or interested in the passing of the resolution.

The resolution mentioned in Item no.6 of the notice is recommended for your approval.

### **ITEM NO. 7 & 8**

Mr. Deepak Dhanak has been appointed as an Additional Director w.e.f. 29<sup>th</sup> June, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 ('the Act') and Article No. 137 of the Article of Association of the company.

In terms of Section 260 of the Act, Mr. Deepak Dhanak would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice along with deposit of Rs. 500/- for proposing the candidature of Mr. Deepak Dhanak for the office of Director of the Company under the provisions of section 257 of the Act.

Mr. Deepak Dhanak is not disqualified from being appointed as Director in terms of section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Deepak Dhanak in terms of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Further, the Board also appointed, subject to the approval of members, Mr. Deepak Dhanak as a Whole Time Director of the Company for a period of 3 years effective from 29th June, 2010 in terms of the applicable provisions of the Act.

## Multibase India Ltd.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Deepak Dhanak are as follows:

Per annum (Rs. In Lakhs)

a. Salary (Inclusive of all perquisites) Upto Rs. 15 Lakhs p.a. as the Board may determine from time to time

The perquisites and allowances, as aforesaid, shall include House Rent Allowance; Medical reimbursement; Leave travel Allowance and such other perquisites and /or allowances.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income-tax law, and gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income-tax law shall not be included for the purpose of computation of the overall ceiling of remuneration. Annual increment in salary and perquisites and remuneration by way of incentive / bonus payable to Mr. Deepak Dhanak as may be determined by the Board and / or Remuneration Committee of the board from time to time, is to be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration permissible under the Act.

The Whole Time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time given and made by the Board and his functions will be under the overall authority of the Board.

Mr. Deepak Dhanak satisfies all the conditions set out in Part – I of Schedule XIII of the Act for being eligible for the appointment. The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of appointment of Mr. Deepak Dhanak, Whole Time Director of the Company and Memorandum of interest of Directors u/s. 302 of the Companies Act, 1956.

Mr. Deepak Dhanak is interested in the Resolution as set out at Item No. 7 & 8 of the Notice which pertains to his appointment and remuneration payable to him. Save and except Mr. Deepak Dhanak none of the Director of the Company is, in any way, concerned or interested in the resolution.

As per the provisions of Section 198, 269 and 309 read with Schedule XIII to the Companies Act, 1956, the appointment of and remuneration to Whole Time Director requires the approval of the shareholders in General Meeting by way of a ordinary resolution.

The Board recommends the resolution as set out at Item no.7 & 8 of the Notice for your approval.

By Order of the Board of Directors

Sd/  
**(KRISHNA H. JOSHI)**  
Managing Director

**Registered Office:**

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

Date : 30.06.2010.

Place: Mumbai.

## Multibase India Ltd.

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

<b>Name of Director</b>	Mr. Jean Paul Mollie	Mr. H. N. Motiwalla	Mr. Ashok Chhabra	Mr. Simon Bernard	Mr. Deepak Dhanak
<b>Date of Birth</b>	09-09-1954	24-03-1945	04-07-1952	15-01-1965	05-06-1972
<b>Relationships with other Directors inter-se</b>	None	None	None	None	None
<b>Date of Appointment</b>	30-09-2009	27-10-2009	27-10-2009	29-05-2010	29-06-2010
<b>Expertise in specific functional areas</b>	Electronics	Practising Professional	Practising Professional	Civil Engineering	Supply Chain Management
<b>Qualification</b>	Engg. degree in Electronics, PTI, Marketing & Gen. Management Courses	B.Com.; LL.B.; FCA and DISA	LL.B.; FCS	PG in Civil Engineering	Graduate & Diploma in Chemical Engg. MDBA
<b>No. of Equity Shares held in the Company</b>	NIL	NIL	NIL	NIL	NIL
<b>List of other companies in which Directorships are held</b>	Dow Corning India Pvt. Ltd.	1. Excel Industries Ltd. 2. Hi Tech Plast Ltd.	NIL	NIL	NIL
<b>List of committees of the Board of Directors (across all companies) in which Chairmanship / Membership is held</b>	-	<u>Chairman</u> Audit Committee of MIL <u>Member</u> Shareholders / Grievance / Transfer Committee of MIL	<u>Member</u> Audit Committee of MIL <u>Chairman</u> Shareholders / Grievance / Transfer Committee of MIL	<u>Member</u> Audit Committee of MIL	-

Note:

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

**DIRECTORS' REPORT**

To

**The Members,**

Your Directors are pleased to present the Nineteenth Annual Report together with audited accounts of your Company for the financial year ended 31st March, 2010.

**FINANCIAL RESULTS**

Rs. In Lac

	<b>March 31, 2010</b>	<b>March 31, 2009</b>
<b>A.</b> Profit before Depreciation	416.02	(126.7)
<b>B.</b> Depreciation	65.64	103.5
<b>C.</b> Profit for the year/period	350.39	(230.2)
<b>D.</b> Provision for Taxes	81.23	(24.3)
<b>E.</b> (Loss)/Profit brought Forward	269.16	494.0
<b>F.</b> Transitional Effect of Employee Benefits per AS-15 Revised	--	--
<b>G.</b> Net(Loss)/Profit carried Forward	557.25	288.1

**OPERATIONS:**

During the period 1st April, 2009 to 31st March, 2010, the Company reported a turnover of Rs 3557.42 lacs as against Rs. 3,538.0 lacs for the previous year April, 2008 to March, 2009. There was an operating profit of Rs. 362.34 lacs as against an operating loss of Rs. 87.2 lacs for the previous year. After providing for interest of Rs 11.95 lacs, depreciation of Rs. 65.64 lacs, and provision for Taxation of Rs. 81.23 lacs, the Company has made a Net Profit after Tax of Rs. 269.16 lacs.

**DIVIDEND:**

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

**DIRECTORS:**

In accordance with the Articles of Association of the Company and the provisions of Companies Act, 1956:

Mr. Jean Paul Mollie, appointed as Additional Director holds his office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting. Accordingly, the Board hereby recommends his appointment as Director of the company whose period of office shall be liable to be determined by retirement of Directors by rotation.

Mr. H. N. Motiwala, appointed as Additional Director holds his office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting. Accordingly, the Board hereby recommends his appointment as Director of the company whose period of office shall be liable to be determined by retirement of Directors by rotation.

Mr. Ashok Chhabra, appointed as Additional Director holds his office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting. Accordingly, the Board hereby recommends his appointment as Director of the company whose period of office shall be liable to be determined by retirement of Directors by rotation.

Mr. Simon Bernard, appointed as Additional Director holds his office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting. Accordingly, the Board hereby recommends his appointment as Director of the company whose period of office shall be liable to be determined by retirement of Directors by rotation.

Mr. Deepak Dhanak was appointed as additional Director effective June 29, 2010. He was also appointed as Whole Time Director for three years. In terms of section 260 of the Companies Act, 1956 he shall hold office only upto the date of the ensuing Annual General Meeting.

The company has received requisite notices in writing from members proposing their candidatures for the office of Director liable to retire by rotation.

None of the directors of the Company are disqualified for being appointed as directors as specified in section 274(1) (g) of the Companies Act, 1956.

Your directors recommend their appointments, re-appointment, necessary resolutions for the appointments, re-appointment of the aforesaid directors have been included in the Notice convening the annual general meeting.

During the Financial Year 2009 – 10 Mr. Ish Budhiraja & Mr. Nosh Modi resigned from the Directorship of the Company, Your Directors place on record their appreciation for the contributions, guidance made by them enabling the Company to gain from their rich experience, knowledge they had in their respective fields for the Business of the Company.

**SHARE LISTING**

During the year the Company had made an application to Ahmedabad Stock Exchange (ASE) & Vadodara Stock Exchange (VSE) for delisting of its Equity shares under Voluntary delisting of Securities under SEBI (Delisting of Equity Shares) Regulations, 2009. The said applications had been duly accepted by the respective Stock Exchanges on completion of all the procedures required in support of the same. The company has received Delistment approval from ASE. The Company's shares continue to be listed at Bombay & Vadodara Stock Exchange. The Listing fees for the year 2010-2011, have been paid by the Company.

**CORPORATE GOVERNANCE**

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



## Multibase India Ltd.

### FIXED DEPOSITS

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year 2009 -10, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

### AUDITORS

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

The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN

### EXCHANGE EARNINGS AND OUTGO

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

### PARTICULARS OF EMPLOYEES

Pursuant to provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended forms a part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Reports and Accounts are being sent to all members excluding the statement of particulars of employees Under Section 217(2A). Any member interested in obtaining a copy of the statement may write to the Compliance Officer at the Registered office of the Company.

### REVIEW BY AUDIT COMMITTEE

The Financials of the Company were reviewed by the Audit Committee before being placed before the Board on their meeting held on May 29, 2010.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### INSURANCE

The properties and assets of your Company are adequately insured.

### INDUSTRIAL RELATION

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

### ACKNOWLEDGEMENT

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

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

By order of the Board of Directors  
For **Multibase India Ltd**

Sd/-  
**(KRISHNA H. JOSHI)**  
Managing Director

Place: Daman

Date: 30.06.2010

**ANNEXURE 'A' TO THE DIRECTORS' REPORT:**

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

**(A) CONSERVATION OF ENERGY:**

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

**(a) Purchased:**

	<b>Current year</b>	<b>Last Year</b>
Units (KWH)	1160500	12,27,810
Total Amount (Rs)	4322475	42,78,238
Rate per unit (Rs)	3.72	3.48

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

	<b>Current year</b>	<b>Last Year</b>
Quantity (kL)	20.496	14,407
Total Amount (Rs.)	733818	5,45,850
Average Rate (Rs.)	35.80	37.88

**(c) Consumption per unit of Production**

	<b>Current year</b>	<b>Last Year</b>
Electricity (KWH/Ton)	526.85	486.53
Furnace Oil/LSHS/ LDO/HSQ/Diesel (KL/ Ton)	8.91	5.71

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

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

**(B) TECHNOLOGY ABSORPTION:**

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

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

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year the Company has shown following foreign exchange transactions:

- (i) Total Foreign Exchange used: Rs. 1380.92 lacs
- (ii) Total Foreign Exchange earned: Rs. 438.24 lacs

By order of the Board of Directors  
For **Multibase India Ltd**

Sd/-  
**(KRISHNA H. JOSHI)**  
Managing Director

Place: Daman  
Date: 30.06.2010

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **CAVEAT**

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

The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic, and increasingly fraught with risk and uncertainties. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, future events, or otherwise.

### **BACKGROUND**

The data of the current accounting year is for 12 months. The year started with the backdrop of the markets recovering from the slow-down or recession seen and an abnormally high increase in the prices of raw materials seen in 2008-09. The Company has started to increase presence in the Automotive market, which is a growing market in India. The Company has prioritized its focus on Silicon-enhanced products and targeted to find new markets for this product in India. Thermoplastic Elastomers sales in India continued to grow at a steady rate. We managed to hold our margins in an increasingly competitive market.

### **OVERVIEW**

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

### **FINANCIAL REVIEW**

The overall performance of the Company during the current financial period has been good. During the period 1st April, 2009 to 31st March, 2010, the Company reported a turnover of Rs 3557.42 lacs as against Rs. 3,538.0 lacs for the previous year April, 2008 to March, 2009. There was an

operating profit of Rs. 362.34 lacs as against an operating loss of Rs. 87.2 lacs for the previous year. After providing for interest of Rs 11.95 lacs, depreciation of Rs. 65.64 lacs, and provision for Taxation of Rs. 81.23 lacs, the Company has made a Net Profit after Tax of Rs. 269.16 lacs.

### **RISKS AND CONCERNS**

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

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

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

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

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

### **INTERNAL CONTROL SYSTEMS**

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

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

### **CAUTIONARY STATEMENT**

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

**Corporate Governance Report for the year 2009-10**

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

**1. Company's Philosophy on code of Corporate Governance**

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

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

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

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

**2. Board of Directors**

**a. Composition of the Board**

Composition of the Board is as per listing requirement. Board comprises of Six Directors at present with combination of independent and non-independent Directors. The board elects its Chairman at its meetings.

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

The constitution of the Board as on 30.06.2010 is given below:

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

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

**Details of the Directors seeking Re-appointment.**

Mr. H. N. Motiwalla, Mr. Jean Paul Mollie, Mr. Simon Bernard and Mr. Ashok Chhabra are retiring by rotation and seeking reappointment. Likewise Mr. Deepak Dhanak, Whole Time Director is also seeking shareholders approval for his appointment at the ensuing Annual General Meeting.

**b. Board Meetings**

The Board of Directors of the Company met five times during the financial year 2009 – 10 on the following dates: 30<sup>th</sup> June 2009, 31<sup>st</sup> July 2009, 30<sup>th</sup> September 2009, 30<sup>th</sup> October 2009 and 27<sup>th</sup> January 2010.

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

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

	Attendance		
	No. of Meetings held during the tenure of Directors		Last AGM attended
	Held	Attended	
Mr. Jean Paul Mollie <sup>1</sup>	4	-	No
Mr. H. N. Motiwalla <sup>2</sup>	2	2	No
Mr. Ashok Chhabra <sup>2</sup>	2	2	No
Mr. Simon Bernard <sup>3</sup>	-	-	No

## Multibase India Ltd.

Mr. Krishna H. Joshi	5	5	Yes
Mr. Deepak Dhanak <sup>4</sup>	-	-	No
Mr. Ish Budhiraja <sup>5</sup>	3	-	No
Mr. Nosh Modi <sup>6</sup>	3	3	Yes
Mr. Raj Kapur <sup>7</sup>	4	4	Yes
Mr. Patrick McLeod <sup>8</sup>	5	-	No

<sup>1</sup> w.e.f. 30.09.2009; <sup>2</sup> w.e.f. 27.10.2009; <sup>3</sup> w.e.f. 29.05.2010; <sup>4</sup> w.e.f. 29.06.2010; <sup>5</sup> upto 30.09.2009; <sup>6</sup> upto 01.10.2009; <sup>7</sup> upto 31.12.2009; <sup>8</sup> upto 29.06.2010.

*\* Changes after Financial Year*

Effective from 29<sup>th</sup> May, 2010 & 29<sup>th</sup> June, 2010 Mr. Simon Bernard & Mr. Deepak Dhanak has been appointed as Additional Director and Whole Time Director of the company respectively.

The Non Executive Directors i.e. Mr. H. N. Motiwalla, Mr. Simon Bernard, Mr. Jean Paul Mollie and Mr. Ashok Chhabra during the year do not hold any shares in the company.

### c. Code of Conduct

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

A declaration signed by Mr. Krishna H. Joshi, Managing Director is given below:

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

It is further certified that all the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct of the company for the financial year ended 31<sup>st</sup> March, 2010.

Sd/-

**(KRISHNA H. JOSHI)**  
Managing Director

Daman, 30<sup>th</sup> June, 2010.

### BOARD COMMITTEES :-

#### a) Audit Committee

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

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

- i) Mr. H. N. Motiwalla, Chairman
- ii) Mr. Ashok Chhabra, Member
- iii) Mr. Simon Bernard, Member

Mr. Ashish Darak, Company Secretary acts as Secretary to the Committee. The broad terms of reference of Audit Committee are as under:-

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

## Multibase India Ltd.

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

During the Financial Year, the meetings of the Audit Committee were held on : 30<sup>th</sup> June 2009; 31<sup>st</sup> July 2009; 30<sup>th</sup> October 2009; 27<sup>th</sup> January 2010.

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

Name	Designation	Committee Meetings Attended
Mr. H. N. Motiwalla <sup>1</sup>	Chairman	2
Mr. Ashok Chhabra <sup>1</sup>	Member	2
Mr. Simon Bernard <sup>2</sup>	Member	-
Mr. Patrick Mcleod <sup>3</sup>	Member	-
Mr. Nosh Modi <sup>4</sup>	Member	2
Mr. Ish Budhiraja <sup>5</sup>	Member	2

<sup>1</sup> w.e.f. 27.10.2009; <sup>2</sup> w.e.f. 29.05.2010; <sup>3</sup> upto 29.06.2010; <sup>4</sup> upto 01.10.2009; <sup>5</sup> upto 30.09.2009.

### b) Shareholders / Investors Grievance/ Transfer Committee :

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

The Shareholders/Investors Grievance/ Transfer Committee consists of Mr. Ashok Chhabra, Chairman, Mr. H. N. Motiwalla, Member and Mr. Krishna H. Joshi, Member. Mr. Ashish Darak, Company Secretary, is the Compliance Officer.

The total number of shares transferred / transmitted during the year 2009 – 10 were 1100 Equity Shares. The total number of complaints received during the year 2009 – 10 were 2 and as on 31/03/2010, there was NIL complaint pending.

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

#### **Name, designation and address of Compliance Officer:**

Ashish Darak, Company Secretary, Multibase India Ltd., 74/5 & 6 Daman Industrial Estate, Kadaiya village, Nani Daman, Daman (U.T.) - 396 210

### c) Remuneration Committee

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

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

During the year under review one meeting was held on 31<sup>st</sup> July, 2009 for the re-appointment and payment of remuneration to Managing Director and modification, if any were also considered and approved.

## Multibase India Ltd.

The remuneration committee comprises of

Name	Designation	Committee Meetings Attended
Mr. H. N. Motiwalla <sup>1</sup>	Chairman	-
Mr. Ashok Chhabra <sup>1</sup>	Member	-
Mr. Simon Bernard <sup>2</sup>	Member	-
Mr. Patrick Mcleod <sup>3</sup>	Member	-
Mr. Nosh Modi <sup>4</sup>	Member	1
Mr. Ish Budhiraja <sup>5</sup>	Member	1

<sup>1</sup> w.e.f. 27.10.2009; <sup>2</sup> w.e.f. 29.05.2010; <sup>3</sup> upto 29.06.2010; <sup>4</sup> upto 01.10.2009; <sup>5</sup> upto 30.09.2009.

Details of Remuneration paid to all the Directors for the period 1<sup>st</sup> April 2009 to 31<sup>st</sup> March, 2010:

Name of the Director	Salary & Perquisites	Sitting Fees
Mr. H. N. Motiwalla	-	40,000
Mr. Ashok Chhabra	-	40,000
Mr. Simon Bernard	Not Applicable	-
Mr. Jean Paul Mollie	-	-
Mr. Krishna H. Joshi	30,07,347	-
Mr. Deepak Dhanak	Not Applicable	-
Mr. Patrick McLeod	-	-
Mr. Raj Kapur	-	-
Mr. Nosh Modi	-	-
Mr. Ish Budhiraja	-	-

### DISCLOSURES :

#### a. Related Party Transactions

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

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

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

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

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

#### d. During the year the Company had made an application to Ahmedabad Stock Exchange (ASE) & Vadodara Stock Exchange (VSE) for delisting of its Equity shares under Voluntary delisting of Securities under SEBI (Delisting of Equity Shares) Regulations, 2009. The said applications had been duly accepted by the respective Stock Exchanges on completion of all the procedures required in support of the same. The company has received Delistment approval from ASE.

The above disclosure is in compliance to clause 7 (1) (d) of above SEBI (Delisting of Shares) Regulations, 2009.

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

#### f. Secretarial Audit

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

#### g. Disclosure of Accounting Treatment

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

## Multibase India Ltd.

### h. Subsidiary Company

In terms of Clause 49 (III) of the Listing Agreement, your Company does not have a material non-listed Indian subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

### i. Management Discussion and Analysis Report

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

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

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

### k. CEO / CFO Certification

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

#### Certificate of Managing Director and Chief Financial Officer

We have reviewed the financial and the cash flow statements for the year 2009-10 and that to the best of our knowledge and belief:

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

Date :29/05/2010.

Place: Mumbai.

sd/-  
(Shibaji Chakraborty)  
**Chief Financial Officer**

sd/-  
(Krishna H. Joshi)  
**Managing Director**

### l. Means of Communication

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

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

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

### m. General Body Meetings

Location, time & special resolution passed in the last 3 AGM's were:

Year	Agm/Egm	Location	Date	Time	Special Resolution Passed
2007	AGM	74/5-6, Daman Indl Estate, Kadaiya village, Nani Daman	27/08/2007	11:30 A.M.	Refer Note 1 & 2 below
2008	AGM		25/09/2008	12:30 P.M.	Refer Note 3 below
2009	AGM		30/09/2009	12:30 P.M.	Refer Note 4 below



## Multibase India Ltd.

Summary of Special resolutions passed during the previous 3 AGMs :-

1. To change the name of the company from Synergy Multibase Limited to Multibase Limited.
2. To appoint Mr. Krishna H. Joshi as Managing Director of the Company for a period of three years with effect from 14<sup>th</sup> August 2006.
3. To increase the remuneration payable to Mr. Krishna H. Joshi, Managing Director with effect from 1<sup>st</sup> April, 2007 up to the residual term of his appointment up to 13<sup>th</sup> August 2009.
4. Re-appointment of Mr. Krishna H. Joshi as a Managing Director of the company for 5 years with effect from 13<sup>th</sup> August, 2009.

Special Resolution passed through Postal Ballot during the year 2009 – 10:

1. For Alteration of the Object Clause of the Memorandum of Association of the Company.
2. To commence the activities and / or the business as detailed under sub-clause 5 (i) of the 'Other Objects' under the Object Clause of the Memorandum of Association of the Company.

During these Annual General Meetings, all resolutions were passed unanimously/ by majority. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

### n. De-Materialisation of shares

Equity shares of the Company can be held in the dematerialized form either with the National securities Depository Limited or Central Depository Services Limited. Trading in equity shares of the Company is permissible only in Demat segment as per notification issued by Securities Exchange Board of India. The total number of shares Dematerialised as on 31st March, 2010 are 44,55,700 shares representing 35.31 % of total issued share capital.

### o. General Share holder information

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

#### Annual General Meeting

Date and Time : 28<sup>th</sup> August, 2010 at 11:30 a.m.  
Venue : 74/5-6 Daman Indl. Estate, Kadaiya Village, Nani Daman : 396 210.

#### Financial Calendar (tentative)

First Quarter Results : On or before 31st July, 2010  
Second Quarter Results : On or before 31st October, 2010  
Third Quarter Results : On or before 31st January, 2011  
Financial year ending : 31st March, 2011  
Approval of Annual Accounts : on or before 30th May, 2011  
Book Closure Dates : 21<sup>st</sup> August, 2010 to, 28<sup>th</sup> August, 2010 (Both days inclusive)

Registered Office & Factory : 74/5-6 Daman Indl. Estate, Kadaiya Village, Nani Daman : 396 210.

Head Office : G-22, Emerald Plaza, Block No.3, Hiranandani Meadows, Off. Pokhran Road No. 2, Thane (West), Pin – 400 607, Maharashtra.

Dividend Payment Date : No Dividend recommended by the Board

Registrar & Share Transfer Agent : M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W), Mumbai - 400 078.  
Tel No. 022- 25946970  
Fax No. 022- 25946969  
rnt.helpdesk@linkintime.co.in

Compliance Officer : Mr. Ashish Darak  
Secretarial Department,  
Multibase India Limited,  
74/5-6, Daman Industrial Estate, Kadaiya Village, Nani Daman.  
Pin - 396 210.

## Multibase India Ltd.

Listing on Stock Exchanges & Stock code : • Bombay Stock Exchange Ltd.,  
P. J. Towers, Dalal Street, Mumbai: 400 001.  
Scrip Code No.526169, ISIN: INE678F01014  
• Vadodara Stock Exchange Ltd.  
Fortune Towers, P.O. Box 2547,  
Sayajigunj, Vadodara 390005.

*The Company has paid in full the listing fees to the Stock Exchanges for the year 2010 – 11.*

**p. Share Transfer System**

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

Distribution of Shareholding as of 31st March, 2010

Cate-gory code shareholder	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
				As a percentage of (A+B)	As a percentage of (A+B+C) (VII)	Number of shares	As a percentage (IX) = (VIII/IV)*100
<b>(A) Shareholding of Promoter and Promoter Group</b>							
<b>-1 Indian</b>							
(a) Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-
(b) Central Government/ State Government(s)	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-
(d) Financial Institutions/ Banks	-	-	-	-	-	-	-
(e) Any Other (specify)	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	-	-	-	-	-	-	-
<b>-2 Foreign</b>							
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b) Bodies Corporate	2	9,464,994	5,717,894	75.00	75.00	0.00	0.00
(c) Institutions	-	-	-	-	-	-	-
(d) Any Other (specify)	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	2	9,464,994	5,717,894	75.00	75.00	0.00	0.00
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	2	9,464,994	5,717,894	75.00	75.00	0.00	0.00
<b>(B) Public shareholding</b>							
<b>-1 Institutions</b>							
(a) Mutual Funds/ UTI	-	-	-	-	-	-	-
(b) Financial Institutions/ Banks	-	-	-	-	-	-	-
(c) Central Government/ State Government(s)	-	-	-	-	-	-	-
(d) Insurance Companies	-	-	-	-	-	-	-
(e) FIs	-	-	-	-	-	-	-
(f) Foreign Venture Capital	-	-	-	-	-	-	-
(g) Any Other (specify)	-	-	-	-	-	-	-
1) Foreign Financial Instn	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-
<b>-2 Non-institutions</b>							
(a) Bodies Corporate	93	382,867	380,067	3.03	3.03	0.00	0.00
(b) Individuals							
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	4,688	1,398,413	898,413	11.08	11.08	0.00	0.00
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	23	1,007,425	1,007,425	7.98	7.98	0.00	0.00
(c) Any Other (Specify) 1.Directors/Relative	-	-	-	-	-	-	-
2.Clearing Member	31	103,268	103,268	0.82	0.82	0.00	0.00

## Multibase India Ltd.

3. Office Bearer	26	2,600	-	0.02	0.02	0.00	0.00
4. NRIs	20	26,083	26,083	0.21	0.21	0.00	0.00
5. NRN	149	220,550	31,150	1.75	1.75	0.00	0.00
6. Foreign Company						-	-
7. Friends & Associates	12	13,800	-	0.11	0.11	0.00	0.00
<b>Sub-Total (B)(2)</b>	5,042	3,155,006	2,446,406	25.00	25.00	0.00	0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	5,042	3,155,006	2,446,406	25.00	25.00	0.00	0.00
<b>TOTAL (A)+(B)</b>	<b>5,044</b>	<b>12,620,000</b>	<b>8,164,300</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>				-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5,044</b>	<b>12,620,000</b>	<b>8,164,300</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

**q. Shareholding Pattern by size as on 31st March, 2010:**

SHAREHOLDING OF SHARES	NOMINAL SHAREHOLDERS	NUMBER OF	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL SHARES
1 --	5000	4428	87.7875	6567170	5.2038
5001 --	10000	306	6.0666	2531530	2.0060
10001 --	20000	141	2.7954	2199140	1.7426
20001 --	30000	57	1.1301	1487110	1.1784
30001 --	40000	20	0.3965	710580	0.5631
40001 --	50000	16	0.3172	786190	0.6230
50001 --	100000	31	0.6146	2319490	1.8379
100001 --	*****	45	0.8921	109598790	86.8453
Total:		5044	100.0000	126200000	100.0000

**r. Stock Market price data for the year 2009-2010:**

Month	(Rs.)	
	High Price	Low Price
April, 2009	19.40	12.65
May, 2009	30.90	16.35
June, 2009	36.15	26.00
July, 2009	31.20	25.00
August, 2009	31.95	25.75
September, 2009	31.50	26.05
October, 2009	34.00	26.75
November, 2009	35.00	26.60
December, 2009	33.70	27.30
January, 2010	41.00	21.00
February, 2010	25.20	19.80
March, 2010	28.70	20.05

**CERTIFICATE**

To the Members of

**Multibase India Limited,**

We have examined the compliance of conditions of corporate governance by Multibase India Limited for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

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

For **Deloitte Haskins & Sells**

Chartered Accountants  
(Firm Regn. No. 117364W)

Sd/-

**Gaurav Shah**

Partner

[Membership No. 35701]

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF MULTIBASE INDIA LIMITED**

1. We have audited the attached Balance Sheet of MULTIBASE INDIA LIMITED ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956; (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
  - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

**GAURAV J. SHAH**  
Partner  
(Membership No. 35701)

**VADODARA,**  
29<sup>th</sup> May, 2010.

## **ANNEXURE TO THE AUDITORS' REPORT**

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

- (i) Having regard to the nature of the Company's business/ activities/results, clauses (xiii), (xiv), (xviii), (xix), (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
  - (a) As explained to us, the inventories were physically verified by the Management as at year end.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of

## Multibase India Ltd.

physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Transactions made in pursuance of such contracts or arrangements during the year do not exceed the value of Rs 5 lacs in respect of the party.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) Except for delays in depositing Professional Tax dues, the Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues

in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Ahmedabad	A.Y 2005-06	16,35,147/-
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals, Valsad	A.Y 2006-07	16,17,430/-

- (xi) The Company does not have any accumulated losses as at the end of the financial year. Further the Company has not incurred cash losses during the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xiii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

Gaurav J. Shah  
Partner  
(Membership No. 35701)

**VADODARA,**  
29<sup>th</sup> May, 2010.

**BALANCE SHEET AS AT 31ST MARCH, 2010**

		<i>Amounts in Rs.</i>	
	Schedules	As at 31st March, 2010	As at 31st March, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	126,200,000	126,200,000
Reserves and Surpluses	2	67,425,665	40,510,468
		<u>193,625,665</u>	<u>166,710,468</u>
<b>Loan Funds</b>			
Unsecured Loans	3	9,257,170	18,612,708
		<u>9,257,170</u>	<u>18,612,708</u>
Deferred Tax Liabilities (Net)	4	-	(86,000)
<b>TOTAL</b>		<u>202,882,835</u>	<u>185,237,176</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	133,586,258	125,653,954
Less : Accumulated Depreciation		<u>96,201,841</u>	<u>89,808,041</u>
Net Block		37,384,417	35,845,913
Capital Work-In-Progress Including Capital Advances		<u>396,300</u>	<u>3,471,625</u>
		<u>37,780,717</u>	<u>39,317,538</u>
Deferred Tax Assets (Net)	4	1,817,000	-
<b>Current Assets, Loans And Advances</b>			
Inventories	6	84,068,847	79,506,827
Sundry Debtors	7	56,907,049	62,256,759
Cash And Bank Balances	8	52,383,092	2,848,581
Loans And Advances	9	73,407,935	56,714,556
	<b>(A)</b>	<u>266,766,923</u>	<u>201,326,723</u>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	10	68,736,125	32,280,576
Provisions	11	34,745,680	22,954,509
	<b>(B)</b>	<u>103,481,805</u>	<u>55,235,085</u>
<b>Net Current Assets (A) - (B)</b>		<u>163,285,118</u>	<u>146,091,638</u>
<b>TOTAL</b>		<u>202,882,835</u>	<u>185,409,176</u>
<b>Significant Accounting Policies and Notes to Accounts</b>	18		

In terms of our report of even date

**For Deloitte Haskins & Sells,**

Chartered Accountants

**For Multibase India Limited**

sd/-  
**Gaurav Shah**  
Partner

sd/-  
**H. N. Motiwalla**  
Director

sd/-  
**Krishna Joshi**  
Managing Director

sd/-  
**Shibaji Chakraborty**  
Chief Financial Officer

sd/-  
**Ashish Darak**  
Company Secretary

Place : Vadodara  
Date : 29/05/2010

Place : Mumbai  
Date : 29/05/2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedules	For the year ended on 31st March, 2010	For the year ended on 31st March, 2009
<b>Amount in Rs.</b>			
<b>Turnover (Gross)</b>			
Gross Sales (Net of Sales Return)		355,741,688	353,803,811
Less : Excise Duty		21,882,410	30,162,504
Turnover (Net) (Refer Note No 17.2 Of Schedule 18)		333,859,278	323,641,307
Other Income	12	3,366,218	1,843,365
Increase / (Decrease) in Inventories	13	(8,804,679)	16,231,380
<b>TOTAL</b>		<b>328,420,817</b>	<b>341,716,052</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	14	214,608,012	265,320,981
Personnel Expenses	15	24,682,454	21,218,932
Operating and other Expenses	16	46,333,070	63,902,168
Depreciation	5	6,564,491	10,349,422
Interest & Financial Charges	17	1,194,593	3,941,412
<b>TOTAL</b>		<b>293,382,620</b>	<b>364,732,915</b>
Profit Before Tax		35,038,197	(23,016,863)
<b>Provision for Tax</b>			
- Current Tax (Includes Earlier year short provision Rs. 84,769, PY 2,87,693/-)		10,026,000	(62,003)
- Deferred Tax Charge		(1,903,000)	(3,114,000)
- Fringe Benefit Tax		-	750,000
Total Tax Expense		8,123,000	(2,426,003)
<b>Profit after Tax</b>		<b>26,915,197</b>	<b>(20,590,860)</b>
Balance Brought Forward From Previous Year		28,810,468	49,401,328
<b>Balance carried to Balance Sheet</b>		<b>55,725,665</b>	<b>28,810,468</b>
<b>Earnings per share</b>			
Basic [Nominal value per share Rs. 10 (Previous Year : Rs. 10)]			
- Computed on the basis of earnings including extra ordinary items		2.13	(1.63)
- Computed on the basis of earnings excluding extra ordinary items		2.13	(1.63)
Diluted [Nominal value per share Rs. 10 (Previous Year : Rs. 10)]			
- Computed on the basis of earnings including extra ordinary items		2.13	(1.63)
- Computed on the basis of earnings excluding extra ordinary items		2.13	(1.63)
<b>Significant Accounting Policies and Notes to Accounts</b>	18		

In terms of our report of even date

**For Deloitte Haskins & Sells,**

Chartered Accountants

**For Multibase India Limited**

sd/-  
**Gaurav Shah**  
Partner

sd/-  
**H. N. Motiwalla**  
Director

sd/-  
**Krishna Joshi**  
Managing Director

sd/-  
**Shibaji Chakraborty**  
Chief Financial Officer

sd/-  
**Ashish Darak**  
Company Secretary

Place : Vadodara  
Date : 29/05/2010

Place : Mumbai  
Date : 29/05/2010



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<i>Amount in Rs.</i>	
	<b>For the year ended on 31st March, 2010</b>	<b>For the year ended on 31st March, 2009</b>
<b>A. Cash flow from operating activities</b>		
Net profit before tax	35,038,197	(23,016,863)
Adjustments for:		
Depreciation & Impairment	6,564,491	12,936,811
(Profit) / Loss On Sale Of Fixed Assets (Net)	76,168	-
Unrealised Foreign Exchange Loss (Net)	2,162,933	106,302
Interest Income	-	(42,153)
Interest Expense	1,194,593	3,941,412
Bad debts written off	-	-
<b>Operating profit before working capital changes</b>	<b>45,036,382</b>	<b>(6,074,491)</b>
Movements In Working Capital :		
Decrease / (Increase) In Sundry Debtors	5,583,669	33,520,502
Decrease / (Increase) In Inventories	(4,562,020)	(5,592,302)
Decrease / (Increase) Loans and Advances	(7,797,309)	(14,342,100)
Increase / (Decrease) In Current Liabilities	35,824,473	8,392,321
Cash Generated From Operations	74,085,195	15,903,930
Advance Tax Paid	8,896,070	5,747,593
Provision for taxation	645	(62,003)
Direct Taxes Paid (net of refunds)	8,896,715	5,685,590
<b>Net Cash From Operating Activities</b>	<b>65,188,480</b>	<b>10,218,340</b>
<b>B. Cash Flows From Investing Activities</b>		
Purchase of Fixed Assets	(5,624,883)	(9,014,150)
Proceeds From Sale Of Fixed Assets	521,045	-
Interest Received	-	42,153
<b>Net Cash From Investing Activities</b>	<b>(5,103,838)</b>	<b>(8,971,997)</b>
<b>C. Cash Flows From Financing Activities</b>		
Decrease / (Increase) In Working Capital Facilities	(8,545,132)	(3,093,687)
Movement In Short Term Loan	-	(5,000,000)
Movement In ECB Loan	(810,406)	10,067,576
Interest Paid	(1,194,593)	(3,941,412)
<b>Net Cash Used In Financing Activities</b>	<b>(10,550,131)</b>	<b>(1,967,523)</b>
<b>Net Increase In Cash And Cash Equivalents (A + B + C)</b>	<b>49,534,511</b>	<b>(721,180)</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>2,848,581</b>	<b>3,569,761</b>
<b>Cash And Cash Equivalents At The End Of The Year</b>	<b>52,383,092</b>	<b>2,848,581</b>
	-	-
<b>Components Of Cash And Cash Equivalents As At</b>		
Cash on Hand	67,865	30,015
With Banks - On Current Account	-	-
- On Deposit Account	51,315,227	2,818,566
- On Margin Account	1,000,000	-

Notes :-

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

**For Multibase India Limited**

sd/-	sd/-	sd/-	sd/-
<b>H. N. Motiwalla</b>	<b>Krishna Joshi</b>	<b>Shibaji Chakraborty</b>	<b>Ashish Darak</b>
Director	Managing director	Chief Financial Officer	Company Secretary

Place : Mumbai

Date : 29/05/2010

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

*Amounts in Rs.*

<b>As at 31st March, 2010</b>	<b>As at 31st March, 2009</b>
---------------------------------------	---------------------------------------

**Schedule 1 : Share capital**

**Authorised**

1,30,00,000 (Previous year: 1,30,00,000) equity shares of Rs.10/- each	<b>130,000,000</b>	130,000,000
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**Issued, Subscribed and Paidup**

1,26,20,000 (Previous year: 1,26,20,000) equity shares of Rs. 10/- each fully paid up	<b>126,200,000</b>	126,200,000
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(Out of the above equity shares 9,465,000 shares i.e. 75.00% (Previous year 9,465,000 shares i.e. 75.00 %) are held by M/s. Multibase S. A., France, the Holding Company (of which Dow Corning Corporation , USA is the Ultimate Holding Company)

<b>126,200,000</b>	<b>126,200,000</b>
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**Schedule 2 : Reserves And Surpluses**

**Security Premium Account**

As per last Balance Sheet	<b>11,700,000</b>	11,700,000
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(On 18,00,000 Equity Shares of Rs.10/- each issued at a premium of Rs.6.50/- per share)

**Profit and Loss account**

<b>55,725,665</b>	28,810,468
<b>67,425,665</b>	<b>40,510,468</b>

**Schedule 3 : Unsecured Loans**

**ECB Loan**

- from Promoters i.e. M/s Multibase S.A., France	<b>9,257,170</b>	10,067,576
--	------------------	------------

**Working Capital Facilities With Banks**

- Cash Credit with Citi Bank	-	8,545,132
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- Export Packing Credit with Citi Bank	-	-
--	---	---

<b>9,257,170</b>	<b>18,612,708</b>
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**Schedule 4 : Deferred Tax Liabilities (net)**

**Deferred Tax Liabilities**

Depreciation	<b>2,113,473</b>	2,119,000
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<b>Gross Deferred Tax Liabilities</b>	<b>2,113,473</b>	<b>2,119,000</b>
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**Deferred Tax Assets**

Unabsorbed Depreciation	-	2,033,000
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Gratuity And Leave Encashment	<b>1,353,705</b>	-
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Provision for Expense	<b>401,167</b>	-
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Provision for Doubtfull Debts	<b>2,175,601</b>	-
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<b>Gross Deferred Tax Assets</b>	<b>3,930,473</b>	<b>2,033,000</b>
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<b>Net Deferred Tax Assets / (Liability)</b>	<b>1,817,000</b>	<b>(86,000)</b>
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**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

**Schedule : 5**

**Fixed Assets**

Amounts in Rs.

Particulars	GROSS BLOCK			ACCU. DEPRECIATION			NET BLOCK			
	As on 01-04-2009	Addition	Deduction	As on 31-03-2010	As on 01-04-2009	Charge during the year	Deduction	As on 31-03-2010	As on 31-03-2010	As on 31-03-2009
<b>Tangible Assets</b>										
Land and Site Development	2,841,552	-	-	<b>2,841,552</b>	-	-	-	-	<b>2,841,552</b>	2,841,552
Factory Building	15,255,864	336,704	-	<b>15,592,568</b>	7,816,236	519,385	-	<b>8,335,621</b>	<b>7,256,947</b>	7,439,628
Office Building	114,475	-	-	<b>114,475</b>	39,979	941	-	<b>40,920</b>	<b>73,555</b>	74,496
Plant & Machinery	81,943,092	7,881,546	-	<b>89,824,638</b>	69,703,795	4,147,324	-	<b>73,851,119</b>	<b>15,973,519</b>	12,239,297
Laboratory Equipment	-	126,777	-	<b>126,777</b>	-	2,095	-	<b>2,095</b>	<b>124,682</b>	-
Office Equipment	1,321,326	111,318	4,890	<b>1,427,754</b>	407,029	69,598	4,890	<b>471,737</b>	<b>956,017</b>	914,297
Air Conditioners	332,990	-	-	<b>332,990</b>	80,690	7,973	-	<b>88,663</b>	<b>244,327</b>	252,300
Furniture & Fixture	5,166,775	-	28,340	<b>5,138,435</b>	1,513,251	301,881	4,821	<b>1,810,311</b>	<b>3,328,124</b>	3,653,524
Computer	10,237,046	235,543	-	<b>10,472,589</b>	4,369,332	1,165,883	-	<b>5,535,215</b>	<b>4,937,374</b>	5,867,714
Vechile	4,542,096	-	734,674	<b>3,807,422</b>	2,695,803	313,678	160,980	<b>2,848,501</b>	<b>958,921</b>	1,846,293
<b>Intangible Assets</b>										
Computer Software	3,898,738	8,320	-	<b>3,907,058</b>	3,181,926	35,733	-	<b>3,217,659</b>	<b>689,399</b>	716,812
<b>Total Amount</b>	<b>125,653,954</b>	<b>8,700,208</b>	<b>767,904</b>	<b>133,586,258</b>	<b>89,808,041</b>	<b>6,564,491</b>	<b>170,691</b>	<b>96,201,841</b>	<b>37,384,417</b>	<b>35,845,913</b>
Previous Year	130,463,874	5,542,525	10,352,445	125,653,954	87,223,675	10,349,422	7,765,056	89,808,041	35,845,913	43,240,199

As at  
**31st March, 2010**

As at  
31st March,  
2009

**Schedule 6: Inventories**

Raw Materials And Components (Including Stock In Transit)	<b>41,996,027</b>	29,339,689
Finished Goods	<b>42,072,820</b>	50,167,138
	<b>84,068,847</b>	<b>79,506,827</b>

**Schedule 7 : Sundry Debtors**

**(Unsecured)**

- Over Six Months	<b>7,368,321</b>	7,124,349
- Others	<b>56,088,292</b>	55,132,410
	<b>63,456,613</b>	62,256,759
Less : Provision For Doubtful Debts	<b>6,549,564</b>	-
	<b>56,907,049</b>	<b>62,256,759</b>
Considered Good	<b>56,907,049</b>	62,256,759
Considered Doubtful	<b>6,549,564</b>	-
	<b>63,456,613</b>	<b>62,256,759</b>

**Schedule 8 : Cash and Bank Balances**

Cash On Hand	<b>67,865</b>	30,015
Balances With Scheduled Banks:		
In Current Accounts	<b>51,315,227</b>	2,818,566
In Deposit Accounts	<b>1,000,000</b>	-
	<b>52,383,092</b>	<b>2,848,581</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	<i>Amounts in Rs.</i>	
	<b>As at 31st March, 2010</b>	As at 31st March, 2009
<b>Schedule 9 : Loans and Advances</b>		
(Unsecured, Considered Good)		
Advances Recoverable In Cash Or Kind Or For Value To Be Received (Refer Note No 6 Of Schedule 18)	<b>7,665,951</b>	6,855,371
Balances With Excise And Other Indirect Tax Authorities	<b>29,451,012</b>	22,464,283
Deposits	<b>308,000</b>	308,000
Advance Tax And Tax Deducted At Source	<b>34,499,262</b>	25,705,162
Advance Fbt	<b>1,483,710</b>	1,381,740
	<b><u>73,407,935</u></b>	<u>56,714,556</u>
<b>Schedule 10: Current Liabilities</b>		
Sundry Creditors		
(A) Micro Enterprises And Small Enterprises (Refer Note No 12 Of Schedule 18)	-	-
(B) Others	<b>57,255,678</b>	21,418,107
Advance From Customers	<b>570,053</b>	55,468
Statutory Dues	<b>594,000</b>	643,496
Other Liabilities	<b>10,316,394</b>	10,163,505
	<b><u>68,736,125</u></b>	<u>32,280,576</u>
<b>Schedule 11 : Provisions</b>		
Provision For Current Tax	<b>27,425,355</b>	17,400,000
Provision For Fringe Benefit Tax	<b>1,362,000</b>	1,362,000
Provision For Gratuity (Refer Note No 10 Of Schedule 18)	<b>3,119,155</b>	3,100,504
Provision For Leave Encashment	<b>956,122</b>	1,092,005
Provision For Employee Variable Pay	<b>1,883,048</b>	-
	<b><u>34,745,680</u></b>	<u>22,954,509</u>

**Multibase India Ltd.****Schedules forming part of Profit and Loss account for the year ended 31st March, 2010***Amounts in Rs.*

	<b>For the year ended on 31st March, 2010</b>	<b>For the year ended on 31st March, 2009</b>
<b>Schedule 12 : Other Income</b>		
Interest From Bank Deposits (Tds Rs. Nil Previous Year: Rs. 11,887/-)	-	42,153
Export Incentive	<b>684,351</b>	187,825
Profit On Sale Of Fixed Assets	<b>968</b>	-
Exchange Rate Variation (Net)	<b>1,554,602</b>	-
Miscellaneous Income	<b>1,126,297</b>	1,613,387
	<b><u>3,366,218</u></b>	<b><u>1,843,365</u></b>
<b>Schedule 13 : Increase / (Decrease) In Inventories</b>		
Inventories As At March 31, 2010		
- Work-In-Progress	-	-
- Finished Goods	<b>42,072,820</b>	50,167,138
	<b><u>42,072,820</u></b>	<b><u>50,167,138</u></b>
Inventories As At March 31, 2009		
- Work-In-Progress	-	2,394,175
- Finished Goods	<b>50,167,138</b>	30,516,101
	<b><u>50,167,138</u></b>	<b><u>32,910,276</u></b>
Increase / (Decrease) in Excise Duty	<b>(710,361)</b>	(1,025,482)
	<b><u>(8,804,679)</u></b>	<b><u>16,231,380</u></b>
<b>Schedule 14 : Material Consumed</b>		
Raw Material Consumed	<b>210,141,007</b>	250,301,900
Stores And Spares Consumed	<b>4,467,005</b>	5,704,321
Obsolete Materials Written Off	-	9,314,760
	<b><u>214,608,012</u></b>	<b><u>265,320,981</u></b>
<b>Schedule 15 : Personnel Expenses</b>		
Salaries, Wages And Bonus (Refer Note No 5 Of Schedule 18)	<b>22,102,223</b>	17,543,719
Contribution To Provident Fund	<b>876,795</b>	596,206
Gratuity Expenses (Refer Note No 10 Of Schedule 18)	<b>27,305</b>	1,312,258
Staff Welfare Expenses	<b>1,676,131</b>	1,766,749
	<b><u>24,682,454</u></b>	<b><u>21,218,932</u></b>

**Schedules forming part of Profit and Loss account for the year ended 31st March, 2010**

*Amounts in Rs.*

	<b>For the year ended on 31st March, 2010</b>	<b>For the year ended on 31st March, 2009</b>
<b>Schedule 16 : Operating And Other Expenses</b>		
Power and Fuel	5,184,879	4,167,611
Service Charges	3,131,952	2,702,099
Repair & Maintenance		
- Building	403,460	454,931
- Machineries	2,845,622	487,910
- Others	888,443	118,445
Legal, Professional & Consultancy Charges	5,805,165	8,132,165
Printing , Stationary And Communication Charges	1,232,802	1,691,889
Rent, Rates And Taxes	438,146	1,482,652
Travelling And Conveyance	4,939,201	6,176,311
Vehicle Running & Maintenances	669,194	802,744
Insurance Expenses	1,162,394	762,497
Royalty Charges	1,912,525	1,435,168
Support Charges	3,097,037	3,367,347
Director'S Sitting Fees	90,000	-
Marketing & Distribution Expenses	5,283,117	11,784,297
Bad Debts Written Off	-	4,805,308
Provision For Doubtful Debts	6,549,564	-
Loss On Sale Of Fixed Assets	77,136	-
Exchange Rate Variation (Net)	-	8,479,876
Impairment Of Fixed Assets	-	2,587,389
Miscellaneous Expenses	2,622,433	4,463,529
	<b>46,333,070</b>	<b>63,902,168</b>
<b>Schedule 17 : Interest and Financial Charges</b>		
Interest		
- To Banks	171,234	2,229,395
- To Holding Company For External Commercial Borrowing	321,634	273,229
Bank Charges	701,725	1,438,788
	<b>1,194,593</b>	<b>3,941,412</b>

**SCHEDULE 18 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**1. Nature of Operations**

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

**2. Significant Accounting Policies**

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

**(b) Use of Estimates**

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

**(c) Fixed Assets**

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

**(d) Depreciation**

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

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

**(e) Inventory**

Inventories are valued as follows:

Raw materials are valued at Cost on Moving average basis.

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

**(f) Foreign Currency Transactions**

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

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

**(g) Revenue recognition**

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

**(h) Employee Benefits**

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

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

**(i) Income Taxes**

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

## Multibase India Ltd.

accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Assets on account of unabsorbed loss/depreciation are recognised only if virtual certainty as regards absorption thereof exists.

### (j) Provisions, Contingent Liabilities and Contingent Assets

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

### (k) Impairment of Assets

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

### (l) VAT CREDIT

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

### (m) Prior Period Items

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

### 3. Contingent Liabilities not provided for

	<i>Amount in Rupees</i>	
	<u>2009-10</u>	<u>2008-09</u>
Letters of Credit and Bank Guarantee	6,527,501	2,997,000
Income Tax & FBT Demand	3,252,577	2,148,697
C- Forms Pending Collection	6,157,556	3,568,749

### 4. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 13.21 lacs (Previous Year Rs. 22.18 lacs).

### 5. Directors' Remuneration

	<i>Amount in Rupees</i>	
	<u>2009-10</u>	<u>2008-09</u>
Salary (including perquisites)	3,325,048	2,985,912

1. Above does not include provision for Leave Encashment /Gratuity.

2. The above remuneration includes Rs 3.25 lacs which is in excess of remuneration permissible under Schedule XIII to the Companies Act, 1956 and for which the Company is in the process of applying to the Central Govt for necessary approvals.

6. Advance Recoverable in cash or in kind or for value to be received' includes due from Managing Director (against expenses) Rs 5.47 lacs (Previous Year Rs 1.28 lacs). Maximum amount outstanding thereagainst at any time during the year is Rs 5.47 lacs (Previous Year Rs 1.28 lacs)

### 7. Auditor's Remuneration:-

Audit Fees	380,000	380,000
Tax Audit Fees	120,000	120,000
Certification and other services (Including Service Tax)	300,000	705,000
Out of Pocket Expenses (Including Service Tax)	12,420	30,474
	<u>812,420</u>	<u>1,235,474</u>

### 8. Segment Reporting :-

The Company operates in a single business segment of "Thermoplastic Compounds". Hence, being a single segment



## Multibase India Ltd.

company, no additional reporting requirements under Accounting Standard-17 issued by the Companies (Accounting Standards) Rules, 2006 are attracted.

### 9. Related Party Disclosure

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

**Amount Rs. in Lacs.**

	Name of the Party (Nature of Relationship)	Nature of Transaction	Transaction During		Outstanding Balance as at	
			2009-10	2008-09	31-Mar-10	31-Mar-09
<b>A.</b>	<b>Holding Company</b>					
	Multibase S.A, France	Participation in Equity Share Capital including Share Premium	-	-	106,350,000.00	106,350,000.00
		Purchase of goods	11,709,388	14,762,523	5,488,863	4,042,207
		Interest on ECB Loan	311,332	273,229	131,709	258,686
		ECB Loan	-	10,017,996	9,257,170	10,067,576
		Excess Witholdng Tax on Royalty	-	2,339,492	-	2,339,492
<b>B.</b>	<b>Subsidiary of Ultimate holding Co.</b>					
	Dow Corning Taiwan Inc.	Sale of goods	2,005,728	1,772,599	-	-
	Dow Corning Sinapore Pte Ltd.	Sale of goods	6,328,319	1,189,131	1,086,011	584,785
	Dow Corning Thailand Ltd	Sale of goods	6,349,586	3,032,935	1,242,689	492,852
	Dow Corning India Pvt. Ltd	Professional Fees	108,867	1,079,768	49,128	-
	Dow Corning Co. - Korea	Sale of goods	10,239,010	9,350,758	3,028,297	4,014,625
	DC Multibase ZJG Co., Ltd	Sale of goods	125,428	-	125,427	-
	DC Multibase ZJG Co., Ltd	Training cost	244,418	-	244,418	-
	Dow Corning (Hongknog HQ) Asia	Sale of goods	186,724	-	186,724	-
	DC (SH) Management Co Ltd	Sale of goods	530,405	800	23,741	-
	Multinase Inc. Copley	Purchase of goods	1,790,438	-	1,790,438	-
<b>C.</b>	<b>Ultimate Holding Company</b>					
	Dow Corning Corporation	Purchase of Goods	17,754,303	78,284,616	19,686,812	1,932,509
	Dow Corning Corporation	Environmental Testing fees	-	2,357,573	3,642,613	2,357,573
	Dow Corning Corporation	Support Charges	3,097,036	3,367,346	5,403,534	3,367,346
	Dow Corning Corporation	Royalty	1,912,524	1,435,168	2,833,849	1,237,824
<b>D.</b>	<b>Key Management Personnel</b>					
	Mr. Krishna Joshi	Salary	3,003,757	2,985,912	547000*	128194*
		Perquisite & Other benefits	21,600	-	-	-

\* Refer Note 6 above.

### 10. Gratuity and other post-employment benefit plans:

As per Actuarial valuations as on 31st March 2010 and in accordance with the Accounting Standard-15 (Revised) on 'Employee Benefits' issued under the Companies (Accounting Standards) Rules 2006.

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

	Gratuity	
	2009-10	2008-09
Current Service Cost	416,657	258,602
Interest cost on benefit obligation	255,792	190,878
Expected return on plan assets	-	-
Net actuarial( gain) / loss recognised in the year	(645,144)	862,778
Past service cost	-	-
Net benefit expense	27,305	1,312,258

Actual return of plan of assets

b.) Details of Provision for gratuity

	Gratuity	
	2009-10	2008-09
Defined benefit obligation	3,119,155	3,100,504
Fair value of plan assets	-	-
	3,119,155	3,100,504
Less: Unrecognised past service cost	-	-
	3,119,155	3,100,504

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

	2009-10	2008-09
Opening defined benefit obligation	3,100,504	2,321,900
Interest Cost	255,792	190,878
Current Service Cost	416,657	258,602
Benefits paid	(8,654)	(533,654)
Actuarial (gains) / losses on obligation	(645,144)	862,778
Closing defined benefit obligation	3,119,155	3,100,504

d.) The principal assumptions

	2009-10	2008-09
	%	%
Discount Rate (Refer note 1)	8.25	7.50
Expected increase in salary costs (Refer note 2)	7.00	7.00
Employee Turnover	0.10	0.21

01. 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.

02. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**11. Basic / Diluted Earnings per Share**

	2009-10	2008-09
Profit after tax attributable to Equity Share Holders	26,915,197	(20,590,860)
Weighted average number of shares outstanding during the year (Nos.)	12,620,000	12,620,000
Earning per share - Basic	2.13	(1.63)
Nominal Value per share	10	10

12. Based on information available with the Company, no supplier of the Company is registered under the Micro, Small and Medium enterprises Development Act,2006.

13. The Company has not taken 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 are not hedged by a derivative instrument or otherwise are as follows.

Particulars	Currency	Amount in foreign currency		Equivalent amount in INR	
		2009-10	2008-09	2009-10	2008-09
Sundry Creditors	USD	1,267,719	301,611	57,896,823	14,877,180
Sundry Creditors	EURO	16,713	36,875	1,031,890	2,339,492
Sundry Debtors	USD	226,581	112,602	10,347,973	5,681,998
Advance from Customer	USD	-	606	-	29,508
Advance to Supplier	USD	70	4,813	3,215	242,694
Advance to Supplier	GBP	-	266	-	19,204
ECB Loan	EURO	150,000	150,000	9,257,170	10,067,576

## Multibase India Ltd.

### 14. Expenditure in foreign currency (Cash basis)

	2009-10	2008-09
Foreign Travelling	1,272,250	1,509,417
Export Commission	-	472,378
Support Charges	3,097,036	3,367,347
Legal & Professional Charges	-	3,343,017
Interest	321,634	273,229
	4,690,920	8,965,388

### 15. Value of Import calculated on CIF basis

	2009-10	2008-09
Raw Material	133,108,297	167,272,481
Capital Goods	127,409	479,786
Others	19,204	-
	133,254,910	167,752,267

### 16. Earnings in foreign currency (Accrual basis)

	2009-10	2008-09
Exports at F.O.B. Value	43,823,211	73,089,236
	43,823,211	73,089,236

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

#### 17.1 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	UOM	Quantity in MT			
		Install Capacity		Actual Production (Quantity)	
		2009-10	2008-09	2009-10	2008-09
Polypropylene Compound	MT	6,000	6,000	54	50
Silicon Master Batch	MT			151	134
Synthetic Resin Master Batch	MT			32	11
Thermoplastic Elastomer	MT			1,879	2,347
<b>17.2 Sales</b>		<b>Quantity in MT</b>		<b>Value in Rupees</b>	
		<b>2009-10</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2008-09</b>
Polypropylene Compound		52	51	5,863,193	5,642,577
Silicon Master Batch		162	126	51,620,522	37,223,172
Synthetic Resin Master Batch		29	14	3,489,539	1,418,607
Thermoplastic Elastomer		1,972	2,226	271,413,541	277,751,951
Others				1,472,483	1,605,000
				333,859,278	323,641,307

#### 17.3 Consumption of raw materials and components

	Quantity in MT		Value in Rupees	
	2009-10	2008-09	2009-10	2008-09
Polypropylene	383	326	25,201,055	21,504,810
Synthetic Resin	23	8	3,016,256	1,072,316
Septon / Kraton	34	91	7,283,742	19,281,057
Oil	523	546	26,265,382	31,553,303
Others			148,374,572	176,890,414
			210,141,007	250,301,900

**17.4 Imported and indigenous raw materials consumed :-**

	% of total consumption		Value in Rupees	
	2009-10	2008-09	2009-10	2008-09
Imported	58	29	122,129,286	72,447,720
Indigenous	42	71	88,011,721	177,854,180
	42	71	210,141,007	250,301,900

**17.5 Stores and Spare Consumed :**

Indigenous	4,467,005	5,704,321
Imported	-	-
	4,467,005	5,704,321

**17.6 Detail of Finished Goods**

	Quantity (MT)	
	2009-10	2008-09
Opening Stock		
- Polypropylene Compound	3	4
- Silicon Master Batch	26	18
- Synthetic Resin Master Batch	2	5
- Thermoplastic Elastomer	364	243
Closing Stock		
- Polypropylene Compound	5	3
- Silicon Master Batch	15	26
- Synthetic Resin Master Batch	5	2
- Thermoplastic Elastomer	271	364

**18. Previous Year Comparatives**

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

In terms of our report of even date  
**For Deloitte Haskins & Sells,**  
 Chartered Accountants

**For Multibase India Limited**

sd/-  
**Gaurav Shah**  
 Partner

sd/-  
**H. N. Motiwalla**  
 Director

sd/-  
**Krishna Joshi**  
 Managing Director

sd/-  
**Shibaji Chakraborty**  
 Chief Financial Officer

sd/-  
**Ashish Darak**  
 Company Secretary

Place : Vadodara  
 Date : 29/05/2010

Place : Mumbai  
 Date : 29/05/2010

**Multibase India Ltd.****Balance Sheet Abstract and Company's General Business Profile.**

16.	I.	Registration Details	
		Registration No. 002959	State Code : 56
		Balance Sheet date 31st March 2010	
	II.	Capital Raised during the year (amount in Rs. In Thousands)	
		Public Issue	Right Issue
		Nil	Nil
		Bonus Issue	Private Placement
		Nil	Nil
	III.	Position of Mobilisation and Deployment of Funds (Amount Rs. In Thousands)	
		Total Liabilities	Total Assets
		202883	202883
		Sources of Funds	
		Paid Up Capital	Reserve & Surplus
		126200	67426
		Secured Loans	Deferred Tax Liabilities
		0	0
		Application of Funds	
		Net Fixed Assets	Investment
		37781	0
		Net Current Assets	Misc. Expenditure
		163285	0
		Accumulated Losses	Deferred Tax Assets
		0	1817
	IV.	Performance of Company (Amount Rs. In Thousands)	
		Turnover	Total Expenditure
		328421	293383
		Profit Before Tax	Profit After Tax
		35038	26915
		Earning Per Share in Rs.	Dividend Per Share in Rs.
		2.13	0
	V.	Generic Names of Three Principal products / Services of Company (as per monetary terms)	
		Items code No. (ITC Code)	
		Product Description	Polypropylene Compound
		Items code No. (ITC Code)	
		Product Description	Thermoplastic Master Batch
		Items code No. (ITC Code)	
		Product Description	Thermoplastic Elastomer

In terms of our report of even date  
**For Deloitte Haskins & Sells,**  
Chartered Accountants

**For Multibase India Limited**

sd/-  
**Gaurav Shah**  
Partner

sd/-  
**H. N. Motiwalla**  
Director

sd/-  
**Krishna Joshi**  
Managing Director

sd/-  
**Shibaji Chakraborty**  
Chief Financial Officer

sd/-  
**Ashish Darak**  
Company Secretary

Place : Vadodara  
Date : 29/05/2010

Place : Mumbai  
Date : 29/05/2010



**MULTIBASE INDIA LIMITED**

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

**Attendance Slip**

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

Name of the Shareholder/Proxy .....

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

\* Applicable for members holding shares in electronic form

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

Signature of the Shareholder/Proxy .....



**MULTIBASE INDIA LIMITED**

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

**PROXY FORM**

I/We ..... of .....in the district of ..... being a Member/Members of the above named Company, hereby appoint..... of .... in the district of .....or failing him ..... of ..... in the district of ..... as my/ our Proxy to attend and vote for me/us on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company, to be held on Saturday, 28<sup>th</sup> August, 2010 at 11.30 a.m. and at any adjournment thereof.

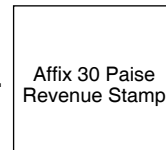
Signed this .....day of .....2010

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

\* Applicable for members holding shares in electronic form

No. of Shares held .....

Signature .....



.....

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

## Book - Post

*If undelivered please return to:*

**M/s Link Intime India Pvt. Ltd.**

Unit: MULTIBASE INDIA LIMITED  
C-13, Pannalal Silk Mills Compound, LBS Road,  
Bhandup (W), Mumbai - 400 078