



Date: 3rd September, 2022

To
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

Scrip Code: 526169

Dear Sir/Madam,

Sub: Annual Report and Notice of the 31st Annual General Meeting ('AGM')

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2021-22 containing inter alia Notice of the 31st AGM of the Company scheduled to be held on Monday, 26th September, 2022 at 11:30 A.M. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').

The Notice of AGM along with the Annual Report for the financial year 2021-22 is being sent through electronic mode to the Members and is also available on the website of the Company.

This is for your information and records.

For **Multibase India Limited**

Parmy Kamani
Company Secretary and Compliance Officer
Membership no.: A27788
Encl: As above

Multibase India limited



Multibase India Limited
31st Annual Report 2021-22

DELIVERING
SOLUTION, QUALITY
& SERVICE



Board of Directors

| | |
|--|--|
| Mr. Deepak Dhanak (DIN 03157491) | Managing Director |
| Mr. Harish Narendra Motiwalla (DIN 00029835) | Independent Director (Non-Executive Chairman) |
| Mr. Ashok Chhabra (DIN 00059677) | Independent Director |
| Ms. Bharti Dhar (DIN 00442471) | Independent Director |
| Mr. Krishan Kumar Phophalia (DIN 08395171) | Non-Executive Director |
| Mr. R T Paullin (DIN 08759596) | Non-Executive Director |
| (Upto May 26, 2022) | |
| Mr. Mark Stephen Metaxas (DIN 09607494) | Non-Executive Director |
| (w.e.f. May 26, 2022) | |

Chief Financial Officer

Mr. Pankaj Holani

Company Secretary

Ms. Sunaina Goraksh
(Upto September 30, 2021)

Ms. Parmy Kamani
(w.e.f. November 11, 2021)

Auditors

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

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

Internal Auditors

M/s. Mukund & Rohit, Chartered Accountants

Bankers

Citi Bank
State Bank of India
HSBC Bank

Registered Office & Plant

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

Registrar & Transfer Agents

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

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 31st (Thirty first) Annual General Meeting of Multibase India Limited will be held on Monday, 26th September 2022, through Video Conferencing (VC) / Other Audio-Visual Means (OVAM) at 11:30 a.m. (IST) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2022, together with the Report of Auditor's and Directors' thereon.
2. To declare Final dividend of ₹ 1/- on Equity Shares of ₹ 10/- each for the Financial Year ended 31st March 2022.
3. To appoint a Director in place of Mr. Krishan Kumar Phophalia (DIN:08395171), who retires by rotation at this Annual General Meeting and being, eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and approve the appointment of Mr. Mark Stephen Metaxas (DIN:09607494) as a Non-executive and Non-Independent Director and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations"), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and as per the recommendation of Nomination and Remuneration Committee, Mr. Mark Stephen Metaxas (DIN:09607494) who was appointed by the Board of Directors, as an Additional Director of the Company with effect from 26th May, 2022 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Chief Financial Officer or the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To approve the contract / arrangement into material related party transaction(s) with **DDP Speciality Electronics materials US 9, LLC**, fellow subsidiary a Related Party and in this regard, if consider and thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rules made there under, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing the Related Party transactions and such other rules as may be applicable and amended from time to time, including, any statutory modification(s) or amendment thereto or re-enactment thereof); the Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time and the Company's Policy on Related Party Transactions ("RPT"), basis the recommendation and approval of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines approval of the members of the Company be and is hereby accorded to the Board of Directors for executing a contract for entering into material related party transaction(s) with DDP Speciality Electronics materials US 9, LLC, a fellow subsidiary and a Related Party as provided below for each of the financial years (FY) from FY 2022-23 to FY 2026-27 i.e. five financial years upto a maximum aggregate value of Rs. 10 Crore (Rupees Ten Crore only) plus applicable taxes per financial year in ordinary course of business and at arm's length basis on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and DDP Speciality Electronics materials US 9, LLC.

Value of Related party transactions/Arrangements per financial year:

(₹ In Crores)

| Sr. No. | Related party transaction u/s 188 of the Companies Act 2013 and Regulation 23 of the SEBI Listing Regulations, 2015 | Description |
|----------------|--|---|
| 1. | Name of the related party | DDP Speciality Electronics materials US 9, LLC |
| 2. | Nature of Relationship | Fellow subsidiary |
| 3. | Name of interested Director(s)/ KMPs | None |
| 4. | Sale, purchase of materials | ₹ 10.00 |

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to enter into the abovementioned contract / transaction / arrangement and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals, if any from the relevant authorities and third parties, including governmental authorities and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.

6. To ratify the payment of remuneration of the Cost Auditors for the financial year ended 31st March 2023

and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the M/s B F Modi & Associates, Cost Accountants, (Registration No. 100604), who have appointed as Cost Auditors of the Company by the Board of Directors on the recommendation of the Audit Committee of the Company for the financial year 2022-23, to conduct the audit of the Cost Accounts of the Company be hereby paid the fees of Rs. 1,00,000 (Rupees One lakh only) plus GST and reimbursement of out of pocket at actuals.

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

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

Parmy Kamani
Company Secretary

Registered Office:

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

Date: 12th August, 2022
Place: Mumbai

NOTES:

(a) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos.14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively and by General Circular No. 02/2021 dated January 13, 2021, allowed companies whose AGMs were due to be held in the year 2022 or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 ("MCA Circulars"). In compliance with these circulars, the AGM of the Company is being held through VC/OAVM on September 26, 2022 at 11.30 a.m. (IST). The deemed venue for the 31st AGM will be Corporate Office situated at 81, 82, 83, 8th Floor, 2 North Avenue Maker Maxity, Bandra Kurla Complex Road, Bandra East, Mumbai-400051.

(b) PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.

(c) In accordance with the MCA Circulars and the said SEBI Circulars, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2022, will be sent through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., Link Intime India Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2022 shall be available on the websites of the Company viz., www.multibaseindia.com and of the Stock Exchanges where equity shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., National Securities Depository Limited (NSDL), viz., www.evoting.nsdl.com.

(d) The Dividend on Equity Shares, as recommended by the Board of Directors, if approved by Shareholders, will be credited/dispatched on or after September 26, 2022 to those members whose names shall appear on the Company's Register of Members on September 19, 2022. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Security Depository Limited and Central Depository Services (India) Limited as beneficial owner as on that date.

(e) Members are requested to note that, dividend(s) if not encashed for consecutive period of 7 (Seven) years from the date of Transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividend are also liable to be transferred to the Demat account of IEPF Authority. In view of this, Members are requested to claim their dividend(s) from the Company, within stipulated timeline.

(f) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

(g) The statement setting out material facts as required under Section 102(1) of the Companies Act, 2013, in respect of Special Business mentioned in the above notice is annexed hereto. The documents and/or letters, if any, referred to in the resolutions are open for inspection for the members at the registered office of the Company on all working days between 2.00 p.m. to 4.00 p.m., up to the date of ensuing annual general meeting.

(h) The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2022 to September 26, 2022 (both days inclusive) for the purpose of annual general meeting and payment of final dividend.

(i) Members desirous of obtaining any information as regards to accounts and operations of the Company are requested to write to the Company at least 7 days before the meeting to enable the Company to keep the required information ready at the ensuing annual general meeting.

(j) Pursuant to Section 72 of Companies Act, 2013, members holding shares in physical form may file Nomination Form in respect of their shareholdings to Registrar and Share Transfer Agent.

(k) Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 31st AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the board resolution / power of attorney to the Scrutinizer.

(l) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

(m) The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings by logging into the National Securities Depository Limited's ('NSDL')

e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

- (n) In line with the MCA General Circulars, the Notice of the AGM alongwith the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. The Notice convening the 31st AGM has been uploaded on the website of the Company at www.multibaseindia.com under 'Investor' section and may also be accessed on the websites of the Stock Exchanges i.e. www.bseindia.com and on the website of NSDL www.evoting.nsdl.com.
- (o) Members, who hold shares in physical form, are requested to intimate the change in their registered address, if any, to the Registrar and Share Transfer Agent.

(p) DIVIDEND TAX

Pursuant to the amendments in the Income Tax Act, dividend income is taxable in the hands of the shareholders from April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email ID at compliance.officer@multibaseindia.com. For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of AGM.

- (q) Details of directors seeking appointment/re-appointment at ensuing annual general meeting of the Company are given in this Notice in compliance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting.
- (r) Members holding shares in demat form who have not registered their email addresses, are requested to register their email id with their respective depository participants and members who are holding shares in physical form are requested to register their email id with the Registrar and Share Transfer Agent for receipt of Annual Report, notice, quarterly results, circulars, etc. by electronic mode.
- (s) To support "Green Initiative," Members who have not registered their email addresses/Bank accounts are

requested to register the same with their DPs in case the shares held by them in electronic form and with Link Intime India Private Limited in case shares held by them in physical form.

- (t) Members are requested to intimate changes, if any pertaining to their name, postal address, email address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney bank details such as- Name of Bank and branch details, bank account number, MICR Code, IFCS Code etc., to their DPs in case the shares held by them in electronic form and to Link Intime in case the shares held by them in physical form.
- (u) As per Regulation 40 of the Listing Regulations as amended, Securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission and transposition of securities. In compliance with aforesaid circulars, the members whose shares are held in physical requested to dematerialize their shares promptly.

(v) INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

The remote e-voting period begins on Thursday, September 22, 2022 at 9: 00 A.M. and ends on Sunday, September 25, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 19, 2022 may cast their vote electronically.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with NSDL | <ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, Open web browser and type URL: https://eservices.nsdl.com/. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. Please enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdesDirectReg.jsp. Visit the e-voting website of NSDL and type the following URL: https://www.evoting.nsdl.com/. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;">  App Store  Google Play </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cDSLindia.com/myeasi/home/login or www.cDSLindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cDSLindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cDSLindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Step -1 How to Log-in to NSDL e-voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| | |
|--|---|
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |

| | |
|--|---|
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 121793 then user ID is 121793001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
- d) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’
- e) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com/.
 - b) Physical User Reset Password” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com/.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system

- 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- 3. Now you are ready for e-Voting as the Voting page opens.
- 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dhrumil@dmshah.in with a copy marked to evoting@nsdl.co.in.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- 1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliance.officer@multibaseindia.com.
- 2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- 3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- 4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- 1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.
2. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance.officer@multibaseindia.com. The same will be replied by the company suitably.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to with dhrumil@dmshah.in a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- (w) M/s. Dhrumil M Shah & Co. Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (x) Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held, with the assistance of Scrutinizer, by use of electronic mode for all those members who are present at the

AGM but have not cast their votes by availing the remote e-voting facility.

- (y) The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company, and make, within two working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
- (z) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.multibaseindia.com immediately after result is declared and the same shall be communicated to the Bombay Stock Exchange Limited subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

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

Item No. 4

Mr. Mark Stephen Metaxas (DIN:09607494), was appointed as an Additional Director of the Company with effect from 26th May 2022. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office as such upto the date of this Annual General Meeting.

The Company has received a notice in writing from one of its members proposing the candidature of Mr. Mark Stephen Metaxas (DIN:09607494) for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. The Company has also received the requisite declaration of non-disqualification and Notice of Interest from Mr. Mark Stephen Metaxas in terms of Section 164(2) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Section 184 of the Companies Act, 2013.

A brief profile covering the details of his qualification and experience, as required pursuant to the Companies Act, 2013 and SEBI Listing Regulations, 2015 is annexed to this Notice. Considering his experience and expertise, and based on the recommendations of Nomination and Remuneration Committee, the Board recommends the appointment of Mr. Mark Stephen Metaxas as a Non-executive and Non-Independent Director of the Company by way of passing of an Ordinary Resolution.

Mr. Mark Stephen Metaxas is not disqualified from being appointed as a Director in terms of Section 164 of the

Companies Act, 2013 ("the Act") and have given his consent to act as a Director. Further, Mr. Mark Metaxas is not debarred from holding the office of a Director pursuant to any SEBI order.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mr. Mark Stephen Metaxas and his relatives, are interested and / or concerned in passing of the resolution set forth under Item no. 4

Item No. 5

The Company proposes to enter into contracts/arrangement with DDP Speciality Electronics materials US 9, LLC, (Fellow Subsidiary Company) for Sale / Purchase of Materials. The transactions with related party are intended to be carried out on an arm's length basis and in the ordinary course of business.

Regulation 23 of the SEBI Listing Regulations, 2015 mandates prior approval of the Shareholders through an Ordinary Resolution for all 'material' Related Party Transactions. A transaction is considered 'material', if such transaction entered in to / to be entered into with a related party, individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 Crores (Rupees One

Thousand Crores only) or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity, whichever is lower.

Since the aggregate value of proposed contract with DDP Speciality Electronics materials US 9, LLC being a 'Related Party' as mentioned in Item no. 5 of this Notice is expected to exceed threshold limit of material related party transaction, the Company proposes to seek approval of its members for the proposed transactions by way of an Ordinary Resolution as per provisions of Regulation 23 of SEBI Listing Regulations, 2015.

The Board of Directors based on recommendation of the Audit Committee at their meeting held on 26th May, 2022, have approved to enter into and/ or continue with contracts/ transactions previously entered into / to be entered into, with DDP Speciality Electronics materials US 9, LLC (whether individual transaction or transactions taken together or series of transactions or otherwise) in the ordinary course of business of the Company and at arm's length basis.

Details of the proposed transaction with DDP Speciality Electronics materials US 9, LLC as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

| Sr. No. | Particulars | Details | | |
|----------------|---|--|---|------------------------------------|
| 1. | Name of the related party | DDP Speciality Electronics materials US 9, LLC | | |
| 2. | Nature of Relationship | Fellow Subsidiary | | |
| 3. | Details of Transaction | Type, material terms and particulars of the proposed transaction | Tenure of the proposed transactions | Amount |
| | a. sale, purchase or supply of goods /materials between the Company and DDP Speciality Electronics materials US 9, LLC; | Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in. Material terms: Each transaction shall be executed at arm's length basis in compliance with applicable laws including International Transfer Pricing Guidelines. | For the Financial Year 2022-23 upto Financial Year 2026-27 (a period of 5 (five) years) | INR 10.00 Crore per Financial Year |
| 4. | Aggregate Value of all transactions | INR 10.00 Crore per Financial Year which presently constitutes around 16% of the annual turnover of the Company per annum | | |

| Sr. No. | Particulars | Details |
|---------|--|--|
| 5. | Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by value of the proposed transaction | 16% percent of the annual turnover of the Company per annum |
| 6. | Tenure | Contracts/arrangements with a duration upto 5 years |
| 7. | Other details/disclosures | The transaction does not relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity. |
| 8. | Benefits of the proposed transaction | Right quality with assurance of availability & technical support. |
| 9. | Details of the valuation report or external party report (if any) enclosed with the Notice | All contracts with the related parties defined as per Section 2(76) of the Act are reviewed for arm's length testing internally. |
| | Name of the Director or Key Managerial Personnel, who is related | None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said resolution. |

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

The Board of Directors recommends the resolution set forth in Item No. 5 of this Notice for approval of the shareholders as an Ordinary Resolution.

Multibase SA being related party cannot vote on this resolution. Other than the above, none of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item no. 6

The Board of Directors on the recommendation of Audit Committee considered and approved the appointment of M/s B.F. Modi & Associates, Cost Accountants, for the conducting of audit of the cost records of the Company for the Financial year 2022-23 at a remuneration of ₹ 1,00,000/- (Rupees One lac only) per annum exclusive of taxes and out of pocket expenses to be reimbursed at actuals.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Shareholders.

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

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

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

Parmy Kamani
Company Secretary

Registered Office:

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

Date: 12th August, 2022
Place: Mumbai

BRIEF PROFILE OF THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AT THE 31ST ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ['SS - 2']:

| | | |
|---|---|---|
| Name | Mark Stephen Metaxas (DIN: 09607494) | Mr. Krishan Phophalia Kumar (DIN: 08395171) |
| Proposed Designation | Non-Executive Non-Independent Director | Non-Executive Non-Independent Director |
| Date of Birth (age) | 23 rd September, 1988 (33 years) | 18 th May, 1976 (46 years) |
| Nature of his expertise in specific functional areas | Global Marketing and Corporate Strategy | Finance |
| Qualifications | MBA from The University of Chicago Booth School of Business (2017); BA from The University of Pittsburgh – Economics, Political Science (2011) | Chartered Accountant |
| Experience | Mark Metaxas graduated from the University of Pittsburgh in 2011 with a bachelor's degree in Economics and Political Science. In 2017, he went on to complete his MBA at University of Chicago's Booth School of Business where he specialized in Strategic Management and Marketing. | Mr. Krishan Phophalia Kumar is a Chartered accountant by profession with over 20+ years of track record and diverse experience in Finance. He is currently Service Delivery Leader – Accounting at DuPont. He started his career with Indian Petrochemical Corporation Limited (lateron acquired by Reliance Industries Limited), where he was part of the Plant Finance Team and has handled multiple roles related to manufacturing site, which inter alia includes Payroll, Materials Finance, |
| | Mark is currently working at DuPont as the Global Business Director for Multibase™ within Dupont's Materials and Mobility Group. During Mark's 4 years with DuPont, he has had positions in Regional Business Management, Global Marketing, and Corporate Strategy. Prior to DuPont, Mark worked at Eaton Corporation for 7 years and held a variety of commercial and strategy roles within Eaton's Hydraulics and Lighting divisions. Mark brings a strong blend of business management, commercial, and marketing strategy experience. He has managed a P&L, led numerous global market segments and product lines, and has developed and executed a range of commercial growth plans and product launches. He has experience in a range of market segments including automotive, industrial, healthcare, electronics, and aerospace. | Project Accounting / Capitalization, Costing, Vendor Payments etc. He then joined DuPont, India in year 2006, as Business Accountant and handled multiple roles at country and/or regional level. These roles included Business Finance Manager for Paint Business, Manager Corporate Accounting for DuPont South Asia, Financial Carveout Leader, APAC for PCHEM separation, Controllership, Service Delivery Leader for Accounting and Reporting. |
| Number of Shares held in the Company | NIL | NIL |

| | | |
|--|--|--|
| Name | Mark Stephen Metaxas (DIN: 09607494) | Mr. Krishan Phophalia Kumar (DIN: 08395171) |
| Terms and Conditions of Appointment/re-appointment | As approved by NRC Policy of the Company as available on the website of the Company. | As approved by NRC Policy of the Company as available on the website of the Company. |
| Date of Appointment on the Board | 26 th May 2022. | April 01, 2019 |
| Relationship with other Director, Manager and other Key Managerial Personnel of the Company | Nil | NA |
| Name of the other Companies in which also holds Directorship, Membership/Chairmanship of Committees | Nil | NA |
| The number of Meetings of the Board attended during the year | Nil | 5 |

REPORT OF THE BOARD OF DIRECTORS

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To

The Members,

Your Directors are pleased to present their 31st Annual Report together with Audited Financial Statements of your Company for the Financial Year ended March 31, 2022.

(₹ In lacs)

| FINANCIAL RESULTS | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|
| Revenue from Operations | 6248.39 | 5345.29 |
| Other Income | 290.70 | 409.46 |
| Total Income | 6539.09 | 5754.75 |
| Less: Expenses other than Depreciation | 5581.67 | 4671.92 |
| Profit before Depreciation | 957.42 | 1082.83 |
| Depreciation | 94.64 | 99.34 |
| Profit before Tax | 862.78 | 983.49 |
| Provision for tax | 228.85 | 311.88 |
| Profit after Tax | 633.93 | 671.61 |
| Other comprehensive income, net of taxes | 1.95 | (1.35) |
| Total comprehensive income for the year | 631.98 | 672.96 |
| Balance brought forward from previous year | 10101.97 | 9429.01 |
| Balance carried forward to Balance Sheet | 10481.55 | 10101.97 |

OPERATIONS

During the year under review, the Company reported gross revenue from operations of ₹ 6,248.39 Lacs as against ₹ 5,345.29 Lacs during the FY 2020-21. The Company reported Profit before Tax of ₹ 862.78 Lacs and Profit after Tax of ₹ 633.93 Lacs as against ₹ 983.49 Lac and ₹ 671.61 Lacs respectively for the previous Financial year on account of the inflationary-cum-forex impact-cum logistics challenges. However, revenue during the current financial year increased by 17% as against last year and is mainly on account of recovery from COVID-19 pandemic.

The Company's gross margins shrunk by 3.77% from 32.66% to 28.89% in the current year which is mainly on account of increase in raw material prices, reduction in traded products margin, forex impacts.

The Company has earned interest income on fixed deposits of ₹ 228.90 lakhs in the current year.

During the year under review, there was no change in the nature of business of the Company. However, the Company would like to highlight on one of the material change from

last financial year to the report date and may have a likely potential impact on the earnings is the rupee depreciation in current year where rupee is down by more than 5% from last financial year. As the Company procures majority of the raw material from outside India, during the first quarter results posted for FY 2022-23, there was a significant exchange loss recorded.

DIVIDEND

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a final dividend of ₹ 1/- per equity share subject to approval of the Shareholders at the Annual General Meeting ('AGM').

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of Dividend after deduction of tax at source to those Shareholders whose names appear in the Register of Members as on the Book Closure Date.

The Company has not paid any Interim Dividend during the financial year under review. In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations"), the Company has formulated a Dividend Distribution Policy which details out various factors consideration based on which the Board considers the proposal for recommendation or declaration of Dividend. The Dividend Distribution Policy of the Company is available on Company's website at www.multibaseindia.com

TRANSFER TO RESERVES

The Board of Directors have not recommended transfer of any amount of Profit to reserves during the year under review.

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

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

REVISION OF FINANCIAL STATEMENT

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

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Board of Directors:

The Board of Directors comprises of 6 (Six) Directors, out of which 3 (three) of the Board Members are Independent Directors. The composition of the Board complies with the requirements prescribed in the SEBI Listing Regulations and the Companies Act, 2013 ('the Act').

Mr. Mark Stephen Metaxas, (DIN: 09607494) was appointed as an Additional Director (Non-Executive & Non-Independent)

of the Company with effect from May 26, 2022 to hold office upto the date of 31st AGM of the Company. Based on the recommendation of the Nomination and Remuneration Committee, it is proposed to recommend the appointment of Mr. Mark Stephen Metaxas as a Director to the shareholders at the 31st AGM of the Company.

Mr. RT Paullin, (DIN: 08759596), Director (Non-Executive & Non-Independent), has resigned from the Company's Board with effect from May 26, 2022 due to his pre-occupancy with other assignments. The Board places on record its appreciation for the valuable services rendered by him, during his tenure as a Director of the Company.

Pursuant to the provisions of Section 152 of the Act, Mr. Krishan Kumar Phophalia (DIN: 08395171), Director (Non-Executive & Non-Independent) of the Company is liable to retire by rotation at the ensuing AGM of the Company and being eligible has offered himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice of the 31st AGM of the Company.

There was no other change in the composition of the Board of Directors during the period under review.

Key Managerial Personnel:

During the year under review, Ms. Sunaina Goraksh [ACS: 27934] resigned as a Company Secretary & Compliance Officer of the Company with effect from September 30, 2021 on account of personal reason.

Further, the Board on considering the recommendation of the Nomination and Remuneration Committee approved the appointment of Ms. Parmy Kamani [ACS: 27788] as the Company Secretary & Compliance Officer of the Company with effect from November 11, 2021.

Apart from the above, there was no other change in the composition of the Key Managerial Personnel during the period under review.

All Directors have given a certificate to the Compliance Officer confirming the adherence to the Code of Conduct & Ethics Policy of the Company for the financial year 2021-22.

COMMITTEES OF BOARD OF DIRECTORS

The Company has four (4) primary Board-level Committees, which have been established in compliance with the provisions of the Act, and Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholder's Relationship Committee;
- Corporate Social Responsibility Committee

AUDIT COMMITTEE

Your Directors have, in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 constituted the Audit Committee of the Board. As on date, the

members of the Audit Committee are Mr. Harish Narendra Motiwalla (Chairman), Mr. Ashok Faqirchand Chhabra (Member) and Mr. Krishan Kumar Phophalia (Member).

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

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

The Company Secretary acts as Secretary of the Committee.

NOMINATION AND REMUNERATION COMMITTEE

Your Directors have, in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 constituted the Nomination and Remuneration Committee of the Board. As on date, the members of the Nomination and Remuneration Committee are Mr. Ashok Faqirchand Chhabra (Chairman), Mr. Harish Narendra Motiwalla (Member), Mr. Krishan Kumar Phophalia (Member) and Ms. Bharti Pradeep Dhar (Member).

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

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

The Company Secretary acts as Secretary of the Committee.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Your Directors have, in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 constituted the Stakeholder's Relationship Committee of the Board. As on date, the members of the Stakeholder's Relationship Committee are Mr. Ashok Faqirchand Chhabra (Chairman), Mr. Harish Narendra Motiwalla (Member), Mr. Deepak Arun Dhanak (Member).

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

A Share Transfer Committee comprising of Mr. Deepak Arun Dhanak (Chairman) and Mr. Krishan Kumar Phophalia (Member) has been constituted for the purpose of Dematerialisation of shares, Transfer of Shares, Issue of Duplication shares, Loss of Share Certificate and any other purpose deems to be fit for Transfer/Transmission of Shares of the Shareholders of the Company.

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

The Company Secretary acts as Secretary of the Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Your Board of Directors has formulated the Corporate Social Responsibility (CSR) Policy pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, based on the recommendations of the CSR Committee. The CSR Policy is available on the website of the Company <https://www.multibaseindia.com/pdf/Multibase%20CSR%20Policy%20.pdf>

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

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

DECLARATION FROM DIRECTORS:

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

None of the Directors of the Company are disqualified for being appointed as Directors as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

CHANGE IN SHARE CAPITAL:

During the year under review, there is no change in the Share Capital of the Company.

DEPOSITS:

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

As on March 31, 2022, there were no deposits which were unclaimed and due for repayment.

STATUTORY AUDITORS:

M/s. Price Waterhouse LLP Chartered Accountants (ICAI Firm Registration No. 301112E/E300264) were appointed

as the Statutory Auditors of the Company at the AGM of the Company held on September 21, 2021 for a term of five years i.e. till the conclusion of ensuing 35th AGM (to be held during calendar year 2026).

The reports of the Statutory Auditors on Standalone and Consolidated Ind AS Financial Statements forms part of this Annual Report.

The Auditors' Report does not contain any qualification, reservation, adverse remark, disclaimer or emphasis of matter.

SECRETARIAL AUDITORS:

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s Dhrumil M Shah & Co, Practicing Company Secretary, to conduct the Secretarial Audit of your Company for the financial year 2021-22. The Secretarial Audit Report is enclosed as 'Annexure I' to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS:

As per the provisions of Section 148 of the Act, the Company is required to appoint Cost Accountant, to carry out the cost audit of cost records that has been maintained for the Company's manufacturing unit(s). The Company has appointed M/s B F Modi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2022-23. The remuneration as fixed by the Board of Directors is required to be ratified by members at the forthcoming 31st AGM of the Company.

The Cost Audit Report for the financial year 2021-22 does not contain any qualification, reservation, or adverse remarks.

INTERNAL AUDITORS:

M/s. Mukand & Rohit, Chartered Accountants have been appointed as Internal Auditors of the Company for the financial year 2022-23.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March 31, 2022, the Board of Directors hereby confirms that:

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

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis;

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

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE

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

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

RISK MANAGEMENT

The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value. The Board has also adopted a Risk Management Policy. The Company has adopted an enterprise wide framework that incorporates a system of risk oversight, risk management and internal control designed to identify, assess, monitor and manage risks consistent with the size of the business. Multibase applies risk management in a well-defined, integrated framework that promotes awareness of risks and understanding of the company's risk tolerances. The Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid risks.

INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT

The Company has an adequate Internal Financial Control System commensurate with the size and nature of its business. The Company continues to engage M/s. Mukund & Rohit, Chartered Accountants as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review

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

CRITERIA FOR APPOINTMENT OF DIRECTORS AND RELATED MATTERS

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

ANNUAL EVALUATION OF THE DIRECTORS AND THE BOARD

Pursuant to the provisions of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and the Directors individually. The evaluation of the Chairman, Non-independent Directors and the Board was conducted at the Independent Directors meeting February 9, 2022.

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

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

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

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

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

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

Board and Committees meetings relating to the Company performance.

The details of the familiarization programme are uploaded on the website of the Company <http://www.multibaseindia.com/>.

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

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered by the Company during the financial year were in the ordinary course of business and at arm's length basis. Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in Annexure IV to this Report. All transactions with related parties were placed before the Audit Committee for its approval. An omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature.

As per the requirement of Regulation 23 of the SEBI Listing Regulations, approval of the Audit Committee was received for all the Related Party Transactions.

The Company has adopted a policy to deal with related party transactions and for determining material subsidiary. The policy is on the website of the Company.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

There were no loans taken and nor any guarantees provided and also there is no investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2022.

VIGIL MECHANISM POLICY:

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has an established Vigil Mechanism Policy-Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The employees of the Company have the right to report their concern or grievance to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of the Company <https://www.multibaseindia.com/pdf/mil-whistle-blower-policy.pdf>.

No instances under the Whistle Blower Policy was reported during the financial year 2021-22.

MEETINGS OF THE BOARD

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

The details of meeting and attendance of Board/Committee Members have been provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under SEBI Listing Regulations and the Companies Act, 2013.

SECRETARIAL STANDARDS:

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

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

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

No material changes and commitments have occurred which could affect the Company's financial position between the end of the financial year of the Company. However, the Company would like to highlight on one of the material change from last financial year to the report date and may have a likely potential impact on the earnings is the rupee depreciation in current year where rupee is down by more than 5% from last financial year. As the Company procures majority of the raw material from outside India, during the first quarter results posted for FY 2022-23, there was a significant exchange loss recorded.

INSURANCE

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

INDUSTRIAL RELATION

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

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

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

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

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

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

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2022 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <http://www.multibaseindia.com/>.

FRAUD REPORTING

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

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

No. of complaints filed during Financial Year 2021-22 NIL

No. of complaints disposed off during Financial Year 2021-22 NIL

No. of complaints pending as on 31st March, 2022 NIL

GENERAL:

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

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

- Exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act.
- There was no Unpaid/Unclaimed Dividend transferred to Investor Education and Protection Fund ("IEPF") in terms of applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable;
- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board

H.N. Motiwala

Chairman

DIN: 00029835

Deepak Dhanak

Managing Director

DIN: 03157491

Registered Office:

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

Tel.: +91 260 6614400

Fax: +91 260 2221578

Email: compliance.officer@multibaseindia.com

Website: www.multibaseindia.com

CIN: L01122DD1991PLC002959

Date: August 12, 2022

Place: Mumbai

ANNEXURE I TO DIRECTORS' REPORT

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
MULTIBASE INDIA LIMITED
74/5 6, Daman Industrial Estate,
Kadaiya Village, Nani Daman,
Union Territory, DD 396210, India.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2022** according to the provisions of:

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

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - **Not Applicable**;
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **Not Applicable**;
- g. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - **Not Applicable**;
- h. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Securities and Exchange Board of India (Issue and Listing of Non - Convertible Redeemable Preference Shares) Regulations, 2013 and The Securities and Exchange Board of India (Issue and Listing of Non - Convertible Securities) Regulations, 2021; - **Not Applicable**;

- vi) The Company has informed that there are no laws which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses / regulations of the followings:

- i. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;

ii. The Listing Agreements entered into by the Company with BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the audit period;
- Adequate notice is given to all the Directors to schedule the meetings of the Board and Committees of the Board. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All decisions at Board Meetings and Committee Meetings were carried out unanimously and no dissent was recorded in Board Meetings;
- There are adequate systems and processes in the Company commensurate with the size and Operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;

For Dhrumil M Shah & Co.
UDIN:F008021D000768110

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 80211
PR No. 995/2020

Place: Mumbai
Date: August 12, 2022

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

Annexure I

(To the Secretarial Audit Report)

To,
The Members,
MULTIBASE INDIA LIMITED

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

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

For Dhrumil M Shah & Co.
UDIN:F008021D000768110

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 80211
PR No. 995/2020

Place: Mumbai
Date: August 12, 2022

ANNEXURE II TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

| Sr. No. | Name of Director | Designation /Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------|--|--|--|
| 1 | Mr. Harish Narendra Motiwala | Chairman of Committee & Non-executive Independent Director | 2 | 2 |
| 2 | Mr. Ashok Faqirchand Chhabra | Non-executive Independent Director | 2 | 2 |
| 3 | Mr. Deepak Arun Dhanak | Managing Director | 2 | 2 |
| 4 | # Ms. Bharti Pradeep Dhar | Non-executive Independent Director | NA | NA |

#Ms. Bharti Pradeep Dhar was inducted as the Member of the CSR Committee w.e.f. February 9, 2022.

3. The Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the Website of the Company: <http://www.multibaseindia.com/pdf/Multibase%20CSR%20Policy%20.pdf>
4. The Details of Impact Assessment of CSR Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

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

6. **Average net profit of the company as per section 135(5) : ₹ 13,85,70,452**
7. a) **Two percent of average net profit of the company as per section 135(5) : ₹ 27,71,409/-**
- b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL**
- c) **Amount required to be set off for the financial year, if any : NIL**
- d) **Total CSR obligation for the financial year (7a+7b-7c) : ₹ 27,71,409/-**

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

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|--|------------------|---|--------|------------------|
| | Total Amount Transferred to unspent CSR Account as per section 135(6) | | Amount Transferred to any fund specified under Schedule VII as per proviso to section 135(5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| ₹ 27,71,503 | NIL | | NA | | NA |

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

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

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------|--|--|----------------------|-------------------------|--------------------------------------|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project | Amount spent for the project (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency State. |
| | | | | State | District | | |
| 1 | Project Prayaas: Annual expenses for the Autistic School | Education including special education | Yes | Daman | Daman | 10,57,285 | No |
| 2 | Project Unnati: Annual expenses for training women in Stitching and beautician courses | Women empowerment | Yes | Daman | Daman | 6,38,967 | No |
| 3 | Donation to PM cares fund | PM Care Funds | No | Pan India | Pan India | 10,74,451 | Direct |
| TOTAL | | | | | | | |

(d) Amount spent in Administrative Overheads : 800

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 27,71,503

(g) Excess amount for set off, if any

| Sr. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 27,71,409 |
| (ii) | Total amount spent for the Financial Year | 27,71,503 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years[(iii)-(iv)] | NIL |

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

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|--------------|--------------------------|--|---|---|---------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 1 | (2020-21) ₹ NIL | NIL | NIL | NA | NA | NA | NA |
| 2 | (2019-20) ₹ 19,14,000 | NIL | 19,14,000 | NA | NA | NA | NA |
| 3 | (2018-19) ₹ 6,97,731 | NIL | NIL | NA | NA | NA | NA |
| Total | | | | | | | |

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

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

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

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

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

Date: August 12, 2022
Place: Mumbai

H. N. Motiwala
Chairman of CSR Committee
DIN: 00029835

Deepak Dhanak
Managing Director
DIN: 03157491

ANNEXURE III TO THE DIRECTORS' REPORT

A. The Nomination and Remuneration Committee has laid down the following criteria for appointment, re-appointment and removal of Directors, KMPs, members of Senior Management.

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

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

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

- a. Attendance at the meetings of the Board, Committee meetings and shareholders meetings.
- b. Contribution at the meetings
- c. Expert/Domain knowledge

- d. Decisions taken in the best interest of the company
- e. Adherence to the legal code of conduct
- f. Performance of the annual plan

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

- a. An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, marketing, HR, corporate governance, operations or other disciplines related to the company's business.
- b. An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.
- c. An Independent director should meet the requirements of the Companies Act, 2013 and SEBI Listing Regulations, 2015 as amended from time to time concerning independence of directors.

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

ANNEXURE IV

FORM AOC-2

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

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

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

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2022 are as follows:

A) Name of Related Party: Multibase S.A.

Nature of Relationship: Holding Company

| Nature of contracts/arrangements/transactions | Duration of contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|--|--|---|---|--|
| Purchase of materials | Ongoing | Purchase of materials worth ₹ 1894.64 lacs and sales of materials worth ₹ 25.77 lacs | 11.02.2021 | Not applicable |

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2022

H. N. Motiwala
Non-executive Chairman
DIN: 00029835

Deepak Dhanak
Managing Director
DIN: 03157491

ANNEXURE V TO DIRECTORS' REPORT

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

I. The percentage increase in remuneration of the executive director, Chief Financial Officer and Company Secretary during the financial year 2021-22, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:

| Sr. No. | Name | Designation | Remuneration (In ₹ Lacs) for F.Y. 2021-22 # | % increase in the remuneration for financial year 2021-22# | Ratio of remuneration of director to median remuneration of employees | Comparison of the remuneration against the performance of the company |
|---------|---------------------------------------|-------------------------|---|--|---|---|
| 1. | Mr. Deepak Dhanak | Managing Director | 91.23 | 8.00% | 10.90 | Profit before tax decrease by 12% and profit after tax decrease by 6% and revenue increase by 17% |
| 2. | Mr. Pankaj Holani | Chief Financial Officer | 49.38 | 13.00% | 5.90 | |
| 3. | Ms. Sunaina Goraksh (upto 30.09.2021) | Company Secretary | 23.65 | NA | 2.83 | |
| 4. | Ms. Parmy Kamani (w.e.f. 11.11.2021) | Company Secretary | 7.18 | 7.02% | 0.86 | |

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

II. The median remuneration of employees during the financial year was ₹ 836,299.00

III. There were 24 permanent employees on the rolls of the Company as on March 31, 2022

IV. In the financial year there was an increase of 8.50% in the median remuneration.

V. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 10.48% and average increase in the managerial remuneration w.r.t Mr. Deepak Dhanak for the financial year 2021-22 was 8.00%.

VI. Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.

ANNEXURE VI TO DIRECTORS' REPORT

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

A. Conservation of energy:

| | | |
|----|---|---|
| 1) | The steps taken or impact on conservation of energy; Electricity, Water usage | The company has initiated to install VFDs to reduced peak power demand and electricity saving for Various machines. The Company has Continued Rainwater Harvesting in soil and additional rainwater @ 60 KL stored in fire water tank. Installed LED lights. This has reduced the electricity consumption and the Company installed 30 KWp capacity roof top solar plant, helps to reduce carbon emission of 48 MT / Year, as well cost saving approximately of ₹ 90000 yearly. The Company also installed RO Plant and the recycled water is used for cooling tower. Made arrangement to collect the roof rain cater into the 5 KI tank to use this water for process cooling water system during rainy session. In-House water harvesting system recharging ground water sources. Reusing water & circulated in closed loop |
| 2) | the steps taken for utilizing alternative source of energy or impact on conservation of energy; Electricity, Fuel | The reduction of contract demand from 600KVA to 400 KVA has been initiated which results saving of demand charges of INR-642600/ per Year and YOY. As the new power supply agency Torrent Power, incorporated effective from April-2022 with increase in Demand charges INR-315 to INR-355 / KVA. Resulting increase in electricity bill. Different energy saving projects in routing at site Using battery operated forklift |
| 3) | the capital investment on energy conservation equipment's; | Installed Under water palletizer system at M70 Machine to Improve granules cutting quality, aesthetic look of product and saving of electricity Approx. 7.5 Kw/h and reduced water consumption. |

B. Technology Absorption:

| | | |
|----|--|---|
| 1) | the efforts made towards technology absorption | As a part of DuPont, resources are skilled competent & sound enough, have a mastery in our product portfolios |
| 2) | the benefits derived like product improvement, cost reduction, product development or import substitution | The Company has replaced some raw material which has resulted in regaining business and substantial margin improvement. Improved performance, competitiveness in market. Increase profitability |
| 3) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | |
| | A. the details of technology imported; | |
| | B. the year of import; | |
| | C. whether the technology been fully absorbed; | |
| | D. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | NA |
| | E. expenditure incurred on Research and Development | |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

| | ₹ In Lacs | FY 2021-22 | FY 2020-21 |
|----------------------------------|-----------|------------|------------|
| Actual foreign exchange earnings | | 409.53 | 282.29 |
| Actual foreign exchange outgo | | 2959.85 | 2371.32 |

On behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2022

H. N. Motiwala
Non-executive Chairman
DIN: 00029835

Deepak Dhanak
Managing Director
DIN: 03157491

MANAGEMENT DISCUSSION AND ANALYSIS

BACKGROUND & INDUSTRY OUTLOOK

In 2021/22, the global economy continued to recover even as the pandemic re-surged. Since the summer of 2021, growth rebounded, pulled by exports and strong consumer demand. While the worst of the COVID-19 pandemic was left behind, the inflationary-cum-forex impact-cum logistics challenges escalated due to the ongoing Russia-Ukraine war. Rising energy and oil prices increase in raw material prices and global supply disruptions have resulted in higher and more broad-based inflation than anticipated.

Global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022. As per the World Bank, India's GDP growth is expected to be approx 8.3% in the fiscal year ended 31st March, 2022, while it is projected to grow by 7.5% during the financial year 2022-2023. Industrial sector has witnessed a sharp rebound from a contraction of 7% in the financial year 2020-21 to a growth of 11.8% during the financial year 2021-22 coupled with growth of 8.2% in the services sector. Recovery in a few sectors, especially agriculture, manufacturing, construction, and contact-intensive services sector, weighed on the overall growth. Increase in the sales of electric vehicles together with demand for passenger vehicles is expected to further boost the automotive industry in the country. While the growth outlook is optimistic, the resilience of the Indian economy would be tested against the global crisis during the course of 2022-23.

BUSINESS & FINANCIAL REVIEW

With the current business portfolio, we are largely operating in the area of Automotive, Consumer & Industrial and Thermoplastic Additives. Costs in all these segments were again adversely impacted by the inflationary-cum-forex impact-cum logistics challenges.

During the year under review, the Company reported gross revenue from operations of ₹ 6,248.39 Lacs as against ₹ 5,345.29 Lacs during the FY 2020-21. The Company reported Profit before Tax of ₹ 862.78 Lacs and Profit after Tax of ₹ 633.93 Lacs as against ₹ 983.49 Lac and ₹ 671.61 Lacs respectively for the previous Financial year on account of the inflationary-cum-forex impact-cum logistics challenges. However, revenue during the current financial year increased by 17% as against last year and is mainly on account of recovery from COVID-19 pandemic.

The Company's gross margins shrunk by 3.77% from 32.66% to 28.89% in the current year which is mainly on account of increase in raw material prices, reduction in traded products margin, forex impacts.

The Company has earned interest income on fixed deposits of ₹ 228.90 lakhs in the current year.

KEY FINANCIAL RATIOS AS ON 31ST MARCH 2022

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

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

| Ratios | 2021-22 | 2020-21 |
|-----------------------|---------|---------|
| Inventory turnover | 3.61 | 3.05 |
| Debtors turnover | 5.63 | 4.63 |
| Assets turnover | 0.53 | 0.47 |
| Current ratio | 11.09 | 10.81 |
| Gross profit (%) | 28.87% | 32.66% |
| Net profit margin (%) | 10.15% | 12.56% |

OPPORTUNITIES AND THREATS

In FY 2021-22 there was a recovery in the market after the Pandemic lockdown in 2020-21, however it was not as smooth as there were some local level lock downs in FY 2021-22 due to wave 2 mainly in Q1 of FY 2021-22. This had a major impact especially in North India and impacted the Auto industry where there were shutdowns to prevent further spread of COVID-19. There was a general quick recovery in the 2nd half of the financial year once wave 2 was brought under control.

In the Auto sector we saw a year-on-year cars growth rate of about 25% in 2021-22. Demand began to increase and seemed to stabilize in the 2nd half of the year though there were some industry disruptions on account of semiconductor chip availability. There are opportunities for growth in FY 2022-23 if things begin to normalize and the semiconductor availability begins to ease out and the inflation, forex challenges ease, Ukraine challenges ease, logistics related issues ease.

RISKS AND CONCERNs

The biggest uncertainty at this point in time is the ability to pass on the inflationary, forex impacts in price to the customers, which seem challenging as we operate in a very competitive environment. Logistics for imported grades and raw materials has been a significant challenge with uncertain shipping times, shortage of vessels and increased costs.

We have developed plans to counter the negative impacts, both mid-term and long-term. We are committed to make these work.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

INTERNAL CONTROL SYSTEMS

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

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

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

reviews the report of the Internal Auditors and recommends steps to be taken to improve internal controls if any.

CAUTIONARY STATEMENT

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

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

REPORT ON CORPORATE GOVERNANCE

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

I. Company's Philosophy

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

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

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

II. Board of Directors

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

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

i) Details of Composition and Category of Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at March 31, 2022:

| Sr. No. | Name of the Director | Category | No. of Board Meeting during the tenure of the Directors in the FY 2021-22 | Attendance at previous AGM (21/09/2021) | | Directorship in other Public Companies | Committee position held in other Public Companies |
|---------|---|---|---|---|----------|--|---|
| | | | | Held | Attended | | |
| 1. | Mr. Deepak Dhanak (DIN: 03157491) | Executive Director [Managing Director] | 5 | 5 | Yes | - | - |
| 2. | Mr. Harish Narendra Motiwalla (DIN: 00029835) | Independent & Non - Executive Director [Chairman] | 5 | 5 | Yes | 7 | 5 |
| 3. | Mr. Ashok Chhabra (DIN: 00059677) | Independent & Non – Executive Director | 5 | 5 | Yes | - | - |
| 4. | Ms. Bharti Dhar (DIN: 00442471) | Independent Non – Executive Director | 5 | 5 | Yes | 1 | 1 |
| 5. | Mr. Krishan Phophalia (DIN: 08395171) | Non – Executive & Non-Independent Director | 5 | 5 | Yes | - | - |
| 6. | *Mr. RT Paullin (DIN: 08759596) | Non – Executive & Non-Independent Director | 5 | 3 | No | - | - |

* Resigned with effect from May 26, 2022

- Directorship held in Private Companies, Non-profit Organizations (Under Section 8 of the Companies Act, 2013) and Foreign Companies is not included.
- Only Membership in Audit Committees and Stakeholders Relationship Committees are taken into consideration as per the provisions of Regulation 26 of the Listing Regulations. None of the Directors of the Company held Directorship in more than 20 Companies (Public or Private) or 10 public Companies. None of the Directors is a member of more than 10 committees or acts as a Chairman of more than 5 committees across all the Companies wherein he is a director. None of the Directors serves as Independent Director in more than 7 listed Companies.

- ii) None of the Non-Executive Directors of the Company have any pecuniary relationship and / or transaction with the Company. The information on fees / compensation paid to the Non-Executive Directors is provided later in this Report.
- iii) During the year 2021-22, the Board of Directors of your Company met 5 times on 11th June 2021, 23rd June 2021, 12th August 2021, 11th November 2021 and 9th February 2022.
The intervening period between any two meetings did not exceed the period prescribed under the SEBI Listing Regulations and the amendments made thereof from time to time.
- iv) None of the Directors are related to each other.
- v) Web-link where details of familiarization programme imparted to independent directors is disclosed: www.multibaseindia.com
- vi) The compliance reports of all applicable laws are placed before the Board periodically. All the material and important items pertaining to the development and working of the Company is included with a detailed note in the Agenda and the same is circulated to the Board well in advance, so as to enable them to take strategic decisions. The information which could not be circulated to the Board, in advance, is placed at the table during the Board Meeting. The information as specified in Schedule IIA read with Regulation 17(7) of the SEBI Listing Regulations is provided to the Board as and when applicable and material.
- vii) The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company". All the Board Members and Senior Management have affirmed the compliance with the said Code of Conduct during the year 2021-22.
- viii) A declaration to this effect signed by Managing Director is appended to this Report of Corporate Governance. The Code of Conduct is also available on the web-site of the Company i.e., www.multibaseindia.com

Particulars of Directorship of other Public listed companies

| Sr. No. | Name of the Director | Name of the Listed Company where Directorship is held | Category |
|----------------|-------------------------------|---|--|
| 1. | Mr. Harish Narendra Motiwalla | Ashapura Minechem Limited Excel Industries Limited Orient Abrasives Limited Hitech Corporation Limited | Independent Director Independent Director Independent Director Independent Director |
| 2. | Mr. Ashok Chhabra | Nil | NA |
| 3. | Ms. Bharti Dhar | Nitco Limited | Independent Director |
| 4. | Mr. Deepak Dhanak | Nil | NA |
| 5. | Mr. RT Paullin | Nil | NA |
| 6. | Mr. Krishan Phophalia | Nil | NA |

Following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively and those available with the Board as a whole:

- **Finance and Accounting Skills:** Leadership experience in handling financial management of a large organisation along with understanding of accounting, financial statements, financial controls and risk management.
- **Global Business:** Experience in driving business success in market around the world, with an understanding of diverse business environment, economic conditions and broad perspective of global market opportunity.
- **Sales and Marketing:** Experience in understanding of customer and developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
- **Operations management:** Overseeing an organization's daily business activities. They are responsible for managing its resources, developing and implementing an operational plan and ensuring that procedures are carried out properly.
- **Legal and Compliance:** Experience in matters relating to compliances, understanding of changing regulatory framework.
- **General Management and Governance:** Strategic thinking, decision making, oversight to all dimensions of business and Board accountability, high standard of governance with changing regulatory framework.

- **Human Resource Development:** Experience to Human Resource Management in different corporates in various countries, understanding employee attitude in different countries, representation of gender, ethnic, geographical, cultural, or other perspectives that expand the Board's understanding of needs and viewpoints of customers, employees, governments and other stakeholders worldwide.

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

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

| Sr. No. | Name of the Director | Skills/ Expertise/ Competence |
|---------|---|--|
| 1. | Mr. Deepak Dhanak | Operations management, General Management and Governance, Sales and Marketing |
| 2. | Mr. Harish Narendra Motiwalla | Finance and Accounting Skills, General Management and Governance |
| 3. | Mr. Ashok Chhabra | Legal and Compliance, General Management and Governance, Finance and Accounting Skills |
| 4. | Ms. Bharti Dhar | General Management and Governance, Human Resource Development |
| 5. | Krishan Phophalia | Finance and Accounting Skills, General Management and Governance. |
| 6. | Mr. RT Paullin (Resigned w.e.f. 26.05.2022) | Global Business, Operations Management, General Management and Governance |
| 7. | Mr. Mark Metaxas (Appointed w.e.f. 26.05.2022) | Global Business, Sales and Marketing |

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

Audit Committee

- i) Composition of the Audit Committee, particulars of meetings held and attended during the year 2021-22:

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

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

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. H N Motiwalla, Chairman of the Audit Committee was present at the Annual General Meeting held on 21st September 2021.

The Chief Financial Officer of the Company, Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance during the year 2021-22:

During the year 2020-21, 5 meetings of the Audit Committee were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings / Attendance | | | | |
|---------|-------------------------------|-----------------------|------------|------------|------------|------------|
| | | 11/06/2021 | 23/06/2021 | 12/08/2021 | 11/11/2021 | 09/02/2022 |
| 1 | Mr. Harish Narendra Motiwalla | Present | Present | Present | Present | Present |
| 2 | Mr. Ashok Chhabra | Present | Present | Present | Present | Present |
| 3 | Mr. Krishan Phophalia | Present | Present | Present | Present | Present |

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

ii) Terms of reference:

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

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

- s) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- t) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

B. The audit committee mandatorily reviews the following information:

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

III. Nomination and Remuneration Committee

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

i) Composition of the Nomination and Remuneration Committee, particulars of meetings held and attended during the year 2021-22:

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

| Sr. No | Name | Position Held | Category |
|--------|------------------------------|---------------|------------------------------------|
| 1. | Mr. Ashok Chhabra | Chairman | Non-Executive Independent Director |
| 2. | Mr. Harish Narendra Motiwala | Member | Non-Executive Independent Director |
| 3. | Mr. Krishan Phophalia | Member | Non-Executive Director |
| 4. | Ms. Bharti Dhar* | Member | Non-Executive Independent Director |

*inducted as a Member of the Committee w.e.f 9th February, 2022.

The Company Secretary acts as the Secretary to the Committee.

During the year 2021-22, 2 meetings of the Nomination and Remuneration Committee were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings / Attendance | |
|---------|------------------------------|-----------------------|----------------|
| | | 11/11/2021 | 09/02/2022 |
| 1 | Mr. Harish Narendra Motiwala | Present | Present |
| 2 | Mr. Ashok Chhabra | Present | Present |
| 3 | Mr. Krishan Phophalia | Present | Present |
| 4 | Ms. Bharti Dhar | Not Applicable | Not Applicable |

ii) Terms of reference:

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

Recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations. The terms of reference of the Nomination and Remuneration Committee are broadly detailed as under:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of independent directors and the Board;
- iv. Devising a policy on Board diversity; and
- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- vii. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

iii) Employee Stock Option Scheme:

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

iv) Performance Evaluation Criteria for Independent Directors:

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

v) Remuneration Policy:

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

During the year 2021-22, Mr. Deepak Dhanak, Managing Director was paid ₹ 91.23 Lac as Salary. He held 1 equity share in the Company as on March 31, 2022. He was re-appointed as the Managing Director for a period of 3 years commencing from March 2, 2020. The notice period is 3 months and severance fees is payable as per the statutory requirements.

Non-Executive Directors are eligible for sitting fees and commission within the limits prescribed in the Act. The remuneration payable to Non-Executive Directors is decided by the Nomination and Remuneration Committee of the Board of Directors.

The details of relationship between Directors inter-se, sitting fees paid to Non-Executive Directors during the year 2021-22 and the number of equity shares held by them is as follows:

| Name | Relationship between Directors inter-se | Sitting fees paid for Board Meetings and Committee Meetings (In ₹) | Number of Equity Shares held in MIL as on March 31, 2022 |
|------------------------------------|---|--|--|
| Mr. Harish Narendra Motiwalla | - | 760000 | NIL |
| Mr. Ashok Chhabra | - | 760000 | 5 |
| Ms. Bharti Dhar | - | 240000 | NIL |
| Mr. Krishan Phophalia | - | NIL | NIL |
| Mr. RT Paullin (Upto May 26, 2022) | - | NIL | NIL |

As on March 31, 2022, the Company does not have any convertible instruments.

Except as disclosed, there are no pecuniary relationships or transactions between the Non-Executive Directors and the Company during FY 2021-22.

Remuneration Policy of the Company is available on Company's web-site <http://www.multibaseindia.com/pdf/Multibase-Remuneration-Policy.pdf>

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

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

i) The Committee as of March 31, 2022 comprises of following members:

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

The Company Secretary acts as the Secretary to the Committee.

ii) **Terms of reference:**

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

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

iii) Name, Designation and Address of Company Secretary & Compliance Officer:

Ms. Parmy Kamani

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

iv) Procedure for approval and details of meetings and attendance during the year 2021-22:

The power to approve the share transfer / transmission and dematerialization and / or rematerialisation has been delegated to Link Intime India Pvt. Ltd., Registrar & Transfer Agents provided a prior written intimation of such requests is sent to the Company Secretary for confirmation before processing the requests. The requests for share transfer/transmission, dematerialization/rematerialisation and issue of new share certificates in lieu of old/worn-out/lost/defaced/split/consolidation, etc., is processed and attended atleast once in a week in co-ordination with Link Intime India Pvt. Ltd., Registrar & Transfer Agents of the Company.

All the above requests processed during a quarter are then taken into record during quarterly meetings of Stakeholder's Relationship Committee.

During the year 2021-22, 4 meetings were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings / Attendance | | | |
|---------|------------------------------|-----------------------|------------|------------|------------|
| | | 11/06/2021 | 12/08/2021 | 11/11/2021 | 09/02/2022 |
| 1 | Mr. Ashok Chhabra | Present | Present | Present | Present |
| 2 | Mr. Harish Narendra Motiwala | Present | Present | Present | Present |
| 3 | Mr. Deepak Dhanak | Present | Present | Present | Present |

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

The details of Investors' Complaints received and redressed by the Company and Link Intime India Pvt. Ltd. during the year 2021-22 is as follows:

| No. of complaints at the beginning of the year 01/04/2021 | Number of Complaints Received 01/04/2021 to 31/03/2022 | Number of Complaints Resolved 01/04/2021 to 31/03/2022 | No. of complaints pending at the end of the year 31/03/2022 |
|---|--|--|---|
| Nil | Nil | Nil | Nil |

IV. Corporate Social Responsibility Committee

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

The Committee as of March 31, 2022 comprises of following members:

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

*inducted as a Member of the Committee w.e.f 9th February, 2022.

The Company Secretary acts as the Secretary to the Committee.

During the year 2021-22, 2 meetings were held and attended by the members as per the details given below:

| Sr. No. | Name of Member | Meetings / Attendance | |
|---------|-------------------------------|-----------------------|------------|
| | | 23/06/2021 | 09/02/2022 |
| 1. | Mr. Harish Narendra Motiwalla | Present | Present |
| 2. | Mr. Ashok Chhabra | Present | Present |
| 3. | Mr. Deepak Dhanak | Present | Present |

Terms of Reference:

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

V. Share transfer Committee:

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

The Committee as of March 31, 2022 comprises of following members:

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

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference:

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

VI. Meeting of Independent Directors

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Meeting of Independent Directors of the Company was held on 09th February 2022 *inter-alia* to review the performance of non-independent Directors and Board as a whole, the Chairperson of the Company and to assess the quality, quantity and flow of information between the management and the Board.

The terms and conditions of appointment of Independent Directors have been placed on the Company's website at http://www.multibaseindia.com/pdf/Terms-of-Appointment_Independent-Director.pdf

VII. General Body Meetings

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

| Financial year | AGM No. | Day & Date | Venue | Time |
|----------------|------------------|---|--|------------|
| 2020-21 | 30 th | Tuesday, 21 st September, 2021 | Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") | 11.00 a.m. |
| 2019-20 | 29 th | Tuesday, 29 th September, 2020 | Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") | 11.00 a.m. |
| 2018-19 | 28 th | Thursday, 26 th September 2019 | Hotel Reevanta, Tin Batti, Devka Road, Nani Daman – 396210 (U.T) | 11.00 a.m. |

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

| AGM No. | No. of Special resolutions passed | Particulars of Special Resolutions |
|------------------|-----------------------------------|--|
| 30 th | Nil | No Special resolution passed. |
| 29 th | 1 | Re-appointment of Mr. Deepak Dhanak (DIN: 03157491) as Managing Director of the Company for a period of 3 years with effect from 2 nd March, 2020. |
| 28 th | 1 | Continuation of the Directorship of Mr. Harish Motiwala (DIN 00029835) (Non-Executive Independent Director) who shall attain the age of seventy five (75) years, up to March 31, 2024, being the date of expiry of his current term of office. |

iii) Details of resolutions passed through Postal Ballot:

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

There were no resolutions passed by way of Postal ballot or by convening of any Extra-Ordinary General Meeting during the financial year 2021-22.

VIII. Disclosures

i) **Disclosures on materially significant Related party transactions:**

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

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

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

The details of material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements are furnished in 'Annexure IV' to the Board Report.

The policy on dealing with related party transactions is disclosed on the website of the Company i.e., <http://www.multibaseindia.com/pdf/Multibase-Remuneration-Policy.pdf>

ii) Web link where policy for determining 'material' subsidiaries: **Not Applicable.**

iii) **Disclosure of Accounting treatment:**

The financial statements of the Company for the year ended March 31, 2022 are prepared in conformity with the Accounting Standards.

iv) **Reconciliation of Share Capital Audit:**

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

v) **Risk Assessment:**

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

vi) **Proceeds from public issues, rights issues, preferential issues, etc.:**

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

vii) **Remuneration of Directors:**

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

viii) **Subsidiary Company:**

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

ix) **Management:**

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

x) **Shareholding of the Directors:**

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

xi) **Compliances:**

- During last 3 years ending on March 31, 2022 there were no non-compliances, penalties, strictures imposed on the Company by Stock exchange, SEBI or any other statutory authority on any matter related to capital markets.
- The Company has complied with all the statutory requirements under SEBI Listing Regulations, 2015 to the extent applicable.
- Out of the non-mandatory requirement the Company has adopted the following:
 - Modified opinion(s) in audit report - During the year under review, there was no qualification on the Company's financial statement.
 - The Chairman of the Company is a Non-executive Independent Director and not related to the Managing Director /Chief Executive Officer of the Company.

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

The Company has set up a Vigil mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013. The company's personnel have access to the Chairman of the Audit Committee in exceptional circumstances.

No person of the Company has denied access to the Audit Committee and there are no instances of any such access.

The Company's Policy on Whistle Blower/Vigil Mechanism is disclosed on its website and can be accessed at <http://www.multibaseindia.com/pdf/mil-whistle-blower-policy.pdf>

xiii) Policy on Prevention of Sexual Harassment at workplace:

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

Status of complaints as on March 31, 2022:

| Sr. No. | Particulars | Number of Complaints |
|----------------|---|-----------------------------|
| 1 | Number of complaints filed during the financial year | NIL |
| 2 | Number of complaints disposed of during the financial year | NIL |
| 3 | Number of complaints pending at the end of the financial year | NIL |

xiv) Means of Communication:**a) Financial results**

The quarterly, half yearly and annual results of the Company in the format prescribed under Regulation 33 of the SEBI Listing Regulations are published in prominent dailies such as Financial Express (English) and Gujarat Chitra (Gujarati) and also posted on the website of the Company i.e., <http://www.multibaseindia.com/financial-results.php>

b) Other information

Important official news including presentations made to institutional investors or to the analysts, if any, is also posted on the Company's website www.multibaseindia.com, as and when released as well as sent to Stock Exchange.

The Company has also designated exclusive e-mail id for the use of investors in accordance Regulation 46(j) of the SEBI Listing Regulations which is compliance.officer@multibaseindia.com

xv) CEO/CFO Certificate:

The CEO/CFO Certificate for the year ended March 31, 2022 as required under Regulation 17(8) of SEBI Listing Regulations, 2015, was placed and taken on record at the Board Meeting of the Company held on August 12, 2022.

xvi) Certificate of compliance:

The Certificate of Practising Company Secretary in compliance with Schedule V (E) of the SEBI Listing Regulations confirming compliance with all corporate governance requirements for the year ended March 31, 2022 is appended to this Report on Corporate Governance.

xvii) The Certificate of Company Secretary in practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.

xviii) Details relating to total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are given in Note 29 to the Financial Statements.

(ix) Disclosures in relation to Prevention of Sexual Harassment of Women at Workplace like number of complaints filed and disposed of during the year and pending as on 31st March, 2022 pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' report.

xx) Insider Trading Code:

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

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

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

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

xxi) General Shareholders Information:

a) Annual General Meeting

Day & Date : Monday, September 26, 2022

Time : 11.30 AM

Venue : Through Audio Visual means

b) Financial year 2021-22: 1st April 2022 to 31st March, 2023.

Tentative Calendar for the financial year

Quarter Ending on June 30, 2022 : August 2022

Quarter Ending on September 30, 2022 : November 2022

Quarter Ending on December 31, 2022 : February 2022

Financial Year ended March 31, 2022 : May 2023

AGM is proposed to be held for financial year 2022-23 : September 2023

c) Date of Book Closure

: **Monday, September 19, 2022 to September 25, 2022 (Both days inclusive)**

d) Dividend Payment date

: Credit/ dispatch of final dividend will commence on or after September 26, 2022 and will be completed on or before October 25, 2022, subject to the approval of shareholders at the Annual General Meeting.

e) Listing on Stock Exchange

: BSE Limited
Pheroze Jeejeebhoy
Towers, Dalal Street,
Mumbai 400 001

The Company confirms that its Annual Listing fees for the year 2022-23 has been fully paid within stipulated time.

f) Stock Code

: **526169**

g) Corporate Identification Number (CIN)

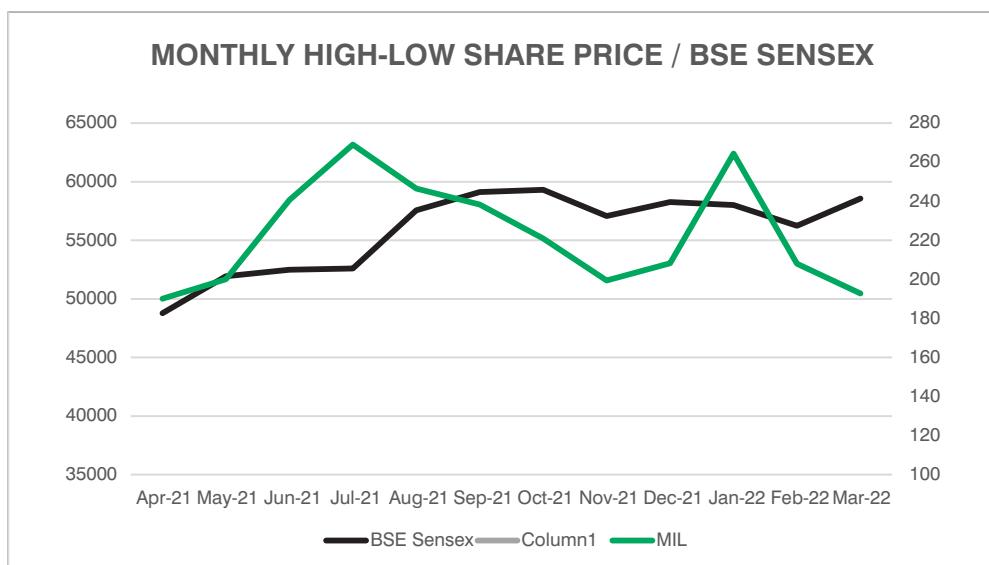
: L01122DD1991PLC002959

h) Stock Market Price Data :

| Month & Year | Share Price of Multibase on BSE | | | |
|----------------|---------------------------------|--------------------|---------------------------------|--|
| | Month's High (₹) | Month's Low (₹) | Month's Closing Price (₹) | Volume of shares traded (In no.) |
| April 2021 | 206.50 | 165.25 | 190.10 | 2329 |
| May 2021 | 218.00 | 177.05 | 200.00 | 2983 |
| June 2021 | 269.95 | 190.60 | 240.55 | 7472 |
| July 2021 | 297.00 | 237.00 | 269.00 | 5516 |
| August 2021 | 309.00 | 222.35 | 246.45 | 4847 |
| September 2021 | 270.70 | 233.10 | 238.25 | 2717 |
| October 2021 | 257.50 | 220.10 | 220.90 | 2040 |
| November 2021 | 245.70 | 197.00 | 199.35 | 1564 |
| December 2021 | 232.75 | 192.10 | 208.25 | 2399 |
| January 2022 | 319.95 | 203.35 | 264.45 | 7167 |
| February 2022 | 273.30 | 193.10 | 208.00 | 1539 |
| March 2022 | 218.00 | 181.70 | 192.70 | 1367 |

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

MIL Share Price and Sensex Movement (For FY 2021-22) Taken 100 as Base Point



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

k) Share Transfer System:

The physical transfer of shares is processed and approved by the Company in co-ordination with Link Intime India Pvt. Ltd., atleast once in every week. The Board of directors have further delegated the power to approve issue of duplicate share certificates, Demat-remat to the Share transfer committee.

All share transfers/requests for dematerialization of shares received are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all aspects by the Registrar and transfer Agent. Further, in compliance with Notification No. SEBI/LAD-NRO/GN/2018/24 issued by SEBI, the Company has ceased to accept physical transfer of shares w.e.f. April 1, 2019, except in case of transmission of securities.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Any Directors of the Company or and the Company Secretary have been is empowered to approve transfers.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

The Shares of the Company are not suspended from trading. They are however, compulsorily traded in dematerialized form.

- I) Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account: **Nil**
- m) Distribution of shareholding as on March 31, 2022:

| Equity Shares held | No. of Shareholders | % of Shareholders | Number of Shares held | % of Shares held |
|---------------------------|----------------------------|--------------------------|------------------------------|-------------------------|
| 1 to 500 | 7,704 | 90.2848 | 9,10,507 | 7.2148 |
| 501 to 1000 | 420 | 4.9221 | 3,40,019 | 2.6943 |
| 1001 to 2000 | 204 | 2.3907 | 2,97,487 | 2.3573 |
| 2001 to 3000 | 74 | 0.8672 | 1,82,515 | 1.4462 |
| 3001 to 4000 | 30 | 0.3516 | 1,09,273 | 0.8659 |
| 4001 to 5000 | 28 | 0.3281 | 1,30,177 | 1.0315 |
| 5001 to 10000 | 37 | 0.4336 | 2,70,843 | 2.1461 |
| 10001 to 9999999999 | 36 | 0.4219 | 1,03,79,179 | 82.2439 |
| TOTAL: | 8,533 | 100.0000 | 1,26,20,000 | 100.0000 |

Shareholding pattern as on March 31, 2022:

| Category | No. of Shareholders | No. of Shares held | Percentage of Shareholding (%) | No. Shares Pledged or otherwise encumbered | Percentage of Shares Pledged |
|--|----------------------------|---------------------------|---------------------------------------|---|-------------------------------------|
| A Promoters' Holding | | | | | |
| 1 Promoters | | | | | |
| Indian | - | - | - | - | - |
| Foreign | 1 | 94,64,994 | 75.00 | - | - |
| B Public Shareholding | | | | | |
| 2 Foreign Institutional Investors | - | - | - | - | - |
| 3 Foreign Portfolio Investors | 1 | 1,29,375 | 1.03 | - | - |
| 4 Non Institutional Investors | | | | | |
| a. Bodies Corporate | 71 | 2,38,986 | 1.89 | - | - |
| b. Indian Public | | | | | |
| Individual share capital upto Rs. 2 Lacs | 7,869 | 21,19,535 | 16.80 | - | - |
| Individual share capital in excess of Rs. 2 Lacs | 4 | 2,43,805 | 1.93 | - | - |
| c. Any other | - | - | - | - | - |

| Category | No. of Shareholders | No. of Shares held | Percentage of Shareholding (%) | No. Shares Pledged or otherwise encumbered | Percentage of Shares Pledged |
|---|---------------------|--------------------|--------------------------------|--|------------------------------|
| 1. Clearing Member | 24 | 27,732 | 0.22 | - | - |
| 2. Office Bearer | 14 | 33 | - | - | - |
| 3. NRIs (includes shares held on non-repat basis) | 237 | 2,37,756 | 1.88 | - | - |
| 4. Hindu Undivided Family | 233 | 1,55,805 | 1.23 | - | - |
| 5. NBFCs registered with RBI | 1 | 881 | 0.01 | - | - |
| 6. Trust | 1 | 198 | - | - | - |
| 7. Body Corporate Limited Liability Partnership | 2 | 900 | 0.01 | - | - |
| Total (1+2+3) | 8458 | 1,26,20,000 | 100.00 | - | - |

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

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

o) Dematerialization of shares and liquidity:

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

The Company's Shares are traded in Stock Exchange in dematerialized form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2022, 95.81% of outstanding Equity shares of the Company are held in dematerialized form.

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

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

q) Commodity price risk or foreign exchange risk and hedging activities: Nil

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

s) Address for Correspondence :

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

:

Compliance Officer
Ms. Parmy Kamani
82,83, 8th Floor,
2 North Avenue Maker Maxity,
Bandra Kurla Complex,
Bandra East, Mumbai-400051.
Tel No.: +91-22-4071-6000
Fax No.: +91-22-4022-0749
Email:compliance.officer@multibaseindia.com

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

u) Dematerialization of shares

Benefits of Dematerialization:

Shares held in dematerialized form have several advantages like immediate transfer of shares, faster settlement cycle, faster disbursement of non-cash corporate benefits like rights, etc., lower brokerage, ease in portfolio monitoring, etc. Besides risks associated with physical certificates such as fake certificates, bad deliveries, loss of certificates in transit, get eliminated.

As per Regulation 40 of the Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialised form, with effect from 1st April 2019. Pursuant to SEBI circular dated 25th January 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement; sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

Since there are several benefits arising from dematerialization, we sincerely urge all the shareholders who are still holding their shares in physical form to dematerialize the shares at the earliest.

Direct credit of dividend:

Payment of dividend through electronic mode has following advantages:

- Shareholder need not make frequent visits to his bank for depositing the physical warrants;
- Prompt credit to the bank account of the shareholder through electronic clearing; This would also reduce the amount of unclaimed dividend being transferred to IEPF.
- Fraudulent encashment of warrant is avoided;
- Delay/loss in postal transit is avoided.

As per circular issued by SEBI dated 20th April 2018, the Company through the Registrar and Share Transfer Agent had circulated regular reminder letters with postage prepaid envelopes in July 2018, September 2018, October 2018 and October 2019 to those physical shareholders whose PAN and/ or Bank account details were not available requesting them to register their PAN and/or bank account details.

Members are requested to register their PAN and Bank Account Details (Core Banking Solutions enabled account number, 9 digit MICR code and 11 digit IFS Code), in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Link Intime Private Limited.

Green Initiatives:

In order to capture email addresses of a larger shareholder base and send all intimations electronically, especially during the lockdown period, the Company had appointed NSDL and CDSL to send SMS to those shareholders whose email addresses were not registered with the Company.

We once again request you to join us in this initiative and register your e-mail Id with Link Intime Private Limited in case you are holding shares in physical form. In case you are holding shares in dematerialized form, please register your e-mail Id with your depository participant directly.

Norms for furnishing of PAN, KYC, Bank details and Nomination

SEBI vide circular dated 3rd November 2021 has mandated the listed companies to have PAN, KYC, bank details and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the cited details / documents (i.e. PAN, KYC, Bank Details and Nomination) are not available with us, on or after 1st April 2023, shall be frozen as per the aforesaid SEBI circular.

The investor service requests forms for updation of PAN, KYC Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on our website www.multibaseindia.com. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest.

The Company has sent a letter to the shareholders holding shares in physical form in relation to the aforesaid on 13th June 2022.

In respect of shareholders who hold shares in the dematerialized form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their respective Depository Participants.

Disclosure on details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

Not Applicable

Recommendation of Committees

All recommendations / submissions made by various Committees of the Board during the financial year 2021-22 were accepted by the Board.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
MULTIBASE INDIA LIMITED
74/5 6, Daman Industrial Estate,
Kadaiya Village, Nani Daman,
Union Territory, DD 396210, India.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

For **Dhrumil M Shah & Co.**
UDIN: F008021D000768022

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No. 995/2020

Place: Mumbai
Date: August 12, 2022

DECLARATION OF CODE OF CONDUCT

I Mr. Deepak Dhanak (DIN.03157491), Managing Director of the Company do hereby give this declaration pursuant to Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has laid down Code of Conduct for all Board members and senior management of the Company and the same is posted on the website of the Company i.e. www.multibaseindia.com

All the Board members and Senior Management Personnel have affirmed compliances with the code for the year ended 31st March 2022.

Daman
August 12, 2022

Deepak Dhanak
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
MULTIBASE INDIA LIMITED
74/5 6, Daman Industrial Estate,
Kadaiya Village, Nani Daman,
Union Territory, DD 396210, India.

I have examined all the relevant records of **Multibase India Limited (“the Company”)** for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) for the year ended **March 31, 2022**.

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

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

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

For **Dhrumil M Shah & Co.**
UDIN: F008021D000768088

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

Place: Mumbai
Date: August 12, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Multibase India Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Multibase India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Key audit matter

Revenue recognition

Refer to accounting policy for Revenue Recognition in Note 2 to the financial statements.

The Company recognised revenue of ₹ 6,248.39 lakhs for the year ended March 31, 2022.

Revenue from sale of goods is recognised when entity satisfies the performance obligation by transferring promised goods to the customer. An asset is transferred when (or as) the customer obtains control of that asset. This requires detailed analysis of the contract terms of each sales order regarding determination of timing of revenue recognition.

Depending on the contractual terms with the customers, control is transferred to the buyer either at the time of dispatch, delivery or upon acceptance by the customer.

We identified this matter as a Key Audit Matter, due to the complexity in assessing the transfer of control to the customers and consequent inherent risk that revenue is recognized in the incorrect period.

Basis for Opinion

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

Key Audit Matter

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

How our audit addressed the key audit matter

Our procedures included the following:

- Evaluated the appropriateness of the Company's revenue recognition accounting policy and assessed whether the same is in compliance with Ind AS 115, *Revenue from Contracts with Customers*.
- Evaluated the design and tested the operating effectiveness of controls relating to timing of revenue recognition under Ind AS 115.
- Tested on a sample basis, revenue transactions during the year and performed cut off procedures to evaluate whether the timing of revenue recognition is in compliance with the terms of customer contracts and the requirements of Ind AS 115.
- Evaluated the contract terms of the sales orders to assess the timing of transfer of control to the customer and to determine whether revenue is recognised appropriately.

Based on our procedures performed above, the timing of revenue recognition was considered to be appropriate.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

13. The financial statements of the Company for the year ended March 31, 2021, were audited by another firm of chartered accountants under the Act who, vide their report dated June 23, 2021, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as

it appears from our examination of those books, except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or

any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 43 to the financial statements);

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 43 to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No: 301112E/E300264

Ashish Taksali
Partner
Membership No. 99625
UDIN: 22099625AJPXRV9770
Mumbai
May 26, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Multibase India Limited on the financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Multibase India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No: 301112E/E300264

Ashish Taksali

Partner

Membership No. 99625

UDIN: 22099625AJPXRV9770

Mumbai

May 26, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Multibase India Limited on the financial statements as of and for the year ended March 31, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any intangible assets and accordingly, reporting under this Clause is not applicable.
- (b) The property, plant and equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment does not arise. Further, there are no right of use assets or intangible assets held by the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service Tax, provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ In lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|--------------------------|----------------|------------------------|------------------------------------|------------------------------------|
| The Income Tax Act, 1961 | Income tax | 1.82 | 2015-16 | Assessing Officer |
| Finance Act, 1994 | Service tax | 1.62 | 2010-11 | Commissioner Appeals |

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Default by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 43 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors

and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(XXI) of the Order is not applicable to the Company as it does not have any subsidiaries, joint ventures or associate companies and the Company does not prepare Consolidated Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse LLP

Chartered Accountants
Firm's Registration No: 301112E/E300264

Ashish Taksali

Partner
Membership No. 99625
UDIN: 22099625AJPXRV9770
Mumbai
May 26, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

| | Notes | As at March 31, 2022 | As at March 31, 2021 |
|--|--------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 1,110.82 | 1,037.25 |
| Capital work-in-progress | 3 | 2.46 | - |
| Financial assets: | | | |
| Other financial assets | 4 | 13.90 | 13.46 |
| Non-current tax assets (net) | 5 | 1.92 | 8.61 |
| Other non-current assets | 6 | 7.18 | 7.87 |
| Total non-current assets | | 1,136.28 | 1,067.19 |
| Current assets | | | |
| Inventories | 7 | 1,253.36 | 1,209.36 |
| Financial assets: | | | |
| i. Trade receivables | 8 | 1,096.14 | 1,124.43 |
| ii. Cash and cash equivalents | 9(a) | 9,428.25 | 9,133.74 |
| iii. Bank balances other than (ii) above | 9(b) | 9.23 | - |
| iv. Other financial assets | 10 | - | 0.35 |
| Other current assets | 11 | 51.86 | 43.94 |
| Total current assets | | 11,838.84 | 11,511.82 |
| TOTAL ASSETS | | 12,975.12 | 12,579.01 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 1,262.00 | 1,262.00 |
| Other equity | 13 | 10,481.55 | 10,101.97 |
| Total equity | | 11,743.55 | 11,363.97 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities: | | | |
| Other financial liabilities | 14 | - | 1.00 |
| Employee benefit obligations | 15 | 102.55 | 92.30 |
| Deferred tax liability (net) | 16 | 61.19 | 57.00 |
| Total non-current liabilities | | 163.74 | 150.30 |
| Current liabilities | | | |
| Financial liabilities: | | | |
| i. Trade payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises | 17 | - | 12.36 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 17 | 965.98 | 984.80 |
| ii. Other financial liabilities | 18 | 12.26 | - |
| Employee benefit obligations | 19 | 2.71 | 2.39 |
| Current tax liabilities (net) | 20 | 47.98 | 31.09 |
| Other current liabilities | 21 | 38.90 | 34.10 |
| Total current liabilities | | 1,067.83 | 1,064.74 |
| TOTAL LIABILITIES | | 1,231.57 | 1,215.04 |
| TOTAL EQUITY AND LIABILITIES | | 12,975.12 | 12,579.01 |
| Significant accounting policies | 1 - 2 | | |
| Notes to the financial statements | 3 - 44 | | |

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

As per our report of even date attached

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No : 301112E/E300264

Ashish Taksali

Partner

Membership No : 99625

For and on behalf of the Board of Directors of

Multibase India Limited

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

H.N. Motiwala

(Director)

DIN No.00029835

Parmy Kamani

Company Secretary

Pankaj Holani

Chief Financial Officer

Place : Mumbai

Date : May 26, 2022

Place : Mumbai

Date : May 26, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

| | Notes | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|--------|------------------------------|------------------------------|
| Income | | | |
| Revenue from operations | 22 | 6,248.39 | 5,345.29 |
| Other income | 23 | 290.70 | 409.46 |
| Total income | | 6,539.09 | 5,754.75 |
| Expenses | | | |
| Cost of materials consumed | 24 | 2,661.26 | 2,062.65 |
| Purchase of stock-in-trade | 25 | 1,726.27 | 1,594.00 |
| Changes in inventories of finished goods and stock-in-trade | 26 | 56.99 | (57.18) |
| Employee benefit expenses | 27 | 460.75 | 389.75 |
| Depreciation expense | 28 | 94.64 | 99.34 |
| Other expenses | 29 | 670.82 | 682.70 |
| Finance costs | 30 | 5.58 | - |
| Total expenses | | 5,676.31 | 4,771.26 |
| Profit before tax | | 862.78 | 983.49 |
| Tax expense | | | |
| Current tax | | 223.05 | 251.71 |
| Adjustment of tax relating to earlier years | | 1.61 | 68.09 |
| Deferred tax charge/(credit) | 16 | 4.19 | (7.92) |
| Total tax expense | | 228.85 | 311.88 |
| Profit for the year (A) | | 633.93 | 671.61 |
| Other comprehensive income | 13 | | |
| Items that will not be reclassified to profit and loss | | | |
| Remeasurement of the net defined benefit plan | 33 | 2.60 | (1.80) |
| Income tax related to above | | (0.65) | 0.45 |
| Other comprehensive income, net of taxes (B) | | 1.95 | (1.35) |
| Total comprehensive income for the year (A+B) | | 631.98 | 672.96 |
| Earnings per equity share | | | |
| Basic and diluted (face value of ₹10 each) | 41 | 5.02 | 5.32 |
| Significant accounting policies | 1-2 | | |
| Notes to the financial statements | 3 - 44 | | |

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

As per our report of even date attached

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No : 301112E/E300264

Ashish Taksali

Partner

Membership No : 99625

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

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

H.N. Motiwalia

(Director)

DIN No.00029835

Parmy Kamani

Company Secretary

Pankaj Holani

Chief Financial Officer

Place : Mumbai

Date : May 26, 2022

Place : Mumbai

Date : May 26, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| (A) Cash flow from operating activities | | |
| Profit before tax | 862.78 | 983.49 |
| Adjustments for: | | |
| Depreciation expense | 94.64 | 99.34 |
| Loss / (profit) on sale of fixed assets (net) | (2.54) | 1.36 |
| Interest income | (228.90) | (210.79) |
| Net unrealised exchange (gain)/ loss | 13.56 | 0.67 |
| Provision for Inventory | (24.75) | (9.78) |
| Liabilities / provisions no longer required written back | - | (26.33) |
| Interest on shortfall of payment of advance tax | 5.58 | - |
| Provision for doubtful advances written back | (0.51) | |
| | <u>(142.92)</u> | <u>(145.53)</u> |
| Operating profit before working capital changes | <u>719.86</u> | <u>837.96</u> |
| <i>Changes in working capital:</i> | | |
| Adjustments for (increase) / decrease in assets: | | |
| (Increase) in inventories | (19.25) | (49.71) |
| Decrease in trade receivables | 28.39 | 60.15 |
| Decrease / (increase) in non-current and current financial assets | (0.95) | 1.18 |
| (Increase) in other bank balances | (9.23) | - |
| Decrease / (increase) in other non current and current assets | (7.23) | 25.22 |
| | <u>(8.27)</u> | <u>36.84</u> |
| Adjustments for increase / (decrease) in liabilities: | | |
| (Decrease) / increase in trade payables | 4.80 | (10.22) |
| (Decrease) / increase in other current liabilities | 7.97 | 16.79 |
| Increase in other non current and current employee benefit obligations | (32.06) | 252.86 |
| | <u>(32.06)</u> | <u>252.86</u> |
| Cash generated from operations | 679.53 | 1,127.66 |
| Income tax paid, net | (200.43) | (155.41) |
| Net cash flow generated from operating activities (A) | <u>479.10</u> | <u>972.25</u> |
| (B) Cash flows from investing activities | | |
| Capital expenditure on PPE, including capital advances | (168.64) | (32.33) |
| Proceeds from disposal of property, plant and equipment | 3.90 | - |
| Interest received | 221.54 | 218.45 |
| Net cash flow generated from investing activities (B) | <u>56.80</u> | <u>186.12</u> |

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| (C) Cash flows from financing activities | | |
| Dividend paid | (243.17) | - |
| Interest on shortfall of payment of advance tax | (5.58) | - |
| Net cash flow from financing activities (C) | (248.75) | - |
| Net increase in cash and cash equivalents (A+B+C) | 287.15 | 1,158.37 |
| Cash and cash equivalents at the beginning of the year | 9,111.12 | 7,952.75 |
| Cash and cash equivalents at the end of the year | 9,398.27 | 9,111.12 |

Notes :

1. Cash and cash equivalents (excluding accrued interest) comprises of:

| Particulars | March 31, 2022 (Audited) | March 31, 2021 (Audited) |
|---|-----------------------------|-----------------------------|
| With banks - | | |
| In current accounts | 698.27 | 611.12 |
| In deposit accounts (original maturity of 3 months or less) | 8,700.00 | 8,500.00 |
| | 9,398.27 | 9,111.12 |

As per our report of even date attached

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No : 301112E/E300264

Ashish Taksali
Partner
Membership No : 99625

Place : Mumbai
Date : May 26, 2022

For and on behalf of the Board of Directors of
Multibase India Limited
CIN- L01122DD1991PLC002959

Deepak Dhanak
(Managing Director)
DIN No.03157491

Parmy Kamani
Company Secretary

Place : Mumbai
Date : May 26, 2022

H.N. Motiwala
(Director)
DIN No.00029835

Pankaj Holani
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

(a) Equity share capital

| | March 31, 2022 | | March 31, 2021 | |
|--------------------------------------|-------------------|-----------------|-------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 12,620,000 | 1,262.00 | 12,620,000 | 1,262.00 |
| Balance at the end of the year | <u>12,620,000</u> | <u>1,262.00</u> | <u>12,620,000</u> | <u>1,262.00</u> |

(b) Other equity

| | Reserves and Surplus | | | |
|--|----------------------|-------------------|----------------------------|------------------|
| | Securities premium | Retained earnings | Other Comprehensive Income | Total |
| Balance as at April 01, 2020 | 117.00 | 9,298.24 | 13.77 | 9,429.01 |
| Profit for the year | - | 671.61 | - | 671.61 |
| Remeasurement of defined benefit liability | - | - | 1.35 | 1.35 |
| Balance as at March 31, 2021 | <u>117.00</u> | <u>9,969.85</u> | <u>15.12</u> | <u>10,101.97</u> |
| Balance as at April 01, 2021 | 117.00 | 9,969.85 | 15.12 | 10,101.97 |
| Profit for the year | - | 633.93 | - | 633.93 |
| Dividend for the year | - | (252.40) | - | (252.40) |
| Remeasurement of defined benefit liability | - | - | (1.95) | (1.95) |
| Balance as at March 31, 2022 | <u>117.00</u> | <u>10,351.38</u> | <u>13.17</u> | <u>10,481.55</u> |

Nature and purpose of reserves

1. Securities Premium:

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

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

As per our report of even date attached

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No : 301112E/E300264

Ashish Taksali

Partner

Membership No : 99625

Place : Mumbai

Date : May 26, 2022

For and on behalf of the Board of Directors of

Multibase India Limited

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

H.N. Motiwala

(Director)

DIN No.00029835

Parmy Kamani

Company Secretary

Place : Mumbai

Date : May 26, 2022

Pankaj Holani

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

1 Corporate Information

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

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

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements under Ind AS were authorised for issue by the Company's Board of Directors on May 26, 2022.

Details of the Company's accounting policies are included in Note 2.7.

2.2 Basis of measurement

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

2.3 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 36 – determining the amount of expected credit loss on financial assets (including trade receivables) and
- Note 32 – identification of reportable operating segments.

Assumptions and estimation of uncertainties

- Note 3 and 28 – estimate of useful life used for the purposes of depreciation of property plant and equipment.
- Note 15, 19, 33 – measurement of defined benefit obligations: key actuarial assumptions; and
- Note 39 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.4 New and amended standards adopted by the company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- a) Extension of COVID-19 related concessions – amendments to Ind AS 116 b) Interest rate benchmark reform –

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above are not expected to significantly affect the current or future periods.

2.5 Standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

2.6 Significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR) amount in lakhs, unless otherwise stated, which is also the Company's functional currency.

(ii) Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

(b) Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

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

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

- Note 35 – financial instruments.

(c) Financial instruments

Recognition and initial measurement

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

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

Financial assets - classification and subsequent measurement

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

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

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

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

Financial liabilities

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

Offsetting

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

(d) Property, plant and equipment

Recognition and measurement

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

Subsequent measurement

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

Depreciation

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

| Asset Category | Useful life |
|------------------|-------------|
| Computer systems | 3 years |

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

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

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

Derecognition

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

(e) Inventories

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

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on moving weighted average basis. Finished goods includes appropriate proportion of overheads and wherever applicable goods and service tax.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

(f) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

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

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

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

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

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, are reviewed at

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

each reporting date to assess whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits

Short term employee benefits

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

Defined contribution plans

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

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

Defined benefit plans - Gratuity

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

Other long-term employee benefits

The employees of the Company are entitled to other long-term benefit in the form of compensated absences as per the policy of the Company. Liability for other long-term employee benefit is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Termination benefits

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

(h) Provisions, contingent liabilities and contingent assets

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

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

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company.

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

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

(i) Revenue

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

Sale of goods

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

Other income

Interest

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

(j) Leases

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

Company as a lessee (Assets taken on lease)

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

Short-term leases and leases of low-value assets

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

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

(k) Income taxes

Current tax

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

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

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

Deferred tax

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

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

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

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

(l) Borrowing cost

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

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 32.

(n) Cash and cash equivalents

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

(o) Earnings per share

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

(p) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2021

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

Consequent to above, the Company has changed the classification/presentation of security deposits and interest accrue on fixed deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets - non current' line item. Previously, these deposits were included in 'loans' line item.

Further, the interest accrued on fixed deposits have been included in 'cash and cash equivalents' line item. Previously, interest accrued on fixed deposits were included in 'other financial assets - current' line item.

The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below;

| Balance Sheet extract | 31 March 2021 (as previously reported) | Increase/ (Decrease) | 31 March 2021 (restated) |
|--------------------------------------|--|-------------------------|-----------------------------|
| Loans (non-current) | 13.46 | (13.46) | - |
| Other financial assets (non-current) | - | 13.46 | 13.46 |
| Cash and cash equivalents | 9,111.12 | 22.62 | 9,133.74 |
| Other financial assets (current) | 22.97 | (22.62) | 0.35 |

(q) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

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

Following are the changes in the carrying amount of property, plant and equipment for the year ended March 31, 2022:

| Description | Land - freehold | Building | Plant and Machinery | Laboratory Equipment | Office and other Equipment | Computer Systems | Furniture and Fittings | Total | Capital work in progress |
|---|-----------------|---------------|---------------------|----------------------|----------------------------|------------------|------------------------|-----------------|--------------------------|
| Gross carrying amount | | | | | | | | | |
| As at April 01, 2021 | 28.42 | 227.56 | 898.42 | 154.23 | 33.64 | 12.86 | 2.33 | 1,357.46 | - |
| Additions | - | 5.90 | 133.31 | 17.37 | 3.13 | 9.86 | - | 169.57 | 2.46 |
| Deletions/Transfers | - | - | (3.38) | - | (0.06) | - | (0.68) | (4.12) | - |
| As at March 31, 2022 | 28.42 | 233.46 | 1,028.35 | 171.60 | 36.71 | 22.72 | 1.65 | 1,522.91 | 2.46 |
| Accumulated depreciation | | | | | | | | | |
| As at April 01, 2021 | - | 50.46 | 173.90 | 81.34 | 3.60 | 8.58 | 2.33 | 320.21 | - |
| Depreciation for the year | - | 11.57 | 55.85 | 13.81 | 8.51 | 4.90 | - | 94.64 | - |
| Deletions/Transfers | - | - | (2.02) | - | (0.06) | - | (0.68) | (2.76) | - |
| As at March 31, 2022 | - | 62.03 | 227.73 | 95.15 | 12.05 | 13.48 | 1.65 | 412.09 | - |
| Net carrying amount as at March 31, 2022 | 28.42 | 171.43 | 800.62 | 76.45 | 24.66 | 9.24 | - | 1,110.82 | 2.46 |

Capital work-in-progress

(a) Aging of CWIP

| Particulars | Less than one year | 1-2 years | 2-3 years | More than 3 years | Total |
|-------------------------------------|--------------------|-----------|-----------|-------------------|-------|
| (i) Projects in progress | 2.46 | - | - | - | 2.46 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| | 2.46 | - | - | - | 2.46 |

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan: **Nil**

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

| Description | Land - freehold | Building | Plant and Machinery | Laboratory Equipment | Office and other Equipment | Computer Systems | Furniture and Fittings | Total | Capital work in progress |
|---|-----------------|---------------|---------------------|----------------------|----------------------------|------------------|------------------------|-----------------|--------------------------|
| Gross carrying amount | | | | | | | | | |
| As at April 01, 2020 | 28.42 | 227.56 | 836.59 | 154.23 | 81.96 | 21.27 | 2.33 | 1,352.36 | 29.50 |
| Additions | - | - | 61.83 | - | - | - | - | 61.83 | - |
| Deletions/Transfers | - | - | - | - | (48.32) | (8.41) | - | (56.73) | (29.50) |
| As at March 31, 2021 | 28.42 | 227.56 | 898.42 | 154.23 | 33.64 | 12.86 | 2.33 | 1,357.46 | - |
| Accumulated depreciation | | | | | | | | | |
| As at April 01, 2020 | - | 38.89 | 120.41 | 63.70 | 38.21 | 12.70 | 2.33 | 276.24 | - |
| Depreciation for the year | - | 11.57 | 53.49 | 17.64 | 12.35 | 4.29 | - | 99.34 | - |
| Deletions/Transfers | - | - | - | - | (46.96) | (8.41) | - | (55.37) | - |
| As at March 31, 2021 | - | 50.46 | 173.90 | 81.34 | 3.60 | 8.58 | 2.33 | 320.21 | - |
| Net carrying amount as at March 31, 2021 | 28.42 | 177.10 | 724.52 | 72.89 | 30.04 | 4.28 | - | 1,037.25 | - |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

4. Other financial assets

| | March 31, 2022 | March 31, 2021 |
|---------------------------------------|----------------|----------------|
| Unsecured, considered good | | |
| Security deposits (at amortised cost) | 13.90 | 13.46 |
| | <u>13.90</u> | <u>13.46</u> |

5 Non-current tax assets (net)

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Advance tax net of provision | 1.92 | 8.61 |
| {Provision for tax: ₹ 253.32 lakhs, (March 31, 2021 : ₹ 259.99 lakhs)} | | |
| | <u>1.92</u> | <u>8.61</u> |

6 Other non-current assets

| | March 31, 2022 | March 31, 2021 |
|------------------|----------------|----------------|
| Prepaid Expenses | 7.18 | 7.87 |
| | <u>7.18</u> | <u>7.87</u> |

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

| | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Raw materials (including packing materials) {Goods in transit : ₹ 161.16 lakhs (March 31, 2021 : ₹ 92.67 lakhs)} (refer note below) | 682.50 | 581.51 |
| Finished goods (refer note below) | 196.38 | 236.07 |
| Stock-in-trade {Goods in transit : INR 40.38 lakhs (March 31, 2021 : INR 193.57 lakhs)} | 374.48 | 391.78 |
| | <u>1,253.36</u> | <u>1,209.36</u> |

The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving and surplus inventory. Provision for raw materials as on March 31, 2022 ₹ 33.34 lakhs (March 31, 2021 : ₹ 62.98 lakhs) and for finished goods as on March 31, 2022 ₹ 31.26 lakhs (March 31, 2021 : ₹ 26.40 lakhs)

8 Trade receivables

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Trade Receivables | 1,073.43 | 1,036.29 |
| Receivables from related parties (refer note 34) | 29.49 | 94.92 |
| Less: Loss Allowance | (6.78) | (6.78) |
| | <u>1,096.14</u> | <u>1,124.43</u> |
| Break-up of Security details | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - unsecured | 1,096.14 | 1,124.43 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade Receivables - credit impaired | 6.78 | 6.78 |
| Less: Loss Allowance for expected credit loss | (6.78) | (6.78) |
| | <u>1,096.14</u> | <u>1,124.43</u> |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

| Aging of trade receivables as at March 31, 2022 | Outstanding for following periods from the due date | | | | | | | Total |
|--|---|-----------------|-----------------------|----------------------|-----------|-----------|----------------------|-----------------|
| | Unbilled | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables | | | | | | | | |
| Considered good | - | 1,085.11 | 10.98 | 0.06 | - | - | - | 1,096.14 |
| Credit impaired | - | - | - | - | - | - | 6.78 | 6.78 |
| Loss allowance | - | - | - | - | - | - | (6.78) | (6.78) |
| Total | - | 1,085.11 | 10.98 | 0.06 | - | - | - | 1,096.14 |

| Aging of trade receivables as at March 31, 2021 | Outstanding for following periods from the due date | | | | | | | Total |
|--|---|-----------------|-----------------------|----------------------|-----------|-----------|----------------------|-----------------|
| | Unbilled | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables | | | | | | | | |
| considered good | 78.68 | 1,033.48 | 12.27 | - | - | - | - | 1,124.43 |
| credit impaired | - | - | - | - | - | - | 6.78 | 6.78 |
| loss allowance | - | - | - | - | - | - | (6.78) | (6.78) |
| Total | 78.68 | 1,033.48 | 12.27 | - | - | - | - | 1,124.43 |

9(a) Cash and cash equivalents

| | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Balance with banks : | | |
| i) In current account | 698.27 | 611.12 |
| ii) In deposits accounts (with original maturity of less than three months) {including interest accrued ₹ 29.98 lakhs (March 31, 2021 : ₹ 22.62 lakhs)} | 8,729.98 | 8,522.62 |
| | 9,428.25 | 9,133.74 |

9(b) Other bank balances

| | March 31, 2022 | March 31, 2021 |
|-------------------------------|-----------------|-----------------|
| Earmarked balances with banks | 9.23 | - |
| i) Unclaimed dividend account | 9.23 | - |
| | 9,437.48 | 9,133.74 |

11 Other financial assets (current)

| | March 31, 2022 | March 31, 2021 |
|---------------------------------------|----------------|----------------|
| a) Security deposits | 12.84 | 13.35 |
| Less: loss allowance | (12.84) | (13.35) |
| | - | - |
| b) Interest accrued on other deposits | - | 0.35 |
| | - | 0.35 |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

11 Other current assets

Considered good

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Advance to vendors | 31.48 | 40.48 |
| Balances due from government authorities | 17.16 | 2.03 |
| Prepaid expenses | 3.22 | 1.43 |
| | 51.86 | 43.94 |

12 Equity share capital

Authorised:

13,000,000 (March 31, 2021: 13,000,000) equity shares of ₹ 10/- each

1,300.00 1,300.00

Issued, subscribed and paid up:

12,620,000 (March 31, 2021: 12,620,000) equity shares of ₹ 10/- each

1,262.00 1,262.00

1,262.00 1,262.00

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

| Description | March 31, 2022 | | March 31, 2021 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| Shares outstanding at the beginning of the year | 12,620,000 | 1,262.00 | 12,620,000 | 1,262.00 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 12,620,000 | 1,262.00 | 12,620,000 | 1,262.00 |

b) Rights, preferences and restrictions attached to equity shares

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

c) Particulars of shareholders holding more than 5% shares

| | March 31, 2022 | | March 31, 2021 | |
|---|------------------|--------------|------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Multibase S.A, France (Holding Company) | 9,464,994 | 75.00% | 9,464,994 | 75.00% |

d) Details of shareholding of promoters

| Name of the promoter | March 31, 2022 | | | March 31, 2021 | | |
|-----------------------|------------------|-----------------------------|-----------------------------|------------------|-----------------------------|-----------------------------|
| | Number of shares | % of total number of shares | % of change during the year | Number of shares | % of total number of shares | % of change during the year |
| Multibase S.A, France | 9,464,994 | 75.00% | - | 9,464,994 | 75.00% | - |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

13 Other equity

| | March 31, 2022 | March 31, 2021 |
|---|------------------|------------------|
| Securities premium | | |
| At the commencement and at the end of the year | 117.00 | 117.00 |
| (On 1,800,000 equity shares of ₹ 10/- each issued at a premium of ₹ 6.50/- per share) | | |
| Retained earnings | | |
| Opening balance | 9,969.85 | 9,298.24 |
| Add: Profit for the year | 633.93 | 671.61 |
| Less: Dividend declared [March 31, 2022 ₹ 2 per share (March 31, 2021: Nil)] | 252.40 | - |
| | 10,351.38 | 9,969.85 |
| Items of Other Comprehensive Income | | |
| Remeasurement of defined benefit liability | | |
| Opening balance | 15.12 | 13.77 |
| Add: Remeasurement of defined benefit liability | (1.95) | 1.35 |
| | 13.17 | 15.12 |
| | 10,481.55 | 10,101.97 |

14 Other financial liabilities (non-current)

| | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|----------------------|----------------------|
| Security deposit (at amortised cost) | - | 1.00 |
| | - | 1.00 |

15 Employee Benefit Obligations

| | As at March 31, 2022 | As at March 31, 2021 |
|------------------------|----------------------|----------------------|
| - Gratuity Liability | 79.66 | 70.28 |
| - Compensated Absences | 22.89 | 22.02 |
| | 102.55 | 92.30 |

16 Deferred tax liability (net)

Deferred tax balances consist of the following:

| | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (i) Deferred tax assets (net) | | |
| (a) Provision for loss allowance on security deposits and trade receivables | 4.94 | 5.07 |
| (b) Provision for employee benefits | 28.95 | 28.47 |
| Sub-total (A) | 33.89 | 33.54 |
| (ii) Deferred tax liabilities (net) | | |
| (a) Difference between book balance and tax balance of property, plant and equipment | (95.08) | (90.54) |
| Sub-total (B) | (95.08) | (90.54) |
| Deferred tax liability (net) (A-B) | 61.19 | 57.00 |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

17 Trade payables

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-----------------------------|-----------------------------|
| Total outstanding dues of micro enterprises and small enterprises * | - | 12.36 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises ** | 965.98 | 984.80 |
| | 965.98 | 997.16 |
| * Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management | | |
| ** Includes due to related parties ₹ 567.81 lakhs (March 31, 2021: ₹ 437.34 lakhs) | | |
| During the year, Micro Small and Medium Enterprises have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under; | | |
| Particulars | | |
| Principal amount remaining unpaid to any supplier as at the year end | - | 12.36 |
| Interest due thereon | - | - |
| Amount of interest paid by the Company in terms of section 16 of MSMED Act, along with the amount of the payment made to a supplier beyond the appointed day during the accounting year | - | - |
| Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED, 2006 | - | - |
| Amount of Interest remaining accrued and unpaid | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | - | - |

| Ageing of trade payable as at March 31, 2022 | Outstanding for following periods from the due date | | | | | | Total |
|---|--|----------------|-------------------------|------------------|------------------|--------------------------|---------------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payable | | | | | | | - |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | 119.30 | 457.83 | 388.85 | - | - | - | 965.98 |
| Total | 119.30 | 457.83 | 388.85 | - | - | - | 965.98 |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

| Ageing of trade payable as at March 31, 2021 | Outstanding for following periods from the due date | | | | | | Total |
|---|---|---------------|---------------------|-------------|-----------|----------------------|---------------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payable | | | | | | | |
| Micro enterprises and small enterprises | - | 12.36 | - | - | - | - | 12.36 |
| Others | 256.14 | 509.44 | 219.07 | 0.15 | - | - | 984.80 |
| Total | 256.14 | 521.80 | 219.07 | 0.15 | - | - | 997.16 |

18 Other financial liabilities (current)

| | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Capital creditors | 2.03 | - |
| Security deposit (at amortised cost) | 1.00 | - |
| Unpaid dividend | 9.23 | - |
| | 12.26 | - |

19 Employee Benefit Obligations

| | As at March 31, 2022 | As at March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| - Gratuity Liability | 2.11 | 1.82 |
| - Compensated Absences | 0.60 | 0.57 |
| | 2.71 | 2.39 |

20 Current tax liabilities

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Provision for Income tax (net of advance tax) | 47.98 | 31.09 |
| [Advance tax: ₹ 222.40 lakhs, (March 31, 2021 : ₹ 220.29)] | 47.98 | 31.09 |

21 Other current liabilities

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| Balance due to government authorities | 35.14 | 34.10 |
| Advance from customer | 3.76 | - |
| | 38.90 | 34.10 |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

22 Revenue from operations

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Revenue from contracts with customers | | |
| Revenue from manufactured products | 4,266.04 | 3,599.65 |
| Revenue from traded products | 1,982.35 | 1,745.64 |
| | <u><u>6,248.39</u></u> | <u><u>5,345.29</u></u> |
| Disaggregation of revenue from contracts with customers | | |
| The Company derives revenue from the sale of products in the following major categories: | | |
| Revenue from contracts with customers: | | |
| Sale of products (Transferred at point in time) | | |
| Manufacturing products | | |
| India | 4,052.49 | 3,376.55 |
| Other than India | 213.55 | 223.10 |
| | <u><u>(A) 4,266.04</u></u> | <u><u>3,599.65</u></u> |
| Trading products | | |
| India | 1,982.35 | 1,737.66 |
| Other than India | - | 7.98 |
| | <u><u>(B) 1,982.35</u></u> | <u><u>1,745.64</u></u> |
| Total Revenue (A) + (B) | <u><u>6,248.39</u></u> | <u><u>5,345.29</u></u> |

The below table describes reconciliation of revenue recognised with contract price;

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Contract price | 6,262.03 | 5,350.75 |
| Less: Rebates | (13.64) | (5.46) |
| Revenue from contracts with customers | <u><u>6,248.39</u></u> | <u><u>5,345.29</u></u> |

23 Other income

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Interest from bank deposits | 228.39 | 210.79 |
| Interest on Income tax refund | 0.51 | - |
| Profit on sale of property, plant and equipment (net) | 2.54 | - |
| Exchange rate variation (net) | - | 19.02 |
| Other non-operating income | 58.75 | 69.67 |
| Service income | - | 68.62 |
| Bad debt recovered | - | 27.98 |
| Liabilities no longer required, written back | - | 13.38 |
| Provision for doubtful advances written back | 0.51 | - |
| | <u><u>290.70</u></u> | <u><u>409.46</u></u> |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

24 Cost of materials consumed

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------|------------------------------|------------------------------|
| Opening stock | 581.51 | 579.20 |
| Add: Purchases | 2,762.25 | 2,064.96 |
| | <u>3,343.76</u> | <u>2,644.16</u> |
| Less: Closing stock | 682.50 | 581.51 |
| | <u>2,661.26</u> | <u>2,062.65</u> |

25 Purchase of stock-in-trade

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------|------------------------------|------------------------------|
| Purchases | 1,726.27 | 1,594.00 |
| | <u>1,726.27</u> | <u>1,594.00</u> |

26 Changes in inventories of finished goods and stock-in-trade

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Opening Stock : | | |
| Finished goods | 236.07 | 341.87 |
| Stock-in-trade (traded goods) | <u>391.78</u> | <u>228.80</u> |
| | <u>627.85</u> | <u>570.67</u> |
| Less: Closing Stock | | |
| Finished goods | 196.38 | 236.07 |
| Stock-in-trade (traded goods) | <u>374.48</u> | <u>391.78</u> |
| | <u>570.86</u> | <u>627.85</u> |
| Changes In Inventories: | | |
| Finished goods | 39.69 | 105.80 |
| Stock-in-trade (traded goods) | <u>17.30</u> | <u>(162.98)</u> |
| Changes in inventories of finished goods and stock-in-trade | <u>56.99</u> | <u>(57.18)</u> |

27 Employee benefits expense

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Salaries, wages and bonus | 424.40 | 359.02 |
| Contribution to provident fund (refer Note 33) | 18.09 | 15.46 |
| Gratuity expenses (refer Note 33) | 12.21 | 11.01 |
| Staff welfare expenses | 6.05 | 4.26 |
| | <u>460.75</u> | <u>389.75</u> |

28 Depreciation expenses

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Depreciation on property, plant and equipment | 94.64 | 99.34 |
| | <u>94.64</u> | <u>99.34</u> |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

29 Other expenses

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Stores and spares consumed | 4.98 | 4.23 |
| Power, fuel and utilities | 52.05 | 56.25 |
| Service charges | 52.10 | 49.42 |
| Repair and Maintenance | | |
| - Building | 3.68 | 2.55 |
| - Plant and machinery | 3.26 | 3.07 |
| - Others | 20.70 | 88.98 |
| Legal, professional and other contractual charges | 77.33 | 65.90 |
| Payments to auditors (refer note below) | 17.11 | 15.27 |
| Printing, stationery and communication charges | 64.28 | 53.67 |
| Rental charges | 18.25 | 19.48 |
| Rates and taxes | 13.33 | 45.33 |
| Travelling and conveyance | 7.10 | 1.83 |
| Insurance expenses | 12.83 | 8.55 |
| Support charges | 69.08 | 64.07 |
| Directors' sitting fees | 17.60 | 17.60 |
| Freight outward | 139.95 | 119.20 |
| Bank charges | 2.10 | 1.57 |
| Exchange rate variation (net) | 63.26 | - |
| Advertisement, subscription and membership fees | 3.83 | 4.00 |
| Loss on Sale of Asset | - | 1.36 |
| CSR expenses | 27.71 | 60.21 |
| Miscellaneous expenses | 0.29 | 0.16 |
| | 670.82 | 682.70 |
| Payments to auditors | | |
| Audit fees | 16.50 | 15.00 |
| Reimbursement of expenses | 0.61 | 0.27 |
| | 17.11 | 15.27 |

30 Finance costs

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Interest on shortfall of payment of advance tax | 5.58 | - |
| | 5.58 | - |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

31 Corporate social responsibility

The Company has spent ₹ 27.71 lakhs (March 31, 2021: ₹ 60.21 lakhs) towards scheme of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

- 1) Gross amount required to be spent by the Company during the year ₹ 27.71 lakhs
- 2) Amount spent during the year:

| Category | Nature of CSR expense | Year ended March 31, 2022 |
|-------------------------------|---|---------------------------|
| Social & Economic development | Contribution to NGO - Project Prayas (school for disabled children), Project Unnati (Women empowerment) | 16.96 |
| PM Care | Contribution to PM Care fund | 10.75 |

- 3) Unspent amount - ₹ Nil.

32 Segment reporting

A. Factors used to identify the entity's reportable segments, including the basis of organisation

The Company is exclusively engaged in the business of manufacturing, trading and selling of Thermoplastic Elastomers, Silicone Masterbatch and related products. As per Ind AS 108 'Operating Segment' specified under Section 133 of the Companies Act, 2013, there are no reportable segments applicable to the Company.

B. Geographic information

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

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

| Revenue from operations | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|---------------------------|---------------------------|
| India | 6,034.84 | 5,114.21 |
| Outside India | 213.55 | 231.08 |
| Total | 6,248.39 | 5,345.29 |

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

C. Information about major customers

Revenues from three major customers represented approximately ₹ 1,978.13 lakhs (March 31, 2021: ₹ 1,485.47 lakhs), ₹ 1,031.94 lakhs (March 31, 2021: ₹ 812.38 lakhs) and ₹ 1,021.03 lakhs (March 31, 2021: ₹ 685.10 lakhs) of the Company's total revenues.

33 Employee benefits

(A) Defined contribution plans:

The Company recognised ₹ 18.09 lakhs for the year ended March 31, 2022 (March 31, 2021: ₹ 15.46 lakhs) towards provident fund contribution in the Statement of Profit and Loss.

(B) Defined Benefit Plan:

The most recent actuarial valuation of the defined benefit obligation in relation to the gratuity scheme was carried out at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

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

| | March 31, 2022 | March 31, 2021 |
|----------------------------------|----------------|----------------|
| Defined benefit obligation | 81.78 | 72.10 |
| Net defined benefit (obligation) | 81.78 | 72.10 |

i. Movement in net defined benefit liability

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

| | Defined benefit obligation | |
|-------------------------------------|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Opening balance | 72.10 | 59.29 |
| Included in profit or loss | | |
| Current service cost | 7.24 | 6.98 |
| Interest cost | 4.97 | 4.03 |
| | 12.21 | 11.01 |
| Included in OCI | | |
| Remeasurement loss (gain): | | |
| Actuarial loss (gain) arising from: | | |
| Experience adjustment | 2.60 | 1.80 |
| | 2.60 | 1.80 |
| | 86.91 | 72.10 |
| Benefits paid | (5.13) | - |
| Closing balance | 81.78 | 72.10 |

ii. Actuarial assumptions

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

| | March 31, 2022 | March 31, 2021 |
|---------------------------|--|---|
| Discount rate | 7.25% | 6.89% |
| Future salary growth | 7.00% | 7.00% |
| Rate of employee turnover | 30 & Below - 5% 31 to 44 - 3% 45 & Above - 2% | 30 & Below - 5% 31 to 44 - 3% 45 & Above - 2% |
| Mortality rate | Indian Assured Lives Mortality (2012-14) | Indian Assured Lives Mortality (2012-14) |

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

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

iii. Sensitivity analysis

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

| | March 31, 2022 | | March 31, 2021 | |
|--------------------------------------|----------------|----------|----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.5% movement) | (3.96) | 4.23 | (3.84) | 4.14 |
| Future salary growth (0.5% movement) | 4.23 | (3.98) | 4.11 | (3.85) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.25 years (March 31, 2021: 13.62 years).

iv. Expected future cash flows

The expected future cash flows in respect of gratuity were as follows:

| Expected future benefit payments | 2021-22 | 2020-21 |
|----------------------------------|---------|---------|
| 0 to 1 year | 2.11 | 1.82 |
| 1 to 2 year | 2.13 | 1.86 |
| 2 to 3 year | 2.09 | 1.85 |
| 3 to 4 year | 2.07 | 1.82 |
| 4 to 5 year | 2.04 | 1.80 |
| 5 to 6 year | 2.01 | 1.77 |
| 6 years onwards | 69.33 | 61.19 |

(C) Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The total liability for compensated absences as at the year end is ₹23.49 lakhs (March 31, 2021: ₹ 22.58 lakhs), as shown under non-current provisions ₹ 22.89 lakhs (March 31, 2021: INR 22.02 lakhs) and current provisions INR 0.60 lakhs (March 31, 2021: ₹ 0.57 lakhs). The amount charged to the Statement of Profit and Loss is ₹ 3.21 lakhs (March 31, 2021 : ₹ 4.02 lakhs).

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

34 Related party disclosures

a) List of related parties

Related parties where control exists:

Ultimate Holding Company

DuPont de Nemours Inc.

Holding Company

Multibase S.A, France

Directors and Key Management Personnel (KMP)

Mr. Deepak Dhanak- Managing Director

Ms. Sunaina Goraksh- Company Secretary (Upto 30.09.2021)

Ms. Parmy Kamani- Company Secretary (Effective from 10.11.2021)

Mr. Pankaj Holani- Chief Financial Officer

Mr. Harish Narendra Motiwala- Independent Director

Mr. Ashok Faqirchand Chhabra- Independent Director

Ms. Bharti Dhar - Independent Director

Mr. Krishan Kumar Phophalia - Non Executive Director

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

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

Other related parties

Cuposit Electronic Materials Zhangjiang Co, Ltd

DDP Specialty Electronic Materials US, Inc.

DDP Speciality Electronic Materials US 9, LLC

DDP Speciality Products India Private Limited

DDP Speciality Products Korea Limited

DSP Singapore Holdings Pte Ltd

DuPont Specialty Products USA LLC

DuPont Toray Specialty Materials

Multibase Inc.

Performance Specialty Products India Pvt Ltd

ROHM and HAAS Electronic Materials Taiwan Ltd.

Specialty Electronic Materials Switzerland GMBH

Specialty Electronic Materials (Thailand) Company Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

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

| | Holding Company | | Directors and Key Management Personnel | | Other related parties | |
|---|-----------------|----------------|--|----------------|-----------------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Transactions | | | | | | |
| Purchase of raw materials | | | | | | |
| Multibase S.A, France | 366.51 | 98.09 | - | - | - | - |
| DDP Speciality Electronic Materials US 9, LLC | - | - | - | - | 492.39 | 349.25 |
| DDP Specialty Products Korea Ltd | - | - | - | - | - | - |
| Multibase Inc. | - | - | - | - | - | 6.63 |
| Specialty Electronic Materials Switzerland GMBH | - | - | - | - | 160.82 | 239.76 |
| Cuposit Electronic Materials Zhangjiang Co, Ltd | - | - | - | - | 1.05 | - |
| Purchase of finished goods | | | | | | |
| Multibase S.A, France | 1,528.13 | 1,369.94 | - | - | - | - |
| DDP Specialty Products Korea Limited | - | - | - | - | - | 24.51 |
| Multibase Inc. | - | - | - | - | 17.36 | 2.84 |
| Dividend paid | | | | | | |
| Multibase S.A, France | 179.83 | - | - | - | - | - |
| Purchase of property, plant and equipment | | | | | | |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | - | 0.03 |
| Purchase of support services | | | | | | |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 52.40 | 39.74 |
| DuPont Specialty Products USA LLC | - | - | - | - | 1.79 | 12.84 |
| Rent Expense | | | | | | |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 10.89 | 11.46 |
| Expenses incurred by related party on behalf of us | | | | | | |
| DDP Specialty Products India Private Limited | - | - | - | - | 4.00 | - |
| Sale of finished goods | | | | | | |
| ROHM and HAAS Electronic Materials Taiwan Ltd. | - | - | - | - | 77.30 | 96.37 |
| DuPont Toray Specialty Materials | - | - | - | - | 0.42 | - |
| Multibase Inc. | - | - | - | - | 6.17 | 1.91 |
| Multibase S.A, France | 25.77 | 0.64 | - | - | - | - |
| DDP Speciality Products Korea Limited | - | - | - | - | 77.53 | 90.50 |
| Cuposit Electronic Materials Zhangjiang Co, Ltd | - | - | - | - | 7.30 | 15.73 |
| Specialty Electronic Materials (Thailand) Company Limited | - | - | - | - | 55.58 | 36.61 |
| DSP Singapore Holdings Pte Ltd | - | - | - | - | - | 3.38 |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 0.18 | 0.07 |
| Rent income | | | | | | |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 7.65 | 7.65 |
| Expenses incurred by us on behalf of other related party | | | | | | |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 2.67 | - |
| Service income | | | | | | |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

| | Holding Company | | Directors and Key Management Personnel | | Other related parties | |
|--|-----------------|----------------|--|----------------|-----------------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| DDP Specialty Electronic Materials US, Inc. | - | - | - | - | - | 68.62 |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 33.61 | 26.75 |
| Managerial remuneration* | | | | | | |
| Deepak Dhanak | - | - | 91.23 | 71.76 | - | - |
| Sunaina Goraksh | - | - | 23.66 | 26.88 | - | - |
| Parmy Kamani | - | - | 7.18 | - | - | - |
| Pankaj Holani | - | - | 49.38 | 41.77 | - | - |
| Director sitting Fees | | | | | | |
| H N Motiwalla | - | - | 7.60 | 7.60 | - | - |
| Ashok Chhabra | - | - | 7.60 | 7.60 | - | - |
| Bharti Dhar | - | - | 2.40 | 2.40 | - | - |

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

Balances as at year end:

| | Holding Company | | Directors and Key management personnel | | Other related parties | |
|---|-----------------|----------------|--|----------------|-----------------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Receivables/ other assets | | | | | | |
| Multibase S.A, France | - | 0.64 | - | - | - | - |
| Specialty Electronic Materials (Thailand) Company Limited | - | - | - | - | 9.96 | - |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 19.09 | 10.15 |
| DDP Specialty Products Korea Limited | - | - | - | - | - | 18.73 |
| DDP Specialty Electronic Materials US, Inc. | - | - | - | - | - | 68.62 |
| DuPont Toray Specialty Materials | - | - | - | - | 0.43 | - |
| Trade payables | | | | | | |
| Multibase S.A, France | 420.72 | 331.22 | - | - | - | - |
| Performance Specialty Products India Pvt Ltd | - | - | - | - | 23.56 | 4.70 |
| DDP Specialty Products India Private Limited | - | - | - | - | - | 3.22 |
| DDP Specialty Products Korea Limited | - | - | - | - | - | 14.01 |
| DDP Specialty Electronic Materials US 9, LLC | - | - | - | - | 65.81 | 112.83 |
| DuPont Specialty Products USA LLC | - | - | - | - | 0.90 | 6.27 |
| Specialty Electronic Materials Switzerland GMBH | - | - | - | - | 56.81 | - |
| Multibase Inc. | - | - | - | - | - | 4.30 |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

35 Financial instruments

A. Accounting classification and fair values

The Company is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

| Financial assets | Carrying amount | | | | Fair value | | | | Total |
|-----------------------------|-----------------|----------|-----------------|-----------------|--|---|---|-----------------|-----------------|
| | FVTPL | FVTOCI | Amortised cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | | |
| Other financial assets | - | - | 13.90 | 13.90 | - | - | - | 13.90 | 13.90 |
| Trade receivables | - | - | 1,096.14 | 1,096.14 | - | - | - | 1,096.14 | 1,096.14 |
| | <u>—</u> | <u>—</u> | <u>1,110.04</u> | <u>1,110.04</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>1,110.04</u> | <u>1,110.04</u> |
| Financial liability | | | | | | | | | |
| Other financial liabilities | - | - | 12.26 | 12.26 | - | - | - | 12.26 | 12.26 |
| Trade payables | - | - | 965.98 | 965.98 | - | - | - | 965.98 | 965.98 |
| | <u>—</u> | <u>—</u> | <u>978.24</u> | <u>978.24</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>978.24</u> | <u>978.24</u> |

| Financial assets | Carrying amount | | | | Fair value | | | | Total |
|-----------------------------|-----------------|----------|-----------------|-----------------|--|---|---|-----------------|-----------------|
| | FVTPL | FVTOCI | Amortised cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | | |
| Other financial assets | - | - | 13.81 | 13.81 | - | - | - | 13.81 | 13.81 |
| Trade receivables | - | - | 1,124.43 | 1,124.43 | - | - | - | 1,124.43 | 1,124.43 |
| | <u>—</u> | <u>—</u> | <u>1,138.24</u> | <u>1,138.24</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>1,138.24</u> | <u>1,138.24</u> |
| Financial liability | | | | | | | | | |
| Other financial liabilities | - | - | 1.00 | 1.00 | - | - | - | 1.00 | 1.00 |
| Trade payables | - | - | 997.16 | 997.16 | - | - | - | 997.16 | 997.16 |
| | <u>—</u> | <u>—</u> | <u>998.16</u> | <u>998.16</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>998.16</u> | <u>998.16</u> |

B. Calculation of fair values

- (i) The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.
- (ii) Cash and cash equivalents, trade receivables, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

36 Financial risk management

The Company has exposure to the following risks arising from the financial instruments:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit exposure.

Impairment of Trade receivables

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables and security deposits are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behaviour.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

| | March 31, 2022 | Carrying amount | Contractual cash flows | | | | |
|---|----------------|-----------------|------------------------|----------------|-----------|-----------|-------------------|
| | | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | | |
| Trade payables | | 965.98 | 965.98 | 965.98 | - | - | - |
| Other financial liabilities | | 12.26 | 12.26 | 12.26 | - | - | - |
| | | <u>978.24</u> | <u>978.24</u> | <u>978.24</u> | - | - | - |

| | March 31, 2021 | Carrying amount | Contractual cash flows | | | | |
|---|----------------|-----------------|------------------------|----------------|-----------|-----------|-------------------|
| | | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | | |
| Trade payables | | 997.16 | 997.16 | 997.16 | - | - | - |
| Other financial liabilities | | 1.00 | 1.00 | 1.00 | - | - | - |
| | | <u>998.16</u> | <u>998.16</u> | <u>998.16</u> | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

c) Market risk

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

| | March 31, 2022 USD | March 31, 2021 USD |
|------------------------------|-----------------------|-----------------------|
| Financial assets | | |
| Trade Receivables | 10.39 | 19.41 |
| | 10.39 | 19.41 |
| Financial liabilities | | |
| Trade payables | 625.88 | 729.36 |
| | 625.88 | 729.36 |
| Net exposure | (615.49) | (709.95) |

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against ₹ at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹

| | Profit before tax | | Equity, net of tax | |
|-----------------------|-------------------|-----------|--------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| March 31, 2022 | | | | |
| USD (1 % movement) | (6.15) | 6.15 | (4.61) | 4.61 |
| | (6.15) | 6.15 | (4.61) | 4.61 |
| March 31, 2021 | | | | |
| USD (1% movement) | (7.10) | 7.10 | (5.31) | 5.31 |
| | (7.10) | 7.10 | (5.31) | 5.31 |

d) Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

37 Tax Expense

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| a) Amounts recognised in Statement of Profit and loss | | |
| Current Income Tax | 223.05 | 251.71 |
| Adjustment of tax relating to earlier years | 1.61 | 68.09 |
| Deferred Tax liability/(asset) | | |
| Origination and reversal of temporary difference | 4.19 | (7.92) |
| Deferred tax charge/(credit) | 4.19 | (7.92) |
| Tax Expense for the year | 228.85 | 311.88 |
| b) Amounts recognised in Other comprehensive income | | |
| Remeasurement of defined benefit plan | | |
| Before tax | 2.60 | (1.80) |
| Tax benefit | (0.65) | 0.45 |
| Net of tax | 1.95 | (1.35) |
| c) Reconciliation of effective tax rate | | |
| | March 31, 2022 | March 31, 2021 |
| Profit before tax | 862.78 | 983.49 |
| | 25.17% | 25.17% |
| Tax using co domestic rate | 217.15 | 247.52 |
| Adjustment of tax relating to earlier years | 1.61 | 68.09 |
| Tax effect of amounts which are not deductible in calculating taxable income | 8.43 | - |
| Others | 1.67 | (3.73) |
| Effective tax | 26.52% | 228.85 |
| | | 311.88 |

38 Deferred tax

| | As at April 01, 2021 | Provided during the year | As at March 31, 2022 |
|---|-------------------------|-----------------------------|-------------------------|
| Deferred tax liability | | | |
| Excess of depreciation as per Income tax Act, 1961 over book depreciation | 90.54 | 4.54 | 95.08 |
| | 90.54 | 4.54 | 95.08 |
| Deferred tax assets | | | |
| (a) Provision for loss allowance on security deposits and trade receivables | 5.07 | (0.13) | 4.94 |
| (b) Provision for employee benefits | 28.47 | 0.48 | 28.95 |
| | 33.54 | 0.35 | 33.89 |
| Net deferred tax liabilities | (57.00) | (4.19) | (61.19) |

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

39 Contingent liabilities:

Claims against the Company not acknowledged as debts :

| | March 31, 2022 | March 31, 2021 |
|--------------------|----------------|----------------|
| Income tax matter | 1.82 | 7.68 |
| Service tax matter | 1.62 | 1.62 |

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

40 Capital Commitments

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |

41 Earnings per share

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Profit after tax attributable to equity shareholders [A] | 633.93 | 671.61 |
| Number of equity shares at the beginning of the year [B] | 12,620,000 | 12,620,000 |
| Number of equity shares outstanding at the end of the year [C] | 12,620,000 | 12,620,000 |
| Weighted average number of equity shares outstanding during the year [D] | 12,620,000 | 12,620,000 |
| Basic and diluted earnings per share of face value ₹ 10 [A]/[D] | 5.02 | 5.32 |

42 Transfer pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2021. Management believes that the Company's international and domestic transactions with related parties post March 31, 2021 continue to be at arm's length and that the transfer pricing regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 Additional regulatory information

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Relationship with struck off companies

The Company has no transactions with the Companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(iv) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

(v) Valuation of property plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment during the current or previous year.

(vi) Ratios

| Ratio | Numerator | Denominator | Current period | Previous period | % Variance |
|---|--|---|----------------|-----------------|------------|
| Current ratio (in times) | Total current assets | Total current liabilities | 11.09 | 10.81 | 2.59% |
| Return on equity ratio (in %) | Profit for the year | Average total equity | 5.49% | 6.09% | -9.85% |
| Inventory turnover ratio (in times) | Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods and stock-in-trade | Average Inventory | 3.61 | 3.05 | 18.36% |
| Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 5.63 | 4.63 | 21.60% |
| Trade payables turnover ratio (in times) | Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods and stock-in-trade + Operating expenses | Average trade payables | 5.21 | 4.82 | 8.09% |
| Net capital turnover ratio (in times) | Revenue from operations | Average working capital | 0.59 | 0.53 | 11.32% |
| Net profit ratio (in %) | Profit for the year | Revenue from operations | 10.15% | 12.56% | -19.19% |
| Return on capital employed (in %) | Profit before tax + Finance costs | Total equity + Deferred tax liability (net) | 7.36% | 8.61% | -14.58% |

The Company does not have any borrowings and investments during the current period and previous period, accordingly the debt-equity, debt service coverage, return on investment ratios have not been presented.

(vii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(viii) Other regulatory information

- Title deeds of immovable properties not held in name of the Company The title deeds of all the immovable properties, as disclosed in note 3 to the financial statements, are held in the name of the Company.
- Registration of charges or satisfaction with Registrar of Companies. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(Currency: Amounts ₹ in Lakhs, unless otherwise stated)

(ix) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) Utilisation of borrowed funds and share premium

- (a) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) (or)
 - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (b) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

44 Dividend declared by the Company are based on the profit available for distribution. On May 26, 2022, the Board of Directors of the Company have recommended a final dividend of 10% i.e; Rs.1/- per equity share for the financial year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. 126.20 lakhs.

For Price Waterhouse LLP

Chartered Accountants

Firm's Registration No : 301112E/E300264

Ashish Taksali

Partner

Membership No : 99625

Place : Mumbai

Date : May 26, 2022

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

CIN- L01122DD1991PLC002959

Deepak Dhanak

(Managing Director)

DIN No.03157491

Parmy Kamani

Company Secretary

Place : Mumbai

Date : May 26, 2022

H.N. Motiwala

(Director)

DIN No.00029835

Pankaj Holani

Chief Financial Officer

CSR Project for FY 2021-22

Prayas School (For Autistic children) & Unnati (Woman Empowerment Project)

On March 25, 2022, the Social Welfare Department, the UT administration of Daman & Diu, and the DNH held an appreciation programme to recognize Prayas School (for autistic children) and Unnati (Woman Empowerment Project) for their innovative CSR initiatives. On this occasion, Mr. Deepak Dhanak, Managing Director, was Honoured by Deputy Secretary Social Welfare, who presented him with an appreciation certificate and trophy.



COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

This communication summarizes the applicable TDS provisions in accordance with the provisions of the Act for various shareholder categories, including a Resident or Non-Resident shareholder. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the Dividend will be paid after deducting TDS as explained herein.

Section 1: Mandatory details applicable for all shareholders

All shareholders are requested to ensure that the below details are completed and/or updated, as applicable, in their depository records through their depository participant (if shares are held in Demat form) or in the register of members through registrar and share transfer agent (if shares are held in physical form) on or before September 19, 2022.

- a. Residential status as per the Act i.e. Resident or Non-Resident for FY 2022-23
- b. Valid Permanent Account Number (PAN)
- c. Category of shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII), Foreign Company, Others (being Individual, Firm, Trust, AJP, etc.): - Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP), Trust, Domestic company, Foreign company etc.
- d. Email id
- e. Address

Please note that the above details as available on record date in the register of members will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions.

Section 2: TDS Provisions and documents required as applicable for relevant category of shareholders.

In addition to ensuring completion and/or updating, as applicable, of above mandatory details, shareholders are also requested to take note of the TDS rates and additional information requested by the Company for their respective category in order to comply with the applicable TDS provisions.

1. Resident Shareholder:

| Category of shareholder | Relevant section of the Act | Rate of Tax | Exemption applicability/Documentation Requirement |
|---|-----------------------------|-------------|---|
| Mutual Funds - Applicable for Mutual Funds registered with SEBI | 196 | 0% | No TDS is required to be deducted as per Section 196(iv) of the Act, subject to specified conditions. A declaration that they are governed by the provisions of section 10(23D) of the Act along with self-attested copy of relevant registration documents (*) (***) |
| Category I and II Alternative Investment Funds (AIF) | 197A(1F) | 0% | No TDS is required to be deducted as per Section 197A(1F) of the Act, subject to specified conditions. Copy of valid SEBI registration certificate need to be submitted and a declaration that its income is exempt under section 10(23FBA) of the Act (*) (***) |
| Other resident shareholder | 194 / 197 | 10% | <ol style="list-style-type: none"> a) TDS is required to be deducted at the rate of 10% under Section 194 of the Act. b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹ 5000/-. c) No TDS is required to be deducted on furnishing of valid Form 15G (#) (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (#) (for individual above the age of 60 years with no tax liability on total income). (*) (***) |

| Category of shareholder | Relevant section of the Act | Rate of Tax | Exemption applicability/Documentation Requirement |
|---|------------------------------------|--------------------|---|
| | | | <p>d) PAN available in the register of members must be valid (**). TDS is required to be deducted at the rate of 20% under Section 206AA of the Act, if valid PAN of the shareholder is not available.</p> <p>e) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided. (*) (***)</p> <p>f) As per section 206AB inserted by Finance Act 2021, TDS is proposed to be deducted at twice the applicable rates, if Income Tax Return is not filed by the resident shareholders for preceding two financial years, for which the time limit for filing has expired. The Company will use the mechanism prescribed by Income tax department to verify if a shareholder is a 'specified person' under section 206AB of the Income Tax Act and basis the result provided, the Company will apply higher rates under section 206AB of the Income Tax Act on those shareholders who are covered as 'specified person' under section 206AB of the IT Act.</p> |
| Any other entity entitled to exemption from TDS | - | - | Valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption need to be submitted. (*) (***) |

2. Non-Resident Shareholder:

| Category of shareholder | Relevant section of the Act | Rate of Tax | Exemption applicability/Documentation Requirement |
|--------------------------------|------------------------------------|--------------------|---|
| FPIs and FIIs | 196D | 20% | <p>a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 196D of the Act.</p> <p>b) The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-Resident shareholder.</p> <p>Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:</p> <ul style="list-style-type: none"> • Copy of the PAN allotted by the Indian Income Tax authorities; (*) (***) • Copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident; (*) (***) |

| Category of shareholder | Relevant section of the Act | Rate of Tax | Exemption applicability/Documentation Requirement |
|---|-----------------------------|-------------|---|
| | | | <ul style="list-style-type: none"> Self-declaration in Form 10F (*) (***); Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure 1 to this Communication). <p>In the case of shareholder other than individuals, the declaration has to be on the official letterhead of the entity with reference to the authorization date of the Board/Trust resolution in favour of the authorized signatory to sign the document.</p> |
| Other non-resident shareholder | 195 | 20% | <p>a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 of the Act.</p> <p>b) The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-Resident shareholder. Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:</p> <ul style="list-style-type: none"> Copy of the PAN allotted by the Indian Income Tax authorities; (*) (***) Copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident; (*) (***) Self-declaration in Form 10F (*) (***); Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure 1 to this Communication). <p>In the case of shareholder other than individuals, the declaration has to be on the official letterhead of the entity with reference to the authorization date of the Board/Trust resolution in favour of the authorized signatory to sign the document.</p> <p>c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued under Section 197 of the Act, if such certificate is provided. (*) (***)</p> |
| Any entity entitled to exemption from TDS | - | - | Valid documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS is to be submitted. (*) (***) |

CLEARING MEMBER SHOULD ENSURE THAT AS ON RECORD DATE NO SHARES ARE LYING IN THEIR ACCOUNT.

(*) The documents have to be emailed to rnt.helpdesk@linkintime.co.in and compliance.officer@multibaseindia.com of the Registrar and Share Transfer Agent ('RTA') / Company on or before September 19, 2022. Alternatively, physical documents may be sent to RTA at the following address:

Link Intime India Pvt Ltd.**Address:**

C 101, 247 Park, Lal Bahadur Shastri Rd,
Surya Nagar, Gandhi Nagar,
Vikhroli West,
Mumbai,
Maharashtra 400083

Please note that the Company will not be able to consider the documents / communication sent physically, after September 19, 2022.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules on or before 31st March, 2023. The Company will not accept any declarations referred to Rule 37BA of Income Tax Rules, 1962 on or after 31st March, 2023.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

(**) If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN.

(***) All documents to be submitted are required to be self-attested (the documents should be signed by shareholder/authorised signatory stating the document to be "certified true copy of the original"). Benefits depend upon availability of the documents within the time specified and verification of the same by the Company. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

(#) Given the current Covid scenario, the Company would accept scanned copy of the duly signed and verified Form 15G/15H. However, the shareholder is required to additionally self-attest the document stating, "certified true copy of the original". If the original Form 15G/15H is required in future, the Company would call for the same from the shareholders.

All the forms 15G/15H/10F/self-declaration for tax exemption can be downloaded from the website of the company's RTA-<https://www.linkintime.co.in>.

NOTE:

- All the above referred rates will be enhanced by surcharge and cess, wherever applicable
- Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of members on the record date and any other additional documents that may be submitted.
- If the dividend income is assessable to tax in the hands of a person other than the registered shareholder as on the record date, the registered shareholder is required to furnish a declaration to the Company containing the name, address, permanent account number of the person to whom TDS credit is to be given and reasons for giving credit to such person.
- If, for any reason, TDS is deducted at a higher rate, the shareholder can claim refund of excess TDS, by filing Income-tax return in India, subject to fulfilment of the applicable conditions.
- In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholders, such shareholders will be responsible to pay and indemnify such income-tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income-tax/appellate authority.
- The Company will arrange to email a soft copy of the TDS certificate to the registered email IDs of the shareholders in due course. The TDS amount will also be reflected in Form 26AS of the shareholder, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>

ABOVE COMMUNICATION ON TDS SETS OUT THE PROVISIONS OF LAW IN A SUMMARISED MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES. SHAREHOLDER SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

Annexure 1 - FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:

To,
 Multibase India Limited
 74/5 6 DAMAN INDUSTRIALESTATE
 KADAIYA VILLAGE
 NANI DAMAN
 UNION TERRITORY
 DD 396210
 INDIA

Subject: Declaration for eligibility to claim benefit under Agreement for Avoidance Of Double Taxation between Government of India and Government of ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable

With reference to above, I/We wish to declare as below:

1. I / We, _____, having permanent account number (PAN) under the Indian Income tax Act,
 and holding number of shares of the Company under demat account number/ folio number..... as on the record date, am / are a tax resident of
 in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for along with Form 10F which is valid as on the Book Closure Date/record date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I / We hereby declare that, I am /we are the beneficial owner of the share/shares held in the Company as well as the dividend arising from such shareholding; and I/ we have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person.
4. I/We confirm that I/We are entitled to claim the benefits under the Treaty as modified by the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting (MLI) including but not limited to the Principal Purpose Test (PPT), limitation of benefit clause (LOB), Simplified Limitation of Benefits (SLOB), period of holding of shares etc. as applicable. We specifically confirm that my affairs / affairs were not arranged such that the main purpose or the principal purpose thereof was to obtain tax benefits available under the applicable tax treaty.
5. I/We confirm that I/We have not entered into an impermissible avoidance arrangement i.e. an arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and it (a) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length (b) results, directly or indirectly, in the misuse, or abuse, of the provisions of this Act (c) lacks commercial substance or is deemed to lack commercial substance under section 97, in whole or in part; or (d) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India during the period April 2022-March 2023 and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise. Further I/We hereby declare and confirm that I/We do not fall under the definition of 'specified person' as provided in section 206AB of the IT Act

6. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
7. I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.

8. I/We confirm that my affairs/affairs of _____ were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
9. Further, our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.
10. I/ We further indemnify the Company for any penal consequences arising out of any acts of commission or omission initiated by the Company by relying on my/ our above averment.
11. I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For..... Authorised Signatory

Contact address: _____ [Please insert]

Email address: _____ [Please insert]

Contact Number: _____ [Please insert]

Tax Identification Number _____ [Please insert]

The shareholders are required to provide a Declaration strictly as per the specified format given above, failing which the Company reserves the right to deny the Treaty benefits

Notes

– Annual Report 2020-2021



MULTIBASE INDIA LIMITED

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