



26th Annual Report 2012-2013

Corporate information

Board of Directors

Mr. Vinod Kumar Kaushik	-	Whole-time Director
Mr. Ajay Singh Sethi	-	Non Executive & Independent Director
Mr. Chirag Shah	-	Non Executive & Independent Director

Company Secretary & Compliance Officer

Ms. Nidhi Aneesh Nair

Auditors

M/s S. K. Badjatya & Co.,
Chartered Accountants.

Bankers

Bank of India
Axis Bank Ltd.,
Central Bank of India
State Bank of India

Registered Office

207, Vardhaman Complex Premises Co. op. Society Ltd.,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400083
Tel. No. +91 22 6136 9800
Email: chromatic@mtnl.net.in
Website: www.chromatic.in

Registrar & Share Transfer Agent

M/s Bigshare Services Private Limited
E/2&3 Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai – 400 072
Tele No: +91 22 4043 0200
Fax no: +91 22 2847 5207
Contact Person: Mr. Bhagwan
Email: investor@bigshareonline.com
Website: www.bigshareonline.com



NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Chromatic India Limited will be held on Monday, September 30, 2013 at 3.00 p.m. at 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083, to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider declaration of final dividend.
3. To appoint a Director in place of Mr. Ajay Singh Sethi, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Chirag Shah who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting pursuant under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received Notice in writing, under section 257 of the Companies Act, 1956, from a member signifying his intention to propose him a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

By Order of the Board of Directors

Nidhi Nair
Company Secretary

Place: Mumbai

Date: August 14, 2013

Notes:-

1. **A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself and the proxy need not be a Member of the Company.**
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
3. The Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 setting out the material facts in respect to the Special Business in annexed herewith.
4. The Register of Members and Share Transfer Books will remain closed from 21st September, 2013 to 30th September, 2013 (both days inclusive) for the purposes of Annual General Meeting.
5. Dividend if any, approved at the 26th Annual General Meeting of the Company will be paid to those shareholders whose names appear:
 - a) As beneficial owner as at the end of the business hours on September 20, 2013 as per the list to be furnished by the Depositories in respect of shares held in Electronic form, and
 - b) As members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company on or before September 20, 2013.
6. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors are also annexed.



ANNUAL REPORT 2012-2013

7. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide their Bank Account Number, Name and address of the Bank / Branch to the Registrar and Share Transfer Agent of the Company i.e. M/s Big Share Services Private Limited in respect of shares held in physical mode and to their respective DPs for demat mode to enable them to incorporate the same in the dividend warrants.
8. Members / proxies should bring duly-filled Attendance Slips sent along with this Notice to attend the meeting.
9. Members whose shareholding is in the electronic mode are requested to communicate changes of address and change of bank account details to their respective depository participants (DP) with whom the Demat account is maintained.
10. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 am to 12.30pm, except Saturday, prior to the Annual General Meeting.
11. Members desirous of obtaining any information / clarification (s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of meeting to the Company Secretary at the Registered Office of the Company so that the same may be attended to appropriately.
12. Unclaimed dividend for the financial years 2005-06, 2006-07, 2009-10 and 2011-12 are still lying in the respective unpaid dividend accounts of the Company. Members who have not encashed the dividend warrants for the said financial years, are requested to contact the Company's Registrar and Share transfer agent, Big Share Services Private Limited at the earliest.
13. The Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by Companies (vide its circular no. 17/2011 dated April 21, 2011) and clarified that the service of documents / communications including the Notice of calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc. via electronic mode by a company can be made through electronic mode instead of sending the physical copy of the document(s).

Henceforth, the email addresses indicated in your respective Depository Participants (DP) accounts which will be deemed to be your registered email address for serving notices / documents including those covered under Section 210 of the Companies Act, 1956. The notices of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company.

By Order of the Board of Directors

Nidhi Nair
Company Secretary

Place: Mumbai
Date: August 14, 2013

**EXPLANATORY STATEMENT****Pursuant to Section 173(2) of the Companies Act, 1956****ITEM NO. 5:**

The Board of Directors of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956, had appointed Mr. Chirag Shah as an Additional Director with effect from 29.05.2013 and who holds office up to the date of this Annual General Meeting. A notice in writing, under section 257 of the Companies Act, 1956 has been received by the Company from a member along with a deposit of Rs. 500 proposing the candidature of Mr. Chirag Shah's appointment as Director of the Company.

Your Directors recommend the resolution for approval of members.

None of the Directors except Mr. Chirag Shah himself is concerned or interested in the Resolution.

**Details of Directors seeking Appointment /Re-appointment at the Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director	Mr. Ajay Singh Sethi	Mr. Chirag Shah
Father's Name	Mr. Dileep Singh Sethi	Mr. Bhupendra Shah
Designation	Non Executive, Independent Director	Non Executive, Independent Director
Date of Birth	December 21, 1967	October 22, 1972
Nationality	Indian	Indian
Date of Appointment on Board	May 29, 2010	May 29, 2013
Qualifications	M. Com, PGDBM	B.Com
Expertise	Wide experience in Finance & Administration.	Wide experience in Business & Administration.
Directorships held in other Public Companies (Excluding foreign companies and Section 25 Companies)	Healthy choice Agro (India) Limited	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	NIL	NIL
Number of Shares held in the Company	NIL	NIL
Relationships between the Directors inter – Se	NIL	NIL



DIRECTORS REPORT

Dear Shareholders,

Your Company's Directors are pleased to present the 26th Annual Report and the audited accounts of the Company for the financial year ended 31st March, 2013.

Operational Results

The summary of the financial performance of the Company for the financial year ended 31st March, 2013 compared to the previous year ended 31st March 2012 is summarized below:

	(In Rupees)	
Particulars	2012-2013	2011-2012
Net Sales and Other Income	932,907,649	1,230,389,738
Profit/ (Loss) Before Tax	2,743,773	12,532,903
Add / (Less): Deferred Tax Adjustments	(31,815)	2,838
Less: Current Income Tax	700,000	(4,007,278)
Less: Fringe Benefit Tax	-	-
Less: Wealth Tax	-	-
Profit/(Loss) after Tax	2,075,588	8,522,787
Add/(Less): Prior Year short provision for Tax	55,172	6180
Balance Brought Forward	8,239,054	3,838,665
Amount Available for Appropriation	10,314,642	12,367,632
Appropriations		
Dividend/Interim dividend on Equity Shares	1,420,922	3,552,305
Tax on Dividend	230,510	576,273
Surplus / Deficit Carried Forward	8,718,382	8,239,054

Review of Performance and Management discussion and Analysis

Your directors are pleased to report total income of Rs. 93.29 crores for the financial year ended 31st March, 2013 as against Rs. 123.04 crores for the financial year ended 31st March, 2012, a decrease of 24.18%. The profit before tax is Rs. 27.43 Lacs for the year ended 2012-13 compare to Rs. 1.25 crores for the year ended 2011-12. The Net profit after tax is Rs. 20.75 lacs for the financial year ending 2012-2013.

The Management's Discussion and Analysis on Company's performance – industry trends and other material changes with respect to the Company and its subsidiaries pursuant to Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

Internal Control System

The Company's present Internal Control Systems are commensurate with its size. However, looking at the growth in the size of the Company and its operations it is strengthening these systems further. The Company places great emphasis on the maintenance of effective internal controls, both from the point of view of compliance with statutory requirements as well as supporting the smooth and efficient running of the business.

The Management is taking further initiatives in terms of adding more capacities, which would have significant benefit in the coming years.

Dividend

The Directors are pleased to recommend a Dividend of Rs. 0.02/- per equity share of Rs. 10/ each, to be appropriated from the profits of the financial year ended March 31, 2013 subject to the approval of the Shareholders at the ensuing Annual General Meeting. The Dividend will be paid in compliance with applicable regulations. The Dividend amount, if declared as above, would be Rs. 1,420,922.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum.

Transfer to Reserve

No amount is proposed to transfer to the General Reserve Account.

Subsidiary Company

As on 31st March 2013, your Company has three wholly owned subsidiaries, namely,

1. Chromatic International FZE
2. Chromatic Ferro Alloys Limited
3. Chromatic Sponge Iron Limited

The Company had formed above two 100% wholly – owned subsidiary, "Chromatic Ferro Alloys Limited" and "Chromatic Sponge Iron Limited" on 13th September, 2011 and 12th September, 2011 respectively.

In terms of Section 212 of the Companies Act, 1956, the Directors' Report, Balance Sheet, Profit and Loss Account of its Subsidiary companies need to be attached to this Annual Report along with necessary statement under the said section. In accordance with the general circular No. 2/2011 dated 8th February, 2011, an exemption has been provided to companies from complying with Section 212, provided such



companies publish the audited consolidated financial statement in the Annual Report. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available, on request, the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. These documents will also be kept open for inspection during the business hours at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the prescribed details of subsidiaries is attached to this report.

Listing of Equity Shares

The equity shares of your company are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited and the Luxembourg Stock Exchange, Luxembourg. The equity shares of the Company was listed and admitted for dealing on National Stock Exchange with effect from 29th May, 2012. The annual listing fees for the year 2013-14 have been paid to all these Stock Exchanges except to the Luxembourg Stock Exchange.

Human Resource Development

Company encourages a culture that develops and empowers people, promotes team building and nurtures new ideas. The Company's recruitment practice ensures that suitable candidates with merit are recruited and provided with the right opportunities to grow within the organization.

Depository System

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March, 31st March 2013, 99.63% of the Equity shares were held in demat form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization form either of the Depositories. Relevant ISIN No. is INE662C01015.

Buy-Back of Shares

During the financial year under review, Company has not announced any Buy-back of its Shares.

Corporate Governance Report

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Report.

The requisite Certificate from M/s R. N. Gupta, Practicing Company Secretary on compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

Director

Mr. Ajay Singh Sethi, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

Mr. Chirag Shah, who was appointed as Additional Director of the Company under section 260 of the Companies Act, 1956 on 29th May, 2013. In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Chirag Shah holds office up to the conclusion of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment. The Company has received notice from a member of the Company pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of Director. Mr. Chirag Shah is liable to retire by rotation. The Board recommends his appointment as Director.

Mr. Nitin Sethi, Non Executive and Independent Director of the Company, resigned as the director with effect from 5th July, 2013. The Board places on record their gratitude and appreciation for the contribution of the said directors during their tenure as Director of the Company.

Company Secretary & Compliance Officer

The present Company Secretary and Compliance Officer of the company Ms. Priyanka Chauhan has resigned due to her personal reasons with effect from 31st March, 2013. Mr. Nidhi Nair has been appointed, by the Board of Directors of the Company, as Company Secretary and Compliance Officer of the Company with effect from 19th July, 2013.

Directors Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors hereby confirmed that-

- (I) In the preparation of Annual Accounts for the year ended March 31, 2013 the applicable Accounting Standard have been followed along with proper explanation relating to material departure and there are no material departures from the same;
- (II) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013, and profit of the company for the year ended on that date;
- (III) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (IV) The Directors have prepared the Annual Accounts of the Company on a going concern basis.

Auditors and Auditors' Report

M/s. S. K. Badjatya & Co., Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment.



ANNUAL REPORT 2012-2013

The Company has received confirmation from M/s S. K. Badjatya & Co., to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956. The Auditors has also submitted peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, New Delhi as required under the listing agreement. The Board recommends their re-appointment.

Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of this AGM until the conclusion of next AGM of the Company, at a remuneration to be decided by the Board of Directors of the Company in consultation with the Auditors.

All observation made by the Auditors in their reports are self explanatory by way of Notes on Accounts and does not require any further clarification.

Cost Audit

The Board of Directors in pursuance to the Orders issued by the Central Government under Section 233B of the Companies Act, 1956, have appointed M/s. Kishore A. Bhatia, Cost Accountants, Mumbai, for conducting the audit of the cost accounting records maintained by the Company.

Fixed Deposits

Your Company has not accepted any fixed deposits, during the year, under Section 58A of the Companies Act, 1956 and, as such, no amount on account of principal or interest on fixed deposits was outstanding during the period under review.

Consolidated Financial Results

Your Directors provides Audited Consolidated Financial Statements in this Annual Report.

Foreign Exchange Earnings and Outgo

During the year under review, Company has made following transactions in Foreign Currency.

(Rs. In Lakh)

Particular	2012-13	2011-12
Expenditure in Foreign Currency	202.03	117.36
Earning in Foreign Currency	2035.13	1473.33

Conversation of Energy, Technology Absorption & Foreign Earnings and Outgo:

Information in accordance with the provision of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in respect of the Board of Directors) Rules 1988, regarding conversation of energy and technology absorption are as per Annexure-A and forms part of this report.

Environment and Social Concern

Your Company continues its efforts for the betterment of the environment and conservation of scarce natural resources.

Particulars of Employees

There are no employees drawing remuneration beyond prescribed amount requiring disclosure under section 217(2A) of the Companies Act, 1956.

Transfer to investor education and protection fund

The following table given information relating to outstanding dividend accounts and the dates by which they need to be transferred:

Financial Year	Date of Declaration of Dividend	Date on which dividend will become part of IEPF
2005-06 (Final)	November 10, 2006	December 17, 2013
2006-07 (Final)	September 29, 2007	November 5, 2014
2009-10 (Interim)	January 29, 2010	March 07, 2017
2011-12 (Interim)	February 08, 2012	March 16, 2019

Acknowledgement

Your Directors take this opportunity to thank all investors, customers, vendors, banks/financial institutions, regulatory and government authorities and Stock Exchanges for their consistent support and encouragement to the Company. The Directors also place on record their sincere appreciation to all employees of the Company for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry.

By order of the Board of Directors
For Chromatic India Limited

Sd/-
Director

Sd/-
Whole time Director

Place : Mumbai
Dated : 14th August, 2013



Annexure 'A' to Director's Report

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

A. Conservation of Energy :

(a) Energy conservation measures taken :

No fresh measures to conserve the energy taken up during the year. As a result no additional Investment incurred on this account and measures taken in the earlier years is continuing.

(b) Total energy conservation & energy consumption per unit of production (as per form - A annexed hereto)

B. Technology Absorption :

Efforts made on technology absorption are as per Form - B annexed hereto.

C. Foreign exchange earnings and outgo :

Rs. (Lakhs)

Foreign exchange earned	:	2035.3
Foreign exchange used	:	202.03

Form - A

Form for disclosure of particulars with respect to conservation of energy.

A. Power and fuel consumption :	2012-13	2011-12
1. Electricity :		
Unit	546166	578910
Total Amt. (Rs.)	3945840	3587940
Rate per Unit (Rs.)	7.22	6.19
2. Furnace Oil :		
Quantity (Ltrs)	30955	210675
Total Amt. (Rs.)	1303885	8280151
Average Rate (Rs.)	42.12	39.30
3. Briquettes / Firewoods :		
Quantity (Kgs)	740233	722980
Total Amt. (Rs.)	3659396	3206710
Average Rate (Rs.)	4.94	4.44
B. Consumption per unit of production :		
Production Unit (In Kg.)	955533	752948
Electricity Unit	0.572	0.769
Furnace Oil (Ltrs)	0.032	0.280
Briquettes/Firewoods(Kgs.)	0.775	0.960

Reason for variation in the consumption of Power & Fuel from previous year :

The consumption of electricity per unit of production has increase due to decrease in volume of production During the year under review, the rates of all the raw materials has increased due to price inflation therefore the average rate has increased as compared to previous year.

Form - B

(See Rule - 2)

(Form for disclosure of particulars with respect to absorption.)

Research and Development (R&D)

1. Research and development in the area of new value added products is continuing.
2. As a result of last year R & D efforts the new products are already running in the market.



MANAGEMENT DISCUSSION AND ANALYSIS

Chemicals dyes Industry

In view of the slow- down on the economic front the world over and its corresponding impact on chemical dyes Industry across the globe, the chemicals dyes business experienced very challenging conditions during the year. With high natural / synthetic prices and the slowing down in end-product demand, customers undertook production cuts at periodic intervals. This did impact the demand for chemicals dyes adversely. The resultant mismatch in supply and demand of certain key chemicals impacted their selling prices, resulting in pressure on margins. Cost increases on account of various inputs, aggravated the situation further. Despite this, your Company managed to retain its volumes at the previous year's levels.

Industry Structure and Development

Chemical industry is capital as well as knowledge intensive industry. This industry plays a significant role in the Global economic and social development. It is also human resource intensive industry and hence generates employment. The diversification within the chemical industry is huge and covers more than thousands of commercial products. Chemicals are used in a wide variety of products and processes. They are major contributors to national and world economies, their sound management throughout their lifecycle is essential in order to avoid significant and increasingly complex risks to human health and ecosystems and substantial costs to national economies. There is immense potential for increasing consumption within the country as also for India to become a reliable supplier of such quality chemicals to the world.

Chemicals play a major role in improving the quality of life by enabling the manufacture of the goods and materials that need whilst mitigating adverse environmental impact. By developing new usages of chemicals, processes and sustainable routes to produce novel environmental friendly materials, it can achieve low carbon processes that can make high value products of the Company for humans and solve energy and sustainability challenges.

Our Company is a leading manufacturer and supplier of Chemical Dyes, Dye Intermediates and Basic Chemicals. It currently focuses on manufacturing Basic Chemicals to feed Dye Intermediates and dyes manufacturing through a successful strategy of backward integration. The product range caters mainly to textiles industries. The Company has its manufacturing facilities at Dombivali, District Thane and Khed, District Ratnagiri. The setting up of additional production facilities will enable your Company to capture a higher market share out of additional production volumes.

Business Outlook: Opportunities and threats

Over the last fifteen years, the Indian chemicals industry has graduated from manufacturing principle chemicals in a highly regulated market to being a mature industry in a liberalized economy. Until 1991, India had a closed economy, with the domestic chemical industry enjoying protection in the form of differential import duties on raw materials and finished chemical products. Chemical manufacturing was largely controlled by licensing regulations. This industry is among the fastest growing ones in India. The bulk of chemicals produced in India comprise either upstream products or intermediates, which go into a variety of manufacturing applications.

Indian chemical companies with well-built systems and structured operations are likely to be benefited. It has been contributing to India's growing economy in a phenomenal way. Today, India has achieved considerable progress in production of basic organic and inorganic chemicals, dyestuffs and intermediates. Those companies who are manufacturing highly valued chemicals and who are compliant of industrial quality standards can make their mark not just in India but even in the overseas markets as well.

The sales efforts are also well supported by a team of technical experts who play a pivotal role in providing pre / post sales technical services, training to customer's employee, on-site back-up, recipe and process customization, product development etc.

Our Company's R&D activities broadly comprise various processes for developing new products, standardizing analytical methods and identifying substitutes for key raw materials. Through the R&D centre, the Company continuously interacts with consumers to obtain feedback on its existing as well as new products to complement its new product development activities.

Threats, Risks and Concerns:

The Company is a manufacturer and suppliers of Dyes, Intermediates and Basic chemicals. However, the following major issues may hamper business operation as well as growth of the Company:

- (a) Volatility in prices of raw material especially crude oil and transportation cost can adversely affect the business operations and can thin out profitability of the Company.
- (b) The Company is doing business with various countries, therefore, our business operations and growth is dependent upon the political, climatic, economic, regulatory and social environment of such countries.
- (c) The Company is a leading exporter therefore; the volatility in foreign exchange rates may affect

The Company is continually working towards achieving further improvements in the quality of its products as well as in technological and operational efficiencies of its manufacturing processes. It also strives to develop new products to improve



its participation in the market and enlarge its product range. The company is also, through its strong research initiatives, engaged in developing new products which would meet the emerging needs of its customers and the environmental challenges of the future. The pricing scenario of chemicals dyes, accordingly, is likely to undergo a positive change with the reduction in the global supply position.

Periodic assessment across the Company is undertaken to identify and thereafter prioritize significant risks. Owners are identified for all such risks and are assigned the responsibility to develop and deploy mitigation strategies. These are subjected to a review by the Board.

Performance of the Year

The adverse business sentiments coupled with slowdown in the domestic chemical sector resulted in fluctuating demand for chemicals from key customer accounts. The continued dumping by our competitors further aggravated this situation. Despite this, we succeeded in maintaining our volumes more or less of the same levels as in the previous year. The turnover witnessed increase in value terms with an improvement in selling prices of some of our products. These were necessitated on account of steep increase in our input costs, which to some extent, we managed, to pass on to the customers. Our Export business too has not been able to witness any growth due to the uncertain and fragile nature of the economic situation in the developed markets, more particularly in the European markets.

Financial performance – Operational performance

Summary of financial performance of the Company is presented below: (In rupees)

Net Sales and Other Income	Rs. 932,907,649
Profit before tax	Rs. 2,743,773
Profit after tax	Rs. 2,075,588

During the year under review, the Company achieved a profit before tax of Rs. 2.74 lakhs as compared to Rs. 1.25 crores in 2011-12. Thanks to an overall consistent operational performance coupled with well managed liquidity position. The current trend for rupee is in a weak mode and the overall economic sentiment does not appear very positive.

Internal control systems

The Company has in place adequate internal control systems commensurate with its size and procedures covering all the financial and operating functions. These have been designed to provide adequate assurance to the management regarding compliance with the accounting standards by maintenance of appropriate accounting records, monitoring the economy and efficiency of operations, protecting the assets of the Company from losses and ensuring the reliability of financial and operational information through proper compliance with the statutory enactments and its rules and regulations. Some of the significant features of the internal control systems and procedures are as follows:

Appointment of an independent consultant for conducting internal audit for reporting to the management and the Audit Committee of the Board, the adequacy and compliance with the internal controls and the efficiency and effectiveness of operations.

The Audit Committee of the Board of Directors, regularly reviews the findings of the internal auditors, adequacy of internal controls, compliance with the accounting standards, as well as recommends to the Board the adoption of the quarterly and annual results of the Company and appointment of auditors. The Audit Committee also reviews the related party transactions, entered into by the Company during each quarter.

Material developments in human resources

In view of the acute shortage of skilled human resources prevailing in the country, our focus during the year was on enhancing capabilities of our existing workforce. In order to ensure employee motivation and confidence level which would enable the Company to face the current challenges and seize future opportunities, various initiatives were taken. Necessary steps are taken to strengthen the areas in which the employees of the Company need improvement. The Company complies with all regulations pertaining to Safety. The Company continues to have an excellent track record in the area of Safety. The main objective is to achieve zero accident/ incident and safe working environment. Regular programmes are therefore held on safety awareness, fire fighting and first aid, apart from other development programmes. Industrial relations remained cordial during the year.

Cautionary statement

Certain statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, fluctuating in forex rates, changes in Government regulations, tax regimes, economic developments within India and the countries in which business is conducted, and other incidental factors.



Report on Corporate Governance

1. Company's Philosophy on code of Corporate Governance

Your Company believes that effective corporate governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, sprite and responsibility towards the stakeholders, shareholders, employees and customers. Good corporate governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the organization.

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company is highly committed to the adoption and adherence of good Corporate Governance Practices so as to ensure that all the stakeholders of the Company obtain requisite information about the Company and its operations in an efficient and timely manner. Such Corporate Governance Practices also help enhancement of long term shareholder value and interest of other Stakeholders.

The Company's corporate governance philosophy has been further strengthened through Code of Conduct for Prevention of Insider Trading for its employees including Executive and Non-executive Directors. Company not only adheres to the prescribed corporate governance practices as per clause 49 but is also committed to sound principles and practices under Companies Act, 1956, Listing Agreement and the applicable regulations and guidelines issued by Securities and Exchange Board of India. Corporate Governance strengthens investors trust and ensures a long-term partnership that helps in fulfilling a company's quest for higher growth and profits.

The Company in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the listing agreement entered into with the Stock Exchanges.

2. Board of Directors

(a) Board Composition

As on 31st March, 2013, the Company has three Directors on Board of Directors of the Company. Out of the three Directors, two (i.e. 2/3) are Non Executive and Independent Directors. The Composition of the Board is in conformity with Clause 49 of the listing agreements entered with the Stock Exchanges.

As mandated by Clause 49, none of the Directors on the Board are the Members of the more than ten Committees or Chairman of more than five Committee across all the public companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.

Name of the Director	Category	Number of Board Meetings during the year 2012-13		Attendance at the last AGM held on 26.9.2012	Number of Directorships in other public companies	Number of Committee position held in other public companies*	
		Held	Attended			Chairman	Member
Mr. Vinod Kumar Kaushik (Whole-time Director)	Non Promoter Executive	4	4	Yes	2	NIL	NIL
Mr. Nitin Sethi	Independent, Non Executive	4	4	No	5	NIL	NIL
Mr. Ajay Singh Sethi	Independent, Non Executive	4	4	No	1	1	1

* Committee membership includes memberships of Audit Committee and Shareholders' Grievance Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 25 companies.

**(b) Details of Board Meetings Held During the Year**

During the Year, the Board held four meetings on the following dates:

Board Meeting	Dates
First	30th May, 2012
Second	13th August, 2012
Third	08th November, 2012
Fourth	14th February, 2013

(c) None of the Directors of the Company have any material pecuniary relationship or business relationship with the Company.

(d) None of the Directors received any loans and advances from the Company during the year.

(e) Code of Conduct

Chromatic Code of Conduct laid down by the Company is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website. All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2013. A declaration to this effect, duly signed by the Whole time Director is annexed in this Annual Report.

3. Audit Committee**(a) Composition**

The Audit Committee of the Company is constituted in line with the provision of Clause 49 of Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Audit Committee currently consists of the following three Directors:

Name	Category	Position Held
Mr. Nitin Sethi	Independent, Non Executive	Chairman
Mr. Vinod Kumar Kaushik	Whole Time Director	Members
Mr. Ajay Singh Sethi	Independent, Non Executive	Members

The Company Secretary of the Company acts as a secretary to the Audit Committee.

All the members of the Audit Committee are financially literate and Mr. Nitin Sethi, Chairman possesses requisite financial / accounting expertise.

The Audit Committee invites head of the finance and account function and representatives of the Statutory Auditors, Internal Auditors to be present at its meeting.

(b) Terms of Reference

The terms of reference of the Audit Committee are broadly as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same



- c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - 5A. 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 document/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.
 - 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - 7. Reviewing the adequacy of internal audit function, if any, 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.
 - 8. Discussion with internal auditors any significant findings and follow up there on.
 - 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - 12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 - 13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - 14. Appointment of Cost Auditor.

(c) Meetings and Attendance during the year

During the year 2012-13, four Audit Committee Meetings were held on 30th May, 2012, 13th August, 2012, 08th November 2012, and 14th February, 2013. Attendance of Committee Members at committee Meetings is as follows:

Name	Number of Meetings Attended
Mr. Nitin Sethi	4
Mr. Vinod Kumar Kaushik	4
Mr. Ajay Singh Sethi	4

4. Remuneration Committee

(i) **The Company has constituted a Remuneration Committee of Directors. The broad terms of reference of the Remuneration Committee are as under:**

- a) To recommend / review / approve the remuneration, service agreement, commission/incentive remuneration payable to the Managing Director, Whole-time Director (s) basis on their performance.



- b) Approval of the commission payable to the Non-Executive Directors of the Company, if any.

Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

- (ii) **No meetings were held during the year.**

- (iii) **Remuneration Policy:**

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and variable pay. The individual performance pay is determined by business performance.

The Company pays remuneration by way of salary, benefits, perquisites, amenities and allowances to its Whole-time Director as per the service agreements entered into by the Company with him.

During the year, the Company had paid sitting fees per meeting to its Non-Executive Directors for attending Board and its committee meetings. The Company pays a sitting fee of Rs. 500/- per Board and Committee meeting attended by the members of the Board, other than the Managing Director. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

- (iv) **Details of the Remuneration for the year ended 31st March 2013:**

- a) Non-Executive Directors:

Names	Sitting Fees (in Rs.)
Mr. Nitin Sethi	6500
Mr. Ajay Singh Sethi	6500

- b) Whole-time Director:

(Rs. in lakh)

Name of Director and period of appointment	Salary	Other Perquisites (LTA & Medical Allowance + PF employer contribution)	Total
Mr. Vinod Kumar Kaushik (appointed w.e.f. 1.4.2009 for 5 years)	7.14	1.20	8.14

The above figures do not include provisions for gratuity, for the Whole-time Director.

The Company does not have any Employee Stock Option Scheme.

None of the Directors of the Company holds Shares of the Company as on 31st March 2013.

5. Investors / Shareholders Grievance Committee

- (a) **Composition**

The Shareholder / Investor's Grievance Committee currently consists of the following three Directors:

Name	Category	Position Held
Mr. Nitin Sethi	Independent, Non Executive	Chairman
Mr. Vinod Kumar Kaushik	Whole Time Director	Members
Mr. Ajay Singh Sethi	Independent, Non Executive	Members

The Company has duly appointed M/s. Big Share Services Pvt Ltd to act as Registrar and Share Transfer Agent of the Company for servicing the shareholders holding shares in physical or dematerialized form. All requests for dematerialization of shares are likewise processed and confirmations thereof are communicated to investors within the prescribed time.



ANNUAL REPORT 2012-2013

Ms. Nidhi Nair, appointed with effect from 19th July, 2013 as Company Secretary and Compliance Officer of the Company (Ms. Priyanka Chauhan was Company Secretary and Compliance Officer of the Company till 31st March, 2013), has been nominated for this purpose under clause no. 47 (a) of the Listing Agreement. She looks into the investor grievances and supervises and coordinates with the M/s Big Share Services Pvt Ltd, Registrar and Share Transfer Agents, for redressal of grievances. Every quarter the Company publishes the status of the complaint received and their respective redressal.

(b) Terms of Reference

The Company has constituted a Shareholders/Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer / transmission / demat / credit of shares / remat of shares, non-receipts of dividend/notices/annual reports, etc.

(c) Meetings and Attendance during the year

Four meetings of the Committee were held during the year 2012-13 which are as follows:

30th May, 2012, 13th August, 2012, 08th November 2012, and 14th February, 2013

Name	Number of Meetings Attended
Mr. Nitin Sethi	4
Mr. Vinod Kumar Kaushik	4
Mr. Ajay Singh Sethi	4

(d) Status of Shareholders' Complaints as on 31 March, 2013

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	3	3	0

6. General Body Meetings

(i) Annual General Meetings

The details of the Annual General Meetings held in the last three years are as follows:

Year	Day, Date & Time	Venue	Whether Special Resolution Passed
AGM 2011-2012	Wednesday, September 26, 2012 – 11.00 AM	207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai - 400083	NIL
AGM 2010-11	Thursday, September 29, 2011 – 11.00 AM	207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai - 400083	NIL
AGM 2009-10	Monday, September 20, 2010 – 11.00 AM	207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai - 400083	Yes -Revision of remuneration of Mr. Vinod Kumar Kaushik, Whole Time Director. - Allotment of Shares on Preferential Basis -Delisting of Equity Shares from Ahmedabad Stock Exchange -Increasing limit for FIIS -Increasing limit under Section 372A



(ii) **Extra Ordinary General Meetings**

No Extraordinary general meeting was held of the Company during the year under review.

(iii) **Postal Ballot**

During the year under review, no resolution (special / ordinary) was passed through postal ballot pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

No further resolution is proposed to be passed through postal ballot.

7. Disclosures

(a) **Materially significant related party transactions that may have potential conflict with the interests of company at large.**

During the year 2012-13, there were no materially significant transactions with related parties i.e., directors, management, subsidiaries, or relatives conflicting with the Company's Interest at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in the Notes on Accounts forming part of the Annual Report.

(b) **Details of non-compliance by the company, penalties, imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

Company has complied with all the requirements of regulatory authorities. No penalties were imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital market during the last three years.

(c) **Code for prevention of Insider – Trading practices**

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading, for its Management and staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations. No personnel have been denied access to the audit committee.

(d) **Share Capital Audit Report:**

A qualified practicing Company Secretary carried out share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital Audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. Pursuant to clause 47 (c) of the listing agreement with the stock exchanges, certificates, on a half yearly basis, have been issued by the company secretary in practice for due compliance of share transfer formalities by the company.

All the mandatory requirements of Clause 49 are complied with. In respect of non-mandatory requirement, the board has set up a remuneration committee.

8. Means of Communications

Quarterly, half-yearly and annual financial results of the Company are regularly submitted to the stock exchanges in accordance with the listing agreement and are generally published in Free Press Journal and Nav Shakti. The official press release is also issued.

The Company also files the following information, statements, reports on the web-site as specified by SEBI:

- * Full version of the annual report including the balance sheet, profit and loss account, directors' report and auditors' report, cash flow statement and quarterly financial statements.
- * Corporate Governance Report.
- * Shareholding Pattern.

**9. General Shareholders Information****i) 26th Annual General Meeting**

Date Monday, 30th September, 2013

Time 3.00pm

Venue 207, Vardhaman Complex Premises Co. Op. Society Ltd., L. B. S. Marg, Vikhroli (West), Mumbai - 400083

As required under Clause 49 (IV) (G) (i) of the Listing Agreement with the Stock Exchanges, particulars of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM.

(ii) Financial Calendar (tentative)

Financial Calendar 1st April to 31st March

Annual General Meeting 30th September, 2013

Dividend Payment date on or after 5th October, 2013

(iii) Date of Book Closure / Record Date

Date of Book Closure / Record Date As mentioned in the Notice of Annual General Meeting to be held on September 30, 2013

(iv) Listing on Stock Exchanges

Stock Exchanges	Stock Code
Bombay Stock Exchange Limited Floor 25, P J Towers, Dalal Street, Mumbai – 400001	530191
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	CHROMATIC
Luxembourg Stock Exchange BP 165, L-2011, Luxembourg, Siege Social, 11, avenue de la Porte - Neuve	CHROMATIC INDIALTD

(v) Company Registration details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L99999MH1987PLC044447.

(vi) Market Price Data

High, Low (based on the closing prices) and number of shares traded during each month in the financial year 2012-2013 on the Bombay Stock Exchange Limited:

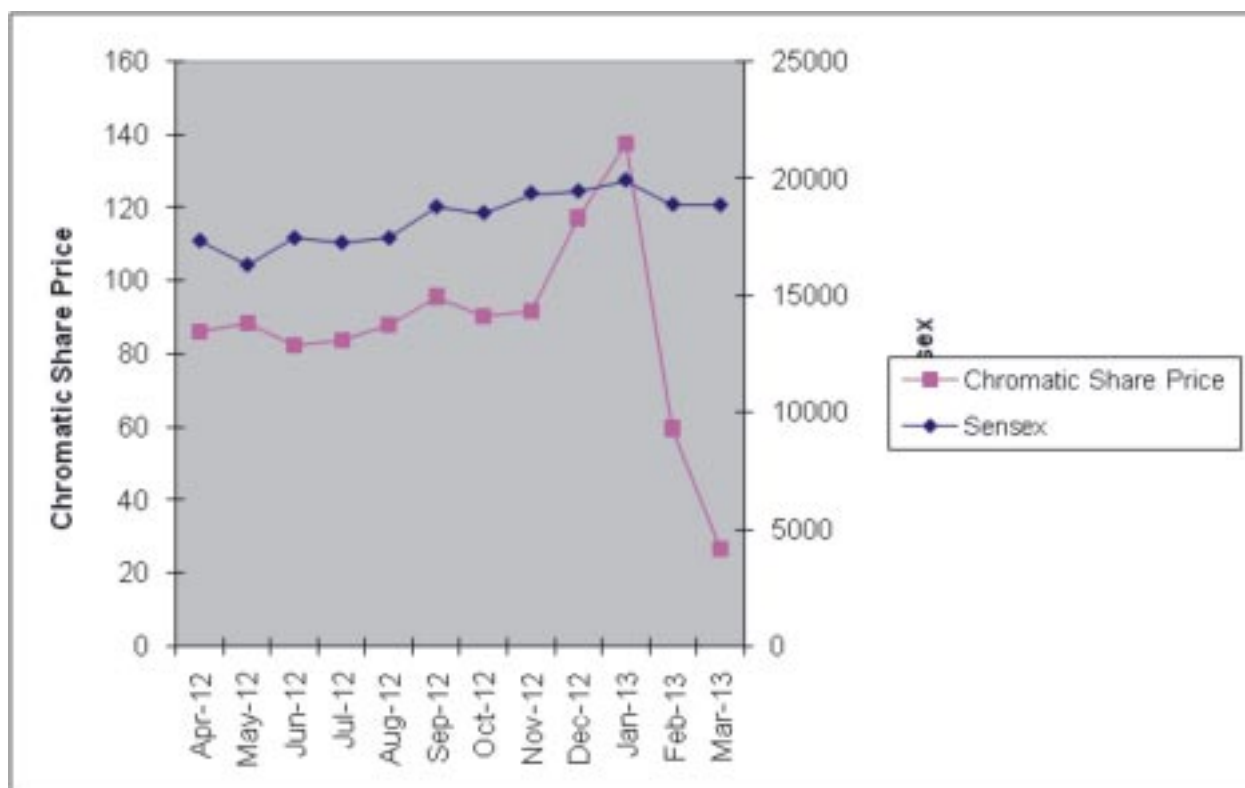
Month	Bombay Stock Exchange Limited		
	High Price (Rupees)	Low Price (Rupees)	Total No. of Shares Traded
April - 12	88.90	65.00	19,22,531
May – 12	97.85	83.05	19,51,982
June – 12	94.00	80.00	13,57,570
July – 12	88.75	81.00	11,54,625
August - 12	101.00	82.70	14,22,306
September – 12	100.00	85.00	58,79,412
October – 12	99.00	87.00	1,00,95,453
November – 12	95.40	89.00	15,86,723
December – 12	119.90	90.30	12,59,897
January – 13	148.90	115.10	17,43,105
February – 13	156.90	59.40	7,98,364
March - 13	56.45	26.45	1,759



Month	National Stock Exchange of India Limited		
	High Price (Rupees)	Low Price (Rupees)	Total No. of Shares Traded
May – 12	88.95	85.00	1,87,157
June – 12	94.70	71.30	11,15,464
July – 12	88.85	81.00	12,70,355
August - 12	101.90	79.25	19,10,398
September – 12	99.45	84.20	19,34,675
October – 12	99.80	86.50	25,03,162
November – 12	95.80	88.55	25,72,278
December – 12	119.80	90.85	23,91,132
January – 13	148.95	115.60	21,45,524
February – 13	156.60	59.30	9,15,457
March - 13	56.35	22.70	29,378

The equity shares of the Company was listed and admitted for dealing on National Stock Exchange with effect from 29th May, 2012. May 2012 data includes for 3 trading days.

(vii) Performance of the share price of the Company in comparison to the BSE sensx:



(viii) Registrar and Transfer Agents:

M/s Bigshare Services Private Limited
 E/2 & 3 Ansa Industrial Estates, Sakivihar Road,
 Sakinaka, Andheri (E), Mumbai – 400 072
 Phone no. +91 22 4043 0200
 Fax no: +91 22 2847 5207
 Email: investor@bigshareonline.com
 Website: www.bigshareonline.com

**(ix) Share Transfer System:**

99.63% of the shares of the Company are in electric form as on March 31, 2013. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with Registrar and Transfer Agent of the Company at the above given address. All valid requests for dematerialization of shares are processed and confirmation given to the depositories within 21 days.

Transfer of shares in physical form is normally processed within ten to fifteen days from the date of receipt if the documents are complete in all respects.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, on half yearly basis, certificates have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Further, Share Capital Audit is done on a quarterly basis for reconciliation of the share capital of the Company.

(x) Distribution of Shareholding as on March 31, 2013:

No. of Shares	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Upto – 500	856	64.7014	1,62,731	0.2290
501 – 1000	180	13.6054	1,30,473	0.1836
1001-2000	93	7.0295	1,27,018	0.1788
2001-3000	20	1.5117	49,711	0.0700
3001-4000	14	1.0582	51,650	0.0727
4001-5000	14	1.0582	65,715	0.0926
5001-10000	23	1.7385	1,75,726	0.2473
10001 and above	123	9.2971	7,02,83,076	98.9260
Total	1323	100.00	71,046,100	100.00

(xi) Dematerialization of Shares and liquidity:

The Company's shares are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.63% of the Company's share capital are dematerialized as on March 31, 2013.

The Company's Shares are regularly traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited in electronic form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE662C01015

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

As on March 31, 2013, the outstanding GDRs of the Company are 3898999 and represented equity shares are 35090991 held by Custodians as per the Shareholding Pattern of 31st March, 2013.

The Global Depository Receipts (GDRs) issued in October, 2010 are listed on the Luxembourg Stock Exchange since then Outstanding GDRs as on March 31, 2013 represent 3,50,90,991 equity shares constituting 49.39% of the paid-up Equity Share Capital of the Company. Each GDR represents 9 underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company.

(xiii) Address for correspondence:

Chromatic India Limited
207, Vardhaman Complex Premises Co-op Soc Ltd,
L. B. S. Marg, Vikhroli (W),
Mumbai – 400083
Phone No.: 022 61369800
Fax No.: 022 25793973
Email Id: chromatic@mtnl.net.in
Website: www.chromatic.in

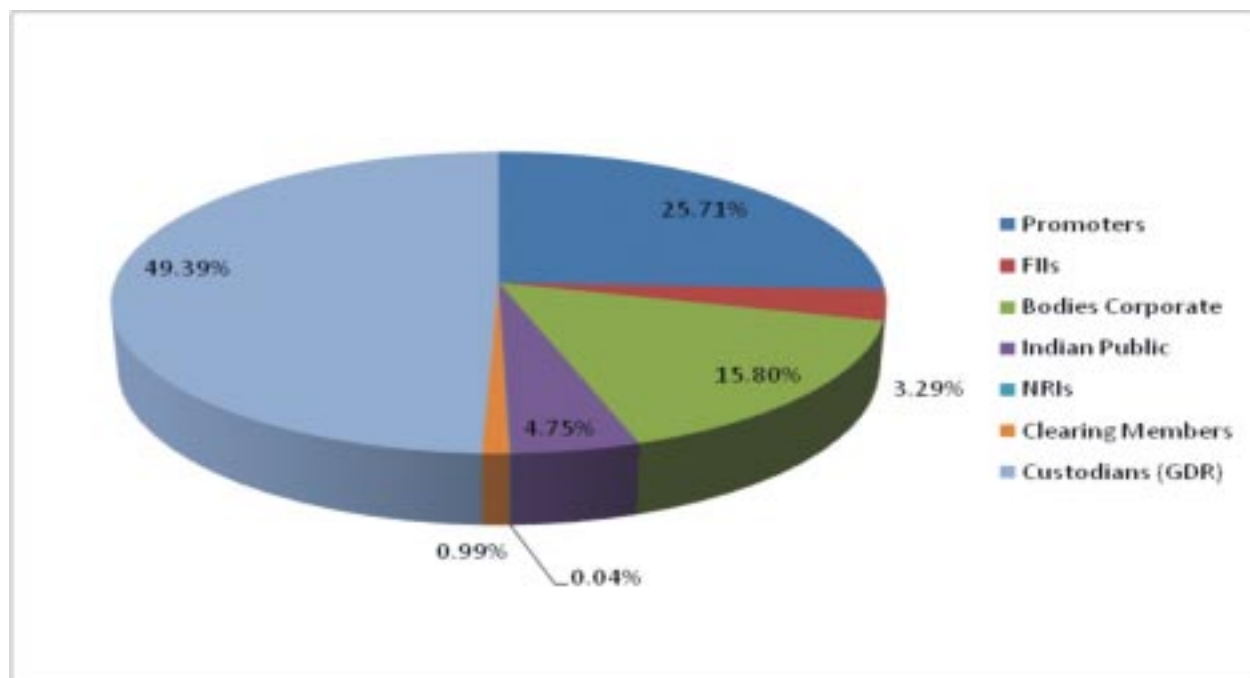


(xiv) Factory location

- (1) B-12/2, Lote Parshuram Industrial Area,
Taluka : Khed,
Distt. Ratnagiri
- (2) W-34, Phase – II,
MIDC, Dombivali (East), 421204
Distt. Thane

(xv) Shareholding Pattern as on 31st March, 2013

Category	Shareholders(Nos)	No of Shares	Percentage
Promoter & Promoter Group	1	18,262,541	25.71
Foreign Institutional Investors (FIIs)	5	2,338,575	3.29
Public Shareholding			
Bodies Corporate	142	11,222,158	15.80
Indian Public	1108	3,375,870	4.75
NRIs	45	32,650	0.04
Clearing Members	19	701,483	0.99
Shares held by Custodians and against which GDR have been issued (Custodians (GDR))	1	35,090,991	49.39
Financial Institutions/ Banks	1	2,840	0.00
Overseas Bodies Corporates	1	18,992	0.03
Grand Total	1323	71,046,100	100.00



(xvi) Listing fees and Annual Custodial Fees

The Company has paid the Annual Listing fees of the Stock Exchanges except Luxembourg Stock Exchange. The Annual Custodial Fees of the Depositories for the year 2013-14 have also been paid.



10. Adoption of Non-mandatory requirements to Clause 49 of the Listing agreement. The Company has complied with the following non-mandatory requirements:

- i) Remuneration Committee has been constituted. The details of the Committee have been mentioned earlier in this Report.
- ii) Whistle Blower Policy: No personnel have been denied to access to the audit Committee.
- iii) Shareholders right: The quarterly, half-yearly and annual statement of financial results of the Company are published in newspapers and are also posted on the Company's website.

Declaration by Whole-time Director

I, Vinod Kumar Kaushik, Whole-time Director of Chromatic India Limited, hereby confirm pursuant to Clause 49 (1) (D) of the listing agreement that:

The Board of Directors of Chromatic India Limited has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2013.

Vinod Kumar Kaushik

Whole-time Director

Mumbai, August, 10, 2013



CHROMATIC INDIA LTD

Certificate on Corporate Governance

To,
The Board of Directors,
Chromatic India Limited
207, Vardhaman Complex Premises
Co. Op. Society Ltd., L. B. S. Marg,
Vikhroli (West),
Mumbai - 400083

We have examined the relevant records of **Chromatic India Limited** for the purpose of certifying the compliance of conditions of Corporate Governance as stipulated in the revised clause 49 of the Listing Agreement with stock exchanges in India as applicable on the Company for the year ended 31st March 2013.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

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

For R. N. GUPTA & CO.
Practicing Company Secretaries

Place: Mumbai
Dated: 10th August, 2013

(R. N. GUPTA)
Proprietor
COP No. 3131



Independent Auditor's Report

To The Members of **Chromatic India Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Chromatic India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, subject to note nos. 27, 28, 29, 30 & 34 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As Required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet and Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. K. Badjatya & Co.
Chartered Accountants
Firm Registration No. 004017C

CA. Sudhir K. Jain
Partner
Membership No. 072282

Place: Mumbai
Date: May 29, 2013



Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Chromatic India Limited on the financial statements for the year ended March 31, 2013]

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
 - c) There was no substantial disposal of fixed assets during the year.
- ii) a) The inventory has been physically verified by the management during the year. In our Opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- iii) a) There are two subsidiary companies covered in register maintained under section 301 of the Companies Act, 1956 to whom the Company has granted loans, secured or unsecured. The total amount involved is Rs. 19554.42 Lacs.
 - b) Loans given to subsidiaries are interest free loans and the same is not considered as prejudicial in view of the fact the companies are wholly owned subsidiaries.
 - c) The parties pay principal amounts as and when demanded and the parties were regular in payment of interest wherever applicable.
 - d) There is no overdue amount of loan granted to said companies.
 - e) The company has taken short term loan from one company covered in register maintained under section 301 of the Companies Act, 1956 from whom the Company has taken loans, secured or unsecured. The amount involved is Rs. 7.00 Lacs. The loan is repayable on demand. The loan is interest free and not prejudicial to the interest of the company.
- iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- v) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - b) None of the transactions made in pursuance of any contracts or arrangements exceed the value of Rupees five lakh in respect of any such party in the financial year.
- vi) The company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The Company is required to maintain the cost records as prescribed by the Central Government of India under clause (d) of sub-section (1) of section 209 of the act for the activities carried on by the company.
- ix) a) Undisputed statutory dues including provident fund, investor education and protection fund, Employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, have not been regularly deposited with the appropriate authorities and there have been slight delays in few cases.



ANNUAL REPORT 2012-2013

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, wealth-tax, sales-tax, customs duty, excise duty and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except an amount of Rs. 20,79,000/- for the A.Y. 2012-13 for which return is also not filed.
- x) The Company's accumulated losses at the end of the financial year are less than fifty per Cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The management has disclosed on the end use of money raised by public issue and the same has been verified.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. K. Badjatya & Co.

Chartered Accountants

Firm Registration No. 004017C

CA. Sudhir K. Jain

Partner

Membership No. 072282

Place: Mumbai

Date: May 29, 2013

**CHROMATIC INDIA LTD****Balance Sheet as on 31 st March 2013**

(Amount in INR)

Particulars	Note No.	As on 31March 2013	As on 31st March 2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	710,461,000	710,461,000
(b) Reserves and Surplus	2	2,345,218,191	2,233,656,329
		<u>3,055,679,191</u>	<u>2,944,117,329</u>
Non-Current Liabilities			
(a) Long-Term Borrowings	3	2,531,791	1,983,983
(b) Deferred Tax Liabilities (Net)		3,915,312	3,947,127
(c) Long-Term Provisions		-	-
		<u>6,447,103</u>	<u>5,931,110</u>
Current Liabilities			
(a) Short-Term Borrowings	4	87,190,666	57,293,951
(b) Trade Payables	5	739,151,614	557,388,102
(c) Other Current Liabilities	6	2,523,001	5,636,830
(d) Short-Term Provisions	7	597,490	651,000
		<u>829,462,772</u>	<u>620,969,882</u>
TOTAL		<u>3,891,589,065</u>	<u>3,571,018,321</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	8	40,702,443	42,691,776
ii) Intangible Assets		-	-
iii) Capital Work-In-Progress	8	1,057,200,000	1,057,200,000
iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	9	2,264,490	1,264,550
(c) Long-Term Loans and Advances	10	1,971,466,808	1,866,279,365
(d) Other Non-Current Assets		-	-
		<u>3,071,633,741</u>	<u>2,967,435,691</u>
Current Assets			
(a) Current Investments		-	-
(b) Inventories	11	47,721,519	32,608,018
(c) Trade Receivables	12	676,998,057	493,904,511
(d) Cash and Bank Balances	13	3,328,518	2,999,285
(e) Short-Term Loans and Advances	14	91,907,229	74,070,815
		<u>819,955,324</u>	<u>603,582,629</u>
TOTAL		<u>3,891,589,065</u>	<u>3,571,018,320</u>

Significant Accounting Policies and
Notes to Financial Statements

23 to 46

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For S.K.Badjatya & Co
Chartered Accountants
Firm Registration No. 004017C

For and on behalf of Board of Directors

CA.Sudhir K.Jain
Partner
Membership No. 072282

Wholetime Director Director

Place: Mumbai
Date : 29 th May,2013Place: Mumbai
Date : 29th May,2013

**ANNUAL REPORT 2012-2013****Statement of Profit & Loss for the year ended 31 st March 2013**

(Amount in INR)

Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
I. INCOME			
(a) Revenue from operations	15	925,006,907	1202785446
(b) Other income	16	7,900,742	27,604,293
Total		932,907,649	1,230,389,738
II. Expenses			
(a) Purchases and Direct Expenses	17	872,238,655	1,170,413,816
(b) (Increase)/Decrease in Inventories	18	6,313,810	(3,402,147)
(c) Employee benefits expense	19	13,755,738	13,841,953
(d) Finance Cost	20	10,324,041	4,968,289
(e) Depreciation and Amortization expense	21	363,2307	3,351,510
(f) Other expenses	22	23,899,325	28,683,415
Total		930,163,876	1,217,856,835
III. Profit before tax		2,743,773	12,532,903
IV. Tax expense:			
(a) Current tax		700,000	4,007,278
(b) Deferred tax		(31,815)	2,838
Add/(Less):Prior year income (net)		-	-
V. Net Profit after Tax		2,075,588	8,522,787
VI. Earnings per Equity Share:			
(a) Basic		0.03	0.12
(b) Diluted		0.03	0.12
Significant Accounting Policies and Notes to Financial Statements	23 to 46		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For S.K.Badjatya & Co

Chartered Accountants

Firm Registration No. 004017C

CA.Sudhir K.Jain

Partner

Membership No. 072282

Place: Mumbai

Date : 29 th May,2013

For and on behalf of Board of Directors

Wholetime Director

Director

Place: Mumbai

Date : 29th May,2013



Notes forming part of the financial statements

Note 1 SHARE CAPITAL

1.1 Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs 10/- each	125000000	1,250,000,000	125000000	1,250,000,000
Issued				
Equity Shares of Rs 10/- each	71046100	710,461,000	71046100	710,461,000
Subscribed & Paid up				
Equity Shares of Rs 10/- each fully paid	71046100	710,461,000	71046100	710,461,000
Total	71046100	710,461,000	71046100	710,461,000

1.2 Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount (Rs.)	Number	Amount (Rs.)
EQUITY SHARES WITH VOTING RIGHTS:				
Opening Balance	71046100	710,461,000	71046100	710,461,000
Fresh Issue	-	-	-	-
Bonus	-	-	-	-
ESOP	-	-	-	-
Conversion	-	-	-	-
Buy Back	-	-	-	-
Other Changes (give details)	-	-	-	-
Closing Balance	71046100	710,461,000	71046100	710,461,000

1.3 Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

DETAILS OF SHARES HELD BY THE HOLDING COMPANY, THE ULTIMATE HOLDING COMPANY, THEIR SUBSIDIARIES AND ASSOCIATES

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
EQUITY SHARES WITH VOTING RIGHTS:				
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	18262541	182,625,410	18262541	182,625,410

1.4 Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956

Details of shares held by each shareholder holding more than 5 percent shares :

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	37299996	52.50%	37299996	52.50%
M/s. Cheetah Multitrade Pvt. Ltd.	18262541	25.71%	18262541	25.71%



ANNUAL REPORT 2012-2013

1.5 Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares 2012	Aggregate No. of Shares 2011	Aggregate No. of Shares 2010	Aggregate No. of Shares 2009	Aggregate No. of Shares 2008
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	6564000	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL

Notes forming part of the financial statements

Disclosure pursuant to Note no. 6(B) i a to k of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-2 Reserves and surplus		
(a) Capital reserve		
Opening balance	1,695,000	1,695,000
Add: Additions during the year (give details)	-	-
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	1,695,000	1,695,000
(b) Securities premium account		
Opening balance	1,985,812,100	1,985,812,100
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for: Issuing bonus shares	-	-
Closing balance	1,985,812,100	1,985,812,100
(c) General reserve		
Opening balance	17,978,960	17,978,960
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for: Issuing bonus shares Others (give details)	-	-
Closing balance	17,978,960	17,978,960
(d) Foreign currency translation reserve		
Opening balance	219,931,215	-
Add / (Less): Effect of foreign exchange rate variations during the year	111,082,534	219,931,215
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	331,013,749	219,931,215
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	8,239,054	3,838,665
Add: Profit / (Loss) for the year	2,075,588	8,522,787
TOTAL	10,314,642	12,361,452
Add/ (Less): Prior Period Expenses	55,172	6,180
Profit after Tax and Prior Period Adjustments	10,369,814	12,367,632
Less: Provision for dividend (including Dividend Tax)	1,651,432	4,128,578
Closing balance	8,718,382	8,239,054
Total	2,345,218,191	2,233,656,329



Notes forming part of the financial statements

Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-3 Long-term borrowings		
(a) Term loans		
From banks		
Secured#	1,520,000	1,520,000
Unsecured	0	0
Total	1,520,000	1,520,000
From other parties		
Secured*	10,117,90	463,983
Unsecured	0	0
Total	1,011,790	463,983
Total Long -term Borrowings	2,531,790	1,983,983.00

Secured by exclusive charge on the underlying plant & machineries i.e. Hot Air Generator, Hypoyhecation of Stocks, Collateral Security of Equitable Mortgage of Land & Buildings situated at B-12/2, Lote Parshuram Indl. Area, Taluka-Khed, Distt. Ratnagiri and simple deposit of title deeds of office premises situated at Vikhroli, Mumbai.

* Secured by Hypothecation of underlying assets paurchased.

Note-4 Short-term borrowings**(a) Loans repayable on demand****From banks**

Secured#: 1. Cash Credit Limit from Bank of India

6,974,173

6,194,955

2. Export Packing Credit Limit from Bank of India

39,987,090

17,164,000

Unsecured

-

-

Total**46,961,263****23,358,955****From other parties**

Secured @

40,229,403

33,934,996

Unsecured

-

-

Total**40,229,403****33,934,996****Total Short Term Borrowing****87,190,666****57,293,951**

Secured by exclusive charge on the underlying plant & machineries i.e. Hot Air Generator, Hypoyhecation of Stocks, Collateral Security of Equitable Mortgage of Land & Buildings situated at B-12/2, Lote Parshuram Indl. Area, Taluka-Khed, Distt. Ratnagiri and simple deposit of title deeds of office premises situated at Vikhroli, Mumbai.

@ Secured by shares held by the Promoters

Note: There has been no default in repayment of loan payment of interest in respect of above borrowings.



ANNUAL REPORT 2012-2013

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-5 Trade payables		
Trade payables:		
Acceptances		
Other than Acceptances	739,151,614	557,388,102
Total	739,151,614	557,388,102
Note-6 Other current liabilities		
(a) Current maturities of long-term debt (Refer Note (i) below)	960,000	-
(b) Current maturities of finance lease obligations (Refer Note 30.8.c)	442,300	-
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	414,962	302,252
(ii) Others: Salary & Wages	501,778	460,018
Other Liabilities	925,591	1,016,340
(ii) Current Year Tax Provision (netted off tds)	680,670	2,455,920
Total	2,523,001	5,636,830
Note (i): Current maturities of long-term debt (Refer Notes 3 - Long-term borrowings for details of security and guarantee):		
(a) Term loans		
From banks		
Secured	960,000	960,000
Unsecured	-	-
	960,000	960,000
From other parties		
Secured	442,300	442,300
Unsecured	-	-
	442,300	442,300
Total	1,402,300	1,402,300
Note-7 Short-term provisions		
(a) Provision for employee benefits: @		
(i) Provision for bonus	426,190	458,400
(ii) Provision for other employee benefits - Exgratia	171,300	192,600
Total	597,490	651,000



Notes forming part of the financial statements

Note-8

Fixed Assets

Particular	Gross Block					Accumulated Depreciation				Net Block	
	Balance asat 01.04.2012	Additions	Other Adjustments	Deductions	Balance asat 31.03.2013	Up to 31.03.2012	Depreciation charge for the year	On disposals	Balance asat 31.03.2013	Balance asat 31.03.2013	Balance asat 31.03.2012
a) Tangible Assets											
LAND - LEASE HOLD	11,702,920				11,702,920	389,312	156,713	-	546,025	11,156,895	11,313,608
BLDG. & RESI.FLAT	30,356,189	292,089			30,648,278	14,105,074	851,097	-	14,956,171	15,692,107	16,251,115
PLANT & MACHINERY	53,640,306	552,172			54,192,478	41,457,083	2,061,246	-	43,518,329	10,674,149	12,183,223
OFFICE & OTHERS EQUIP.	5,849,829	60,639			5,910,468	5,128,262	138,323	-	5,266,585	643,883	721,567
FURNITURE & FIXTURE	2,781,217				2,781,217	2,621,504	76,804	-	2,698,308	82,909	159,713
VEHICLES	4,063,580	738,073	-	-	4,801,653	2,001,029	348,124	-	2,349,153	2,452,500	2,062,551
TOTAL	108,394,041	1,642,973	-	-	110,037,014	65,702,264	3,632,307	-	69,334,571	40,702,443	42,691,776
CAPITAL W.I.P.	1,057,200,000	-			1,057,200,000	-			-	1,057,200,000	1,057,200,000
TOTAL	1,057,200,000	-			1,057,200,000	65,702,264	3,632,307	-	69,334,571	1,057,200,000	1,057,200,000
b) Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1,057,200,000	-	-	-	1,057,200,000	65,702,264	3,632,307	-	69,334,571	1,057,200,000	1,057,200,000
Previous Year	99,486,996	881,916,457		786,998	980,616,457	60,053,884	2,880,706	262,325	62,672,266	917,944,192	39,433,114

Note : There are no Intangible Assets under development.



Note: 9 Non-Current Investment

Particulars Rs.	As at 31 March, 20X3			As at 31 March, 20X2		
	Quoted Rs.	Unquoted Rs.	Total Rs.	Quoted Rs.	Unquoted Rs.	Total
Investments (At cost):						
Trade						
a) Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries						
99940 (As at 01 Aug 2012:) shares of 10/- each fully paid up in Chromatic ferro alloys Ltd.			999,940			-
1 (As at 31 March, 2011: 1) shares of 100000 AED each fully paid up in Chromatic International FZE equivalent to INR		1,228,550	1,228,550		1,228,550	1,228,550
b) Other non-current investments (specify nature)						
800 equity shares of Bank of India of Rs. 10 each at a premium of Rs. 35/- each	36,000	-	36,000	36,000	-	36,000
	36,000	1,228,550	2,264,490	36,000	1,228,550	1,264,550

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
-------------	------------------------------	------------------------------

Note-10 Long-term loans and advances

(a) Security deposits

Secured, considered good	-	-
Unsecured, considered good	1,196,717	1,152,460
Doubtful	-	-
Sub-Total	1,196,717	1,152,460
Less: Provision for doubtful deposits	-	-
Total (a)	1,196,717	1,152,460

(b) Loans and advances to related parties

Secured, considered good	-	-
Unsecured, considered good:		
-Chromatic Ferro Alloys Ltd.	1,275,000	-
-Arcoiris SA	13,603,915	13,603,915
-Chromatic International FZE	1,954,166,544	1,843,084,010
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
Total (b)	1,969,045,459	1,856,687,925

(c) Advance income tax (net of provisions) (As at 31 March, 2013) - Unsecured, considered good

	1,224,632	8,438,981
Total (c)	1,224,632	8,438,981
Total (a+b+c)	1,971,466,808	1,866,279,365

**CHROMATIC INDIA LTD**

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-11 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials (including Goods in transit)	41,007,117	18,878,829
Finished Goods	-	-
(b) Work-in-progress @ (Refer Note below)	6,714,402	13,729,189
Goods-in-transit	-	-
Total	47,721,519	32,608,018
Note-12 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	0	0
Unsecured, considered good	307,744	307,744
Doubtful	0	0
Sub-Total	307,744	307,744
Less: Provision for doubtful trade receivables	0	0
Total (a)	307,744	307,744
Other Trade receivables		
Secured, considered good	0	0
Unsecured, considered good	677,380,320	493,596,767
Doubtful	-	382,263
Sub-Total	677,380,320	493,979,030
Less: Provision for doubtful trade receivables	382,263	382,263
Total (b)	676,998,057	493,596,767
Total (a+b)	676,998,057	493,904,511



ANNUAL REPORT 2012-2013

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-13 Cash and cash equivalents		
(a) Cash on hand	122,112	804,129.00
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	565,845	1,186,434
(ii) In EEFC accounts		
(iii) In deposit accounts	58,910	54,418
(iv) In earmarked accounts		
- Unpaid dividend accounts	105,810	159,838
- Unpaid matured deposits	-	0
- Unpaid matured debentures	-	0
- Share application money received for allotment of securities and due for refund	-	0
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	2,421,520	740,146
- Other earmarked accounts (Gratuity Account)	54,320	54,320
(d) Others (specify nature)	-	-
Total	3,328,518	2,999,285
Note-14 Short-term loans and advances		
(a) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	139,995	263,645
Doubtful	-	-
Sub Total	139,995	263,645
Less: Provision for doubtful loans and advances	-	-
Total (a)	139,995	263,645
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
	708,410	440,686
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	16,510,008	11,322,436
(iii) Service Tax credit receivable	339,076	263,013
(iv) Export Incentive Receivable	16,719,320	7,419,343
(v) Balance with Central Excise	5,669,672	2,128,424
Total (c)	39,238,075	21,133,216
(d) Others (Advances Recoverable)		
Secured, considered good	-	-
Unsecured, considered good	51,820,749	52,233,268
Doubtful	-	-
Sub-Total	51,820,749	52,233,268
Less: Provision for other doubtful loans and advances	-	-
Total (d)	51,820,749	52,233,268
Total (a+b+c+d)	91,907,229	74,070,815

**CHROMATIC INDIA LTD**

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
15. Revenue from Operations		
Sale of products	203,670,150	149,155,912
Sales of traded goods	721,336,757	1,053,629,533
Total	925,006,907	1,202,785,446
16. Other Income		
Interest Received	193,006	18,019,228
Dividend-others from Long Term Investments	5,600	5,600
Miscellaneous Income	7,702,136	9,579,464
Total	7,900,742	27,604,293
17. Purchase & Direct Expenses		
Raw Material consumed		
Opg Stock of Raw Material	19,579,806	14,683,184
Raw Material Purchase	165,390,221	120,447,432
Packing Material	4,455,767	341,477
Freight Inward	2,596,356	1,702,787
Less:-Closing stock	(41,007,117)	(19,579,806)
Purchase of Traded goods	721,223,621	1,052,818,743
Total	872,238,655	1,170,413,816

**ANNUAL REPORT 2012-2013**

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
18. (Increase)/Decrease in Inventories		
Inventory at the beginning of the year Finished & Work in Progress		
Finished Goods	1,512,000	-
Work in Progress	11,516,212	9,626,065
TOTAL	13,028,212	9,626,065
Inventory at the end of the year		
Finished Goods	-	1,512,000
Work in Progress	6,714,402	11,516,212
TOTAL	6,714,402	13,028,212
(Increase) in Inventories	6,313,810	(3,402,147)
19. Employee Benefit Expenses		
Salary, Wages and Bonus Etc.	11,655,559	11,643,846
Company's Contribution to Provident Fund and ESIC	922,813	991,124
Staff welfare Expenses & other Amenities	798,931	819,949
Gratuity Expenses	310,606	334,303
Leave Encashment	67,829	52,731
Total	13,755,738	13,841,953
20. Finance Cost		
Interest expense		
Bank Interest	3,868,645	1,933,276
Other Interest	5,648,805	2,249,296
Bank Charges	806,591	785,717
Total	10,324,041	4,968,289
21. Depreciation and Amortization Expenses		
Depreciation on tangible assets	3,632,307	3,351,510
Total	3,632,307	3,351,510

**CHROMATIC INDIA LTD**

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
22. Other Expenses		
Rates & Taxes	307,151	203,296
Power & Water	6,048,434	5,449,519
Stores & Spares	1,422,284	2,902,549
Repairs and Maintenance :	-	-
- Repairs to Building	563,996	989,469
- Repairs to Machinery	939,902	2,735,505
- Repairs to Others	222,473	383,705
Advertisement & Sales Promotion	429,208	295,981
Freight & Forwarding Charges	3,272,646	2,161,952
Travelling Expenses	844,521	294,657
Auditor's Remuneration (Refer Note No.21)	607,576	542,388
Insurance	167,388	107,029
Telephone Charges	283,328	302,751
Car Expenses	610,365	502,986
Labour Charges	2,980,078	3,150,806
Loss on Sale of Assets	-	281,139
General Expenses	2,428,103	3,055,296
Annual Listing Exps	517,770	392,308
Excise Duty expense	-	-
Professional Charges	1,627,000	2,273,828
Printing & Stationery	183,775	220,698
Commission on sales	-	-
Balance Written Off	443,328	2,437,553
Total	23,899,325	28,683,415
*Payment to Auditors		
a) As Auditors		
Statutory Audit fee	190000	
Tax Audit Fees	<u>50000</u>	240,000
Other services (certification fees)		138,341
Reimbursement of expenses		237,515
Total	607,576	542,388

**Notes forming part of the financial statements****Note-23 Company Overview**

The Company currently in the business of manufacturing, trading and export of Synthetic Organic Dyestuff and dyes intermediates. The Company concentrates on the Reactive Dyestuff mainly Vinyl Sulfone type, bi-functional, multi-functional and high exhaustion and the latest dyestuff to make liquid dyestuff. All the products are appreciated all over the world. At present, the Company is manufacturing only Reactive Dyes based on Vinyl Sulphone & Cyanuric Chloride. In future, the Company is planning to manufactures Disperse & Vat Dyes. The Company has also started trading activities in chemicals and building material and also has taken Power Trading licence from Govt. of India.

Note-24 Significant Accounting Policies**24.1 Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year

24.2 Use of Estimates

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

24.3 Revenue Recognition

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty, Sales Tax and VAT are deducted from turnover (gross).

Interest

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

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet.

24.4 Accounting for Export Incentive:

Export incentive are recognised on exports on accrual basis, and based on the estimated realizable value of such entitlements.

24.5 Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

24.6 Depreciation and Amortisation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. The Company provides pro-rata depreciation for additions / deletions made during the reporting period, except for the asset each costing Rs. 5000 or less, for which depreciation is provided at hundred percent.

24.7 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**24.8 Leased Assets**

Finance leases, which effectively transfer to the Company, all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Lease hold land is amortised over the Lease period.

24.9 Foreign Currency Transactions**i) Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences:

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

24.10 Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the Investment.

24.11 Inventories**Inventories are valued as follows:****Raw materials, packing material, Work in progress, components, stores and spares:**

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First out basis (FIFO).

Finished goods:

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the product saleable.

24.12 Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current



year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

24.13 Employee Benefits

Retirement benefits in the form of Provident Fund and Government administered Employees Insurance and Pension Plans are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligations and are provided for on the basis of an actuarial valuation. The Company makes annual contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The Scheme provides for lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The Company has a scheme for compensated absences for employees, the liability of which is recognized on actual basis instead of accrual basis and charged to Profit and Loss Account in the year of payment.

Expenditure on Voluntary Retirement Scheme are amortised over the period of two years.

24.14 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

24.15 Earnings Per Share

Basic earnings per shares is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive

24.16 Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

24.17 Cash and Cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Notes forming part of the financial statements

OTHER NOTES TO ACCOUNTS

- 25** Contingent liabilities not provided for:
- | | As at 31-03-13
(Rupees) | As at 31-03-12
(Rupees) |
|---|------------------------------------|------------------------------------|
| Bank Guarantees (secured by fixed deposit receipts) | 70,301 | 60,000 |
- 26** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
- 27** In the opinion of the Board, current assets, loans and advances shall have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provision for all known liabilities have been made and contingent liabilities disclosed properly. Balances of sundry debtors, sundry creditors, loans and advances and other personal accounts are subject to confirmation and reconciliation. Consequential impact, if any, will be considered as and when determined.
- 28** Loans & Advances includes non-interest bearing unsecured loan of Rs. 1954166544/- given to Chromatic International FZE, the subsidiary of the company for overseas Business Development and Rs. 12,75000/- given to Chromatic Ferro Alloys Ltd, Subsidiary of the company for payment to Mine owners. The company did not do any business during the year.
- 29** The Company had made investments in erstwhile subsidiary namely Arcoiris SA with a view to have establishment abroad to penetrate into foreign market. However, the company has been liquidated during the year 2011-12. Net worth of Arcoiris SA is fully eroded. However, no provision is made for investment amounting to Rs. 26.23 lacs and advances and interest receivable of Rs. 109.81 lacs, which are doubtful of recovery. The amount has been shown as Long Term Loans & Advances.
- 30** The company has made Advances for capital work in progress amounting to Rs. 105.72 Crores during previous accounting years for setting up pf power plant. The procurement has not been done for pending clearances from the Govt.
- 31** No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at the date or for the period then ended, other than those reflected or fully disclosed in the books of account.

- | | As at 31-03-13
(Rupees) | As at 31-03-12
(Rupees) |
|--|------------------------------------|------------------------------------|
| 32 The net amount of exchange differences debited / (credited) to profit & loss account | (2,766,296) | (6,402,076) |
- 33** Provision for Gratuity payable to employees has been covered by the Group Gratuity Policy taken by the company with LIC of India and premium of the policy has been duly accounted for. However, no provision has been made for leave encashment as required by AS-15 (Revised 2005) employee Benefits notified by Companies (Accounting Standard) Rules 2006, has been made and the same shall be accounted for as and when paid.

A. Defined Contribution Plans - Employers contribution to Provident Fund :

During the year the company has recognized the following amounts in the statement of Profit & Loss

	2012-2013	2011-2012
Employers Contribution to Provident fund	818,430	871,091

B. State Plans - Employers contribution to Employee State Insurance:

During the year the company has recognized the following amounts in the Statement of Profit & Loss

	2012-2013	2011-2012
Employers Contributions to Employee State Insurance	23,308	35,881



ANNUAL REPORT 2012-2013

Present value of gratuity obligation based on actuarial valuation using the projected unit credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation

I. Change in present value of obligations:	Gratuity 2012-13	Gratuity 2011-12
Present value of obligation at the beginning	2,601,991	2,436,856
Current service costs	220,881	203,562
Benefits paid	-	-
Actuarial (Gain)/Loss on obligation	735,114	645,389
Present value of obligation at the end	3,538,966	3,268,793
II. Amount to be recognized in the Balance Sheet:		
	2012-13	2011-12
Present value of obligation at the end	3,538,966	3,268,793
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	2,803,852	2,754,145
Unrecognized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	735,114	514,648
III. Expenses recognized in the Statement of Profit & Loss:		
	2012-13	2011-12
Current service cost	220,881	203,562
Net Actuarial (Gain)/Loss recognized in the I.V.P	89,725	130,741
Expenses recognized in the Statement of Profit & Loss	310,606	334,303
IV. Actuarial Assumptions:		
	LIC 1994-96 (Ultimate) 2012-13	LIC 1994-96 (Ultimate) 2011-12
Discounting rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawal Rate	1-3%	1-3%
Remaining Working Life/ Average Past Service	16.52 years	15.41 years

34 Segment reporting

The Company operates in one business segment, namely manufacturing & trading of S.O.Dyes & Chemicals and geographic segments i.e. the Domestic and the Overseas. They are summarised as follows. :

Particulars	Domestic	Overseas	Total
Sales	721,476,210 (1,055,451,802)	203,530,697 (147,333,644)	925,006,907 (1,202,785,446)
Total Sales	721,476,210 (1,055,451,802)	203,530,697 (147,333,644)	925,006,907 (1,202,785,446)

Figures in bracket represent previous year figures.

The following table shows the distribution of sales in India and outside India

Name of the country	2012-13 (Rupees)	2011-12 (Rupees)
India	721,476,210	1,055,451,802
Switzerland	116,943,341	78,656,745
South Africa	2,298,513	1,041,936.00
Italy	4,489,794	3,496,232
Singapore	79,799,049	64,138,730
Total	925,006,907	1,202,785,445



CHROMATIC INDIA LTD

Disclosure of Segment-wise Liabilities and Profitability has not been possible, as the company has only one manufacturing plant and a unified marketing and administrative set-up.

Segment assets	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Export Debtors	31,633,269	5,613,065
EEFC A/c.	-	-
Total	31,633,269	5,613,065

35 Related Party Disclosures

As per the Accounting Standard 18, disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties and relationships:

Name of the Related Party	Nature of Relationship
(a) Cheetah Multitrade Pvt. Ltd.	Holding Company
(b) Arcoiris SA	erstwhile 100% Subsidiary
(c) Chromatic International FZE	100% Subsidiary
(d) Chromatic Ferro Alloys Ltd	100% Subsidiary
(d) Mr.V.K.Kaushik	Key Managerial Personnel
(f) Mr.Nitin Sethi (From 06/02/2008)	Key Managerial Personnel
(g) Mr.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel

Particulars	2012-13 (Rupees)	2011-12 (Rupees)
(ii) Transactions during the year with related parties (excluding reimbursements)		
With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	700,000	-
With Arcoiris SA		
Sales	-	-
Interest income	-	229,096
With Subsidiary: Chromatic International FZE		
Investment in Share Capital of Chromatic International FZE	-	-
Unsecured loan given	-	1,843,084,010
With Subsidiary: Chromatic Ferro Alloys Ltd.		
Investment in Share Capital of Chromatic Ferro Alloys Ltd.	999940	-
Unsecured loan given	1,275,000	-
With Key Managerial Personnel :		
Mr.V.K.Kaushik-Remuneration	814,680	737,760
(iii) Closing balance as on 31st March:		
With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	-	-
With Arcoiris SA		
Unsecured loan given (including interest and exchange rate difference)	1,09,80,915	1,09,80,915
With Subsidiary: Chromatic International FZE		
Unsecured loan given (including exchange rate difference)	1,843,084,010	1,843,084,010

Remuneration to executive directors: (Includes benefits which are debited to respective expenses)	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
a Remuneration	714,000	618,000
b Provident Fund Contribution	85,680	74,160
c Other Perquisites (LTA & Medical Allowance)	15,000	45,000
Total	814,680	737,160

Since no commission is payable to any managerial person, computation of net profit u/s 349 of the companies Act, 1956 is not given.



36 Calculation of Earning Per Shares

i) Basic EPS	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	2,075,588	8,522,787
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Basic Earning Per Share (In Rupees)	0.03	0.12
ii) Diluted EPS		
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	2,075,588	8,522,787
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Diluted Earning Per Share (In Rupees)	0.03	0.12

37 Deferred Tax

Particulars	Opening balance as at 01-04-12	During year 2012-13	Closing balance as at 31-03-13
Deferred Tax Assets			
Ex-Gratia	59,513	(6,582)	52,931
Bonus	139,050	(7,357)	131,693
Gratuity	199,425	27,725	227,150
VRS	207,563	(174,791)	32,772
Total	605,551	(161,004)	444,547
Deferred Tax Liability			
Depreciation	4,552,678	(192,819)	4,359,859
Net Deferred Tax Liability Net	3,947,127	(31,815)	3,915,312

38 Managerial Remuneration

Details of payment and provision on account of remuneration to Directors of the Company included in the Profit and Loss Account are as under:

Particulars	2012-13 Amount	2011-12 Amount
Salary	714,000	618,000
Contribution to Provident Fund	85,680	74,160
Other Perquisites(LTA & Medical Allowances)	15,000	45,000
Total	814,680	737,160

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956

Particulars	2012-13 Amount	2011-12 Amount
Profit as per Profit & Loss A/c before tax	2,743,773	12,532,903
Add: Depreciation charged in the accounts	3,632,307	3,351,510
Add :Loss on sales discarding of fixed assessts	0	281,139
Managerial Remuneration debited to P & L A/c.	814,680	737,160
Total	7,190,760	16,621,,573
Less: Depreciation in accordance with Section 350 Of the Companies Act, 1956	-	-
Net Profit for the Year as per section 349 of the Companies Act , 1956	7,190,760	16,621,573
Maximum Managerial Remuneration @ 5% of Net Profit	359,538	831,079

Note:

Managerial Remuneration does not include value of gratuity benefit and benefit towards leave encashment since the same is valued for the company as whole by actuarial.



CHROMATIC INDIA LTD

The Managerial Remuneration has been paid as per Section II of Schedule XIII (part-II) of The Companies Act, 1956 in view of inadequate profits.

Eligibility As Per Companies Act,1956 - {Schedule-XIII (part II)- section I}

Particulars	2012-13 Amount	2011-12 Amount
Commission to Independent Directors u/s 309 (calculated @ 1% of the Net Profit)	3,595	8,311
Remuneration to Directors u/s 198 (calculated @ 5% of the Net Profit)	359,538	831,079
Total Eligibility	363,133	839,389
Total Actual Remuneration Paid	814,680	737,160
Remuneration Restricted to	363,133	839,389

Eligibility As Per Companies Act,1956 - {Schedule-XIII (part II)- section II}

Where effective capital is Rs. 50 Crores or more but less than Rs. 100 Crores: Rs. 21,00,000 PA

39 Earnings in foreign currency	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
F.O.B. Value of Exports (on accrual basis)	203,530,697	147,333,643
40 Value of import on CIF basis	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Raw Materials & Packing Material Purchased	31,733,263	11,573,179
Stores and Spares Purchased	17,743	45,181
41 Expenditure in foreign currency	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Travelling Expenses	706026	51000

42 Particulars of unhedged foreign currency exposure as at balance sheet date

Particulars	Currency	As at 31-03-13		As at 31-03-12	
		(Rupees)		(Rupees)	
Debtors	USD	581,600.00	31,257,098	71,731	3,486,131
	EURO	-	-	28,440	1,878,392

43 Pursuant to Accounting Standard (AS)-28 on "Impairment of Asset" issued by The Institute of Chartered Accountants of India, the company assessed its fixed assets for impairment as at 31st March 2013, and concluded that there have been no significant impaired fixed assets that need to be recognized in the books of accounts.

44 Disclosure as per clause 32 of the listing agreement:

Loans given to subsidiary company where no repayment schedule is prescribed.

Name of subsidiary company	As at 31-03-13 (Rupees)	Maximum balance outstanding during the year
Unsecured Loan to Chromatic International FZE	1,954,166,544 (1,843,084,010)	1,973,999,087 (906,979,500)

Figures in bracket represent previous year figures.



45 Additional quantitative information as required under the Companies Act, 1956

A Details of licensed and installed capacity and actual production

Particulars	As at 31-03-13 in KG	As at 31-03-12 in KG
Licensed capacity	1,200,000	1,200,000
Installed capacity	1,200,000	1,200,000
Actual production	955,533	752,948
All Quantities are in KG		

B Details of finished goods / WIP as on 31-03-13

Particulars	Opening Stock		Production	Turnover		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S.O. Dyestuffs (Reactive dyes)	57,956	13,028,211	955,533	798,893	203,039,832	30,033	6,714,402
Total	57,956 (43,699)	13,028,211 (9,226,065)	955,533 (752,948)	798,893 (738,691)	203,039,832 (147,333,643)	30,033 (57,956)	6,714,402 (13,028,211)

Figures in bracket represent previous year figures.

C Raw material consumed/ sales

Particulars	For the year ended 31-03-13		For the year ended 31-03-12	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	77512	23560333	66977	17259419
J. Acid	23485	8187458	9011	3168043
Vinyl Sulphone	176194	30670059	142367	19269996
F.Oil	0	0	173675	6737335
Other raw materials	-	81562264	-	78154618
Total		143,980,114		124,589,411

D Raw material & stores & spares imported/ indigenous:

Particulars	For the year ended 31-03-13		For the year ended 31-03-12	
	Value (Rs.)	%	Value (Rs.)	%
A) Raw Material & Packing Material				
Imported	19,480,705	13.53	11,573,179	9.29
Indigenous	124,499,409	86.47	113,016,232	90.71
Total	143,980,114	100.00	124,589,411	100.00
B) Stores & Spares				
Imported	17,743	1.25	45,181	1.56
Indigenous	1,404,541	98.75	2,857,368	98.44
Total	1,422,284	100.00	1,508,971	100.00

46 Previous year figures have been regrouped, rearranged, reclassified and reworked wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached

For S.K.Badjatya & Co.
Chartered Accountants
(Firm Regn. No. 004017C)

CA. Sudhir K. Jain
Partner
Membership No.: 072282

Place : Mumbai
Date : 29th May, 2013.

For and on behalf of the Board

Wholetime Director Director

Place : Mumbai
Date : 29th May, 2013.



CASH FLOW STATEMENT AS ON 31.03.2013

(Amount in Lacs)

PARTICULARS	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	27.44	125.33
Adjustment for :		
Depreciation	36.32	33.52
Depreciation Deletion	-	3.22
Interest	103.24	49.68
Miscellaneous Expenses	-	-
Interest earned	(1.93)	(180.19)
VRS Expenses Amortised	-	-
GDR Expenses adjusted against Securities prem a/c	-	-
Loss/ expenses of previous year adjusted	(0.55)	(0.06)
	137.08	(93.84)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	164.52	31.49
Adjustment for :		
Trade and other Receivables including Loans & Advances	(1,948.73)	(7,159.99)
Unamortised Voluntary Retirement Scheme Expenses	-	-
Inventories	(151.14)	(82.99)
Trade Payables	1,779.16	1,383.24
	(320.71)	(5,859.74)
CASH GENERATED FROM OPERATIONS	(156.19)	(5,828.25)
Taxes Paid	-	(5.40)
	-	(5.40)
NET CASH FROM OPERATING ACTIVITIES	(156.19)	(5,833.65)
II CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital WIP)	(16.43)	(1,872.76)
Sale of Fixed Assets	-	2.00
FD Under Lien	(0.70)	(0.60)
Interest Received	1.93	180.19
	(15.20)	(1,691.17)
NET CASH USED IN INVESTING ACTIVITIES	(171.39)	(7,524.82)
III CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital / GDR Issue (Including Share Premium Amount)	-	-
(Repayment) / increase in Finance Lease Liabilities	304.45	450.66
Investment in Subsidiary	(10.00)	-
Dividend Paid	(16.51)	(41.29)
Interest Paid	(103.24)	(49.68)
	174.70	359.69
NET CASH USED IN FINANCING ACTIVITIES	3.30	(7,165.12)
IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
ADD : Opening Balance as on 01.04.2012 (P.Y. As on 01.04.11)	29.99	7,195.11
	33.29	29.99
Closing Balance As on 31.03.2013 (P.Y.As on 31.03.2012)	33.29	29.99
Notes to the cash flow statement :		
Cash and cash equivalent consist of cash on hand and balances with banks and investments in money market instruments.		
	31.03.2013	31.03.2012
Cash on hand	1.22	8.04
Balances with banks	32.07	21.95

For S.K.Badjatya & Co.
Chartered Accountants
(FRN 004017C)

For and on behalf of the Board

Sudhir K. Jain
Partner
Membership No.: 072282

Wholtime Director Director

Place : Mumbai
Date : 29th May, 2013

Place : Mumbai
Date : 29th May, 2013



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary	Number of shares in the Subsidiary Company held by Chromatic India Limited at the financial year ending date		The net aggregate of profits / (losses) of the Subsidiary Companies so far as they concern the members of Chromatic India Ltd.			
			For Current Financial year (Amount in Rs. Lacs)		(Amount in Rs. Lacs)	
			Equity	Extent of holding	Dealt with in the account of the Chromatic India Ltd for the year ended 31st March, 2013	Not dealt with in the account of the Chromatic India Ltd for the year ended 31st March, 2012
Chromatic International FZE	1 Equity Share	100%	(1.41)	N.A.	740.59	N.A.
Chromatic Ferro Alloys Limited	99,994 Equity Share	100%	(1.12)	N.A.	N.A.	N.A.

Notes:

1. The financial year of Chromatic India Limited and its subsidiary company are ending on 31st March, 2013.
2. Chromatic International FZE was incorporated in Ras Al Khaimah Free Trade Zone under Registration Number: RAKFTZA-FZE-4005123 as a Free Zone establishment with limited liability on 21st October 2010.
3. Chromatic Sponge Iron Limited, a subsidiary of the Company, have no financial transaction during the year under review, has not been considered in above table.

For and on behalf of the Board

*Director**Director*Place: Mumbai
Date: May 29, 2013



Consolidated Independent Auditor's Report

The Board of directors of **Chromatic India Limited**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Chromatic India Limited** ("the Company") and its subsidiaries, hereinafter referred to as the "Group" which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control systems relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b. In the case of the consolidated Profit and Loss Account, of the Profit of the group for the year ended on that date.
- c. In the case of the consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

Other Matters

1. We have not audited the financial statements of the Chromatic International FZE a subsidiary of the Company, whose financial statements reflect Group's share of total assets of Rs. 20344.17 Lacs as at 31st March, 2013, (19092.00 Lacs as at 31.03.2012), the total revenue of Rs. 0.00 Lacs (153.28 Lacs as at 31.03.2012) as considered in the consolidated financial statements. These financial statements of the subsidiary have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiaries, is based solely on the report of other auditors.
2. We have audited the financial statements of the Chromatic Ferro Alloys Limited a subsidiary of the Company, whose financial statements being First year have been prepared for the period from 13th September 2011 to 30th November 2012 & the figures as on 30th November 2012 have been considered for consolidation. The financial statements of the company reflect Group's share of total assets of Rs. 21.58 Lacs as at 30.11. 2012, the total revenue of Rs. 0.00 Lacs as at 30.11. 2012 and net cash inflows of Rs. 21.58 Lacs as at 30.11. 2012 as considered in the consolidated financial statements.

For S. K. Badjatya & Co.
Chartered Accountants
Firm Registration No. 004017C

CA. Sudhir K. Jain
Partner
Membership No. 072282

Place: Mumbai
Date: May 29, 2013



ANNUAL REPORT 2012-2013

Consolidated Balance Sheet as on 31 st March 2013

(Amount in INR)

Particulars	Note No.	As on 31 March 2013	As on 31st March 2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	710,461,000	710,461,000
(b) Reserves and Surplus	2	2,423,473,832	2,307,250,617
		<u>3,133,934,832</u>	<u>3,017,711,617</u>
Non-Current Liabilities			
(a) Long-Term Borrowings	3	2,531,791	1,983,983
(b) Deferred Tax Liabilities (Net)		3,915,312	3,947,127
(c) Long-Term Provisions		-	-
		<u>6,447,103</u>	<u>5,931,110</u>
Current Liabilities			
(a) Short-Term Borrowings	4	87,190,666	57,293,951
(b) Trade Payables	5	739,151,614	557,388,102
(c) Other Current Liabilities	6	3,196,575	6,389,057
(d) Short-Term Provisions	7	597,490	651,000
		<u>830,136,345</u>	<u>621,722,109</u>
TOTAL		<u>3,970,518,280</u>	<u>3,645,364,837</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	8	40,702,443	42,691,776
ii) Intangible Assets		-	-
iii) Capital Work-In-Progress	8	1,057,200,000	1,057,200,000
iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	9	36,000	36,000
(c) Long-Term Loans and Advances	10	2,035,943,491	1,926,061,773
(d) Other Non-Current Assets		-	-
		<u>3,133,881,933</u>	<u>3,025,989,549</u>
Current Assets			
(a) Current Investments		-	-
(b) Inventories	11	47,721,519	32,608,018
(c) Trade Receivables	12	676,998,057	495,928,247
(d) Cash and Bank Balances	13	18,759,541	16,768,206
(e) Short-Term Loans and Advances	14	93,157,229	74,070,815
		<u>836,636,346</u>	<u>619,375,286</u>
TOTAL		<u>3,970,518,280</u>	<u>3,645,364,837</u>

Significant Accounting Policies and Notes to Financial Statements 23 to 44

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For S.K.Badjatya & Co

Chartered Accountants

Firm Registration No. 004017C

CA.Sudhir K.Jain

Partner

Membership No. 072282

Place: Mumbai

Date : 29 th May,2013

For and on behalf of Board of Directors

Wholetime Director Director

Place: Mumbai

Date : 29th May,2013



Consolidated Statement of Profit & Loss for the year ended 31 st March 2013

(Amount in INR)

Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
I. INCOME			
(a) Revenue from operations	15	925,006,907	2,735,583,914
(b) Other income	16	7,900,742	27,526,678
	Total	932,907,649	2,763,110,591
II. Expenses			
(a) Purchases and Direct Expenses	17	872,238,655	2,628,765,032
(b) (Increase)/Decrease in Inventories	18	6,313,810	(3,402,147)
(c) Employee benefits expense	19	13,755,738	13,841,953
(d) Finance Cost	20	10,465,803	5,023,501
(e) Depreciation and Amortization expense	21	3,632,307	3,351,510
(f) Other expenses	22	24,011,121	29,016,923
	Total	930,417,434	2,676,596,772
III. Profit before tax		2,490,216	86,513,819
IV. Tax expense:			
(a) Current tax		700,000	4,007,278
(b) Deferred tax		(31,815)	2,838
Add/(Less):Prior year income (net)		-	0
V. Net Profit after Tax		1,822,031	82,503,703
VI. Earnings per Equity Share:			
(a) Basic		0.03	1.16
(b) Diluted		0.03	1.16

Significant Accounting Policies and Notes to Financial Statements 23 to 44

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For S.K.Badjatya & Co

Chartered Accountants

Firm Registration No. 004017C

CA.Sudhir K.Jain

Partner

Membership No. 072282

Place: Mumbai

Date : 29 th May,2013

For and on behalf of Board of Directors

Wholetime Director

Director

Place: Mumbai

Date : 29th May,2013



Notes forming part of Consolidated financial statements

Note 1 SHARE CAPITAL

1.1 Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs 10/- each	125000000	1,250,000,000	125000000	1,250,000,000
Issued				
Equity Shares of Rs 10/- each	71046100	710,461,000	71046100	710,461,000
Subscribed & Paid up				
Equity Shares of Rs 10/- each fully paid	71046100	710,461,000	71046100	710,461,000
Total	71046100	710,461,000	71046100	710,461,000

1.2 Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount (Rs.)	Number	Amount (Rs.)
EQUITY SHARES WITH VOTING RIGHTS:				
Opening Balance	71046100	710,461,000	71046100	710,461,000
Fresh Issue	-	-	-	-
Bonus	-	-	-	-
ESOP	-	-	-	-
Conversion	-	-	-	-
Buy Back	-	-	-	-
Other Changes (give details)	-	-	-	-
Closing Balance	71046100	710,461,000	71046100	710,461,000

1.3 Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

DETAILS OF SHARES HELD BY THE HOLDING COMPANY, THE ULTIMATE HOLDING COMPANY, THEIR SUBSIDIARIES AND ASSOCIATES

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
EQUITY SHARES WITH VOTING RIGHTS:				
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	18262541	182,625,410	18262541	182,625,410

1.4 Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956

Details of shares held by each shareholder holding more than 5 percent shares :

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	37299996	52.50%	37299996	52.50%
M/s. Cheetah Multitrade Pvt. Ltd.	18262541	25.71%	18262541	25.71%



1.5 Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares 2012	Aggregate No. of Shares 2011	Aggregate No. of Shares 2010	Aggregate No. of Shares 2009	Aggregate No. of Shares 2008
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	6564000	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL

Notes forming part of the financial statements

Disclosure pursuant to Note no. 6(B) i a to k of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-2 Reserves and surplus		
(a) Capital reserve		
Opening balance	1,853,350	1,695,000
Add: Additions during the year (consolidated)	91,160	158,350
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	1,944,510	1,853,350
(b) Securities premium account		
Opening balance	1,985,812,100	1,985,812,100
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for: Issuing bonus shares	-	-
Closing balance	1,985,812,100	1,985,812,100
(c) General reserve		
Opening balance	17,978,960	17,978,960
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for: Issuing bonus shares Others (give details)	-	-
Closing balance	17,978,960	17,978,960
(d) Foreign currency translation reserve		
Opening balance	219,931,215	-
Add / (Less): Effect of foreign exchange rate variations during the year	115,860,732	219,931,215
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	335,791,947	219,931,215
(e) Statutory Reserves (subsidiary company)		
Opening Balance	693,450	-
Add: for the year	45,550	693,450
Closing Balance	739,000	693,450



Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-2 Reserves and surplus (Contd.)		
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	80,981,544	3,293,689
Add: Profit / (Loss) for the year	1,822,031	81,810,253
TOTAL	82,803,575	85,103,942
Add/ (Less): Prior Period Expenses	55,172	6,180
Profit after Tax and Prior Period Adjustments	82,858,747	85,110,122
Less: Interim dividend (including Dividend Tax)	1,651,432	4,128,578
Closing balance	81,207,315	80,981,544
Total (a+b+c+d+e+f)	2,423,473,832	2,307,250,617

Notes forming part of the financial statements

Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Note-3 Long-term borrowings

(a) Term loans

From banks

Secured#	1,520,000	1,520,000
Unsecured	0	0

Total (a)

1,520,000 **1,520,000**

From other parties

Secured*	1,011,791	463,983
Unsecured	0	0

Total (b)

1,011,791 **463,983**

Total (a+b)

2,531,791 **1,983,983**

Secured by exclusive charge on the underlying plant & machineries i.e. Hot Air Generator, Hypohecation of Stocks, Collateral Security of Equitable Mortgage of Land & Buildings situated at B-12/2, Lote Parshuram Indl. Area, Taluka-Khed, Distt. Ratnagiri and simple deposit of title deeds of office premises situated at Vikhroli, Mumbai.

* Secured by Hypohecation of underlying assets purchased.



CHROMATIC INDIA LTD

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-4 Short-term borrowings		
(a) Loans repayable on demand		
From banks		
Secured#: 1. Cash Credit Limit from Bank of India	6,974,173	6,194,955
2. Export Packing Credit Limit from Bank of India	39,987,090	17,164,000
Unsecured	-	-
Total (a)	46,961,263	23,358,955
From other parties		
Secured @	40,229,403	33,934,996
Unsecured	-	-
Total (b)	40,229,403	33,934,996
Total Short Term Borrowing	87,190,666	57,293,951
<p># Secured by exclusive charge on the underlying plant & machineries i.e. Hot Air Generator, Hypoyhecation of Stocks, Collateral Security of Equitable Mortgage of Land & Buildings situated at B-12/2, Lote Parshuram Indl. Area, Taluka-Khed, Distt. Ratnagiri and simple deposit of title deeds of office premises situated at Vikhroli, Mumbai.</p> <p>@ Secured by shares held by the Promoters</p> <p>Note: There has been no default in repayment of loan payment of interest in respect of above borrowings.</p>		
Note-5 Trade payables		
Trade payables:		
Acceptances	-	
Other than Acceptances	739,151,614	557,388,102
Total	739,151,614	557,388,102
Note-6 Other current liabilities		
(a) Current maturities of long-term debt (Refer Note (i) below)	960,000	
(b) Current maturities of finance lease obligations (Refer Note 30.8.c)	442,300	
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	414,962	302,252
(ii) Others: Salary & Wages	501,778	460,018
Other Liabilities	1,599,165	1,768,567
(ii) Current Year Tax Provision (netted off tds)	680,670	2,455,920
Total	3,196,575	6,389,057

Note (i): Current maturities of long-term debt (Refer Notes 3 - Long-term borrowings for details of security and guarantee):



ANNUAL REPORT 2012-2013

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
(a) Term loans		
From banks		
Secured	960,000	960,000
Unsecured	-	-
	<u>960,000</u>	<u>960,000</u>
(b) From other parties		
Secured	442,300	442,300
Unsecured	-	-
	<u>442,300</u>	<u>442,300</u>
Total	<u>1,402,300</u>	<u>1,402,300</u>

Note-7 Short-term provisions

(a) Provision for employee benefits:

(i) Provision for bonus	426,190	458,400
(ii) Provision for other employee benefits - Exgratia	171,300	192,600
Total	<u>597,490</u>	<u>651,000</u>



Note-8

Fixed Assets

Particular	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 01.04.2012	Additions	Other Adjustments	Deletions	Balance as at 31.03.2013	Up to 31.03.2012	Depreciation charges for the year	Ch disposals	Balance as at 31.03.2013	Balance as at 31.03.2012
a) Tangible Assets										
LAND - LEASE HOLD	11,702,920	-	-	-	11,702,920	389,312	156,713	-	11,156,895	11,313,608
BLDG. & RESI.FLAT	30,356,189	292,089	-	-	30,648,278	14,105,074	851,097	14,956,171	15,692,107	16,251,115
PLANT & MACHINERY	53,640,306	552,172	-	-	54,192,478	41,457,083	2,061,246	43,518,329	10,674,149	12,183,223
OFFICE & OTHERSEQUIP.	5,849,829	60,639	-	-	5,910,468	5,128,262	138,323	5,266,585	643,883	721,567
FURNITURE & FIXTURE	2,781,217	-	-	-	2,781,217	2,621,504	76,804	2,698,308	82,909	159,713
VEHICLES	4,063,580	738,073	-	-	4,801,653	2,001,029	348,124	2,349,153	2,452,500	2,062,551
TOTAL	108,394,041	1,642,973	-	-	110,037,014	65,702,264	3,632,307	69,334,571	40,702,443	42,691,776
CAPITAL W.I.P.	1,057,200,000	-	-	-	-	1,057,200,000	-	-	1,057,200,000	1,057,200,000
TOTAL	1,057,200,000	-	-	-	1,057,200,000	65,702,264	3,632,307	69,334,571	1,057,200,000	1,057,200,000
b) Intangible Assets										
TOTAL	1,057,200,000	-	-	-	1,057,200,000	65,702,264	3,632,307	69,334,571	1,057,200,000	1,057,200,000
Previous Year	99,486,996	881,916,457	-	786,998	980,616,457	60,053,884	2,880,706	262,325	917,944,192	39,433,114

Note : There are no Intangible Assets under development.



Notes forming part of the financial statements

Note: 9 Non-Current Investment

Particulars	As at 31 March, 20X3			As at 31 March, 20X2		
	Quoted Rs.	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Trade						
a) Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries						
99940 (As at 01 Aug 2012:) shares of 10/- each fully paid up in Chromatic ferro alloy	-	-				
1 (As at 31 March, 2011: 1) shares of 100000 AED each fully paid up in Chromatic International FZE equivalent to INR	-	-	-	-		
b) Other non-current investments (specify nature) 800 equity shares of Bank of India of Rs. 10 each at a premium of Rs. 35/- each	36,000	-	36,000	36,000	-	36,000
Total - Trade (A)	36,000	-	36,000	36,000	-	36,000

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
-------------	------------------------------	------------------------------

Note-10 Long-term loans and advances

(a) Security deposits

Secured, considered good	-	-
Unsecured, considered good	1,205,217	1,152,460
Doubtful	-	-
Sub-Total	1,205,217	1,152,460
Less: Provision for doubtful deposits	-	-
Total (a)	1,205,217	1,152,460.00

(b) Loans and advances to related parties
(Refer Note 30.7)

Secured, considered good	-	-
Unsecured, considered good:		
-Arcoiris SA	13,628,915	13,603,915
-Chromatic International FZE	0	0
Doubtful	-	-
Sub-Total	13,628,915	13,603,915
Less: Provision for doubtful loans and advances	-	-
Total (b)	13,628,915	13,603,915

(c) Advance income tax (net of provisions) (As at
31 March, 20X3 '____') - Unsecured, considered good
(i) Other loans and advances (consolidation)
Secured, considered good
Unsecured, considered good
Doubtful

	1,224,632	8,438,981
	2,019,884,727	1,902,866,418
Total	2,035,943,491	1,926,061,773


CHROMATIC INDIA LTD

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-11 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials (including Goods in transit)	41,007,117	18,878,829
Finished Goods	-	-
(b) Work-in-progress @ (Refer Note below)	6,714,402	13,729,189
Goods-in-transit	-	-
Total	47,721,519	32,608,018
Note-12 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	0	0
Unsecured, considered good	307,744	307,744
Doubtful	0	0
Sub-Total	307,744	307,744
Less: Provision for doubtful trade receivables	0	0
Total	307,744	307,744
Other Trade receivables		
Secured, considered good	0	0
Unsecured, considered good	677,380,320	495,620,504
Doubtful	382,263	-
Sub-Total	677,380,320	496,002,766
Less: Provision for doubtful trade receivables	382,263	382,263
Total	676,998,057	495,928,247
Note-13 Cash and cash equivalents		
(a) Cash on hand	1,010,812	804,129
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	15,108,167	14,955,355
(ii) In EEFC accounts		
(iii) In deposit accounts	58,910	54,418
(iv) In earmarked accounts		
- Unpaid dividend accounts	105,810	159,838
- Unpaid matured deposits	-	0
- Unpaid matured debentures	-	0
- Share application money received for allotment of securities and due for refund	-	0
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	2,421,520	740,146
- Other earmarked accounts (Gratuity Account)	54,320	54,320
(d) Others (specify nature)	-	-
Total	18,759,541	16,768,206

**ANNUAL REPORT 2012-2013**

Particulars	As at 31 March, 20X3 ₹	As at 31 March, 20X2 ₹
Note-14 Short-term loans and advances		
(a) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	139,995	263,645
Doubtful	-	-
Sub Total	139,995	263,645
Less: Provision for doubtful loans and advances	-	-
Total (a)	139,995	263,645
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
	708,410	440,686
Total (b)	708,410	440,686
(c) Balances with government authorities		
Unsecured, considered good	-	-
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	16,510,008	11,322,436
(iii) Service Tax credit receivable	339,076	263,013
(iv) Export Incentive Receivable	16,719,320	7,419,343
(v) Balance with Central Excise	5,669,672	2,128,424
Total (c)	39,238,075	21,133,216
(d) Others (Advances Recoverable)		
Secured, considered good	-	-
Unsecured, considered good	53,070,749	52,233,268
Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
Total (d)	53,070,749	52,233,268
Total (a+b+c+d)	93,157,229	74,070,815


CHROMATIC INDIA LTD

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
15. Revenue from Operations		
Sale of products	203,670,150	149,155,912
Sales of traded goods	721,336,757	2,586,428,001
Total	925,006,907	2,735,583,914
16. Other Income		
Interest Received	193,006	18,019,228
Dividend-others from Long Term Investments	5,600	5,600
Miscellaneous Income	7,702,136	9,501,849
Total	7,900,742	27,526,678
17. Purchase & Direct Expenses		
Raw Material consumed		
Opg Stock of Raw Material	19,579,806	14,683,184
Raw Material Purchase	165,390,221	120,447,432
Packing Material	4,455,767	341,477
Freight Inward	2,596,356	1,702,787
Less:-Closing stock	(41,007,117)	(19,579,806)
Purchase of Traded goods	721,223,621	2,511,169,959
Total	872,238,655	2,628,765,032
18. (Increase)/Decrease in Inventories		
Inventory at the beginning of the year Finished & Work in Progress		
Finished Goods	1,512,000	-
Work in Progress	11,516,212	9,626,065
TOTAL	13,028,212	9,626,065
Inventory at the end of the year		
Finished Goods	-	1,512,000
Work in Progress	6,714,402	11,516,212
TOTAL	6,714,402	13,028,212
(Increase) in Inventories	6,313,810	(3,402,147)
19. Employee Benefit Expenses		
Salary, Wages and Bonus Etc.	11,655,559	11,643,846
Company's Contribution to Provident Fund and ESIC	922,813	991,124
Staff welfare Expenses & other Amenities	798,931	819,949
Gratuity Expenses	310,606	334,303
Leave Encashment	67,829	52,731
Total	13,755,738	13,841,953



ANNUAL REPORT 2012-2013

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
20. Finance Cost		
Interest expense		
Bank Interest	3,868,645	1,933,276
Other Interest	5,648,805	2,249,296
Bank Charges	948,353	840,930
Total	10,465,803	5,023,501
21. Depreciation and Amortization Expenses		
Depreciation on tangible assets	3,632,307	3,351,510
Total	3,632,307	3,351,510
22. Other Expenses		
Rates & Taxes	307,151	203,296
Power & Water	6,048,434	5,449,519
Stores & Spares	1,422,284	2,902,549
Repairs and Maintenance :	-	-
- Repairs to Building	563,996	989,469
- Repairs to Machinery	939,902	2,735,505
- Repairs to Others	222,473	383,705
Advertisement & Sales Promotion	429,208	295,981
Freight & Forwarding Charges	3,272,646	2,161,952
Travelling Expenses	844,521	475,646
Auditor's Remuneration (Refer Note No.21)	618,812	542,388
Insurance	167,388	107,029
Telephone Charges	283,328	302,751
Car Expenses	610,365	502,986
Labour Charges	2,980,078	3,150,806
Loss on Sale of Assets	-	281,139
General Expenses	2,528,663	3,207,815
Annual Listing Exps	517,770	392,308
Excise Duty expense	-	-
Professional Charges	1,627,000	-
Printing & Stationery	183,775	2,273,828
Commission on sales	-	220,698
Balance Written Off	443,328	2,437,553
Total	24,011,121	29,016,923
*Payment to Auditors		
a) As Auditors		
Statutory Audit fee	201236	
Tax Audit Fees	<u>50000</u>	240,000.00
Other services (certification fees)	130,061	138,341
Reimbursement of expenses	237,515	164,047
Total	618,812	542,388

**Notes forming part of Consolidated financial statements****Note-23 Company Overview**

The Company currently in the business of manufacturing, trading and export of Synthetic Organic Dyestuff and dyes intermediates. The Company concentrates on the Reactive Dyestuff mainly Vinyl Sulfone type, bi-functional, multi-functional and high exhaustion and the latest dyestuff to make liquid dyestuff. All the products are appreciated all over the world. At present, the Company is manufacturing only Reactive Dyes based on Vinyl Sulphone & Cyanuric Chloride. In future, the Company is planning to manufactures Disperse & Vat Dyes. The Company has also started trading activities in chemicals and building material and also has taken Power Trading licence from Govt. of India.

Note-24 Significant Accounting Policies**24.1 Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year

24.2 Use of Estimates

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

24.3 Revenue Recognition

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty, Sales Tax and VAT are deducted from turnover (gross).

Interest

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

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet.

24.4 Accounting for Export Incentive:

Export incentive are recognised on exports on accrual basis, and based on the estimated realizable value of such entitlements.

24.5 Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

24.6 Depreciation and Amortisation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. The Company provides pro-rata depreciation for additions / deletions made during the reporting period, except for the asset each costing Rs. 5000 or less, for which depreciation is provided at hundred percent.

**24.7 Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

24.8 Leased Assets

Finance leases, which effectively transfer to the Company, all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Lease hold land is amortised over the Lease period.

24.9 Foreign Currency Transactions**i) Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences:

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv) Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

24.10 Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the Investment.

**24.11 Inventories**

Inventories are valued as follows:

Raw materials, packing material, Work in progress, components, stores and spares:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First out basis (FIFO).

Finished goods:

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the product saleable.

24.12 Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

24.13 Employee Benefits

Retirement benefits in the form of Provident Fund and Government administered Employees Insurance and Pension Plans are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligations and are provided for on the basis of an actuarial valuation. The Company makes annual contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The Scheme provides for lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of



five years of service.

The Company has a scheme for compensated absences for employees, the liability of which is recognized on actual basis instead of accrual basis and charged to Profit and Loss Account in the year of payment.

Expenditure on Voluntary Retirement Scheme are amortised over the period of two years.

24.14 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

24.15 Earnings Per Share

Basic earnings per shares is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive

24.16 Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

24.17 Cash and Cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Notes forming part of Consolidated financial statements

OTHER NOTES TO ACCOUNTS

- 25** Contingent liabilities not provided for:
- | | As at 31-03-13
(Rupees) | As at 31-03-12
(Rupees) |
|---|------------------------------------|------------------------------------|
| Bank Guarantees (secured by fixed deposit receipts) | 70,301 | 60,000 |
- 26** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
- 27** In the opinion of the Board, current assets, loans and advances shall have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provision for all known liabilities have been made and contingent liabilities disclosed properly. Balances of sundry debtors, sundry creditors, loans and advances and other personal accounts are subject to confirmation and reconciliation. Consequential impact, if any, will be considered as and when determined.
- 28** The Company had made investments in erstwhile subsidiary namely Arcoiris SA with a view to have establishment abroad to penetrate into foreign market. However, the company has been liquidated during the year 2011-12. Net worth of Arcoiris SA is fully eroded. However, no provision is made for investment amounting to Rs. 26.23 lacs and advances and interest receivable of Rs. 109.81 lacs, which are doubtful of recovery. The amount has been shown as Long Term Loans & Advances.
- 29** The company has made Advances for capital work in progress amounting to Rs. 105.72 Crores during previous accounting years for setting up pf power plant. The procurement has not been done for pending clearances from the Govt.
- 30** No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at the date or for the period then ended, other than those reflected or fully disclosed in the books of account.

- | | As at 31-03-13
(Rupees) | As at 31-03-12
(Rupees) |
|--|------------------------------------|------------------------------------|
| 31 The net amount of exchange differences debited / (credited) to profit & loss account | (2,766,296) | (6,402,076) |
- 32** Provision for Gratuity payable to employees has been covered by the Group Gratuity Policy taken by the company with LIC of India and premium of the policy has been duly accounted for. However, no provision has been made for leave encashment as required by AS-15 (Revised 2005) employee Benefits notified by Companies (Accounting Standard) Rules 2006, has been made and the same shall be accounted for as and when paid.

A. Defined Contribution Plans - Employers contribution to Provident Fund :

During the year the company has recognized the following amounts in the statement of Profit & Loss

	2012-2013	2011-2012
Employers Contribution to Provident fund	818,430	871,091

B. State Plans - Employers contribution to Employee State Insurance:

During the year the company has recognized the following amounts in the Statement of Profit & Loss

	2012-2013	2011-2012
Employers Contributions to Employee State Insurance	23,308	35,881



ANNUAL REPORT 2012-2013

Present value of gratuity obligation based on actuarial valuation using the projected unit credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation

I. Change in present value of obligations:	Gratuity 2012-13	Gratuity 2011-12
Present value of obligation at the beginning	2,601,991	2,436,856
Current service costs	220,881	203,562
Benefits paid	-	-
Actuarial (Gain)/Loss on obligation	735,114	645,389
Present value of obligation at the end	3,538,966	3,268,793
II. Amount to be recognized in the Balance Sheet:		
	2012-13	2011-12
Present value of obligation at the end	3,538,966	3,268,793
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	2,803,852	2,754,145
Unrecognized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	735,114	514,648
III. Expenses recognized in the Statement of Profit & Loss:		
	2012-13	2011-12
Current service cost	220,881	203,562
Net Actuarial (Gain)/Loss recognized in the I.V.P	89,725	130,741
Expenses recognized in the Statement of Profit & Loss	310,606	334,303
IV. Actuarial Assumptions:		
	LIC 1994-96 (Ultimate) 2012-13	LIC 1994-96 (Ultimate) 2011-12
Discounting rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawal Rate	1-3%	1-3%
Remaining Working Life/ Average Past Service	16.52 years	15.41 years

33 Segment reporting

The Company operates in one business segment, namely manufacturing & trading of S.O.Dyes & Chemicals and geographic segments i.e. the Domestic and the Overseas. They are summarised as follows. :

Particulars	Domestic	Overseas	Total
Sales	721,476,210 (1,055,451,802)	203,530,697 (147,333,644)	925,006,907 (1,202,785,446)
Total Sales	721,476,210 (1,055,451,802)	203,530,697 (147,333,644)	925,006,907 (1,202,785,446)

Figures in bracket represent previous year figures.

The following table shows the distribution of sales in India and outside India

Name of the country	2012-13 (Rupees)	2011-12 (Rupees)
India	721,476,210	1,055,451,802
Switzerland	116,943,341	78,656,745
South Africa	2,298,513	1,041,936.00
Italy	4,489,794	3,496,232
Singapore	79,799,049	64,138,730
Total	925,006,907	1,202,785,445



CHROMATIC INDIA LTD

Disclosure of Segment-wise Liabilities and Profitability has not been possible, as the company has only one manufacturing plant and a unified marketing and administrative set-up.

Segment assets	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Export Debtors EEFC A/c.	31,633,269 -	5,613,065 -
Total	31,633,269	5,613,065

34 Related Party Disclosures

As per the Accounting Standard 18, disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties and relationships:

Name of the Related Party	Nature of Relationship
(a) Cheetah Multitrade Pvt. Ltd.	Holding Company
(b) Arcoiris SA	erstwhile 100% Subsidiary
(c) Chromatic International FZE	100% Subsidiary
(d) Chromatic Ferro Alloys Ltd	100% Subsidiary
(d) Mr.V.K.Kaushik	Key Managerial Personnel
(f) Mr.Nitin Sethi (From 06/02/2008)	Key Managerial Personnel
(g) Mr.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel
(h) Mr. Manish Sharma	Key Managerial Personnel

(ii) Transactions during the year with related parties(excluding reimbursements)

	2012-13 (Rupees)	2011-12 (Rupees)
With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	700,000	-
With Arcoiris SA		
Sales	-	-
Interest income	-	229,096
With Key Managerial Personnel :		
Mr.V.K.Kaushik-Remuneration	814,680	737,760

(iii) Closing balance as on 31st March:

With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	-	-
With Arcoiris SA		
Unsecured loan given (including interest and exchange rate difference)	1,09,80,915	1,09,80,915
Remuneration to executive directors: (Includes benefits which are debited to respective expenses)	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Remuneration	714,000	618,000
Provident Fund Contribution	85,680	74,160
Other Perquisites (LTA & Medical Allowance)	15,000	45,000
Total	814,680	737,160

Since no commission is payable to any managerial person, computation of net profit u/s 349 of the companies Act, 1956 is not given.



35 Calculation of Earning Per Shares

i) Basic EPS	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	1,822,031	82,503,703
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Basic Earning Per Share (In Rupees)	0.03	1.16
ii) Diluted EPS		
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	1,822,031	82,503,703
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Diluted Earning Per Share (In Rupees)	0.03	1.16

36 Deferred Tax

Particulars	Opening balance as at 01-04-12	During year 2012-13	Closing balance as at 31-03-13
Deferred Tax Assets			
Ex-Gratia	59,513	(6,582)	52,931
Bonus	139,050	(7,357)	131,693
Gratuity	199,425	27,725	227,150
VRS	207,563	(174,791)	32,772
Total	605,551	(161,004)	444,547
Deferred Tax Liability			
Depreciation	4,552,678	(192,819)	4,359,859
Net Deferred Tax Liability Net	3,947,127	(31,815)	3,915,312

37 Managerial Remuneration

Details of payment and provision on account of remuneration to Directors of the Company included in the Profit and Loss Account are as under:

Particulars	2012-13 Amount	2011-12 Amount
Salary	714,000	618,000
Contribution to Provident Fund	85,680	74,160
Other Perquisites(LTA & Medical Allowances)	15,000	45,000
Total	814,680	737,160

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956

Particulars	2012-13 Amount	2011-12 Amount
Profit as per Profit & Loss A/c before tax	2,743,773	12,532,903
Add: Depreciation charged in the accounts	3,632,307	3,351,510
Add :Loss on sales discarding of fixed assessts	0	281,139
Managerial Remuneration debited to P & L A/c.	814,680	737,160
Total	7,190,760	16,621,573
Less: Depreciation in accordance with Section 350 Of the Companies Act, 1956	-	-
Net Profit for the Year as per section 349 of the Companies Act , 1956	7,190,760	16,621,573
Maximum Managerial Remuneration @ 5% of Net Profit	359,538	831,079



Note:

Managerial Remuneration does not include value of gratuity benefit and benefit towards leave encashment since the same is valued for the company as whole by actuarial.

The Managerial Remuneration has been paid as per Section II of Schedule XIII (part-II) of The Companies Act, 1956 in view of inadequate profits.

Eligibility As Per Companies Act,1956 - {Schedule-XIII (part II)- section I}

Particulars	2012-13 Amount	2011-12 Amount
Commission to Independent Directors u/s 309 (calculated @ 1% of the Net Profit)	3,595	8,311
Remuneration to Directors u/s 198 (calculated @ 5% of the Net Profit)	359,538	831,079
Total Eligibility	363,133	839,389
Total Actual Remuneration Paid	814,680	737,160
Remuneration Restricted to	363,133	839,389

Eligibility As Per Companies Act,1956 - {Schedule-XIII (part II)- section II}

Where effective capital is Rs. 50 Crores or more but less than Rs. 100 Crores: Rs.21,00,000 PARs. 21,00,000 PA

38 Earnings in foreign currency	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
F.O.B. Value of Exports (on accrual basis)	203,530,697	147,333,643
39 Value of import on CIF basis	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Raw Materials & Packing Material Purchased	31,733,263	11,573,179
Stores and Spares Purchased	17,743	45,181
40 Expenditure in foreign currency	As at 31-03-13 (Rupees)	As at 31-03-12 (Rupees)
Travelling Expenses	706,026	51,000

41 Particulars of unhedged foreign currency exposure as at balance sheet date

Particulars	Currency	As at 31-03-13		As at 31-03-12	
			(Rupees)		(Rupees)
Debtors	USD	581,600.00	31,257,098	71,731	3,486,131
	EURO	-	-	28,440	1,878,392

42 Pursuant to Accounting Standard (AS)-28 on "Impairment of Asset" issued by The Institute of Chartered Accountants of India, the company assessed its fixed assets for impairment as at 31st March 2013, and concluded that there have been no significant impaired fixed assets that need to be recognized in the books of accounts.



43 Additional quantitative information as required under the Companies Act, 1956

A Details of licensed and installed capacity and actual production

Particulars	As at 31-03-13 in KG	As at 31-03-12 in KG
Licensed capacity	1,200,000	1,200,000
Installed capacity	1,200,000	1,200,000
Actual production	955,533	752,948

All Quantities are in KG

B Details of finished goods / WIP as on 31-03-13

Particulars	Opening Stock		Production	Turnover		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S3.O. Dyestuffs (Reactive dyes)	57,956	13,028,211	955,533	798,893	203,039,832	30,033	6,714,402
Total	57,956 (43,699)	13,028,211 (9,226,065)	955,533 (752,948)	798,893 (738,691)	203,039,832 (147,333,643)	30,033 (57,956)	6,714,402 (13,028,211)

Figures in bracket represent previous year figures.

C Raw material consumed/ sales

Particulars	For the year ended 31-03-13		For the year ended 31-03-12	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	77512	23560333	66977	17259419
J. Acid	23485	8187458	9011	3168043
Vinyl Sulphone	176194	30670059	142367	19269996
F.Oil	0	0	173675	6737335
Other raw materials	-	81562264	-	78154618
		143,980,114		124,589,411

D Raw material & stores & spares imported/ indigenous:

Particulars	For the year ended 31-03-13		For the year ended 31-03-12	
	Value (Rs.)	%	Value (Rs.)	%
A) Raw Material & Packing Material				
Imported	19,480,705	13.53	11,573,179	9.29
Indigenous	124,499,409	86.47	113,016,232	90.71
	143,980,114	100.00	124,589,411	100.00
B) Stores & Spares				
Imported	17,743	1.25	45,181	1.56
Indigenous	1,404,541	98.75	2,857,368	98.44
	1,422,284	100.00	1,508,971	100.00

44 Previous year figures have been regrouped, rearranged, reclassified and reworked wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached

For S.K.Badjatya & Co.
Chartered Accountants
(Firm Regn. No. 004017C)

CA. Sudhir K. Jain
Partner
Membership No.: 072282

Place : Mumbai
Date : 29th May, 2013.

For and on behalf of the Board

Wholetime Director Director

Place : Mumbai
Date : 29th May, 2013.



CONSOLIDATED CASH FLOW STATEMENT AS ON 31.03.2013

(Amount in Lacs)

PARTICULARS	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	24.90	865.92
Adjustment for :		
Depreciation	36.32	33.52
Depreciation Deletion	-	3.22
Interest	104.66	50.23
Miscellaneous Expenses	-	0.78
Interest earned	(1.93)	(180.19)
VRS Expenses Amortised	-	-
GDR Expenses adjusted against Securities prem a/c	-	-
Loss/Expenses of previous year adjusted	(0.55)	(0.06)
	138.50	(93.29)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>163.40</u>	<u>772.63</u>
Adjustment for :		
Trade and other Receivables including Loans & Advances	(1,938.80)	(15,911.62)
Unamortised Voluntary Retirement Scheme Expenses	-	1.26
Inventories	(151.14)	(82.99)
Trade Payables	1,778.37	9,513.72
	(311.56)	(6,479.62)
CASH GENERATED FROM OPERATIONS	<u>(148.16)</u>	<u>(5,706.99)</u>
Taxes Paid	-	(5.40)
	-	(5.40)
NET CASH FROM OPERATING ACTIVITIES	<u>(148.16)</u>	<u>(5,712.39)</u>
II CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital WIP)	(16.43)	(1,872.76)
Sale of Fixed Assets	-	2.00
FD Under Lien	(0.70)	(0.60)
Interest Received	1.93	180.19
	(15.20)	(1,691.17)
NET CASH USED IN INVESTING ACTIVITIES	<u>(163.36)</u>	<u>(7,403.55)</u>
III CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital / GDR Issue (Including Share Premium Amount)	-	-
Repayment of Finance Lease Liabilities	304.45	450.66
Investment in Subsidiary	-	-
Dividend Paid	(16.51)	(41.29)
Interest Paid	(104.66)	(50.24)
	183.28	359.14
NET CASH USED IN FINANCING ACTIVITIES	<u>19.92</u>	<u>(7,044.41)</u>
IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
ADD : Opening Balance as on 01.04.2012 (P.Y. As on 01.04.11)	167.68	7,211.89
	187.60	167.48
Closing Balance As on 31.03.2013 (P.Y.As on 31.03.2012)	<u>187.60</u>	<u>167.68</u>
Notes to the cash flow statement : Cash and cash equivalent consist of cash on hand and balances with banks and investments in money market instruments.		
	31.03.2013	31.03.2012
Cash on hand	10.11	8.04
Balances with banks	177.49	159.64

For S.K.Badjatya & Co.
Chartered Accountants
Firm Registration No. 004017C

Sudhir K. Jain
Partner
Membership No.: 072282

Place : Mumbai
Date : 29th May, 2013

For and on behalf of the Board

Wholetime Director Director

Place : Mumbai
Date : 29th May, 2013



Summary of Financial Information of Subsidiary Companies

(Rs. In Lacs)

Sr. No.	Name of the Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiaries)	Turnover	Profit before Tax	Provision for Taxation	Profit after Tax	Proposed Dividend	Country
1	Chromatic International FZE	AED	14.78	15	781	20346	20344	0.00	0	-1	0.00	0.00	0.00	UAE
2	Chromatic Ferro Alloys Ltd	INR	-	10	-1	22	12	0.00	0	-1	0.00	0.00	0.00	INDIA

CHROMATIC INDIA LTD.

Registered Office: 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083.

ATTENDANCE SLIP

26th Annual General Meeting at 3.00 P.M. on September 30, 2013 at

207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083

Full name of Member _____

Reg. Folio No./ Demat ID _____

No. of shares held _____

Full name of Proxy / Authorized representative (IN BLOCK LETTERS) _____

Member's or Proxy's Signature

Note: Shareholder / Proxy must bring the Admission Slip, duly signed, to the Meeting and hand it over at the entrance of the meeting hall.

CHROMATIC INDIA LTD.

Registered Office: 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083.

PROXY

Folio No. /DPID/ Client ID _____

No. of Shares held _____

I/We.....

.....of.....

.....Being a Member/ Members of CHROMATIC INDIA LTD. hereby

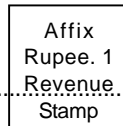
appoint.....of.....

or failing him / herof.....as

my/ our proxy to attend and vote for me/ our behalf at the 26TH ANNUAL GENERAL MEETING of the Company to be held on Monday the 30th September, 2013 and at any adjournment thereof.

Signed this..... day of, 2013

Signature:.....



Note: This form duly completed and signed must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

BOOK - POST

To

If undelivered, please return to :

Chromatic India Limited

207, Vardhaman Complex Premises Co-op Soc Ltd,
L. B. S. Marg, Vikhroli (W),
Mumbai – 400083



CHROMATIC INDIA LIMITED

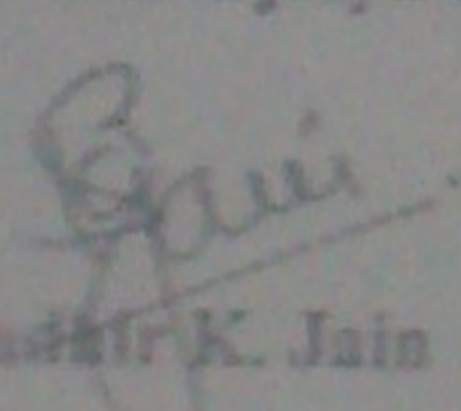
**26TH ANNUAL REPORT
2012-2013**



CHROMATIC INDIA LIMITED

Regd. Office : 201, Vardhaman Complex Premises Co-op. Soc. Ltd., L.B.S. Marg, Vikhroli (W), Mumbai - 400 083. Tel : 61369800 Fax : 25733973 E-mail : chromatic@nit.net.in
Corporate Office : 501, Maker Chamber V, 221, Nariman Point, Mumbai (INDIA) - 400 021. Tel : 22875661 E-mail : chromatic@nit.net.in
Factory (I) : B-12/2, Lote Parshuram Indl. Area, Tal - Khed, Dist. Rahagiri, Tel. : 02356 - 272240, 272364 Fax : 02356 - 272127 E-mail : chromatic_chi@nit.net.in
Factory (II) : D-1/6, Lote Parshuram Indl. Area, Tal - Khed, Dist. Rahagiri

Form A

1.	Name of the Company	Chromatic India Limited
2.	Annual financial statement for the year ended	31 st March 2013
3.	Type of Audit Observation	Un-qualified /Matter-of-Emphasis
4.	Frequency of Observation	Whether appeared first time.../repetitive.../since how long period
5.	Signature: Mr. Vinod Kumar Kaushik Whole time Director Auditor of the Company: For S. K. Badjatya & Co.  CA. Sudhir K. Jain Partner Ajay Singh Sethi Chairman of Audit Committee	