



27th Annual Report 2013-2014

**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. Dipti V Chinchkhede

**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  
Fax No. +91 22 25793973  
Email: chromatic@mtnl.net.in, cs@chromatic.in  
Website: www.chromatic.in  
CIN No. L99999MH1987PLC044447

**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 27th Annual General Meeting of the Members of **Chromatic India Limited** will be held on Tuesday, September 30, 2014 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, 2014, Profit and Loss Account for the year ended on that date, on a standalone and consolidated basis, together with the Reports of the Board of Directors and the Auditors thereon.
2. To re-appoint a Director in place of Mr. Vinod Kumar Kaushik (DIN02586479), who retires by rotation and, being eligible, offers himself for reappointment.
3. To re-appoint Auditors, M/s S K Badjatiya & Co., Chartered Accountants, (Firm Registration No. 004017C), 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**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the Re-appointment of Mr. Vinod Kumar Kaushik (DIN:02586479) as a Whole Time Director, designated as executive director of the Company, for a period of 5 years with effect from 1st April 2014 as per the agreement dated April 1, 2014 entered into between Company and Mr. Vinod K. Kaushik, Whole-time Director of the Company with liberty to the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Remuneration Committee of the Board) and on the following remuneration, subject to the same not exceeding the limits specified under schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof :-

A. Salary: Rs. 76,500 per month with liberty to the Board of Directors to sanction such increase / decrease as it may in its absolute discretion determine from time to time provided that the salary excluding perquisites and Amenities does not exceed Rs. 1,25,000 per month during his tenure.

b) Perquisites:

- i) Contribution to Provident Fund up to 12% of Basic Salary or any other rate applicable from time to time.
- ii) Gratuity:  
Gratuity at a rate not exceeding half month’s salary for each completed year of service rendered.
- iii) Leave Travel Assistance:  
Rs. 15,000 per annum for self and family as per other rules applicable to Senior Executive.
- iv) Reimbursement of medical expenses: reimbursement of medical bills on actual basis subject to maximum Rs. 35,000/- per year.
- v) Other Perquisites:

Subject to overall ceiling on remuneration mentioned herein below, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board of Directors, which include, any committee thereof, may from time to time decide.

### **Explanation:**

1. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
2. The Board of Directors is authorized to fix remuneration within the scale as indicated above and revise it from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company including any Committee thereof be and are hereby authorized to increase / decrease/ alter/modify/vary the terms of remuneration or other conditions of Mr. V.K. Kaushik within the ceiling limit laid down in Schedule V of the Companies Act, 2013.



**RESOLVED FURTHER THAT** during his tenure as whole time Director Mr. V.K.Kaushik shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Directors of the company and Company Secretary of the Company be and is hereby authorized, singly, to file necessary forms with the Registrar of Companies (MCA), Maharashtra, Mumbai and to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of sections 149,152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014 (including any statutory modification(s) or re enactment thereof for the time being in force) and clause 49 of the listing Agreement, Mr. Ajay Singh Sethi (DIN:01940047) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as a Independent Director of the Company with effect from September 30, 2014 up to September 29, 2017".

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

**"RESOLVED THAT** pursuant to the provisions of sections 149,152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014 (including any statutory modification(s) or re enactment thereof for the time being in force) and clause 49 of the listing Agreement, Mr. Chirag Shah (DIN:06583820) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as a Independent Director of the Company with effect from September 30, 2014 up to September 29, 2017".

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Diana Joshi, (DIN:06966287) who was appointed as an Additional non-executive and Independent Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 3 (Three) consecutive years up to September 29, 2017.

**RESOLVED FURTHER THAT** the Board of Directors and/ or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

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

**"RESOLVED THAT** pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the cost auditor Mr. Kishore Bhatia, Cost Accountants, appointed by Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, if applicable to the Company for the time being in force, be paid the remuneration as set out in the Statement annexed to Notice convening this meeting.

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

By Order of the Board of Directors



**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.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. 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.
4. The Explanatory Statement pursuant to the provisions of Section 102 (1) of the Companies Act, 2014 setting out the material facts in respect to the Special Business in annexed herewith.
5. The Register of Members and Share Transfer Books will remain closed from 21st September, 2014 to 30th September, 2014 (both days inclusive) for the purposes of Annual General Meeting.
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.
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 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 2006-07, 2009-10, 2011-12 and 2012-13 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. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Bigshare, for consolidation into a single folio.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare.
15. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
16. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail address are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies is being sent by the permitted mode.



17. In compliance with Clause 35B of the Listing Agreement entered into with the Stock Exchanges and the provisions of section 108 of the Companies Act, 2013 read with Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The E-voting period for all items of business contained in this Notice shall commence from Tuesday the September 23, 2014 at 9.00 a.m. and will end on Thursday September 25, 2014 at 6.00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of August 22, 2014 may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he / she shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on August 22, 2014.

18. The Company shall appoint an Independent Professional as Scrutinizer to conduct the E-voting in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding 3 working days from the conclusion of voting period, shall unblock the votes in presence of two witness, who are not in employment of the Company and after scrutinizing such votes received shall make a Scrutinizers report of the votes cast in favor or against or invalid votes in connection with the resolution (s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.

19. The results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.

20. The instructions and process for e-voting are as under:

- Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Now click on 'Shareholders' tab to cast your votes.
- Now select the 'Electronic Voting Event Number (EVSN) along with 'Chromatic India Limited" from the drop down menu and click on 'SUBMIT'
- Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 digits Client ID, Members holding shares in Physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records in dd/mm/yyyy format or folio no. as per Company records.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

\* Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and demat account / folio number in PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter number of shares held in the Dividend Bank details field.

- After entering these details appropriately, click on 'SUBMIT'
- Shareholders holding Equity Shares in Physical form will then reach directly to the EVSN selection screen. However Equity Shareholders holding shares in Demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also



## CHROMATIC INDIA LTD

to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- Equity shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
- Click on the relevant EVSN on which you choose to vote.
- On the voting page, you will see description of resolution (s) and option for voting Yes / No for voting. Select the option yes or no as desired. The option 'YES' implies that you assent to the resolution and 'NO' implies that you dissent to the resolution.
- Click on the Resolution file link if you wish to view the entire Notice.
- After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on 'Click here to print' option on the voting page.
- If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot password & enter the details as prompted by the system.
- Institutional Equity Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account (s) which they wish to vote on the then cast their vote. They should upload a scanned copy of the Board resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to CDSL on [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Investor relations officer of the Company on [chromatic@mtnl.net.in](mailto:chromatic@mtnl.net.in) / [cs@chromatic.in](mailto:cs@chromatic.in)

By Order of the Board of Directors

Place: Mumbai  
Date: September 2, 2014

**Dipti Chinchkhede**  
Company Secretary

**STATEMENT Pursuant to Section 102 of the Companies Act, 2013****ITEM NO. 4:**

The Board of Directors of the Company (the 'Board'), at its meeting held on 30th May 2014 has, subject to the approval of Members, Re-appointed Mr. Vinod Kumar Kaushik for a period of 5 years from the expiry of his present term, which expired on 1st April, 2014 at a remuneration recommended by Remuneration Committee of the Board and approved by Board. It is proposed to seek the member's approval for the appointment of and remuneration payable to Mr. Vinod Kumar Kaushik as Whole Time Director in terms of the applicable provision of the Companies Act 2013.

Mr. Vinod Kumar Kaushik satisfies all the conditions set out in Part -1 of the schedule V to the Act and also conditions set out under sub-section (3) of section 196 of the Act for being eligible for his re- appointment. Mr. Vinod Kumar Kaushik is not disqualified from being appointed as Director in terms of 164 of the Companies Act 2013.

Save and except Mr. Vinod Kumar Kaushik and his relatives, to the extent of their shareholding interest, if any, in the Company, None of Director/ Key Managerial Person/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the Notice.

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.

Your Board recommends the resolution for approval of members.

**ITEM NO. 5 and 6:**

Mr. Ajay Singh Sethi and Mr. Chirag Shah are independent Directors of the Company and have held the positions as such for more than a year.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent Directors by a listed Company.

It is proposed to appoint Mr. Chirag Shah and Mr. Ajay Singh Sethi as Independent Directors under section 149 of the Act and clause 49 of the listing Agreement to hold office for 3 (three) consecutive years for a term up to the Conclusion of the 30th Annual General Meeting of the Company in the calendar year 2017.

Mr. Chirag Shah and Ajay Singh Sethi are not disqualified from being appointed as directors in terms of section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under section 160 of the Act proposing the candidature of each of Mr. Ajay Singh Sethi and Mr. Chirag Shah for the office of Directors of the Company.

Mr. Chirag Shah and Ajay Singh Sethi, Non-executive Directors of the Company have given a declaration to the board that they meet with criteria of independence as prescribed both under sub section (6) of section 149 of the Act and under Clause 49 of the Listing Agreement.

In Opinion of the Board, Mr. Chirag Shah and Mr. Ajay Singh Sethi fulfill the conditions for appointment as Independent Directors as specified in the Act and Listing Agreement. Mr. Chirag Shah and Mr. Ajay Singh Sethi are independent of the Management.

Brief Resume of Mr. Ajay Singh Sethi and Mr. Chirag Shah, Nature of expertise in specific functional areas and names of Companies in which they hold directorship and membership/chairmanships of Board Committees, shareholding and relationship between directors inter se stipulated under clause 49 of the Listing Agreement with stock exchange.

This statement may also be regarded as a disclosure under Clause 49 of Listing agreement with the stock Exchanges.

Mr. Ajay Singh Sethi and Mr. Chirag Shah are interested in the resolutions set out respectively at item No. 5 and 6 of the Notice with regard to their respective appointments.

The relative of Mr. Ajay Singh Sethi and Mr. Chirag Shah may be deemed to be interested in the resolutions set out respectively at item Nos. 5 and 6 of the Notice, to extent of their shareholding interest, if any, in the Company.

Save and except the above, none of other Directors/Key managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

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.

Your Board recommends the resolutions for approval of members.

**ITEM NO. 7:**

The Board of Directors of the Company have appointed Ms. Diana Joshi as an Additional non-executive and Independent Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, with effect from 1st September, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Ms. Diana Joshi would hold office up to the date of the ensuing Annual General Meeting.

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director. Keeping in view the above legal requirements, the Board of Directors have proposed that



Ms. Diana Joshi be appointed as Woman Director, subject to the approval of the members in the ensuing Annual General Meeting.

Ms. Diana Joshi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Diana Joshi for the office of Director of the Company.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Ms. Diana Joshi that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Ms. Diana Joshi possesses appropriate skills, experience and knowledge; inter alia, in the field of Finance and Accountancy. In the opinion of the Board, Ms. Diana Joshi fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Ms Diana Joshi is independent of the management.

Save and except Ms. Diana Joshi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of Director/ Key Managerial Person/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.7 of the Notice.

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.

Your Board recommends the resolutions for approval of members.

**ITEM NO. 8:**

The Board, on the recommendation of the audit Committee, has approved the appointment and remuneration of Rs. 60,000/- per annum to the cost auditor Mr. Kishore Bhatia, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31 March, 2015 if applicable to the Company for the time being in force.

In accordance of the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Shareholder.

None of Director/ Key Managerial Person/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.8 of the Notice.

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.

**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. Vinod Kumar Kaushik	Mr. Chirag Shah	Mr. Ajay Singh Sethi	Ms. Diana Joshi
Father's Name	Mr. Maheshwar Dayal Kaushik	Mr. Bhupendra Shah	Mr. Dileep Singh Sethi	Mr. Mahesh Joshi
Designation	Executive, Whole Time Director	Non Executive, Independent Director	Non Executive, Independent Director	Non Executive, Independent Director
Date of Birth	February 01, 1949	October 22, 1972	December 21, 1967	June 03, 1987
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on Board	April 01, 2009	May 29, 2013	May 29, 2010	1st September, 2014
Qualifications	MA, Maths	B.Com	M. Com, PGDBM	Chartered Accountant
Expertise	Wide experience in Finance & Administration.	Wide experience in Business & Administration.	Wide experience in Finance & Administration.	Wide experience in Finance & Accountancy.
Directorships held in other Public Companies (Excluding foreign companies and Section 25 Companies)	(i) Chromatic Sponge Iron Limited (ii) Chromatic Ferro Alloys Limited	NIL	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	NIL	NIL
Number of Shares held in the Company	100	NIL	NIL	NIL
Relationships between the Directors inter - Se	NIL	NIL	NIL	NIL





## DIRECTORS REPORT

Dear Shareholders,

Your Company's Directors are pleased to present the 27th Annual Report and the audited accounts of the Company for the financial year ended 31st March, 2014.

**Financial Results**

The summary of the financial performance of the Company for the financial year ended 31st March, 2014 compared to the previous year ended 31st March 2013 is summarized below:

(In Rupees)

Particulars	2013-2014	2012-2013
Net Sales and Other Income	285,905,382	932,907,649
Profit/ (Loss) Before Tax	2,63,460	2,743,773
Add / (Less): Deferred Tax Adjustments	61,194	(31,815)
Less: Current Income Tax	75,000	700,000
Less: Fringe Benefit Tax	-	-
Less: Wealth Tax	-	-
Profit/(Loss) after Tax	1,27,266	2,075,588
Add/(Less): Prior Year short provision for Tax	-	55,172
Balance Brought Forward	8,718,382	8,239,054
Amount Available for Appropriation	8,845,648	10,314,642
Appropriations		
Dividend/Interim Dividend on Equity Shares	-	1,420,922
Tax on Dividend	-	230,510
Surplus / Deficit Carried Forward	8,845,648	8,718,382

**Review of Performance and Management discussion and Analysis**

Your directors are pleased to report total income of Rs. 28.59 crores for the financial year ended 31st March, 2014 as against Rs. 93.29 crores for the financial year ended 31st March, 2013, a decrease of 69.35%. The profit before tax is Rs. 2.63 Lacs for the year ended 2013-14 compare to Rs. 27.43 Lacs for the year ended 2012-13. The Net profit after tax is Rs. 1.27 lacs for the financial year ending 2013-2014.

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 this Annual Report.

**Dividend**

To converse the financial resources, no dividend has been recommended for the year under review and no amount are proposed to be transferred to reserves.

**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.

**Transfer to Reserve**

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

**Subsidiary Company**

As on 31st March 2014, your Company has three wholly owned subsidiaries, namely,

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

The Company had formed 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 2014-15 yet to be paid to all Stock Exchanges.

**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 2014, 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. Company's ISIN No. is INE662C01015.

**Buy-Back of Shares**

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

**Share Capital**

During the financial year under review, there is no change in the equity share capital of the company.

**Pledge of shares**

As on 31st March, 2014, 7,15,000 Equity shares from the Promoter group were pledged.

**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 this 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**

Prior to coming into force of Section 149 of the Companies Act, 2013, two of the Companies Directors, Mr. Chirag Shah and Mr. Ajay Singh Sethi were categorized as Independent Directors in terms of the definition contained in the Equity Listing Agreement.

Ms. Diana Joshi has been appointed as an additional non-executive and Independent director of the company by the board of directors with effect from 1st September, 2014.

The provisions of Section 149 (4) of the Companies Act, 2013, pertaining to the appointment of Independent Directors have been notified by the Ministry of Corporate Affairs with effect from April 01, 2014. Pursuant to the company into force of Section 149 of the Companies Act, 2013, from April 01, 2014, the company has re-assessed the status of its Directors with a view of determining their qualifying for classification as Independent Directors in terms of Section 149 (6) of the Companies Act, 2013. Accordingly, Mr. Chirag Shah, Mr. Ajay Singh Sethi and Ms. Diana Joshi fulfill the criteria laid out in Section 149 (6) of the Companies Act, 2013, in this regard.

Section 149 (10) of the Companies Act, 2013 restrict the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from April 01, 2014. The revised Clause 49 of the Equity Listing agreement issued by Securities and Exchange Board of India (SEBI), pursuant to Circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, also contains the same provisions. Mr. Chirag Shah and Mr. Ajay Singh Sethi have offered themselves for appointment as Independent Directors of your company pursuant to the provisions of the Companies Act, 2013, to hold office for a period up to September 29, 2017 for a period of 3 years.

Ms. Diana Joshi appointed as additional Director designated as Independent director w.e.f. 1st September, 2014 and she shall hold office up to the date of ensuing Annual general Meeting.

The Company has received requisite notices in writing from members proposing Mr. Chirag Shah, Mr. Ajay Singh Sethi and Ms. Diana Joshi for appointment as an independent Director.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchange.

The Board recommends their appointment at the ensuing Annual General Meeting.

**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, 2014 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, 2014, 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.

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 141(3) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013. 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 Annual General Meeting until the conclusion of next Annual General Meeting 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 148 of the Companies Act, 2013, 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	2013-14	2012-13
Expenditure in Foreign Currency	428.61	324.57
Earning in Foreign Currency	2676.49	2035.30

**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
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
2012-13 (Final)	September 30 ,2013	November 06,2020

**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**

Place : Mumbai  
Dated: September 2, 2014

Sd/-  
Director  
(DIN 06583820)

Sd/-  
Whole time Director  
(DIN02586479)

**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 &amp; 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	:	2676.49
Foreign exchange used	:	428.61

**Form - A**

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

<b>A. Power and fuel consumption :</b>	<b>2013-14</b>	<b>2012-13</b>
<b>1. Electricity :</b>		
Unit	528308	546166
Total Amt. (Rs.)	3692000	3945840
Rate per Unit (Rs.)	6.99	7.22
<b>2. Furnace Oil :</b>		
Quantity (Ltrs)	199580	30955
Total Amt. (Rs.)	15851880	1303885
Average Rate (Rs.)	79.43	42.12
<b>3. Briquettes / Firewoods :</b>		
Quantity (Kgs)	-	740233
Total Amt. (Rs.)	-	3659396
Average Rate (Rs.)	-	4.94
<b>B. Consumption per unit of production :</b>		
Production Unit (In Kg.)	915683	955533
Electricity Unit	0.58	0.572
Furnace Oil (Ltrs)	0.22	0.032
Briquettes/Firewoods(Kgs.)	-	0.775

Reason for variation in the consumption of Power &amp; 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. 285,905,382
Profit before tax	Rs. 263,460
Profit after tax	Rs. 127,266

During the year under review, the Company achieved a profit before tax of Rs. 2.63 lakhs as compared to Rs. 27.43 lakhs in 2012-13. 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, 2013, Companies Act, 1956, Listing Agreement and the applicable Laws, Rules, 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 is 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, 2014, 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, 2014 have been made by the Directors.

Name of the Director	Category	Number of Board Meetings during the year 2013-14		Attendance at the last AGM held on 30.9.2013	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 (DIN02586479)	Non Promoter Executive	4	4	Yes	2	NIL	NIL
Mr. Chirag Shah (DIN06583820)	Independent, Non Executive	4	4	Yes	0	NIL	NIL
Mr. Ajay Singh Sethi (DIN01940047)	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	29th May, 2013
Second	14th August, 2013
Third	14th November, 2013
Fourth	14th February, 2014

**(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, 2014. 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 Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013. The Audit Committee currently consists of the following three Directors:

Name	Category	Position Held
Mr. Chirag Shah	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. Chirag Shah, 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 2013-14, four Audit Committee Meetings were held on 29th May, 2013, 14th August, 2013, 14th November 2013, and 14th February, 2014. Attendance of Committee Members at committee Meetings is as follows:

<b>Name</b>	<b>Number of Meetings Attended</b>
Mr. Chirag Shah	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) During the year 2013-14, one Remuneration Committee Meeting was held on 14th February, 2014. Attendance of Committee Members at committee Meetings is as follows:

Name	Number of Meetings Attended
Mr. Chirag Shah	1
Mr. Vinod Kumar Kaushik	1
Mr. Ajay Singh Sethi	1

(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 2014:**

a) Non-Executive Directors:

Names	Sitting Fees (in Rs.)
Mr. Chirag Shah	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)	8.10	1.27	9.37

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 other than Mr. Vinod Kumar Kaushik holds Shares of the Company as on 31st March 2014. Mr. Vinod Kumar Kaushik holds 100 Shares of the Company.

## 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. Chirag Shah	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.

Ms. Dipti Chinchkhede, appointed with effect from 11st June, 2014 as Company Secretary and Compliance Officer of the Company, 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 2013-14 which are as follows:

29th May, 2013, 14th August, 2013, 14th November 2013, and 14th February, 2014.

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

**(d) Status of Shareholders' Complaints as on 31 March, 2014**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	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 2012-2013	Wednesday, September 30, 2013 – 3.00 PM	207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai - 400083	NIL
AGM 2011-12	Thursday, 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	Monday, 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

**(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 2013-14, 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) 27th Annual General Meeting**

Date Monday, 30th September, 2014

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, 2014



**(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, 2014

**(iv) Listing on Stock Exchanges**

<b>Stock Exchanges</b>	<b>Stock Code</b>
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 2013-2014 on the Bombay Stock Exchange Limited and National Stock Exchange:

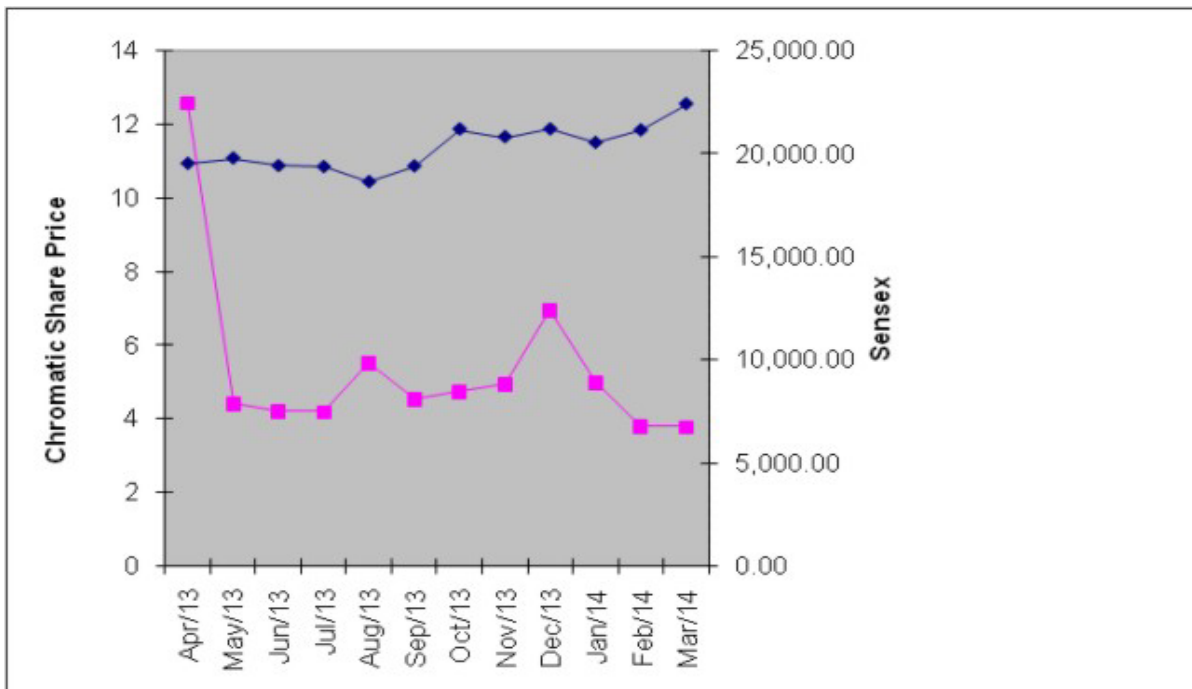
<b>Month</b>	<b>Bombay Stock Exchange Limited</b>		
	<b>High Price (Rupees)</b>	<b>Low Price (Rupees)</b>	<b>Total No. of Shares Traded</b>
April – 13	25.15	12.55	4,102
May – 13	11.93	4.39	23,66,408
June – 13	4.84	3.91	8,85,791
July – 13	5.37	3.56	6,35,046
August - 13	5.60	3.85	8,61,583
September – 13	6.36	4.53	3,88,926
October – 13	5.20	4.31	3,86,332
November – 13	5.08	4.05	3,68,106
December – 13	7.19	4.50	14,83,934
January – 14	7.49	3.98	26,00,614
February – 14	4.90	5.00	5,42,727
March - 14	4.96	3.44	12,02,545

<b>Month</b>	<b>National Stock Exchange of India Limited</b>		
	<b>High Price (Rupees)</b>	<b>Low Price (Rupees)</b>	<b>Total No. of Shares Traded</b>
April – 13	21.60	8.50	65,730
May – 13	8.10	3.90	97,18,388
June – 13	4.70	3.90	14,47,135
July – 13	5.45	3.50	12,55,686
August - 13	5.60	3.80	12,47,617
September – 13	6.40	4.55	7,23,140
October – 13	5.35	4.35	5,69,090
November – 13	5.10	4.15	4,52,231
December – 13	7.20	4.55	46,23,279
January – 14	7.50	4.10	15,53,753
February – 14	5.00	3.60	9,41,880
March - 14	4.85	3.45	19,83,903

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



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



(viii) **Registrar and Transfer Agents:**

M/s Bigshare Services Private Limited  
E/2 & 3 Ansa Industrial Estates, Saki-Vihar 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, 2014. 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, 2014:**

No. of Shares	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Upto – 500	1467	48.4318	3,17,397	0.4467
501 – 1000	490	16.1770	415546	0.5849
1001-2000	351	11.5880	554790	0.7809
2001-3000	147	4.8531	384321	0.5409
3001-4000	67	2.2120	2,42,514	0.3413
4001-5000	107	3.5325	5,13,502	0.7228
5001-10000	162	5.3483	12,66,833	1.7831
10001 and above	238	7.8574	6,73,51,197	94.7993
<b>Total</b>	<b>3029</b>	<b>100.00</b>	<b>71,046,100</b>	<b>100.00</b>

(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, 2014.

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, 2014, the outstanding GDRs of the Company are 27,88,549 and represented equity shares are 2,50,96,941 held by Custodians as per the Shareholding Pattern of 31st March, 2014.

The Global Depository Receipts (GDRs) issued in October, 2010 are listed on the Luxembourg Stock Exchange since then Outstanding GDRs as on March 31, 2014 represent 2,50,96,941 equity shares constituting 35.32% 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: dyestuff@bom3.vsnl.net.in, cs@chromatic.in  
Website: www.chromatic.in

(xiv) **Factory location**

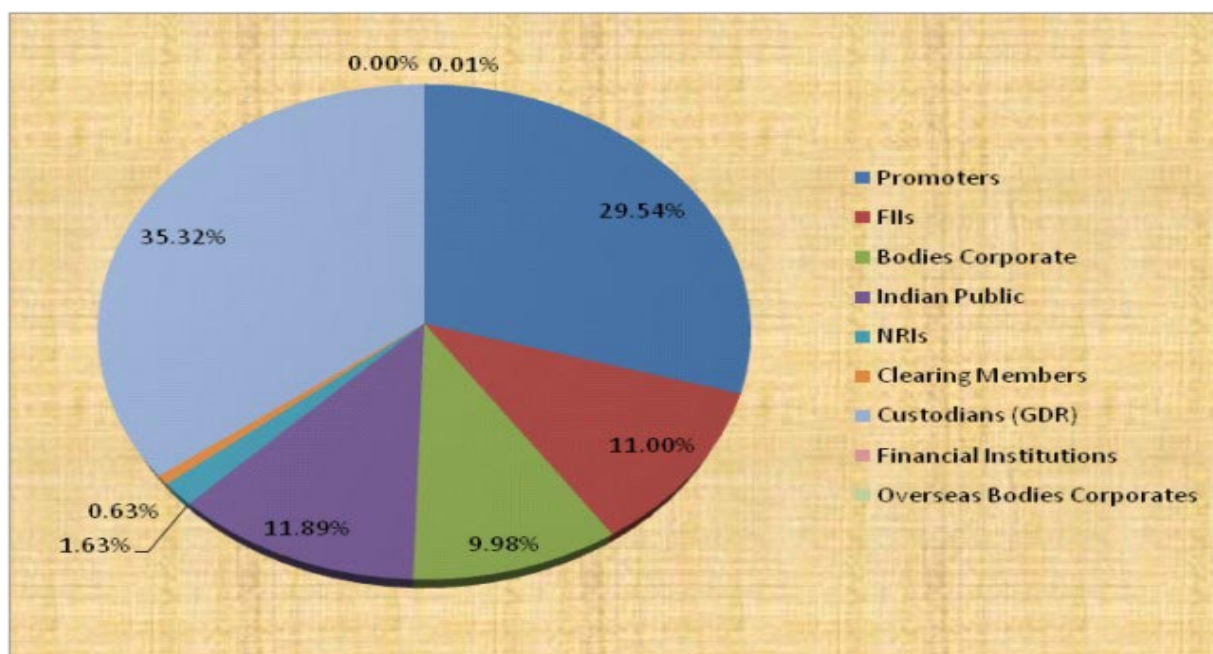
- (1) B-12/2, Lote Parshuram Industrial Area,  
Taluka : Khed,  
Distt. Ratnagiri
- (2) W-34, Phase – II,  
MIDC, Dombivali (East), 421204  
Distt. Thane





(xv) Shareholding Pattern as on 31st March, 2014

Category	Shareholders(Nos)	No of Shares	Percentage
Promoter & Promoter Group	1	20,988,305	29.54
Foreign Institutional Investors (FIIs)	4	7,812,363	11.00
Public Shareholding			
Bodies Corporate	173	7,094,360	9.98
Indian Public	2717	8,450,011	11.89
NRIs	83	1,155,965	1.63
Clearing Members	49	4,44,040	0.63
Shares held by Custodians and against which GDR have been issued (Custodians (GDR))	1	25,096,941	35.32
Financial Institutions/ Banks	0	0	0.00
Overseas Bodies Corporates	1	4,115	0.01
<b>Grand Total</b>	<b>3029</b>	<b>71,046,100</b>	<b>100.00</b>



(xvi) Listing fees and Annual Custodial Fees

The Company has yet to pay the Annual Listing fees of the Stock Exchanges.

10. Adoption of Non-mandatory requirements to Clause 49 of the Listing agreement. The Company has complied with the following non-mandatory requirements:
- Remuneration Committee has been constituted. The details of the Committee have been mentioned earlier in this Report.
  - Whistle Blower Policy: No personnel have been denied to access to the audit Committee.
  - 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.



CHROMATIC INDIA LTD

**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, 2014.

**Vinod Kumar Kaushik**  
*Whole-time Director*  
(DIN:02586479)

Mumbai, August, 10, 2014

**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 2014.

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, 2014

**(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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's 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") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 aforesaid 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, 2014;
- (b) In the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date and
- (c) In the case of the Cash Flow Statement, of the cash flows of the company 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 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) 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 30, 2014



**Annexure to Auditors' Report**

[Referred to in paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date to the members of Chromatic India Limited on the financial statements for the year ended March 31, 2014]

1. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, 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.
2. In respect of Inventories:
  - a) The inventories have been physically verified by the management during the year. In our Opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories 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 has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records. r.
3. In respect of the Loans, secured or unsecured, granted or taken, by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act; 1956:
  - a) There are two subsidiary companies to whom the Company has granted loans, secured or unsecured. The total amount involved is Rs. 21617.47 Lacs.
  - b) Loans given to subsidiaries are interest free loans and the same is not considered as prejudicial in view of the fact that the companies are wholly owned subsidiaries.
  - c) As per the management, the parties will pay principal amounts as and when demanded.
  - 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 involed is Rs. 48.86 Lacs. The loan is repayble on demand. The loan is interest free and not prejudicial to the interest of the company.
4. 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.
5. In respect of the contracts or arrangements referred to in section 301 of the Companies Act; 1956:
  - 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.
6. According to the information and explanations given to us, 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. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.



## ANNUAL REPORT 2013-2014

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. 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. We are of the opinion that prima facie the prescribed records have been maintained. We have, however, not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
  - 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.
  - 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/- on account of Income Tax for the A.Y. 2012-13 for which return is also not filed, Rs. 2,30,510/- on account of Dividend Distribution Tax for the F.Y. 2012-13 and interest thereon.
10. 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.
11. 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.
12. 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
13. 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.
14. 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.
15. 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.
16. The term loans have been applied for the purpose for which the loans were obtained.
17. 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.
18. 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.
19. The Company did not have any outstanding debentures during the year.
20. The company has not raised any monies by way of public issues during the year.
21. 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 year.

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

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

Place: Mumbai  
Date: May 30, 2014

**CHROMATIC INDIA LTD****Balance Sheet as on 31st March 2014**

(Amount in INR)

Particulars	Note No.	As on 31 March 2014	As on 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	710,461,000	710,461,000
(b) Reserves and Surplus	2	2,552,926,070	2,345,218,191
		<u>3,263,387,070</u>	<u>3,055,679,191</u>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	339,733	2,531,791
(b) Deferred Tax Liabilities (Net)		3,976,506	3,915,312
(c) Long-Term Provisions		-	-
		<u>4,316,239</u>	<u>6,447,103</u>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	4	117,476,776	87,190,666
(b) Trade Payables	5	733,271,483	739,151,614
(c) Other Current Liabilities	6	3,305,427	2,523,001
(d) Short-Term Provisions	7	986,453	597,490
		<u>855,040,139</u>	<u>829,462,772</u>
<b>TOTAL</b>		<b><u>4,122,743,448</u></b>	<b><u>3,891,589,065</u></b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	8	37,657,472	40,702,443
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	2,264,490
(c) Long-Term Loans and Advances	10	2,179,296,728	1,970,191,808
(d) Other Non-Current Assets		-	-
		<u>3,276,418,690</u>	<u>3,070,358,741</u>
<b>Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	11	72,834,297	47,721,519
(c) Trade Receivables	12	659,503,671	676,998,057
(d) Cash and Bank Balances	13	8,648,322	3,328,518
(e) Short-Term Loans and Advances	14	105,338,469	93,182,229
		<u>846,324,758</u>	<u>821,230,324</u>
<b>TOTAL</b>		<b><u>4,122,743,448</u></b>	<b><u>3,891,589,065</u></b>

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

Place: Mumbai

Date : 30 th May, 2014

**Mr.V.K.Kaushik**

Wholetime Director

DIN:02586479

Place: Mumbai

Date : 30 th May, 2014

**Mr.Chirag Shah**

Director

DIN:06583820



## Statement of Profit &amp; Loss for the year ended 31st March 2014

(Amount in INR)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>I. INCOME</b>			
(a) Revenue from operations	15	273,315,510	925,006,907
(b) Other income	16	12,589,872	7,900,742
<b>Total</b>		<b>285,905,382</b>	<b>932,907,649</b>
<b>II. Expenses</b>			
(a) Raw Material consumed	17	241,232,254	872,238,655
(b) (Increase)/Decrease in Inventories	18	-4,049,073	6,313,810
(c) Employee benefits expense	19	13,638,786	13,755,738
(d) Finance Cost	20	9,142,181	10,324,041
(e) Depreciation and Amortization expense	21	3,623,822	3,632,307
(f) Other expenses	22	22,053,952	23,899,325
<b>Total</b>		<b>285,641,922</b>	<b>930,163,876</b>
<b>III. Profit before tax</b>		263,460	2,743,773
<b>IV. Tax expense:</b>			
(a) Current tax		75,000	700,000
(b) Deferred tax		61,194	(31,815)
Add/(Less):Prior year income (net)		-	0
<b>V. Net Profit after Tax</b>		<b>127,266</b>	<b>2,075,588</b>
<b>VI. Earnings per Equity Share:</b>			
(a) Basic		0.002	0.03
(b) Diluted		0.002	0.03

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. 072282Place: Mumbai  
Date : 30 th May, 2014**Mr.V.K.Kaushik**  
Wholetime Director  
DIN:02586479Place: Mumbai  
Date : 30 th May, 2014**Mr.Chirag Shah**  
Director  
DIN:06583820



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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs 10/- each	125000000	1,250,000,000	125000000	1,250,000,000
<b>Issued</b>				
Equity Shares of Rs 10/- each	71046100	710,461,000	71046100	710,461,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10/- each fully paid	71046100	710,461,000	71046100	710,461,000
<b>Total</b>	<b>71046100</b>	<b>710,461,000</b>	<b>71046100</b>	<b>710,461,000</b>

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 2014		As at 31 March 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>EQUITY SHARES WITH VOTING RIGHTS:</b>				
Opening Balance	71046100	710,461,000	71046100	710,461,000
Fresh Issue	-	-	-	-
Bonus	-	-	-	-
ESOP	-	-	-	-
Conversion	-	-	-	-
Buy Back	-	-	-	-
Other Changes (give details)	-	-	-	-
<b>Closing Balance</b>	<b>71046100</b>	<b>710,461,000</b>	<b>71046100</b>	<b>710,461,000</b>

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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
<b>EQUITY SHARES WITH VOTING RIGHTS:</b>				
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	20988305	209,883,050	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 2014		As at 31 March 2013	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	25096941	35.32%	35090991	49.39%
M/s. Cheetah Multitrade Pvt. Ltd.	20988305	29.54%	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 2014	Aggregate No. of Shares 2013	Aggregate No. of Shares 2012	Aggregate No. of Shares 2011	Aggregate No. of Shares 2010
<b>Equity Shares :</b>					
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	NIL	NIL	6564000
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, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-2 Reserves and surplus</b>		
<b>(a) Capital reserve</b>		
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>(b) Securities premium account</b>		
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
<b>(c) General reserve</b>		
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
<b>(d) Foreign currency translation reserve</b>		
Opening balance	331,013,749	-
Add / (Less): Effect of foreign exchange rate variations during the year	207,580,614	331,013,749
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	538,594,363	331,013,749
<b>(e) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	8,718,382	8,239,054
Add: Profit / (Loss) for the year	127,266	2,075,588
<b>TOTAL</b>	<b>8,845,647</b>	<b>10,314,642</b>
Add/ (Less): Prior Period Expenses		55,172
Profit after Tax and Prior Period Adjustments	8,845,647	10,369,814
Less: Provision for dividend (including Dividend Tax)		1,651,432
Closing balance	8,845,647	8,718,382
<b>Total</b>	<b>2,552,926,070</b>	<b>2,345,218,191</b>



## 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, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-3 Long-term borrowings</b>		
<b>(a) Term loans</b>		
<b>From banks</b>		
Secured	–	560,000
Unsecured	–	–
<b>Total</b>	<u>–</u>	<u>560,000</u>
<b>From other parties</b>		
Secured*	339,733	565,334
Unsecured	–	–
<b>Total</b>	<u>339,733</u>	<u>565,334</u>
<b>Total</b>	<u>339,733</u>	<u>1,125,334</u>
* Secured by Hypothecation of underlying assets purchased.		
<b>Note-4 Short-term borrowings</b>		
<b>(a) Loans repayable on demand</b>		
<b>From banks</b>		
Secured#: 1. Cash Credit Limit from Bank of India	7,359,219	6,974,173
2. Export Packing Credit Limit from Bank of India	35,579,730	39,987,090
Unsecured	–	–
<b>Total (a)</b>	<u>42,938,949</u>	<u>46,961,263</u>
<b>From other parties</b>		
Secured @	21,720,277	40,229,403
Unsecured	20,524,744	–
Advances from Customer	32,292,805	–
<b>Total (b)</b>	<u>74,537,826</u>	<u>40,229,403</u>
<b>Total Short Term Borrowing</b>	<u>117,476,776</u>	<u>87,190,666</u>

# 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



**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, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-5 Trade payables</b>		
Trade payables:		
Acceptances	-	-
Other than Acceptances	733,271,483	739,151,614
<b>Total</b>	<b>733,271,483</b>	<b>739,151,614</b>
<b>Note-6 Other current liabilities</b>		
(a) Current maturities of long-term debt (Refer Note (i) below)	560,000.00	960,000
(b) Current maturities of finance lease obligations (Refer Note 30.8.c)	225,644.00	446,457
Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	153,886	414,962
(ii) Others: Salary & Wages	595,810	501,778
Other Liabilities	1,775,758	925,591
(ii) Current Year Tax Provision (netted off tds )	(5,671)	680,670
<b>Total</b>	<b>3,305,427</b>	<b>3,929,458</b>
<b>Note (i):</b> Current maturities of long-term debt (Refer Notes 3 - Long-term borrowings for details of security and guarantee):		
(a) Term loans		
From banks		
Secured#	560,000	960,000
Unsecured	-	-
	560,000	960,000
(b) From other parties		
Secured	225,644	446,457
Unsecured	-	-
	225,644	446,457
<b>Total</b>	<b>785,644</b>	<b>1,406,457</b>
# 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.		
<b>Note-7 Short-term provisions</b>		
(a) Provision for employee benefits: @		
(i) Provision for bonus	404,833	426,190
(ii) Provision for other employee benefits - Exgratia	168,111	171,300
(ii) Provision for Gratuty employee benefits	413,509	-
<b>Total</b>	<b>986,453</b>	<b>597,490</b>



## Notes forming part of the financial statements

### Note-8

#### Fixed Assets

Particular	Gross Block					Accumulated Depreciation				Net Block	
	Balance as at 01.04.2013	Additions	Other Adjustments	Deductions	Balance as at 31.03.2014	Up to 31.03.2013	Depreciation charge for the year	On disposals	Balance as at 31.03.2014	Balance as at 31.03.2014	Balance as at 31.03.2013
<b>a) Tangible Assets</b>											
LAND - LEASE HOLD	11,702,920				11,702,920	546,025	155,874	—	701,899	11,001,021	11,156,895
BLDG. & RESI.FLAT	30,648,278				30,648,278	14,956,171	860,719		15,816,890	14,831,388	15,692,107
PLANT & MACHINERY	54,192,478	409,151			54,601,629	43,518,329	2,098,583		45,616,912	8,984,717	10,674,149
OFFICE & OTHERS EQUIP.	5,910,468	169,700			6,080,168	5,266,585	126,303	—	5,392,888	687,280	643,883
FURNITURE & FIXTURE	2,781,217				2,781,217	2,698,308	76,804		2,775,112	6,105	82,909
VEHICLES	4,801,653			—	4,801,653	2,349,153	305,539	—	2,654,692	2,146,961	2,452,500
<b>TOTAL</b>	<b>110,037,014</b>	<b>578,851</b>	<b>—</b>	<b>—</b>	<b>110,615,865</b>	<b>69,334,571</b>	<b>3,623,822</b>	<b>-</b>	<b>72,958,393</b>	<b>37,657,472</b>	<b>40,702,443</b>
<b>b) Intangible Assets</b>											
CAPITAL W.I.P.	1,057,200,000	—			1,057,200,000	—	—	—	—	1,057,200,000	1,057,200,000
<b>TOTAL (A+B)</b>	<b>1,167,237,014</b>	<b>578,851</b>	<b>—</b>	<b>—</b>	<b>1,167,815,865</b>	<b>69,334,571</b>	<b>3,623,822</b>	<b>—</b>	<b>72,958,393</b>	<b>1,094,857,472</b>	<b>1,097,902,443</b>
Previous Year	1,165,594,041	1,642,973		—	1,167,237,014	65,702,264	3,632,307	—	69,334,571	1,975,144,192	1,099,891,776

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, 20X4			As at 31 March, 20X3		
	Quoted Rs.	Unquoted Rs.	Total Rs.	Quoted Rs.	Unquoted Rs.	Total Rs.
<b>Investments (At cost):</b>						
<b>Trade</b>						
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	999,940	999,940	999,940	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	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
	<b>36,000</b>	<b>2,228,490</b>	<b>2,264,490</b>	<b>36,000</b>	<b>2,228,490</b>	<b>2,264,490</b>

Particulars

As at 31 March, 20X4 ₹

As at 31 March, 20X3 ₹

Note-10 Long-term loans and advances

(a) Security deposits

Secured, considered good	—	—
Unsecured, considered good	1,208,177	1,196,717
Doubtful	—	—
Sub-Total	1,208,177	1,196,717
Less: Provision for doubtful deposits	—	—
<b>Sub-Total (a)</b>	<b>1,208,177</b>	<b>1,196,717</b>

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

Secured, considered good	—	—
Unsecured, considered good:		
-Arcoiris SA	13,603,915	13,603,915
-Chromatic International FZE	2,161,747,158	1,954,166,544
Doubtful	—	—
Less: Provision for doubtful loans and advances	—	—
<b>Sub-Total (b)</b>	<b>2,175,351,073</b>	<b>1,967,770,459</b>

(c) Advance income tax (net of provisions) (As at 31 March, 2013 )

- Unsecured, considered good	2,737,478	1,224,632
<b>Sub-Total (c)</b>	<b>2,737,478</b>	<b>1,224,632</b>
<b>Total (a+b+c)</b>	<b>2,179,296,728</b>	<b>1,970,191,808</b>



Notes forming part of the financial statements

Particulars	As at 31 March, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-11 Inventories</b>		
(At lower of cost and net realisable value)		
(a) Raw materials (including Goods in transit)	62,070,822	41,007,117
Finished Goods	-	-
(b) Work-in-progress @ (Refer Note below)	10,763,475	6,714,402
Goods-in-transit	-	-
<b>Total</b>	<b>72,834,297</b>	<b>47,721,519</b>
<b>Note-12 Trade receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Secured, considered good	0	0
Unsecured, considered good	623,920,745	645,746,932
Doubtful	0	0
Sub-Total	623,920,745	645,746,932
Less: Provision for doubtful trade receivables	0	0
<b>Total</b>	<b>623,920,745</b>	<b>645,746,932</b>
Other Trade receivables		
Secured, considered good	0	0
Unsecured, considered good	35,965,189	31,633,388
Doubtful		
Sub-Total	35,965,189	31,633,388
Less: Provision for doubtful trade receivables	382,263	382,263
<b>Total</b>	<b>35,582,926</b>	<b>31,251,125</b>
<b>Total</b>	<b>659,503,671</b>	<b>676,998,057</b>
<b>Note-13 Cash and cash equivalents</b>		
(a) Cash on hand	339,684	122,112
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	5,692,764	565,845
(ii) In EEFC accounts		
(iii) In deposit accounts	63,773	58,910
(iv) In earmarked accounts		
- Unpaid dividend accounts	64,778	105,810
- Unpaid matured deposits	-	-
- Unpaid matured debentures	-	-
- Share application money received for allotment of securities and due for refund	-	-
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	2,486,686	2,421,520
- Other earmarked accounts (Gratuity Account)	638	54,320
(d) Others (specify nature)	-	-
<b>Total</b>	<b>8,648,322</b>	<b>3,328,518</b>



## Notes forming part of the financial statements

Particulars	As at 31 March, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-14 Short-term loans and advances</b>		
<b>(a) Loans and advances to employees</b>		
Secured, considered good	—	—
Unsecured, considered good	130,095	139,995
Doubtful	—	—
Sub Total	130,095	139,995
Less: Provision for doubtful loans and advances	—	—
<b>Total (a)</b>	<b>130,095</b>	<b>139,995</b>
<b>(b) Prepaid expenses - Unsecured, considered good</b> (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
	<b>142,297</b>	<b>708,410</b>
<b>(c) Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	—	—
(ii) VAT credit receivable	23,512,226	16,510,008
(iii) Service Tax credit receivable	51,254	339,076
(iv) Export Incentive Receivable	15,153,131	16,719,320
(v) Balance with Central Excise	15,342,824	5,669,672
<b>Total (c)</b>	<b>54,059,435</b>	<b>39,238,075</b>
<b>(d) Others (Advances Recoverable)</b>		
Secured, considered good	—	—
Unsecured, considered good	51,006,642	53,095,749
Doubtful	—	—
Sub-Total	51,006,642	53,095,749
Less: Provision for other doubtful loans and advances	—	—
<b>Total (d)</b>	<b>51,006,642</b>	<b>53,095,749</b>
<b>Total (a+b+c+d)</b>	<b>105,338,469</b>	<b>93,182,229</b>



Notes forming part of the financial statements

Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March 2013 ₹
<b>15. Revenue from Operations</b>		
Sale of products	267,649,551	203,670,150
Sales of traded goods	5,665,959	721,336,757
<b>Total</b>	<b>273,315,510</b>	<b>925,006,907</b>
<b>16. Other Income</b>		
Interest Received	193,483	193,006
Dividend-others from Long Term Investments	12,000	5,600
Rent Recd	400,000	-
Conversion Charges	730,553	-
Duty Drawback	5,247,132	3,359,833
Misc & other income	857,845	1,576,007
Exchange variation	5,148,859	2,766,296
<b>Total</b>	<b>12,589,872</b>	<b>7,900,742</b>
<b>17. Purchase &amp; Direct Expenses</b>		
Raw Material consumed		
Opg Stock of Raw Material	41,007,117	19,579,806
Raw Material Purchase	255,269,408	165,390,221
Packing Material	2,249,414	4,455,767
Freight Inward	4,777,138	2,596,356
Less:-Closing stock	(62,070,822)	(41,007,117)
Purchase of Traded goods	-	721,223,621
<b>Total</b>	<b>241,232,254</b>	<b>872,238,655</b>
<b>18. (Increase)/Decrease in Inventories</b>		
Inventory at the beginning of the year Finished & Work in Progress		
Finished Goods	-	1,512,000
Work in Progress	6,714,402	11,516,212
<b>TOTAL</b>	<b>6,714,402</b>	<b>13,028,212</b>
Inventory at the end of the year		
Finished Goods	-	-
Work in Progress	10,763,475	6,714,402
<b>TOTAL</b>	<b>10,763,475</b>	<b>6,714,402</b>
<b>(Increase) in Inventories</b>	<b>(4,049,073)</b>	<b>6,313,810</b>
<b>19. Employee Benefit Expenses</b>		
Salary, Wages and Bonus Etc.	11,848,756	11,655,559
Company's Contribution to Provident Fund,ESIC&Gratuity	810,315	1,233,419
Staff welfare Expenses & other Amenities	924,577	798,931
Leave Encashment	55,138	67,829
<b>Total</b>	<b>13,638,786</b>	<b>13,755,738</b>





Notes forming part of the financial statements

Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March 2013 ₹
<b>20. Finance Cost</b>		
Interest expense		
Bank Interest	3,743,703	3,757,666
Other Interest	4,503,829	5,759,784
Bank Charges	894,649	806,591
<b>Total</b>	<b>9,142,181</b>	<b>10,324,041</b>
<b>21. Depreciation and Amortization Expenses</b>		
Depreciation on tangible assets	3,623,822	3,632,307
<b>Total</b>	<b>3,623,822</b>	<b>3,632,307</b>
<b>22. Other Expenses</b>		
Rates & Taxes	396,435	307,151
Power & Water	5,395,256	6,048,434
Stores & Spares	1,217,325	1,422,284
Repairs and Maintenance :		
- Repairs to Building	1,673,812	563,996
- Repairs to Machinery	365,098	939,902
- Repairs to Others	146,624	222,473
Advertisement & Sales Promotion	205,678	429,208
Freight & Forwarding Charges	2,812,962	3,272,646
Travelling Expenses	151,952	844,521
Auditor's Remuneration (Refer Note No.21)	518,864	607,576
Insurance	178,179	167,388
Telephone Charges	269,331	283,328
Car Expenses	596,580	610,365
Labour Charges	3,109,405	2,980,078
Stamp duty on lease agreement	268,800	-
General Expenses	1,701,653	2,428,103
Annual Listing Exps	573,924	517,770
Professional Charges	2,046,743	1,627,000
Printing & Stationery	242,893	183,775
Balance Written Off	182,437	443,328
<b>Total</b>	<b>22,053,952</b>	<b>23,899,325</b>
*Payment to Auditors		
<b>a) As Auditors</b>		
Statutory Audit fee	190,000.00	
Tax Audit Fees	70,000.00	260,000
Other services (certification fees)		90,000
Reimbursement of expenses		168,864
<b>Total</b>	<b>518,864</b>	<b>607,576</b>

**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:  
(Rupees)
- |   | As at 31-03-14<br>(Rupees) | As at 31-03-13<br>(Rupees) |
|---|----------------------------|----------------------------|
| Bank Guarantees (secured by fixed deposit receipts) | 76,274                     | 70,301                     |
- 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. 2161747158/- given to Chromatic International FZE, the subsidiary of the company for overseas Business Development. 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 31-03-14<br>(Rupees) | As at 31-03-13<br>(Rupees) |
|--|----------------------------|----------------------------|
| <b>32</b> The net amount of exchange differences debited / (credited) to profit & loss account | (5,148,859)                | (2,766,296)                |
- 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

	2013-2014	2012-2013
Employers Contribution to Provident fund	793,634.00	818,430.00

**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

	2013-2014	2012-2013
Employers Contributions to Employee State Insurance	10,979.00	23,308.00



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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

<b>I. Change in present value of obligations:</b>	<b>Gratuity 2013-14</b>	<b>Gratuity 2012-13</b>
Present value of obligation at the beginning	3,538,966.00	3,337,105.00
Current service costs	186,838.00	201,861.00
Benefits paid	-	-
Acturial (Gain)/Loss on obligation	63,329.00	-
Present value of obligation at the end	3,789,133.00	3,538,966.00
<b>II. Amount to be recognized in the Balance Sheet:</b>		
	<b>2013-14</b>	<b>2012-13</b>
Present value of obligation at the end	3,789,133.00	3,538,966.00
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	3,375,624.00	2,803,852.00
Unrecongized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	413,509.00	735,114.00
<b>III. Expenses recognized in the Statement of Profit &amp; Loss:</b>		
	<b>2013-14</b>	<b>2012-13</b>
Current service cost	186,838.00	220,881.00
Net Actuarial (Gain)/Loss recognized in the I.V.P	(258,443.00)	89,725.00
Expenses recognized in the Statement of Profit & Loss	(71,605.00)	310,606.00
<b>IV. Actuarial Assumptions:</b>		
	<b>LIC 1994-96 (Ultimate) 2013-14</b>	<b>LIC 1994-96 (Ultimate) 2012-13</b>
Discounting rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawal Rate	1-3%	1-3%
Remaining Working Life/ Average Past Service	18.70 years	16.52 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. :

<b>Particulars</b>	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>
Sales	5,665,959 (721,476,210)	267,649,551 (203,530,697)	273,315,510 (925,006,907)
Total Sales	5,665,959 (721,476,210)	267,649,551 (203,530,697)	273,315,510 (925,006,907)

Figures in bracket represent previous year figures.

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

<b>Name of the country</b>	<b>2013-14 (Rupees)</b>	<b>2012-13 (Rupees)</b>
India	5,665,959	721,476,210
Switzerland	182,652,347	116,943,341
South Africa	1,679,739	2,298,513
Italy	8,733,853	4,489,794
Singapore	74,583,612	79,799,049
<b>Total</b>	<b>273,315,510</b>	<b>925,006,907</b>



## 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 31-03-14 (Rupees)	As at 31-03-13 (Rupees)
Export Debtors	35,965,189	31,633,269
EEFC A/c.	—	—
Total	35,965,189	31,633,269

### 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
(e) Mr.V.K.Kaushik	Key Managerial Personnel
(f) Mr.Nitin Sethi (From 06/02/2008 upto 05/07/2013 )	Key Managerial Personnel
(g) Mr.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel
(h) Mr. Manish Sharma ( up to 06/04/2013 )	Key Managerial Personnel
(i) Mr. Chirag Shah (From 29/05/2013)	Key Managerial Personnel

Particulars	2013-14 (Rupees)	2012-13 (Rupees)
<b>(ii) Transactions during the year with related parties (excluding reimbursements)</b>		
<b>With Holding Company: Cheetah Multitrade Pvt. Ltd.</b>		
Unsecured loan taken	4,186,464	—
With Arcoiris SA		
Sales	—	—
Interest income	—	—
<b>With Subsidiary: Chromatic International FZE</b>		
Investment in Share Capital of Chromatic International FZE	—	—
Unsecured loan given	—	—
<b>With Subsidiary: Chromatic Ferro Alloys Ltd.</b>		
Investment in Share Capital of Chromatic Ferro Alloys Ltd.	—	999,940
Advances Given/(Received)	(825,000)	1,275,000
<b>With Key Managerial Personnel :</b>		
Mr.V.K.Kaushik-Remuneration	937,200	814,680
<b>(iii) Closing balance as on 31st March:</b>		
<b>With Holding Company: Cheetah Multitrade Pvt. Ltd.</b>		
Unsecured loan taken	4,886,464	700,000
<b>With Arcoiris SA</b>		
Unsecured loan given (including interest and exchange rate difference)	13,603,915	13,603,915
<b>With Subsidiary: Chromatic International FZE</b>		
Investment in Share Capital of Chromatic International FZE	1,228,550	1,228,550
Unsecured loan given (including exchange rate difference)	2,161,747,158	1,954,166,544
<b>With Subsidiary: Chromatic Ferro Alloys Ltd.</b>		
Investment in Share Capital of Chromatic Ferro Alloys Ltd.	999,940	999,940
Advances given	450,000	1,275,000





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<b>Remuneration to Whole Time Directors: (Includes benefits which are debited to respective expenses)</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
a Remuneration	810,000	714,000
b Provident Fund Contribution	97,200	85,680
c Other Perquisites (LTA & Medical Allowance)	30,000	15,000
	<b>937,200</b>	<b>814,680</b>

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

<b>i) Basic EPS</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	127,266	2,075,588
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Basic Earning Per Share (In Rupees)	0.002	0.03
<b>ii) Diluted EPS</b>		
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	127,266	2,075,588
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Diluted Earning Per Share (In Rupees)	0.002	0.03

### 37 Deferred Tax

<b>Particulars</b>	<b>Opening balance as at 01-04-13</b>	<b>During year 2013-14</b>	<b>Closing balance as at 31-03-14</b>
<b>Deferred Tax Assets</b>			
Ex-Gratia	52,931	(985)	51,946
Bonus	131,693	(6,600)	125,093
Gratuity	227,150	(99,376)	127,774
VRS	32,772	(32,772)	—
<b>Total</b>	<b>444,546</b>	<b>(139,733)</b>	<b>304,813</b>
Deferred Tax Liability			
Depreciation	4,359,860	(78,539)	4,281,321
<b>Net Deferred Tax Liability Net</b>	<b>3,915,314</b>	<b>61,194</b>	<b>3,976,508</b>

### 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:

<b>Particulars</b>	<b>2013-14 Amount</b>	<b>2012-13 Amount</b>
Salary	810,000	714,000
Contribution to Provident Fund	97,200	85,680
Other Perquisites(LTA & Medical Allowances)	30,000	15,000
<b>Total</b>	<b>937,200</b>	<b>814,680</b>



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

Particulars	2013-14 Amount	2012-13 Amount
Profit as per Profit & Loss A/c before tax	263,460	2,743,773
Add: Depreciation charged in the accounts	3623822	3632307
Add :Loss on sales discarding of fixed assessts	0	0
Managerial Remuneration debited to P & L A/c.	937200	814680
<b>Total</b>	<b>4824482</b>	<b>7190760</b>
Less: Depreciation in accordance with Section 350 Of the Companies Act, 1956	–	–
<b>Net Profit for the Year as per section 349 of the Companies Act , 1956</b>	<b>4824482</b>	<b>7190760</b>
<b>Maximum Managerial Remuneration @ 5% of Net Profit</b>	<b>241224</b>	<b>359538</b>

**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	2013-14 Amount	2012-13 Amount
Commission to Independent Directors u/s 309 (calculated @ 1% of the Net Profit)	48,245	71,908
Remuneration to Directors u/s 198 (calculated @ 5% of the Net Profit)	241,224	359,538
Total Eligibility	243,636	363,133
Total Actual Remuneration Paid	937,200	814,680
Remuneration Restricted to	243,636	363,133

**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

<b>39 Earnings in foreign currency</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
F.O.B. Value of Exports (on accrual basis)	267,649,551	203,530,697
<b>40 Value of import on CIF basis</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
Raw Materials & Packing Material Purchased	42,838,280	31,733,263
Stores and Spares Purchased	–	17,743
<b>41 Expenditure in foreign currency</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
Travelling Expenses	23010	706026

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

Particulars	Currency	As at 31-03-14		As at 31-03-13	
		(Rupees)		(Rupees)	
Debtors	USD	529,912.95	32,231,948	581,600.00	31,257,098
	EURO	49,930.00	4,166,658	–	–

**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 2014, 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 31-03-14 (Rupees)	Maximum balance outstanding during the year
Unsecured Loan to Chromatic International FZE	2,161,747,158 (1,954,166,544)	2,254,299,024 (1,973,999,087)

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 31-03-14 in KG	As at 31-03-13 in KG
Licensed capacity	1,200,000	1,200,000
Installed capacity	1,200,000	1,200,000
Actual production	915,683	955,533
All Quantities are in KG		

**B Details of finished goods / WIP as on 31-03-14**

Particulars	Opening Stock		Production	Turnover		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S.O. Dyestuffs (Reactive dyes)	30,033	6,714,402	915,683	913,826	273,315,510	31,890	10,763,475
<b>Total</b>	<b>30,033</b> (57,956)	<b>6,714,402</b> (13,028,211)	<b>915,683</b> (955,533)	<b>913,826</b> (798,893)	<b>273,315,510</b> (203,039,832)	<b>31,890</b> (30,033)	<b>10,763,475</b> (6,714,402)

Figures in bracket represent previous year figures.

**C Raw material consumed/ sales**

Particulars	For the year ended 31-03-14		For the year ended 31-03-13	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	129174	58967271	77512	23560333
J. Acid	22048	9142511	23485	8187458
Vinyl Sulphone	308152	66712897	176194	30670059
F.Oil	199580	15851880	0	0
Other raw materials	–	104611767	–	81562264
<b>Total</b>		<b>255,286,326</b>		<b>143,980,114</b>

**D Raw material & stores & spares imported/ indigenous:**

Particulars	For the year ended 31-03-14		For the year ended 31-03-13	
	Value (Rs.)	%	Value (Rs.)	%
A) Raw Material & Packing Material				
Imported	42,838,280	16.78	19,480,705	13.53
Indigenous	212,448,046	83.22	124,499,409	86.47
<b>Total</b>	<b>255,286,326</b>	<b>100.00</b>	<b>143,980,114</b>	<b>100.00</b>
B) Stores & Spares				
Imported	–	0.00	17,743	1.25
Indigenous	1,217,324	100.00	1,404,541	98.75
<b>Total</b>	<b>1,217,324</b>	<b>100.00</b>	<b>1,422,284</b>	<b>100.00</b>



## CHROMATIC INDIA LTD

**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.

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As per our report of even date attached

**For S.K.Badjatya & Co.**

*Chartered Accountants*

(Firm Regn. No. 004017C)

For and on behalf of Board of Directors

**CA. Sudhir K. Jain**

*Partner*

Membership No.: 072282

Place: Mumbai

Date : 30th May, 2014

**Mr.V.K.Kaushik**

*Wholetime Director*

Din No : 02586479

Place : Mumbai

Date : 30th May, 2014

**Mr.Chirag Shah**

*Director*

Din No : 06583820



## ANNUAL REPORT 2013-2014

### CASH FLOW STATEMENT AS ON 31.03.2014

(Amount in Lacs)

PARTICULARS	YEARENDED 31.03.2014	YEARENDED 31.03.2013
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary Items	2.63	27.44
Adjustment for :		
Depreciation	36.24	36.32
Depreciation Deletion	-	-
Interest	82.48	103.24
Rental Income	(4.00)	-
Dividend Income	(0.12)	-
Miscellaneous income	-	-
Interest earned	(1.93)	(1.93)
VRS Expenses Amortised	-	-
GDR Expenses adjusted against Securities prem a/c	-	-
Loss/ expenses of previous year adjusted	-	-
	112.66	(0.55)
	<u>112.66</u>	<u>(0.55)</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>115.29</b>	<b>164.52</b>
Adjustment for :		
Trade and other Receivables including Loans & Advances	38.14	(1,948.73)
Unamortised Voluntary Retirement Scheme Expenses	-	-
Inventories	(251.13)	(151.14)
Trade & Other Payables	(67.15)	1,779.16
	<u>(280.13)</u>	<u>(320.71)</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(164.84)</b>	<b>(156.19)</b>
Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(164.84)</b>	<b>(156.19)</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(5.79)	(16.43)
Security deposit recd (lease agreement)	6.00	-
Rental Income	4.00	-
Dividend Income	0.12	-
FD Under Lien	(0.76)	(0.70)
Interest Received	1.93	1.93
	<u>5.50</u>	<u>(15.20)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(159.34)</b>	<b>(171.39)</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital / GDR Issue (Including Share Premium Amount)	-	-
(Repayment) / increase in Long Term Borrowings	(7.86)	5.48
(Repayment) / increase in Short Term Borrowings	302.86	298.97
Investment in Subsidiary	-	(10.00)
Dividend Paid	(16.51)	-
Interest Paid	(82.48)	(103.24)
	<u>212.53</u>	<u>174.70</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>53.19</b>	<b>3.30</b>
<b>IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>33.29</b>	<b>29.99</b>
ADD : Opening Balance as on 01.04.2013 (P.Y. As on 01.04.12)	33.29	29.99
<b>Total Cash Flow</b>	<b>86.48</b>	<b>33.29</b>
Closing Balance As on 31.03.2014 (P.Y.As on 31.03.2013)	86.48	33.29
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.		
	<b>31.03.2014</b>	<b>31.03.2013</b>
Cash on hand	3.39	1.22
Balances with banks	83.08	32.07
	<u>86.47</u>	<u>33.29</u>

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

Sudhir K. Jain  
Partner  
Membership No.: 072282  
Place : Mumbai  
Date : 30th May, 2014

For and on behalf of Board of Directors

Mr.V.K.Kaushik  
Wholetime Director  
Din No : 02586479  
Place: Mumbai  
Date : 30th May, 2014

Mr.Chirag Shah  
Director  
Din No : 06583820

**CHROMATIC INDIA LTD****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, 2014	Not dealt with in the account of the Chromatic India Ltd for the year ended 31st March, 2014
Chromatic International FZE	1 Equity Share	100%	(2.34)	N.A.	(1.41)	N.A.
Chromatic Ferro Alloys Limited	99,994 Equity Share	100%	(0.71)	N.A.	N.A.	N.A.

**Notes:**

1. The financial year of Chromatic India Limited and its subsidiary company are ending on 31st March, 2014.
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

Place: Mumbai  
Date: May 30, 2014*Director*                      *Director*  
DIN:02586479                      DIN:06583820



## Consolidated Independent Auditor's Report

To 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"), & its subsidiaries, hereinafter referred to as the "Group" which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's 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") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- b. In the case of the consolidated Profit and Loss Account, of the Loss 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. 22501.30 Lacs as at 31st March, 2014, (20344.17 Lacs as at 31.03.2013), the total revenue of Rs. 0.00 Lacs (0.00 Lacs as at 31.03.2013) 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 have been prepared for the period from 01st December 2012 to 31st March 2013 & from 01st April 2013 to 31st March 2014 & the figures for both the periods have been considered for consolidation. The financial statements of the company reflect Group's share of total assets of Rs. 13.00 Lacs as at 31.03. 2014, the total revenue of Rs. 0.00 Lacs as at 31.03. 2014 and net cash inflows of Rs. 0.00 Lacs as at 31.03. 2014 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 30, 2014



## Consolidated Balance Sheet as on 31 st March 2014

(Amount in INR)

Particulars	Note No.	As on 31March 2014	As on 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	710,461,000	710,461,000
(b) Reserves and Surplus	2	2,639,331,885	2,423,473,832
		<u>3,349,792,885</u>	<u>3,133,934,832</u>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	339,733	1,125,334
(b) Deferred Tax Liabilities (Net)		3,976,506	3,915,312
(c) Long-Term Provisions		-	-
		<u>4,316,239</u>	<u>5,040,646</u>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	4	117,476,776	87,190,666
(b) Trade Payables	5	733,271,483	739,151,614
(c) Other Current Liabilities	6	3,904,174	4,603,032
(d) Short-Term Provisions	7	986,453	597,490
		<u>855,638,886</u>	<u>831,542,803</u>
<b>TOTAL</b>		<b><u>4,209,748,009</u></b>	<b><u>3,970,518,280</u></b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	8	37,657,472	40,702,443
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	2,267,660,581	2,035,943,491
(d) Other Non-Current Assets		-	-
		<u>3,362,554,053</u>	<u>3,133,881,933</u>
<b>Current Assets</b>			
(a) Current Investments	-	-	-
(b) Inventories	11	72,834,297	47,721,519
(c) Trade Receivables	12	659,503,671	676,998,057
(d) Cash and Bank Balances	13	8,692,520	18,759,541
(e) Short-Term Loans and Advances	14	106,163,469	93,157,229
		<u>847,193,956</u>	<u>836,636,346</u>
<b>TOTAL</b>		<b><u>4,209,748,009</u></b>	<b><u>3,970,518,280</u></b>

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

For and on behalf of Board of Directors

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

*Wholetime Director*  
DIN:02586479

*Director*  
DIN:06583820

Place: Mumbai  
Date : 30th May,2014

Place: Mumbai  
Date : 30th May,2014



**ANNUAL REPORT 2013-2014****Consolidated Statement of Profit & Loss for the year ended 31 st March 2014**

(Amount in INR)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>I. INCOME</b>			
(a) Revenue from operations	15	273,315,510	925,006,907
(b) Other income	16	12,589,872	7,900,742
<b>Total</b>		<b>285,905,382</b>	<b>932,907,649</b>
<b>II. Expenses</b>			
(a) Raw Material consumed	17	241,232,254	872,238,655
(b) (Increase)/Decrease in Inventories	18	-4,049,073	6,313,810
(c) Employee benefits expense	19	13,638,786	13,755,738
(d) Finance Cost	20	9,278,326	10,465,803
(e) Depreciation and Amortization expense	21	3,623,822	3,632,307
(f) Other expenses	22	22,222,731	24,011,121
<b>Total</b>		<b>285,946,846</b>	<b>930,417,434</b>
<b>III. Profit before tax</b>		-41,464	2,490,216
<b>IV. Tax expense:</b>			
(a) Current tax		75,000	700,000
(b) Deferred tax		61,194	(31,815)
Add/(Less):Prior year income (net)		-	0
<b>V. Net Profit after Tax</b>		-177,658	1,822,031
<b>VI. Earnings per Equity Share:</b>			
(a) Basic		-0.003	0.03
(b) Diluted		-0.003	0.03
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

For and on behalf of Board of Directors

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

*Wholetime Director*  
DIN:02586479

*Director*  
DIN:06583820

Place: Mumbai  
Date : 30th May,2014

Place: Mumbai  
Date : 30th May,2014



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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs 10/- each	125000000	1,250,000,000	125000000	1,250,000,000
<b>Issued</b>				
Equity Shares of Rs 10/- each	71046100	710,461,000	71046100	710,461,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10/- each fully paid	71046100	710,461,000	71046100	710,461,000
<b>Total</b>	<b>71046100</b>	<b>710,461,000</b>	<b>71046100</b>	<b>710,461,000</b>

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 2014		As at 31 March 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>EQUITY SHARES WITH VOTING RIGHTS:</b>				
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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
<b>EQUITY SHARES WITH VOTING RIGHTS:</b>				
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	20,988,305	209,883,050	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 2014		As at 31 March 2013	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	25096941	35.32%	35090991	49.39%
M/s. Cheetah Multitrade Pvt. Ltd.	20988305	29.54%	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	Aggregate No. of Shares	Aggregate No. of Shares	Aggregate No. of Shares	Aggregate No. of Shares
	2014	2013	2012	2011	2010
<b>Equity Shares :</b>					
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	NIL	NIL	6564000
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, 20X4	As at 31 March, 20X3
	₹	₹
<b>Note-2 Reserves and surplus</b>		
<b>(a) Capital reserve</b>		
Opening balance	1,853,350	1,853,350
Add: Additions during the year ( consolidated )	-	-
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	1,853,350	1,853,350
<b>(b) Securities premium account</b>		
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
<b>(c) General reserve</b>		
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
<b>(d) Foreign currency translation reserve</b>		
Opening balance	335,928,657	219,931,215
Add / (Less): Effect of foreign exchange rate variations during the year	216,035,711	115,997,442
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	551,964,368	335,928,657
<b>(e) Statutory Reserves (subsidiary company)</b>		
Opening Balance	693,450	693,450
Add: for the year	-	-
Closing Balance	693,450	693,450


**CHROMATIC INDIA LTD**

Particulars	As at 31 March, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-2 Reserves and surplus (Contd.)</b>		
<b>(f) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	81,207,315	80,981,544
Add: Profit / (Loss) for the year	-177,658	1,822,031
<b>TOTAL</b>	<b>81,029,657</b>	<b>82,803,575</b>
Add/ (Less): Prior Period Expenses	-	55,172
Profit after Tax and Prior Period Adjustments	81,029,657	82,858,747
Less: Provision for dividend (including Dividend Tax)	-	1,651,432
Closing balance	81,029,657	81,207,315
<b>Total (a+b+c+d+e+f)</b>	<b>2,639,331,885</b>	<b>2,423,473,832</b>

**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	-	560,000
Unsecured	-	-

**Total**

From other parties	-	<b>560,000</b>
Secured*	339,733	565,334
Unsecured	-	-

**Total**

	<b>339,733</b>	<b>565,334</b>
<b>Total</b>	<b>339,733</b>	<b>1,125,334</b>

\* Secured by Hypothecation of underlying assets purchased.

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

Secured#: 1. Cash Credit Limit from Bank of India	7,359,219	6,974,173
2. Export Packing Credit Limit from Bank of India	35,579,730	39,987,090
Unsecured	-	-

**Total (a)**

From other parties	<b>42,938,949</b>	<b>46,961,263</b>
Secured @	21,720,277	40,229,403
Unsecured	20,524,744	-
Advances from Customer	32,292,805	-

**Total (b)**

	<b>74,537,826</b>	<b>40,229,403</b>
<b>Total Short Term Borrowing</b>	<b>117,476,776</b>	<b>87,190,666</b>

# 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



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Particulars	As at 31 March, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-5 Trade payables</b>		
<b>Trade payables:</b>		
Acceptances	-	
Other than Acceptances	733,271,483	739,151,614
<b>Total</b>	<b>733,271,483</b>	<b>739,151,614</b>
<b>Note-6 Other current liabilities</b>		
(a) Current maturities of long-term debt (Refer Note (i) below)	560,000.00	960,000.00
(b) Current maturities of finance lease obligations (Refer Note 30.8.c)	225,644.00	446,457
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	153,886	414,962
(ii) Others: Salary & Wages	595,810	501,778
Other Liabilities	2,374,505	1,599,165
(ii) Current Year Tax Provision (netted off tds )	(5,671)	680,670
<b>Total</b>	<b>3,904,174</b>	<b>4,603,032</b>
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#	560,000	960,000
Unsecured	-	-
	560,000	960,000
(b) From other parties		
Secured	225,644	446,457
Unsecured	-	-
	225,644	446,457
<b>Total</b>	<b>785,644</b>	<b>1,406,457</b>
# 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.		
<b>Note-7 Short-term provisions</b>		
(a) Provision for employee benefits: @		
(i) Provision for bonus	404,833	426,190
(ii) Provision for other employee benefits - Exgratia	168,111	171,300
(ii) Provision for Gratuity employee benefits	413,509	-
<b>Total</b>	<b>986,453</b>	<b>597,490</b>



**Note-8**  
**Fixed Assets**

Particular	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01.04.2013	Additions	Other Adjustments	Deductions	Balance as at 31.03.2014	Upto 31.03.2013	Depreciation charge for the year	On deposits	Balance as at 31.03.2014	Balance as at 31.03.2013
<b>a) Tangible Assets</b>										
LAND - LEASE HOLD	11,702,920				11,702,920	546,025	155,874	-	11,001,021	11,156,895
BLDG. & RESI.FLAT	54,192,478	409,151			30,648,278	30,648,278	14,956,171	860,719	14,831,388	15,692,107
PLANT & MACHINERY	5,910,468	169,700			54,601,629	43,518,329	2,098,583		8,984,717	10,674,149
OFFICE & OTHERSEQUIP.	2,781,217				6,080,168	5,286,585	126,303		687,280	643,883
FURNITURE & FIXTURE	4,801,653				2,781,217	2,698,308	76,804		6,105	82,909
VEHICLES					4,801,653	2,349,153	305,539		2,146,961	2,452,500
<b>TOTAL</b>	<b>110,037,014</b>	<b>578,851</b>			<b>110,615,865</b>	<b>69,334,571</b>	<b>3,623,822</b>		<b>37,657,472</b>	<b>40,702,443</b>
<b>b) Intangible Assets</b>										
CAPITAL W.I.P.	1,057,200,000								1,057,200,000	1,057,200,000
<b>TOTAL (A+B)</b>	<b>1,167,237,014</b>	<b>578,851</b>			<b>1,167,615,865</b>	<b>69,334,571</b>	<b>3,623,822</b>		<b>1,094,857,472</b>	<b>1,097,902,443</b>
Previous Year	1,165,594,041	1,642,973			1,167,237,014	65,702,264	3,632,307		1,975,144,192	1,099,891,776

Notes forming part of the financial statements



Notes forming part of the financial statements

Note: 9 Non-Current Investment

Particulars	As at 31 March, 20X4			As at 31 March, 20X3		
	Quoted Rs.	Unquoted Rs.	Total Rs.	Quoted Rs.	Unquoted Rs.	Total Rs.
<b>Investments (At cost):</b>						
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.	-	-	-	-	-	-
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
<b>Total</b>	<b>36,000</b>	<b>-</b>	<b>36,000</b>	<b>36,000</b>	<b>-</b>	<b>36,000</b>

Particulars	As at	
	31 March, 20X4	31 March, 20X3
	₹	₹

Note-10 Long-term loans and advances

(a) Security deposits

Secured, considered good	-	-
Unsecured, considered good	1,208,177	1,205,217
Doubtful	-	-

**Sub-Total**

	<b>1,208,177</b>	<b>1,205,217</b>
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Less: Provision for doubtful deposits

**Sub-Total (a)**

	<b>1,208,177</b>	<b>1,205,217</b>
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(b) Loans and advances to related parties

(Refer Note 30.7)

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

**Sub-Total (b)**

	<b>13,603,915</b>	<b>13,628,915</b>
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(c) Advance income tax (net of provisions) (As at 31 March, 20X4 '\_\_\_\_') - Unsecured, considered good

	2,737,478	1,224,632
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(i) Other loans and advances (consolidation)	2,250,111,011	2,019,884,727
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Secured, considered good		
Unsecured, considered good		
Doubtful		

	<b>2,267,660,581</b>	<b>2,035,943,491</b>
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**CHROMATIC INDIA LTD**

Particulars	As at 31 March, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-11 Inventories</b>		
(At lower of cost and net realisable value)		
(a) Raw materials (including Goods in transit)	62,070,822	41,007,117
Finished Goods	-	-
(b) Work-in-progress @ (Refer Note below)	10,763,475	6,714,402
Goods-in-transit	-	-
<b>Total</b>	<b>72,834,297</b>	<b>47,721,519</b>
<b>Note-12 Trade receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Secured, considered good	0	0
Unsecured, considered good	623,920,745	645,746,932
Doubtful	0	0
Sub-Total	623,920,745	645,746,932
Less: Provision for doubtful trade receivables	0	0
<b>Total</b>	<b>623,920,745</b>	<b>645,746,932</b>
<b>Other Trade receivables</b>		
Secured, considered good	0	0
Unsecured, considered good	35,965,189	31,633,388
Doubtful	-	-
Sub-Total	35,965,189	31,633,388
Less: Provision for doubtful trade receivables	382,263	382,263
<b>Total</b>	<b>35,582,926</b>	<b>31,251,125</b>
<b>Total</b>	<b>659,503,671</b>	<b>676,998,057</b>
<b>Note-13 Cash and cash equivalents</b>		
(a) Cash on hand	357,174	1,010,812
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	5,719,472	15,108,168
(ii) In EEFC accounts		
(iii) In deposit accounts	63,773	58,910
(iv) In earmarked accounts		
- Unpaid dividend accounts	64,778	105,810
- Unpaid matured deposits	-	-
- Unpaid matured debentures	-	-
- Share application money received for allotment of securities and due for refund	-	-
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	2,486,686	2,421,520
- Other earmarked accounts (Gratuity Account)	638	54,320
(d) Others (specify nature)	-	-
<b>Total</b>	<b>8,692,520</b>	<b>18,759,541</b>





Particulars	As at 31 March, 20X4 ₹	As at 31 March, 20X3 ₹
<b>Note-14 Short-term loans and advances</b>		
<b>(a) Loans and advances to employees</b>		
Secured, considered good	-	
Unsecured, considered good	130,095	139,995
Doubtful	-	-
Sub Total	130,095	139,995
Less: Provision for doubtful loans and advances	-	-
<b>Total (a)</b>	<b>130,095</b>	<b>139,995</b>
<b>(b) Prepaid expenses - Unsecured, considered good</b> (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
	142,297	708,410
<b>Total (b)</b>	<b>142,297</b>	<b>708,410</b>
<b>(c) Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	-	
(ii) VAT credit receivable	23,512,226	16,510,008
(iii) Service Tax credit receivable	51,254	339,076
(iv) Export Incentive Receivable	15,153,131	16,719,320
(v) Balance with Central Excise	15,342,824	5,669,672
<b>Total (c)</b>	<b>54,059,435</b>	<b>39,238,075</b>
<b>(d) Others (Advances Recoverable)</b>		
Secured, considered good	-	
Unsecured, considered good	51,831,642	53,070,749
Doubtful	-	-
Sub-Total	51,831,642	53,070,749
Less: Provision for other doubtful loans and advances	-	-
<b>Total (d)</b>	<b>51,831,642</b>	<b>53,070,749</b>
<b>Total (a+b+c+d)</b>	<b>106,163,469</b>	<b>93,157,229</b>


**CHROMATIC INDIA LTD**

Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March 2013 ₹
<b>15. Revenue from Operations</b>		
Sale of products	267,649,551	203,670,150
Sales of traded goods	5,665,959	721,336,757
<b>Total</b>	<b>273,315,510</b>	<b>925,006,907</b>
<b>16. Other Income</b>		
Interest Received	193,483	193,006
Dividend-others from Long Term Investments	12,000	5,600
Rent Recd	400,000	-
Conversion Charges	730,553	-
Duty Drawback	5,247,132	3,359,833
Misc & other income	857,845	1,576,007
Exchange variation	5,148,859	2,766,296
<b>Total</b>	<b>12,589,872</b>	<b>7,900,742</b>
<b>17. Purchase &amp; Direct Expenses</b>		
Raw Material consumed		
Opg Stock of Raw Material	41,007,117	19,579,806
Raw Material Purchase	255,269,408	165,390,221
Packing Material	2,249,414	4,455,767
Freight Inward	4,777,138	2,596,356
Less:-Closing stock	(62,070,822)	(41,007,117)
Purchase of Traded goods	-	721,223,621
<b>Total</b>	<b>241,232,254</b>	<b>872,238,655</b>
<b>18. (Increase)/Decrease in Inventories</b>		
Inventory at the beginning of the year Finished & Work in Progress		
Finished Goods	-	1,512,000
Work in Progress	6,714,402	11,516,212
<b>TOTAL</b>	<b>6,714,402</b>	<b>13,028,212</b>
Inventory at the end of the year		
Finished Goods	-	-
Work in Progress	10,763,475	6,714,402
<b>TOTAL</b>	<b>10,763,475</b>	<b>6,714,402</b>
<b>(Increase) in Inventories</b>	<b>(4,049,073)</b>	<b>6,313,810</b>
<b>19. Employee Benefit Expenses</b>		
Salary, Wages and Bonus Etc.	11,848,756	11,655,559
Company's Contribution to Provident Fund,ESIC&Gratuity	810,315	1,233,419
Staff welfare Expenses & other Amenities	924,577	798,931
Leave Encashment	55,138	67,829
<b>Total</b>	<b>13,638,786</b>	<b>13,755,738</b>



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Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March 2013 ₹
<b>20. Finance Cost</b>		
Interest expense		
Bank Interest	3,743,703	3,757,666
Other Interest	4,503,829	5,759,784
Bank Charges	1,030,794	948,353
<b>Total</b>	<b>9,278,326</b>	<b>10,465,803</b>
<b>21. Depreciation and Amortization Expenses</b>		
Depreciation on tangible assets	3,623,822	3,632,307
<b>Total</b>	<b>3,623,822</b>	<b>3,632,307</b>
<b>22. Other Expenses</b>		
Rates & Taxes	396,435	307,151
Power & Water	5,395,256	6,048,434
Stores & Spares	1,217,325	1,422,284
Repairs and Maintenance :	-	-
- Repairs to Building	1,673,812	563,996
- Repairs to Machinery	365,098	939,902
- Repairs to Others	146,624	222,473
Advertisement & Sales Promotion	205,678	429,208
Freight & Forwarding Charges	2,812,962	3,272,646
Travelling Expenses	151,952	844,521
Auditor's Remuneration (Refer Note No.21)	541,336	618,812
Insurance	178,179	167,388
Telephone Charges	269,331	283,328
Car Expenses	596,580	610,365
Labour Charges	3,109,405	2,980,078
Stamp duty on lease agreement	268,800	-
General Expenses	1,845,860	2,528,663
Annual Listing Exps	573,924	517,770
Professional Charges	2,048,843	1,627,000
Printing & Stationery	242,893	183,775
Balance Written Off	182,437	443,328
<b>Total</b>	<b>22,222,731</b>	<b>24,011,121</b>
<b>*Payment to Auditors</b>		
<b>a) As Auditors</b>		
Statutory Audit fee	212472	
Tax Audit Fees	<u>70000</u>	282,472
Other services (certification fees)		90,000
Reimbursement of expenses		168,864
<b>Total</b>	<b>541,336</b>	<b>618,812</b>

**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 31-03-14<br>(Rupees) | As at 31-03-13<br>(Rupees) |
|---|----------------------------|----------------------------|
| Bank Guarantees (secured by fixed deposit receipts) | 76,274                     | 70,301                     |
- 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 31-03-14<br>(Rupees) | As at 31-03-13<br>(Rupees) |
|---|----------------------------|----------------------------|
| 31 The net amount of exchange differences debited / (credited) to profit & loss account   | (5,148,859)                | (2,766,296)                |
| 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

	2013-2014	2012-2013
Employers Contribution to Provident fund	793,634.00	818,430.00

**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

	2013-2014	2012-2013
Employers Contributions to Employee State Insurance	10,979.00	23,308.00





## ANNUAL REPORT 2013-2014

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

<b>I. Change in present value of obligations:</b>	<b>Gratuity 2013-14</b>	<b>Gratuity 2012-13</b>
Present value of obligation at the beginning	3,538,966.00	3,337,105.00
Current service costs	186,838.00	201,861.00
Benefits paid	-	-
Acturial (Gain)/Loss on obligation	63,329.00	-
Present value of obligation at the end	3,789,133.00	3,538,966.00
<b>II. Amount to be recognized in the Balance Sheet:</b>		
	<b>2013-14</b>	<b>2012-13</b>
Present value of obligation at the end	3,789,133.00	3,538,966.00
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	3,375,624.00	2,803,852.00
Unrecongized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	413,509.00	735,114.00
<b>III. Expenses recognized in the Statement of Profit &amp; Loss:</b>		
	<b>2013-14</b>	<b>2012-13</b>
Current service cost	186,838.00	220,881.00
Net Actuarial (Gain)/Loss recognized in the I.V.P	(258,443.00)	89,725.00
Expenses recognized in the Statement of Profit & Loss	(71,605.00)	310,606.00
<b>IV. Actuarial Assumptions:</b>		
	<b>LIC 1994-96 (Ultimate) 2013-14</b>	<b>LIC 1994-96 (Ultimate) 2012-13</b>
Discounting rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawl Rate	1-3%	1-3%
Remaining Working Life/ Average Past Service	18.70 years	16.52 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. :

<b>Particulars</b>	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>
Sales	5,665,959 (721,476,210)	267,649,551 (203,530,697)	273,315,510 (925,006,907)
<b>Total Sales</b>	<b>5,665,959</b> (721,476,210)	<b>267,649,551</b> (203,530,697)	<b>273,315,510</b> (925,006,907)

Figures in bracket represent previous year figures.

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

<b>Name of the country</b>	<b>2013-14 (Rupees)</b>	<b>2012-13 (Rupees)</b>
India	5,665,959	721,476,210
Switzerland	182,652,347	116,943,341
South Africa	1,679,739	2,298,513
Italy	8,733,853	4,489,794
Singapore	74,583,612	79,799,049
<b>Total</b>	<b>273,315,510</b>	<b>925,006,907</b>



## 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 31-03-14 (Rupees)	As at 31-03-13 (Rupees)
Export Debtors EEFC A/c.	35,965,189 -	31,633,269 -
<b>Total</b>	<b>35,965,189</b>	<b>31,633,269</b>

### 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
(e) Mr.V.K.Kaushik	Key Managerial Personnel
(f) Mr.Nitin Sethi (From 06/02/2008 upto 05/07/2013 )	Key Managerial Personnel
(g) Mr.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel
(h) Mr. Manish Sharma ( up to 06/04/2013 )	Key Managerial Personnel
(i) Mr. Chirag Shah (From 29/05/2013)	Key Managerial Personnel

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

	2013-14 (Rupees)	2012-13 (Rupees)
<b>With Holding Company: Cheetah Multitrade Pvt. Ltd.</b>		
Unsecured loan taken	4,186,464	-
<b>With Arcoiris SA</b>		
Sales	-	-
Interest income	-	-
<b>With Key Managerial Personnel :</b>		
Mr.V.K.Kaushik-Remuneration	937,200	814,680

#### (iii) Closing balance as on 31st March:

With Holding Company: Cheetah Multitrade Pvt. Ltd. Unsecured loan taken	4,886,464	700,000
With Arcoiris SA Unsecured loan given (including interest and exchange rate difference)	13,603,915	13,603,915
<b>Remuneration to Whole Time Directors: (Includes benefits which are debited to respective expenses)</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
a Remuneration	810,000	714,000
b Provident Fund Contribution	97,200	85,680
c Other Perquisites (LTA & Medical Allowance)	30,000	15,000
<b>Total</b>	<b>937,200</b>	<b>814,680</b>

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**

<b>i) Basic EPS</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	(177,658)	1,822,031
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Basic Earning Per Share (In Rupees)	(0.003)	0.03
<b>ii) Diluted EPS</b>		
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	(177,658)	1,822,031
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Diluted Earning Per Share (In Rupees)	(0.003)	0.03

**36 Deferred Tax**

<b>Particulars</b>	<b>Opening balance as at 01-04-13</b>	<b>During year 2013-14</b>	<b>Closing balance as at 31-03-14</b>
<b>Deferred Tax Assets</b>			
Ex-Gratia	52,931	(985)	51,946
Bonus	131,693	(6,600)	125,093
Gratuity	227,150	(99,376)	127,774
VRS	32,772	(32,772)	-
Total	444,546	(139,733)	304,813
<b>Deferred Tax Liability</b>			
Depreciation	4,359,860	(78,539)	4,281,321
<b>Net Deferred Tax Liability Net</b>	<b>3,915,314</b>	<b>61,194</b>	<b>3,976,508</b>

**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:

<b>Particulars</b>	<b>2013-14 Amount</b>	<b>2012-13 Amount</b>
Salary	810,000	714,000
Contribution to Provident Fund	97,200	85,680
Other Perquisites(LTA & Medical Allowances)	30,000	15,000
<b>Total</b>	<b>937,200</b>	<b>814,680</b>

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

<b>Particulars</b>	<b>2013-14 Amount</b>	<b>2012-13 Amount</b>
Profit as per Profit & Loss A/c before tax	-41,464	2,490,216
Add: Depreciation charged in the accounts	3623822	3632307
Add :Loss on sales discarding of fixed assessts	0	0
Managerial Remuneration debited to P & L A/c.	937200	814680
<b>Total</b>	<b>4519558</b>	<b>6937203</b>
Less: Depreciation in accordance with Section 350 Of the Companies Act, 1956	-	-
<b>Net Profit for the Year as per section 349 of the Companies Act , 1956</b>	<b>4519558</b>	<b>6937203</b>
<b>Maximum Managerial Remuneration @ 5% of Net Profit</b>	<b>225978</b>	<b>346860</b>



**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	2013-14 Amount	2012-13 Amount
Commission to Independent Directors u/s 309 (calculated @ 1% of the Net Profit)	45,196	69,372
Remuneration to Directors u/s 198 (calculated @ 5% of the Net Profit)	225,978	346,860
Total Eligibility	271,174	416,232
Total Actual Remuneration Paid	937,200	814,680
Remuneration Restricted to	271,174	363,133

**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

<b>38 Earnings in foreign currency</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
F.O.B. Value of Exports (on accrual basis)	267,649,551	203,530,697
<b>39 Value of import on CIF basis</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
Raw Materials & Packing Material Purchased	42,838,280	31,733,263
Stores and Spares Purchased	-	17,743
<b>40 Expenditure in foreign currency</b>	<b>As at 31-03-14 (Rupees)</b>	<b>As at 31-03-13 (Rupees)</b>
Travelling Expenses	23010	706026

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

Particulars	Currency	As at 31-03-14		As at 31-03-13	
			(Rupees)		(Rupees)
Debtors	USD	529,912.95	32,231,948	581,600.00	31,257,098
	EURO	49,930.00	4,166,658	-	-

**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 2014, 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 31-03-14 in KG	As at 31-03-13 in KG
Licensed capacity	1,200,000	1,200,000
Installed capacity	1,200,000	1,200,000
Actual production	915,683	955,533

All Quantities are in KG

B Details of finished goods / WIP as on 31-03-14

Particulars	Opening Stock		Production	Turnover		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S.O. Dyestuffs (Reactive dyes)	30,033	6,714,402	915,683	913,826	273,315,510	31,890	10,763,475
<b>Total</b>	<b>30,033</b> (57,956)	<b>6,714,402</b> (13,028,211)	<b>915,683</b> (955,533)	<b>913,826</b> (798,893)	<b>273,315,510</b> (203,039,832)	<b>31,890</b> (30,033)	<b>10,763,475</b> (6,714,402)

Figures in bracket represent previous year figures.

C Raw material consumed/ sales

Particulars	For the year ended 31-03-14		For the year ended 31-03-13	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	129174	58967271	77512	23560333
J. Acid	22048	9142511	23485	8187458
Vinyl Sulphone	308152	66712897	176194	30670059
F.Oil	199580	15851880	0	0
Other raw materials	-	104611767	-	81562264
<b>Total</b>		<b>255,286,326</b>		<b>143,980,114</b>

D Raw material & stores & spares imported/ indigenous:

Particulars	For the year ended 31-03-14		For the year ended 31-03-13	
	Value (Rs.)	%	Value (Rs.)	%
<b>A) Raw Material &amp; Packing Material</b>				
Imported	42,838,280	16.78	19,480,705	13.53
Indigenous	212,448,046	83.22	124,499,409	86.47
	255,286,326	100.00	143,980,114	100.00
<b>B) Stores &amp; Spares</b>				
Imported	-	0.00	17,743	1.25
Indigenous	1,217,324	100.00	1,404,541	98.75
<b>Total</b>	<b>1,217,324</b>	<b>100.00</b>	<b>1,422,284</b>	<b>100.00</b>

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)

For and on behalf of Board of Directors

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

**Mr.V.K.Kaushik**  
Wholetime Director  
DIN:02586479

**Mr.Chirag Shah**  
Director  
DIN:06583820

Place: Mumbai  
Date : 30th May, 2014

Place : Mumbai  
Date : 30th May, 2014



CONSOLIDATED CASH FLOW STATEMENT AS ON 31.03.2014

(Amount in Lacs)

PARTICULARS	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary Items	(0.41)	24.90
Adjustment for :		
Depreciation	36.24	36.32
Depreciation Deletion	-	-
Interest	82.48	104.66
Rental Income	(4.00)	-
Dividend Income	(0.12)	-
Miscellaneous Expenses	-	-
Interest earned	(1.93)	(1.93)
VRS Expenses Amortised	-	-
GDR Expenses adjusted against Securities prem a/c	-	-
Loss/ expenses of previous year adjusted	112.66	(0.55)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>112.24</b>	<b>163.40</b>
Adjustment for :		
Trade and other Receivables including Loans & Advances	(111.92)	(1,938.80)
Unamortised Voluntary Retirement Scheme Expenses	-	-
Inventories	(251.13)	(151.14)
Trade & Other Payables	(67.90)	1,778.37
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(318.71)</b>	<b>(148.16)</b>
Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(318.71)</b>	<b>(148.16)</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(5.79)	(16.43)
Security deposit recd (lease agreement)	6.00	-
Rental Income	4.00	-
Dividend Income	0.12	-
FD Under Lien	(0.76)	(0.70)
Interest Received	1.93	1.93
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(313.20)</b>	<b>(163.36)</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital / GDR Issue (Including Share Premium Amount)	-	-
(Repayment) / increase in Long Term Borrowings	(7.86)	304.45
(Repayment) / increase in Short Term Borrowings	302.86	-
Investment in Subsidiary	-	-
Dividend Paid	-	(16.51)
Interest Paid	(82.48)	(104.66)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(100.67)</b>	<b>19.92</b>
<b>IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
ADD : Opening Balance as on 01.04.2013 (P.Y. As on 01.04.12)	187.60	167.68
	86.93	187.60
Closing Balance As on 31.03.2014 (P.Y.As on 31.03.2013)	86.93	187.60
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.		
	<b>31.03.2014</b>	<b>31.03.2013</b>
Cash on hand	3.57	10.11
Balances with banks	83.35	177.49
	<b>86.93</b>	<b>187.60</b>

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

For and on behalf of Board of Directors

C.A. Sudhir K. Jain  
Partner  
Membership No.: 072282

Mr.V.K.Kaushik  
Wholetime Director  
DIN:02586479

Mr.Chirag Shah  
Director  
DIN:06583820

Place : Mumbai  
Date : 30th May, 2014

Place: Mumbai  
Date : 30th May, 2014



### 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	14.780	15	781	20346	20344.17	0.00	0	-1	0.00	0.00	0.00	UAE
2	Chromatic Ferro Alloys Ltd	INR	0.000	10	-1	22	12.69	0.00	0	-1	0.00	0.00	0.00	INDIA





**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**

**27<sup>TH</sup> ANNUAL REPORT**  
**2013-2014**

## **CHROMATIC INDIA LTD.**

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

CIN: L99999MH1987PLC044447

phone 022 61369800 Fax 022 25793973 Email ID chromatic@mtnl.net.in Website www.chromatic.in

### **ATTENDANCE SLIP**

27th Annual General Meeting at 3.00 P.M. on September 30, 2014 at 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083

Full name of Member (IN BLOCK LETTERS) \_\_\_\_\_

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.

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## CHROMATIC INDIA LTD.

**Registered Office:** 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083  
 CIN: L99999MH1987PLC044447  
 phone: 022 61369800 Fax: 022 25793973 Email ID: chromatic@mtnl.net.in Website: www.chromatic.in

### PROXY FORM

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

#### 27th Annual General Meeting – 30.09.2014

Name of the member(s) \_\_\_\_\_

Registered Address \_\_\_\_\_

Email \_\_\_\_\_

Folio No./Client ID \_\_\_\_\_ DP ID \_\_\_\_\_

I/We, being the Member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

Name \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_ Signature \_\_\_\_\_

or failing him/her Name \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_ Signature \_\_\_\_\_

or failing him/her

Name \_\_\_\_\_

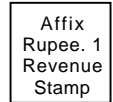
Address \_\_\_\_\_

Email \_\_\_\_\_ Signature \_\_\_\_\_

As my / our proxy to attend and Vote (on a poll) for me/ us and on my/our behalf at the Twenty Seventh (27th) Annual General Meeting of the Company to be held on Tuesday, the 30th day of September , 2014 at 3.00 p. m. at the Registered Office of the Company, 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083 and at any adjournment thereof in respect of such Resolutions as are indicated below :

Resolution Number	Resolution	Vote		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1	Adoption of Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2014			
2.	Appoint a Director in place of Mr. Vinod Kumar Kaushik, who retires by rotation and, being eligible, offers himself for reappointment.			
3.	Appoint M/s. S.K. Badjatya & Co. Chartered Accountants, as auditors of the Company.			
	<b>Special Business</b>			
4.	Re -Appoint ment of Mr. Vinod Kumar Kaushik,as whole time Director of Company.			
5.	Appoint Mr.Ajay Singh Sethi as an Independent Director for a period 3 years upto conclusion of 30th AGM in the calendar year 2017.			
6.	Appoint Mr. Chirag Shah as an Independent Director for a period 3 years upto conclusion of 30th AGM in the calendar year 2017.			
7.	Appoint Ms. Diana Joshi as an Independent Director for a period 3 years upto conclusion of 30th AGM in the calendar year 2017.			
8.	Ratification of Cost Auditor's remuneration.			

Signed this.....day of.....2014



.....  
 Signature of the Member

.....  
 Signature of proxy holder (s)

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



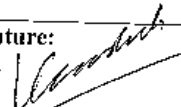

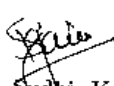


# CHROMATIC INDIA LIMITED

CIN No. L99999MH1987PLC044447

Website : [www.chromatic.in](http://www.chromatic.in)

Regd. Office : 207, Vardhaman Complex Premises Co-op.Soc. Ltd., L.R.5 Marg, Vikhroli (W), Mumbai - 400 063. Tel. : 2579 3367, 2579 3345 Fax : 2579 3973  
Sales office : 501, Maker Chamber V, 221, Nariman Point, Mumbai (INDIA) - 400 021. Tel. : 2295 5391, 2285 4236 Fax : 2295 5392 E-mail : [ryesbtl@comp.vsnl.net.in](mailto:ryesbtl@comp.vsnl.net.in)  
Factory : D-127, L.nte Parshuram Indl Area, Tal. - Khed, Dist. Rahnegiri, Tel. : 02358 - 272240 Fax : 02358 - 272127 E-mail : [chromatic\\_cik@plungindia.com](mailto:chromatic_cik@plungindia.com)  
Dombivli Unit : W-34, M.I.D.C., Phase - II, Dombivli (East), Dist. Thane, Tel. 0251-2671464, 2671205

## Form A

1.	Name of the Company	Chromatic India Limited
2.	Annual financial statement for the year ended	31 <sup>st</sup> March 2014
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    Chirag Shah Chairman of Audit Committee	