








# CHROMATIC INDIA LIMITED

Regd. Office : 207, Vardhaman Complex Premises Co-op. Soc. Ltd., L.B.S. Marg, Vikhroli (W), Mumbai - 400 083. CIN No : L99999MH1987PLC044447, Tel. : 61369800  
Fax : 25793973 E-mail : chromatic@mtnl.net.in website : www.chromatic.in  
Corporate Office : 501, Maker Chamber V, 221, Nariman Point, Mumbai (INDIA) - 400 021. Tel.: 22875661 E-mail : chromatic@mtnl.net.in  
Factory (I) : B-12/2, Lote Parshuram Indl. Area, Tal. - Khed, Dist. Ratnagiri. Tel. : 02356 - 272240, 272364 Fax : 02356 - 272127 E-mail : chromatic\_chipltun@hotmail.com  
Factory (II) : B-1/6, Lote Parshuram Indl. Area, Tal. - Khed, Dist. Ratnagiri.

## Form A

1.	Name of the Company	Chromatic India Limited
2.	Annual financial statement for the year ended	31 <sup>st</sup> March 2015
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	      



# **CHROMATIC INDIA LIMITED**

**28TH ANNUAL REPORT  
2014-2015**

## Route Map



**Address : 207, Vardhaman Complex, L.B.S Marg,  
Vikhroli (W), Mumbai – 400 083**

**The Twenty Eighth Annual General Meeting of  
The Members of Chromatic India Limited is  
scheduled on Wednesday, the 30th day of  
September, 2015**

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## 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
Ms. Diana Joshi	-	Non Executive and Independent Director

### Company Secretary & Compliance Officer

Ms. Bhoomika Jain

### 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](mailto:chromatic@mtnl.net.in), [cs@chromatic.in](mailto:cs@chromatic.in)  
Website: [www.chromatic.in](http://www.chromatic.in)  
CIN No. L99999MH1987PLC044447

### Registrar & Share Transfer Agent

M/s Bigshare Services Private Limited  
CIN :U99999MH1994PTC076534  
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  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**NOTICE**

**NOTICE** is hereby given that the 28th Annual General Meeting of the Members of **Chromatic India Limited** will be held on Wednesday, September 30, 2015 at 04.00 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 Financial Statements of the Company for the financial year ended March 31, 2015, including audited balance sheet as at March 31, 2015 and 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 appoint a Director in place of Mr. Vinod Kumar Kaushik (DIN No. 02586479), 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 third consecutive Annual General Meeting of the Company to be held in the year 2018 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting and to fix their remuneration in addition to out of pocket expenses as may be incurred by them during the course of the Audit, in consultation with the Auditor.

**Special Business**

4. To consider and, if though fit, to pass, the following resolution as an **SPECIAL RESOLUTION:**

**To make investments, give loans, guarantees and provide securities beyond the prescribed limits and to enter into Joint Venture Agreement**

**“RESOLVED THAT** in suppression of earlier resolution passed, if any, pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended from time to time, Articles of Association of the Company, listing agreement, SEBI Rules, Regulations, and all other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force) and subject to necessary approvals, if any required, including that of the lenders of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include person (s) authorized and / or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to make investment(s) and / or give loan(s) in the form of inter-corporate deposit(s) and / or short-term credit(s) and / or secured loan(s) to and / or give guarantee(s) and / or provide any security(ies) for acquiring whether by way of subscription, purchase or otherwise, the securities including shares, debentures etc of any other body corporate in connection with any loan(s) made to any other person by or by any other person to any subsidiaries, joint ventures (whether on contractual / separate entity or on any other basis including powers of creation of joint ventures), associate companies and / or any other body (ies) corporate as the Board may deem fit in the interest of the Company exceeding the limits permissible in terms of the Section 186 of the Companies Act, 2013, i.e. sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more; provided however that the investment(s) made and / or loan(s) granted and / or guarantee(s) and security(ies) provided, other than the investment(s) made and / or loan(s) granted and / or guarantee(s) and security(ies) provided and / or as are exempted in terms of Section 186 of the Companies Act, 2013 read with Rules made there under, whether in one or more tranche(s), shall not exceed Rs.3,000 Crores (Rupees Three Thousand Crores Only).”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Vinod Kaushik, Whole-time Director of the Company, any Director (s), and / or the Company Secretary of the Company, and the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of the resolution and to decide, from time to time finalize the terms and conditions, execute, settle any question, difficulty or doubts that may arise in this regard, to delegate all or any of these powers to any Committee of Directors or Director or Whole-time Director, or any other officer of the Company,



amend, sign, enter into, negotiate, change of joint venture partner, to increase or reduce the investment in joint venture, matters and things including but not limiting to enter into joint venture agreement, deciding the entity(ies) in which the investment(s) be made and / or loan(s) extended and / or guarantee(s) and security(ies) be provided, amount of investment(s) to be made and / or loan(s) to be extended and / or guarantee(s) and security(ies) to be provided, when such amount be given from time to time, manner and nature of investment(s), the period for which loan(s) be extended, interest and security and other terms for extending loan(s), as the case may be, and such other terms and conditions, and for the purpose to sign agreements, deeds, documents, guarantees, forms, indemnities, registers, letters, declarations, confirmations, undertakings and such other papers as may be necessary, desirable and expedient.”

“**RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and / or any of its directors and / or officers and / or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved and the common seal of the Company may be affixed, wherever required.”

By Order of the Board of Directors

Sd/-  
**Bhoomika Jain**  
Company Secretary

Place: Mumbai

Date: August 04, 2015

**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. 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.

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. During the period beginning 24 hours before the time fixed for the Commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
3. 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.
4. Proxies submitted on behalf of companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
5. The Explanatory Statement pursuant to the provisions of Section 102 (1) of the Companies Act, 2013 setting out the material facts in respect to the Special Business in annexed herewith.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive) for the purposes of Annual General Meeting.
7. 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.
8. Members are requested to update their Bank Account Number, Name and address of the Bank / Branch, change in their address and other details 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.
9. Members / proxies should bring duly-filled Attendance Slips sent along with this Notice to attend the meeting.



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 11.00 am to 1.00 pm, 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 appropriately.
12. Unclaimed dividend for the financial years 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 2014-15 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 provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and 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.
18. The Company appointed Ms. Nishi Jain, Practicing Company Secretary (Membership No. 22386) 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 the votes received shall make a Scrutinizer's 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 immediately 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. Instructions and other information relating to e-voting are as under:
  - i. The E-voting period for all items of business contained in this Notice shall commence from Sunday, September 27, 2015 at 9.00 a.m. and ends on Tuesday, September 29, 2015 at 5.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date of September 23, 2015 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.
  - ii. The shareholders should log on to the e-voting website i.e. [www.evotingindia.com](http://www.evotingindia.com).
  - iii. Click on "Shareholders" tab to cast your votes.



- iv. Now Enter your User ID
  - a) For CDSL – 16 digits beneficiary ID,
  - b) For NSDL – 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below –
- viii. After entering these details appropriately, click on “SUBMIT” tab.

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).  1. Only Members who have not updated their PAN with the Company/Depository Participant shall use default PAN mentioned in the address sticker / Attendance Slip.
DOB#	Enter the Date of Birth as recorded in your demat account or in the bank records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the bank records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then reach directly the Company EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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.
- xi. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Now, select the Electronic Voting Sequence Number - “EVSN” for the relevant to Chromatic India Limited. “COMPANY NAME” from the drop down menu on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolutions.
- xv. 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.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.



- xviii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- xix. Note for Non-Individual Shareholders and Custodians
- \* Non-Individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - \* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .
  - \* After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - \* The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

**Bhoomika Jain**  
*Company Secretary*

**Place: Mumbai**  
**Date: August 04, 2015**

**STATEMENT Pursuant to Section 102 of the Companies Act, 2013**

**ITEM NO. 4:**

In terms of Section 186 of the Companies Act, 2013, which has been made effective from 1st April 2014, no company shall directly or indirectly,

- (a) give any loan to any person or other body corporate;
- (b) give any guarantee, or provide security, in connection with a loan to any other body corporate or person; and
- (c) acquire, by way of subscription, purchase or otherwise the securities of any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account, or one hundred per cent of its free reserves and securities premium account, whichever is more unless authorized by a special resolution passed in a general meeting of the members of the company.

The authorization to the Board required to make / create / execute etc. joint ventures / investment(s) and / or give loan(s) and / or provide guarantee(s) and / or security(ies) not exceeding the limits permitted under the Companies Act, 2013 for Rs.3,000 Crores.

The Company in routine course of business and / or for furtherance of its business including venturing into the new business of setting-up of independent projects, either on its own accord and / or through joint venture, and / or for organic / inorganic business opportunities may consider investing in equity and / or preference shares and / or any other equity linked instruments and / or any other instruments and / or by way of extending loans in the form of inter-corporate deposits or otherwise in various body (ies) corporate and / or give guarantee or provide security in connection with a loan to any other body corporate or person or persons, as the Board may deem fit, which may exceed the limits prescribed under Section 186 of the Companies Act, 2013. In light of the same and considering the fact that Section 186 of the Companies Act, 2013 has become effective from 1st April 2014 as also read with General Circular of Ministry of Corporate Affairs No.32/2014 dated 23rd July 2014, it is felt desirable to obtain consent of the Company in terms of the provisions of Section 186 of the Companies Act,





2013 to make investment(s) and / or give loan(s) and / or provide guarantee(s) and / or security(ies) beyond the prescribed limits and to an extent of Rs.3,000 Crores.

In view of the aforesaid provisions, you are requested to grant your consent to the special resolution as set out at Agenda Item No.4 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

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

Give this under para graph format as under:

Under Section 152(6) of the Companies Act, 2013 at every AGM, one third of the directors as are liable to retire by rotation shall retire from office. The directors to retire by rotation at every AGM shall be those who have been longest in office and between those who became directors on the same day by mutual agreement or lot.

Mr. Vinod Kumar Kaushik ,Director liable to retire by rotation, have been appointed at the last AGM held on 30th September, 2014 . In compliance with Section 152 of the Companies Act, 2013, Mr. Vinod Kumar Kaushik shall, by mutual agreement, retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. As per the terms of his appointment, re-appointment at the AGM as a director retiring by rotation would not constitute break in his appointment as a Whole-time Director.

Brief resume of director to be re-appointed, nature of expertise in specific functional areas, names of companies in which he hold directorships and membership/chairmanships of Board Committees, shareholding and relationship between directors interse as stipulated under clause 49 of the listing agreement with stock is provided below:

<b>Name of the Director</b>	<b>Mr. Vinod Kumar Kaushik</b>
Father's Name	Mr. Maheshwar Dayal Kaushik
Designation	Executive, Whole Time Director
Date of Birth	February 01, 1949
Nationality	Indian
Date of Appointment on Board	April 01, 2009
Qualifications	MA, Maths
Expertise	Wide experience in Finance & Administration.
Directorships held in other Public Companies (Excluding foreign companies and Section 25 Companies)	(i) Chromatic Sponge Iron Limited (ii) Chromatic Ferro Alloys Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Number of Shares held in the Company	100
Relationships between the Directors inter – Se	NIL

**DIRECTOR'S REPORT**

To the members,

Your Company's Directors are pleased to present the 28th Annual Report and the audited accounts of the Company for the financial year ended 31st March, 2015.

**Financial Results**

The summary of the financial performance of the Company for the financial year ended 31st March, 2015 compared to the previous year ended 31st March, 2014 is summarized below:

(In Rupees)

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Net Sales and Other Income	414,015,616	285,905,382
Profit/ (Loss) Before Tax	488,640	263,460
Add / (Less): Deferred Tax Adjustments	95,285	61,194
Less: Current Income Tax	80,000	75,000
Less: Fringe Benefit Tax	-	-
Less: Wealth Tax	-	-
Profit/(Loss) after Tax	313,355	127,266
Add/(Less): Prior Year short provision for Tax	-	-
Balance Brought Forward	8,845,648	8,718,382
Amount Available for Appropriation	8,384,862	8,845,648
Appropriations		
Dividend/Interim Dividend on Equity Shares	-	-
Tax on Dividend	-	-
Surplus / Deficit Carried Forward	8,384,862	8,845,648

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

Your directors are pleased to report total income of Rs. 41.40 crores for the financial year ended 31st March, 2015 as against Rs.28.59 crores for the financial year ended 31st March, 2014, an increase of 44.80% compared to last financial year. The profit before tax is Rs. 4.88 Lacs for the year ended 2014-15 compared to Rs. 2.63 Lacs for the year ended 2013-14, an increase of 85.55% compared to the last financial year. The Net profit after tax is Rs. 3.13 Lacs for the financial year 2014-15 as against 1.27 lacs for the financial year 2013-14, an increase of 146.22% compared to last financial year.

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

**Internal Financial Control (IFC) System and their adequacy**

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.



A process driven framework for Internal Financial Control has been designed and implemented by the Company within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the financial year ended March 31, 2015, the Board is of the opinion that the Company has sound IFC commensurate with its size and nature of its Business operations and operating effectively and no material weakness exist.

**Transfer to Reserve**

No amount is proposed to transfer to the General Reserve Account as required under the Companies Act, 2013.

**Corporate Governance and Shareholders Information**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on the Corporate Governance is included as a part of this Annual Report. A Certificate from the Practicing Company Secretary, confirming the compliance with the conditions of the Corporate Governance as stipulated under Clause 49 of the Listing Agreement is enclosed as a part of this Report.

**Subsidiary Company / Associate / Joint Venture Company**

As on 31st March 2015, your Company has three wholly owned subsidiaries (WOS), namely,

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

The Company had formed three 100% wholly – owned subsidiary, namely Chromatic Ferro Alloys Limited, Chromatic Sponge Iron Limited and Chromatic International FZE on 13th September, 2011, 12th September, 2011 and 21st October, 2010 respectively.

The Company will make available, on request, the Annual Accounts of the subsidiary companies and the related 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.

During the year under review, Company does not have any associate company and joint venture company pursuant to the provisions of Companies Act, 2013. Your company has decided to close the subsidiary Company (ies) which have not yet started operations.

The statement pursuant to Section 129 (3) of the Companies Act, 2013 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 2015-16 is already paid to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, whereas the payment to the Luxembourg Stock Exchange is yet to be made.

**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 31st March, 2015, 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 by way of further issue, bonus, sweat equity share, employee stock option scheme or in any other manner.

**Pledge of shares**

As on March 31, 2015, the Promoters of the Company do not have any shares which are encumbered / pledged.

**Board Meetings**

During the Financial year, four board meetings were held and the details of which are given in the Corporate Governance Report. The provisions of the Companies Act, 2013 and the Listing Agreement were adhered to while considering the time gap between the two meetings.

**Directors / Key Managerial Personnel**

In pursuance of Section 149 of the Companies Act, 2013, three of the Director's of the company namely, Mr. Chirag Shah, Mr. Ajay Singh Sethi and Ms. Diana Joshi were categorized as Independent Directors in terms of the definition contained in the Equity Listing Agreement.

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 provisions 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 qualification for categorising 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 fulfills the criteria laid down 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 upto two terms, 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.

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 of Directors had appointed Ms. Diana Joshi as an additional director of the company from 1st September, 2014. Her appointment was regularized in the last Annual General Meeting as an Independent Director for a period of consecutive three years.

Ms. Dipti M. Sharma was appointed as Company Secretary and Compliance Officer of the Company effective from 11th June, 2014 by the Board of Directors of the Company. She resigned effective from 28th February, 2015. The Board places on record its appreciation of the immense contribution made by her to the Company.

Mr. Vinod Kaushik, Whole-time Director of the Company, retires from the Board by rotation and is being eligible for re-appointment at the forthcoming Annual General Meeting.

**Familiarization programme for Independent Directors**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

**Company's policy relating to Directors Appointment, Payment of Remuneration and discharge of their duties**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence the Company has devised a policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

**Board Evaluation**

In accordance with the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out the annual evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit, Nomination and Remuneration Committee and Stakeholder relationship committee.



### Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors hereby confirmed that-

- (I) In the preparation of Annual Accounts for the year ended March 31, 2015 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, 2015, 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (IV) The Directors have prepared the Annual Accounts of the Company on a going concern basis;
- (V) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively and
- (VI) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Auditors and Auditors' Report

M/s. S. K. Badjatya & Co., Chartered Accountants (ICAI Firm Registration no. 004017C), Statutory Auditors of the Company, retires at the conclusion of the forthcoming Annual General Meeting and they have consented to continue as the Statutory Auditors of the Company.

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 the third consecutive Annual General Meeting of the Company to be held in the year 2018( subject to the ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting), at a remuneration 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.

### Secretarial Audit

According to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 , The Board of Directors has appointed Mr. R. N. Gupta, Practicing Company Secretary as the Secretarial Auditor for the financial year ending 31st March, 2015. The Secretarial Audit Report submitted by him is enclosed as a part of this Report as **Annexure A**.

### Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013.

### Shares in suspense account

No equity share of the Company was in suspense account as on 31st March, 2015.

### Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's products /business for the financial year 2014-15.

**Fixed Deposits**

Your Company has not accepted any fixed deposits, during the year, under Section 73 of the Companies Act, 2013 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)

<b>Particular</b>	<b>2014-15</b>	<b>2013-14</b>
Expenditure in Foreign Currency	1,674.73	428.61
Earning in Foreign Currency	3,133.36	2,676.49

**Conservation of Energy, Technology Absorption & Foreign Earnings and Outgo:**

Information in accordance with the provision of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Account), Rules, 2014 regarding conservation of energy and technology absorption are as per Annexure-B 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.

**Details of Policy Developed and Implemented by the Company on its Corporate Social Responsibility Initiatives**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable on the Company for the financial year ending 31st March, 2015.

**Vigil Mechanism**

In pursuant to the provisions of the Section 177(9) and (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.chromatic.in](http://www.chromatic.in).

**Business Risk Management**

The principle of Risk Minimization has been followed in the company as is the norm of the every industry, it has now become a compulsion.

Therefore, in accordance with Clause 49 of the Listing Agreement, the members of the Board were informed about the risk assessment and the minimization procedures after which the Board formally adopted the steps for framing, implementing and monitoring the risk management plan of the company.

In today's competitive environment, strategies for mitigating risk while accomplishing the growth plans of the company are imperative.

The common risk interalia are: Business Risk, Technology obsolescence, Investments, Retention of Talent and expansion of facilities.

As a matter of policy, these risks are assessed and appropriate steps are taken to mitigate the same.

**Disclosure under Sexual Harassment of Women & Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Our company has in place an Anti Sexual Harassment Policy at workplace. Our policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. During the year ended 31st March, 2015 no complaints have been received pertaining to sexual harassment.



**Disclosure of Composition of Audit Committee**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is applicable to the Company. The Composition is in line with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.

**Related Party Transactions**

The Related Party Transactions that were entered during the Financial year were on the Arm's Length Basis and were in the ordinary course of business. There were no materially significant transactions with the Company's Promoters; Directors; Management or their Relatives which could have a potential conflict with the interests of the company. Transactions with related parties entered by the Company in the normal course of the business are periodically placed before the committee for its omnibus approval.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules made there under and the Listing Agreement.

Our Company took loan from M/s Easy Access Financial Services Private Limited, whereby the promoter company's shares i.e M/s Cheetah Multitrade Private Limited Shares were pledged as a security towards the loan.

During the period under review, the pledged shares of promoter company were invoked and sold to realize the loan.

**Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practicing Company Secretary in their Reports:**

There was no qualification, reservations or adverse remarks made by the Auditors in their report.

**Particulars of Loans, Guarantees or Investments**

In pursuance to the provision of Section 186 of the Companies Act, 2013, the details of the Loans, guarantees or investments are given in the notes to the financial statements in this Annual Report.

**Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - C**

**Particulars of Employees**

The information required pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is as follows:

- a) Employed throughout the year NIL
- b) Employed for part of the year NIL

The remuneration paid to all the Key Managerial Personnel was in accordance with the remuneration policy adopted by the Company.

The details pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure - D**

**Remuneration Ratio of the Director's/Key Managerial Personnel (KMP)/Employees**

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975 in respect of employees of the Company and Director's/Key Managerial Personnel is furnished hereunder:

Sr.No	Name	Designation	Remuneration paid F.Y 2014-15 (Rs. In Lakhs)	Remuneration paid F.Y 2013-14 (Rs.in Lakhs)	Increase in Remuneration from Previous year (Rs.in Lakhs)	Ratio/Times per Median of Employees Remuneration
1	Mr.Vinod Kumar Kaushik	Whole Time Director	11.97	9.18	2.79	4.11
2	Ms.Dipti Chinchkdeke	Company Secretary	0	1.92*	0	0.66

\* Note : Ms. Dipti Chinchkhede was appointed as a Company Secretary w.e.f 11th June, 2014 and resigned from the organization w.e.f 28th February, 2015. Hence the actual amount paid to her during the financial year has been stated. For comparison basis, the remuneration to be paid for the entire financial year has been taken.

**Relationship between average increase in remuneration and Company's performance:**

In line with Company's reward philosophy, merit increases and annual bonus pay-outs of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the Key Managerial Personnel, appropriate reward by way of merit increase or variable pay have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company.

**Transfer to investor education and protection fund**

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

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Date on which dividend will become part of IEPF</b>
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

As referred above, since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**Acknowledgement**

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

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

Sd/-  
**Chirag Shah**  
*Director*  
(DIN06583820)

Sd/-  
**Vinod Kumar Kaushik**  
*Whole time Director*  
(DIN02586479)

Place : Mumbai  
Dated : 4th August, 2015

**ANNEXURE INDEX**

<b>Annexure</b>	<b>Content</b>
A	Secretarial Audit Report – MR-3
B	Conservation of Energy, Technology absorption, Foreign Earnings and Outgo
C	Extract of Annual Return – MGT 9
D	Particulars of Employees



**Annexure to Director Report**

**Annexure - A**

To,  
The Members,  
Chromatic India Limited  
CIN-L99999MH1987PLC044447  
207, Vardhaman Complex Premises  
Co. op. Society Ltd., L.B.S. Marg,  
Vikhroli (West), Mumbai – 400083  
Maharashtra- India

**My Secretarial Audit Report is to be read along with this letter**

Maintenance of secretarial record as well as the compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Our examination was limited to the verification of procedures on test basis.**

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report 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.

Place: Mumbai  
Dated: 30th July, 2015

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

**(R. N. GUPTA)**  
*Proprietor*  
FCS No. 4693  
COP No. 3131



**Form MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Chromatic India Limited  
CIN-L99999MH1987PLC044447  
207, Vardhaman Complex Premises  
Co. op. Society Ltd., L.B.S. Marg,  
Vikhroli (West), Mumbai – 400083  
Maharashtra- India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Chromatic India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 1956 and Companies Act, 2013 (the Act) and the rules made there under;
  - a) There is default in the repayment of loan and interest thereon to the Financial Institution during the period under review. However, as reported by the management, the matter is in process of settlement with the concerned institution.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (share based Employee Benefits) Regulations, 2014 (effective 28th October, 2014)
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The Other laws as may be applicable specifically to the Company are:

(a) The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employers State Insurance Act, 1948, The Payment of Bonus Act, 1965, Maternity Benefit Act, 1961, Payment of Gratuity Act, 1972,

(b) Pollution Control Acts and Rules made thereunder,

(c) The Hazardous Waste and Management Handling Rules, 1988 and The Boiler Act, 1923

Based on the information, explanations and management representation, I report that the Company has substantially complied with the provisions of these Acts as are applicable to it.

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards for Board Meetings and Annual General Meetings issued by The Institute of Company Secretaries of India. (not applicable as not notified during the period under review)

The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited, as applicable and;

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

**I further report that:**

- \* The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- \* Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent sufficiently in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- \* Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** based on review of compliance mechanism established by the Company I am of the opinion that there are adequate systems and processes in the company which commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has passed circular resolution of Board of Directors for appointment of Mrs. Diana Joshi as additional Non Executive and Independent Director of the Company effective from 1st September, 2014.

**I further report that** during the audit period the Company has no other specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place: Mumbai

Dated: 30th July, 2015

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

**(R. N. GUPTA)**  
*Proprietor*  
FCS No. 4693  
COP No. 3131

**Annexure ‘B’ to Director’s Report**

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The disclosures are provided as under:

**A. Conservation of Energy :**

- a) Energy conservation measures taken :

Energy Conservation continues to receive priority attention at all the levels. All requisite efforts are made to conserve and optimise the use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.

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

**B. Technology Absorption :**

- a) Updation of Technology is a continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the Textile Dyes Industry. The details of the Technology absorption is as per Form - B.

- b) The Company has been able to successfully indigenise the toolings to a large extent and successfully developed new products by virtue of technology absorption, adaptation and innovation.

**C. Foreign exchange earnings and outgo :**

Rs. (Lakhs)

Foreign exchange earned :	3,133
Foreign exchange used :	1,675

**Form - A****Form for disclosure of particulars with respect to conservation of energy.**

A. Power and fuel consumption :	2014-15	2013-14
1. Electricity :		
Unit	463,556	528,308
Total Amt. (Rs.)	3,410,666	3,692,000
Rate per Unit (Rs.)	7.36	6.99
2. Furnace Oil :		
Quantity (Ltrs)	29,575	199,580
Total Amt. (Rs.)	820,787	15,851,880
Average Rate (Rs.)	27.75	79.43
3. Briquettes / Firewoods :		
Quantity (Kgs)	0	0
Total Amt. (Rs.)	0	0
Average Rate (Rs.)	0	0
4. Coal		
Unit	885,724	994,009
Total Amt. (Rs)	6,866,432	7,481,228
Rate per Unit(Rs.)	7.75	7.5
B. Consumption per unit of production :		
Production Unit (In Kg.)	892,123	915,683
Electricity Unit	0.52	0.58
Furnace Oil (Ltrs)ŷ	0.03	0.22
Coal	0.99	1.09

**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.





## Annexure C to the Director Report

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2015

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

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L99999MH1987PLC044447
ii	Registration Date	21.08.1987
iii	Name of the Company	Chromatic India Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	207, Vardhaman Service Industrial Estate, Fitwell Compound, 10, L.B.S Marg, Vikhroli (W), Mumbai - 400 083
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited having its office at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400072 Telephone no. - 022 28470652/ 022 40430200

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of Chemical and Chemical Products	20	100%

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

Sl.No.	Name&Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cheetah Multitrade Private Limited	U51900MH2007PTC175449	Holding	28.54%	Section 2(46)
2	Chromatic Ferro Alloys Limited	U27310MH2011PLC221952	Subsidiary	100%	Section 2(46)
3	Chromatic Sponge Iron Limited	U27310MH2011PLC221902	Subsidiary	100%	Section 2(46)
4	Chromatic International FZE	RAKFTZA-FZE- 4005123	Subsidiary	100%	Section 2(46)



**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/HUF	0	0	0	0	0	0	0	0	0
b)	Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c)	Bodies Corporates	2,09,88,305	0	2,09,88,305	29.54	2,02,73,305	0	2,02,73,305	28.53	-1.01
d)	Bank/FI	0	0	0	0	0	0	0	0	0
e)	Any other	0	0	0	0	0	0	0	0	0
f)	Director's Relatives	0	0	0	0	0	0	0	0	0
g)	Group Companies	0	0	0	0	0	0	0	0	0
h)	Trusts	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL:(A) (1)</b>	<b>2,09,88,305</b>	<b>0</b>	<b>2,09,88,305</b>	<b>29.54</b>	<b>2,02,73,305</b>	<b>0</b>	<b>2,02,73,305</b>	<b>28.53</b>	<b>-1.01</b>
(2)	Foreign									
a)	NRI- Individuals	0	0	0	0	0	0	0	0	0
b)	Other Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks/FI	0	0	0	0	0	0	0	0	0
e)	Any other.	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2,09,88,305</b>	<b>0</b>	<b>2,09,88,305</b>	<b>29.54</b>	<b>2,02,73,305</b>	<b>0</b>	<b>2,02,73,305</b>	<b>28.53</b>	<b>-1.01</b>
B.	<b>PUBLIC SHAREHOLDING</b>									
(1)	Institutions									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks/FI	0	0	0	0	0	0	0	0	0
C)	Central govt	0	0	0	0	0	0	0	0	0
d)	State Govt.	0	0	0	0	0	0	0	0	0
e)	Venture Capital Fund	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIIS	78,12,363	0	78,12,363	10.99	63,87,422	0	63,87,422	8.99%	-2.00
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (specify)	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL (B)(1):</b>	<b>78,12,363</b>	<b>0</b>	<b>78,12,363</b>	<b>10.99</b>	<b>63,87,422</b>	<b>0</b>	<b>63,87,422</b>	<b>8.99%</b>	<b>-2.00</b>
(2)	Non Institutions									
a)	Bodies corporates	70,92,660	1,700	70,94,360	9.99	55,11,170	1,700	55,12,870	7.76	-2.23
b)	Individuals	0	0	0	0	0	0	0	0	0
i)	Individual shareholders holding nominal share capital upto Rs.1 lakhs	29,82,062	2,21,445	32,03,507	4.5	45,65,458	2,20,445	47,85,903	6.74	2.24
ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	52,36,254	10,250	52,46,504	7.39	76,78,713	10,250	76,88,963	10.82	3.43
c)	Others (specify)	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0
	Clearing Members	4,44,040	0	4,44,040	0.63	1,48,898	0	1,48,898	0.21	-0.42
	Directors Relatives	0	0	0	0	0	0	0	0	0
	Employees	0	0	0	0	0	0	0	0	0
	Non Resident Indians	11,29,065	26,900	11,55,965	1.63	11,20,783	26,900	11,47,683	1.62	-0.01
	Overseas Bodies Corporate	4,115	0	4,115	0.01	4,115	0	4,115	0.01	0
	Unclaimed Suspense Account	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL (B)(2):</b>	<b>1,68,88,196</b>	<b>2,60,295</b>	<b>1,71,48,491</b>	<b>24.14</b>	<b>1,90,29,137</b>	<b>2,59,295</b>	<b>1,92,88,432</b>	<b>27.16</b>	<b>3.01</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2,47,00,559</b>	<b>2,60,295</b>	<b>2,49,60,854</b>	<b>35.14</b>	<b>2,54,16,559</b>	<b>2,59,295</b>	<b>2,56,75,854</b>	<b>36.15</b>	<b>1.01</b>
C.	Shares held by Custodian for GDRs & ADRs									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	2,50,96,941	0	2,50,96,941	35.32	2,50,96,941	0	2,50,96,941	35.32	0
	<b>Grand Total (A+B+C)</b>	<b>7,07,85,805</b>	<b>2,60,295</b>	<b>7,10,46,100</b>	<b>100.00</b>	<b>7,07,86,805</b>	<b>2,59,295</b>	<b>7,10,46,100</b>	<b>100.00</b>	<b>0</b>



(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Cheetah Multitrade Private Limited	2,09,88,305	29.54%	3.41	2,02,73,305	28.54%	0	1.00%
	<b>Total</b>	<b>2,09,88,305</b>	<b>29.54%</b>	<b>3.41</b>	<b>2,02,73,305</b>	<b>28.54%</b>	<b>0</b>	<b>1.00%</b>

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2,09,88,305	29.54	2,09,88,305	29.54
2	DECREASE 11/04/2014 ( Due to invocation of Pledged Shares)	10,000	0.01	2,09,78,305	29.54
3	DECREASE 20/06/2014( Due to invocation of Pledged Shares)	1,15,000	16.19	2,08,63,305	29.37
4	DECREASE 30/06/2014(( Due to invocation of Pledged Shares)	25,000	0.04	2,08,38,305	29.33
5	DECREASE 18/07/2014( Due to invocation of Pledged Shares)	5,65,000	0.80	2,02,73,305	28.54
6	At the end of the year			<b>2,02,73,305</b>	<b>28.54</b>

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	The Bank of New York Mellon, DR	At the beginning of the year	2,50,96,941	35.32%	2,50,96,941	35.32%
		At the end of the year			<b>2,50,96,941</b>	<b>35.32%</b>
2	The Clareville Capital Opportunities Master Fund Limited	At the beginning of the year	59,40,000	8.36%	59,40,000	8.36%
		At the end of the year			<b>59,40,000</b>	<b>8.36%</b>
3	Avatar India Opportunities Fund	At the beginning of the year	14,24,941	2.01%	14,24,941	2.01%
		09-05-2014	-3,38,228	0.47%	10,86,713	1.53%
		04-07-2014	-1,64,958	0.23%	9,21,755	1.30%
		11-7-14	-9,21,755	1.30%	0	0
		At the end of the year			<b>0</b>	<b>0</b>



4	Multiplex Capital Limited	At the beginning of the year	12,95,402	1.82%	12,95,402	1.82%
		04-04-2014	1,00,002	0.14%	13,95,404	1.96%
		18-04-2014	2,50,000	0.35%	16,45,404	2.32%
		25-04-2014	2,50,000	0.35%	18,95,404	2.67%
		02-05-2014	-2,04,885	0.28%	16,90,519	2.38%
		09-05-2014	-1,70,700	0.24%	15,19,819	2.14%
		16-05-2014	2,970	0.00%	15,22,789	2.14%
		23-05-2014	-90,350	0.12%	14,32,439	2.02%
		30-05-2014	-29,540	0.04%	14,02,899	1.97%
		06-06-2014	81,040	0.11%	14,83,939	2.09%
		20-06-2014	3,398	0.00%	14,87,337	2.09%
		30-06-2014	-2,938	0.00%	14,84,399	2.09%
		04-07-2014	11,316	0.01%	14,95,715	2.11%
		11-07-2014	-9,700	0.01%	14,86,015	2.09%
		01-08-2014	-486	0.00%	14,85,529	2.09%
		08-08-2014	-2,974	0.00%	14,82,555	2.09%
		15-08-2014	-17	0.00%	14,82,538	2.09%
		22-08-2014	17	0.00%	14,82,555	2.09%
		29-08-2014	-1,88,709	0.26%	12,93,846	1.82%
		05-09-2014	-4,53,000	0.63%	8,40,846	1.18%
		12-09-2014	-10,200	0.01%	8,30,646	1.17%
		19-09-2014	15,725	0.02%	8,46,371	1.19%
		30-09-2014	10,275	0.01%	8,56,646	1.21%
		10-10-2014	-4,229	0.00%	8,52,417	1.20%
		17-10-2014	1,570	0.00%	8,53,987	1.20%
		24-10-2014	33,556	0.04%	8,87,543	1.25%
		31-10-2014	8,826	0.01%	8,96,369	1.26%
		21-11-2014	-1,000	0.00%	8,95,369	1.26%
		28-11-2014	8,997	0.01%	9,04,366	1.27%
		05-12-2014	1,01,203	0.14%	10,05,569	1.42%
		12-12-2014	-471	0.00%	10,05,098	1.41%
		19-12-2014	35,211	0.04%	10,40,309	1.46%
		31-12-2014	9,159	0.00%	10,49,468	1.48%
09-01-2015	-6,752	0.00%	10,42,716	1.47%		
16-01-2015	1,299	0.00%	10,44,015	1.47%		
23-01-2015	-5,716	0.00%	10,38,299	1.46%		
30-01-2015	-2,697	0.00%	10,35,602	1.46%		
06-02-2015	-953	0.00%	10,34,649	1.46%		
13-02-2015	49	0.00%	10,34,698	1.46%		
20-02-2015	-11,351	0.01%	10,23,347	1.44%		
27-02-2015	9,940	0.01%	10,33,287	1.45%		
06-03-2015	472	0.00%	10,33,759	1.46%		
13-03-2015	-743	0.00%	10,33,016	1.45%		
20-03-2015	-3,025	0.00%	10,29,991	1.45%		
27-03-2015	2,240	0.00%	10,32,231	1.45%		
31-03-2015	-8,535	0.01%	10,23,696	1.44%		
	At the end of year				<b>10,23,696</b>	<b>1.44%</b>
5	Schnik Tradelink Private Limited	At the beginning of the year	8,96,199	1.26%	8,96,199	1.26%
		18-04-2014	-4,900	0.00%	8,91,299	1.25%
		25-04-2014	-15,750	0.02%	8,75,549	1.23%
		02-05-2014	-61,000	0.08%	8,14,549	1.15%
		09-05-2014	-90,000	0.12%	7,24,549	1.02%
		30-05-2014	-5,000	0.00%	7,19,549	1.01%
		13-06-2014	-2,600	0.00%	7,16,949	1.01%
		30-06-2014	-84,058	0.11%	6,32,891	0.89%
		04-07-2014	-20,000	0.02%	6,12,891	0.86%
		22-08-2014	-20,400	0.02%	5,92,491	0.83%
		29-08-2014	-23,450	0.03%	5,69,041	0.80%
		05-09-2014	-15,240	0.02%	5,53,801	0.78%
		12-09-2014	-35,000	0.04%	5,18,801	0.73%
07-11-2014	-56,500	0.07%	4,62,301	0.65%		
14-11-2014	-56,030	0.07%	4,06,271	0.57%		



		21-11-2014	-32,667	0.04%	3,73,604	0.53%
		05-12-2014	-98,200	0.13%	2,75,404	0.39%
		19-12-2014	-28,140	0.03%	2,47,264	0.35%
		31-12-2014	-16,907	0.02%	2,30,357	0.32%
		02-01-2015	-28,101	0.03%	2,02,256	0.28%
		09-01-2015	-55,755	0.07%	1,46,501	0.21%
		16-01-2015	-23,600	0.03%	1,22,901	0.17%
		23-01-2015	-47,999	0.06%	74,902	0.11%
		At the end of the year			<b>74,902</b>	<b>0.11%</b>
6	Cynic Finance and Leasing Private Limited	At the beginning of the year	7,01,200	0.99%	7,01,200	0.99%
		At the end of the year			<b>7,01,200</b>	<b>0.99%</b>
7	Expert Credit and Holding Private Limited	At the beginning of the year	6,00,000	0.84%	6,00,000	0.84%
		04-04-2014	-1,00,000	0.14%	5,00,000	0.70%
		18-04-2014	-5,00,000	0.70%	0	0.00%
		At the end of the year			<b>0</b>	<b>0.00%</b>
8	Sanjay Raghunath Aggarwal	At the beginning of the year	214, 240	0.30%	214, 240	0.30%
		04-04-2014	1,25,000	0.17%	3,39,240	0.48%
		11-04-2014	-1,23,477	0.17%	2,15,763	0.30%
		25-04-2014	-68,377	0.09%	1,47,386	0.21%
		02-05-2014	-25,386	0.03%	1,22,000	0.17%
		09-05-2014	-50,000	0.07%	72,000	0.10%
		11-07-2014	9,16,395	1.28%	9,88,395	1.39%
		08-08-2014	-1,30,277	0.18%	8,58,118	1.21%
		15-08-2014	-1,86,029	0.26%	6,72,089	0.95%
		12-09-2014	4,78,683	0.67%	11,50,772	1.62%
		19-09-2014	-39,448	0.05%	11,11,324	1.56%
		17-10-2014	-3,67,757	0.51%	7,43,567	1.05%
		24-10-2014	-84,300	0.11%	6,59,267	0.93%
		31-10-2014	-5,000	0.00%	6,54,267	0.92%
		14-11-2014	-36,371	0.05%	6,17,896	0.87%
		21-11-2014	-1,50,941	0.21%	4,66,955	0.66%
		At the end of the year			<b>4,66,955</b>	<b>0.66%</b>
9	Rapid Credit and Holdings Private Limited	At the beginning of the year	4,63,792	0.65%	4,63,792	0.65%
		21-11-2014	-72,163	0.10%	3,91,629	0.55%
		At the end of the year			<b>3,91,629</b>	<b>0.55%</b>
10	Albula Investment Fund Limited	At the beginning of the year	4,47,422	0.63%	4,47,422	0.63%
		At the end of the year			<b>4,47,422</b>	<b>0.63%</b>



**(v) Shareholding of Directors & KMP**

S. N. For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Vinod Kumar Kaushik At the Beginning of the year	100	0.00	100	0.00
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	58,628,682	20,524,744	4,650,000	79,153,426
ii) Interest due but not paid	1,720,277	0	0	1,720,277
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>60,348,959</b>	<b>20,524,744</b>	<b>4,650,000</b>	<b>80,873,703</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	2,905,683	0	2,905,683
Reduction	22,036,179	0	0	22,036,179
Net Change	22,036,179	2,905,683	0	19,130,496
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	34,911,299	23,430,427	4,650,000	62,991,726
ii) Interest due but not paid	3,401,481	0	0	3,401,481
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>38,312,780</b>	<b>23,430,427</b>	<b>4,650,000</b>	<b>66,393,207</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sr. no	Particulars of Remuneration	Name of the MD/WTD/ Manager
1	<b>Gross salary</b>	<b>Mr.Vinod Kumar Kaushik</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	9,18,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,25,160
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0
2	Stock option	0
3	Sweat Equity	0
4	Commission	0
	as % of profit	0
	others (specify)	0
5	Others, please specify	0
	<b>Total (A)</b>	<b>10,43,160</b>
	Ceiling as per the Act	As per Companies Act, 2013 and rules made their under





**B. Remuneration to other directors:**

S No.	Particulars of Remuneration	Name of the Directors		
		Mr. Ajay Singh Sethi	Mr. Chirag Shah	Ms. Diana Joshi
1	<b>Independent Directors</b>			
	(a) Fee for attending board committee meetings	7,000	7,000	7,000
	(b) Commission	0	0	0
	(c) Others, please specify	0	0	0
	<b>Total (1)</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
2	<b>Other Non Executive Directors</b>			
	(a) Fee for attending board committee meetings	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify.	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Managerial Remuneration</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
	<b>Overall Ceiling as per the Act.</b>	As per Companies Act, 2013 and rules made their under		

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

S No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	CFO
1	Gross Salary			
2	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A	1,78,575	N.A
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		13,799	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
3	Stock Option			
4	Sweat Equity			
5	Commission as % of profit others, specify			
	Others, please specify			
	<b>Total</b>		<b>1,92,374</b>	

\* The Company secretary of the Company has worked with effect from 11th June, 2014 till 28th February, 2015 Hence the salary is mentioned accordingly.

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding			Not Applicable		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			Not Applicable		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			Not Applicable		



**Annexure to Director's report**

**Annexure "D"**

**Particulars of employees**

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<b>Sr. No.</b>	<b>Requirements</b>	<b>Disclosure</b>
I	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	4.11 as stated above in the report
II	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	0.66 as stated above in the report
III	The percentage increase in the median remuneration of employees in the financial year;	10%
IV	The number of permanent employees on the rolls of company	There were 47 permanent employees on the rolls of the Company as on March 31, 2015
V	The explanation on the relationship between average increase in remuneration and company performance	NIL
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Remuneration of the Key Managerial Personnel is as per the Company's policy and in line with the performance of the company.
VII	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	The market capitalisation as on 31st March, 2015 was Rs. 24.15 crores (Rs 26.85 Crores as on 31st March, 2014). The Price earning ratio of the Company was 737.5 Times as at 31st March, 2015 and was 1890 Times as at 31st March, 2014.
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There was no significant increase in the remuneration of employees or Key Managerial Personnel during the period under review. There is no exceptional increase in Managerial Remuneration.
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Remuneration of Key Managerial Personnel is in line with the bench mark study and performance of the company
X	The key parameters for any variable component of remuneration availed by the directors	Depends on the performance parameters set for key managerial personnel as approved by the committees of the Board.
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NIL
XII	Affirmation that the remuneration is as per the remuneration policy of the company	We affirm that the remuneration is as per the remuneration policy of the company.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Chemicals dyes Industry

In view of the slow- down on the economic front over the world 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, our 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 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.

The company achieved a turnover of Rs.40.73 Crore during the current year as against Rs. 27.33 Crore during the previous year thereby reporting an increase of 49.03%. The exports during the year has been 31.33 Crores as compared to Rs.26.76 Crores during the previous year, thereby reporting an increase of 17.07%

### 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 industries 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 the 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 exporter therefore; the volatility in foreign exchange rates may affect the business operation as well as growth of the Company.

The Company is continuously 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, engage 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.

With the expectation of an improvement in the market conditions for the Chemical Industry during the year, the Company will endeavour to perform better than the last year.

**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 and Operational Performance**

The highlights of the Financial Operational Performance are given below :

(Rupees In Lakhs)

Sr.No	Particulars	2014-15	2013-14
1.	Sales/ Income from Operations	4,073.53	2,733.16
2.	Other Income	50.81	61.05
3.	Sub - Total	4,124.34	2,794.20
4.	Total Expenditure (Before Interest)	4,046.31	2,765.00
5.	Profit Before Interest and Exceptional Items	93.85	94.06
6.	Profit/Loss from Ordinary Activities Before Tax	4.89	2.63
7.	Profit/Loss After Tax	3.14	1.27

During the year under review, the Company achieved a profit before tax of Rs. 4.89 Lakhs as compared to Rs. 2.63 Lakhs in 2013-14. 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 and their Adequacy**

**Effective Internal Control Systems have been out in place by the Management to provide reasonable assurance for :**

- Safeguarding Assets and their usage
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

**Key elements of the Internal Control Systems are as follows:**

- (i) Existence of well defined Organisational structure and Authority
- (ii) Existence of Corporate Policies for Financial Reporting and Accounting
- (iii) Existence of Management Information System updated from time to time as and when required
- (iv) Existence of Internal Audit System
- (v) Review of Opportunities and Risk factors depending on the domestic scenario and to undertake measures as may be necessary.

The company has appointed an Independent internal auditor to conduct internal audit and to ensure effective compliance and effectiveness of the Internal control systems in place.

The members of the Audit Committee is regularly reviewing the Internal Audit Reports for the audit carried out in all the significant areas of the operations. In addition to it, the Audit Committee approves all the audit plans and reports for significant issues raised by the Auditors. The Internal Audit Reports are circulated on a regular basis for the perusal of the Senior Management and appropriate action is taken as and when required.

### **Material developments in human resources**

In view of the acute shortage of skilled and equipped human resources prevailing in the country, our focus during the year was to enhance the 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 for the same. Necessary steps are taken to strengthen the areas in which the employees of the Company need improvement. The Company complies with all the regulations pertaining to Safety. The Company continues to have an excellent track record in the area of Safety. The main objective of the company is to achieve zero accident/ incident and safe working environment. Regular programmes are therefore held on health and safety awareness, fire fighting and first aid, apart from other development programmes. Industrial relations remained cordial during the year.

### **Cautionary statement**

Statements in the Management Discussion & Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions are 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied depending upon various economic conditions like raw material availability and prices, cyclical demand and pricing in the Company's principal markets, fluctuation 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. The Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 4th August, 2015

**Mr. Vinod Kaushik**  
*Whole Time Director*



## **Report on Corporate Governance**

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

The 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, spirit 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 (SEBI). 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, 2015, the Board of Directors of the Company have an optimum combination of Executive; Non Executive Directors and Independent Directors who have an in depth knowledge of Business, in addition to the expertise in their areas of specialization . The Board of Directors comprises of Four Directors which includes one Woman Director. The Composition of the Board is in conformity with Clause 49 of the listing agreements entered with the Stock Exchanges.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board meetings (including Committee meetings) of the Company are scheduled in advance and a tentative calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However in case of special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The Board of Directors has complete access to the information within the Company.

The Company secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary attends almost all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles ensures appropriate recording of minutes of the meeting.

The minutes of the proceedings of the meetings of the Board of Directors / Committee(s) are noted and the draft minutes are circulated amongst the members of the Board for their perusal. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman of the meeting. The Minutes are approved by the members of the Board prior to the next meeting and confirmed thereat.

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, 2015 have been made by the Directors.



Directorship & Membership / Chairmanship of Committees held by them as on March 31, 2015 are as follows:

Name of the Director	Category	Number of Board Meetings during the year 2014-15		Attendance at the last AGM held on 30.9.2014	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 Director	4	4	Yes	2	NIL	NIL
Mr. Chirag Shah (DIN06583820)	Independent, Non Executive Director	4	4	Yes	0	NIL	NIL
Mr. Ajay Singh Sethi (DIN01940047)	Independent, Non Executive	4	4	No	1	NIL	NIL
*Ms. Diana Joshi (DIN 06966287)	Independent, Non Executive Director	2	2	No	0	0	0

\* Joined w.e.f. 1st September, 2014

\* Committee membership includes memberships of Audit Committee and Stakeholder Relationship Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 companies.

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

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

Board Meeting	Dates
First	30th May, 2014
Second	13th August, 2014
Third	14th November, 2014
Fourth	13th February, 2015

**(c) Independent Directors**

The company has complied with the definition of Independence as per Clause 49 of the Listing Agreement and according to the provisions of Section 149(6) of the Companies Act, 2013. The requisite declarations have also been obtained from all the independent directors pursuant to Section 149(7) of the Companies Act, 2013. All the independent directors have confirmed to the Board that they meet the criteria for independence in terms of Clause 49 of Listing Agreement and Section 149 (6) of the Companies Act, 2013.

**(d) Meeting of Independent Directors**

Section 149(8) of the Act read with Schedule IV of the Act require the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met on 13th February, 2015, pursuant to the provision of the Act and Equity Listing Agreement with the Stock Exchanges.

**(e) Performance Evaluation of Non Executive and Independent Directors**

The management of the Board evaluates the performance of the Non Executive and Independent Directors every year. All the Non-Executive and Independent directors have wide experience in the field of business, industry and administration.

**(f) None of the Directors of the Company has any material pecuniary relationship or business relationship with the Company.**

During the year under review, none of the Directors of the Company has any material pecuniary relationship or business relationship with the Company.



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

During the year under review, none of the Directors received any loans and advances from the Company during the year.

**(h) 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, 2015. A declaration to this effect, duly signed by the Whole time Director is annexed in this Annual Report.

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**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 Four Directors:

<b>Name</b>	<b>Category</b>	<b>Position Held</b>
Mr. Chirag Shah	Independent, Non Executive	Chairman/Member
Mr. Vinod Kumar Kaushik	Whole Time Director	Member
Mr. Ajay Singh Sethi	Independent, Non Executive	Member
Ms. Diana Joshi	Independent, Non Executive	Member

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 2014-15, four Audit Committee Meetings were held on 30th May, 2014, 13th August, 2014, 14th November 2014, and 13th February, 2015. Attendance of Committee Members at committee Meetings is as follows:

Number of Meetings duringHeld Attended

Name	Number of Meetings Attended
Mr. Chirag Shah	4
Mr. Vinod Kumar Kaushik	4
Mr. Ajay Singh Sethi	4
*Ms. Diana Joshi	2

\*Appointed w.e.f. 1st September, 2014

**4. Stakeholders Relationship Committee (previously known as Investors / Shareholders Grievance Committee)**

**(a) Composition**

The Stakeholders Relationship Committee currently consists of the following four 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
*Ms.Diana Joshi	Independent, Non Executive	Member

\*Appointed w.e.f. 1st September, 2014

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. Bhoomika Jain, appointed with effect from 13th July, 2015 as Company Secretary and Compliance Officer of the Company, has been nominated for this purpose under clause 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 of shareholders / Investors of the Company. Every quarter the Company publishes the status of the complaint received, disposed, pending during the quarter 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 2014-15 which are as follows:

30th May, 2014, 13th August, 2014, 14th November 2014, and 13h February, 2015.

Name	Number of Meetings Attended
Mr. Chirag Shah	4
Mr. Vinod Kumar Kaushik	4
Mr. Ajay Singh Sethi	4
*Ms.Diana Joshi	2

\*Appointed w.e.f. 1st September, 2014

**(d) Status of Shareholders' Complaints as on 31 March, 2015**

During the year under review, the Company has not received any investor grievances. During the year, the Company / its Registrar have not received any investor complaints from SEBI / Stock Exchanges.

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

**5. Nomination and Remuneration Committee**

(i) The Company has constituted a Nomination and 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) on the basis of their performances.



- b) Approval of the commission payable to the Non-Executive Directors of the Company, if any.
- c) To identify persons who are qualified to become directors and who may be appointed as Directors. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors / Key Managerial Personnel.

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

- (ii) During the year 2014-15, one Nomination and Remuneration Committee Meeting was held on 13th February, 2015. 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/- for each Board and Committee meeting attended by the members of the Board, other than the Whole-time 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 2015:**

**a) Non-Executive Directors:**

Names	Sitting Fees (in Rs.)
Mr. Chirag Shah	7000
Mr. Ajay Singh Sethi	7000
Ms. Diana Joshi	7000

**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. 1.4.2014 for 5 years)	9.18	1.10	10.28

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 2015. Mr. Vinod Kumar Kaushik holds 100 Shares of the Company.

**6. General Body Meetings****(i) Annual General Meetings**

The Annual General meeting of the Company for financial years 2011-12, 2012-13 and 2013-14 were held at 207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, the details of which are as under:

Year	Day, Date & Time	Whether Special Resolution Passed
2013-2014	Tuesday, September 30, 2014 – 3.00 PM	NIL
2012-2013	Wednesday, September 30, 2013 – 3.00 PM	NIL
2011-2012	Thursday, September 26, 2012 – 11.00 AM	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 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

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 2014-15, 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 nomination and remuneration committee.

**8. Management Initiatives for Controls and Compliance**

The internal financial controls have been documented, embedded and digitised in the business processes. Internal controls are regularly tested for design and operating effectiveness.

**9. 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.

**10. General Shareholders Information****i) 28th Annual General Meeting**

Date Wednesday, 30th September, 2015

Time 4.00pm

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, 2015

**(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, 2015

**(iv) Listing on Stock Exchanges****Stock Exchanges****Stock Code**

Bombay Stock Exchange Limited  
Floor 25, P J Towers, Dalal Street,  
Mumbai – 400001

530191

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

CHROMATIC

Luxembourg Stock Exchange  
BP 165, L-2011, Luxembourg, Siege Social,  
11, avenue de la Porte - Neuve

CHROMATIC INDIALTD

**(v) Company Registration details**

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



**(vi) Market Price Data**

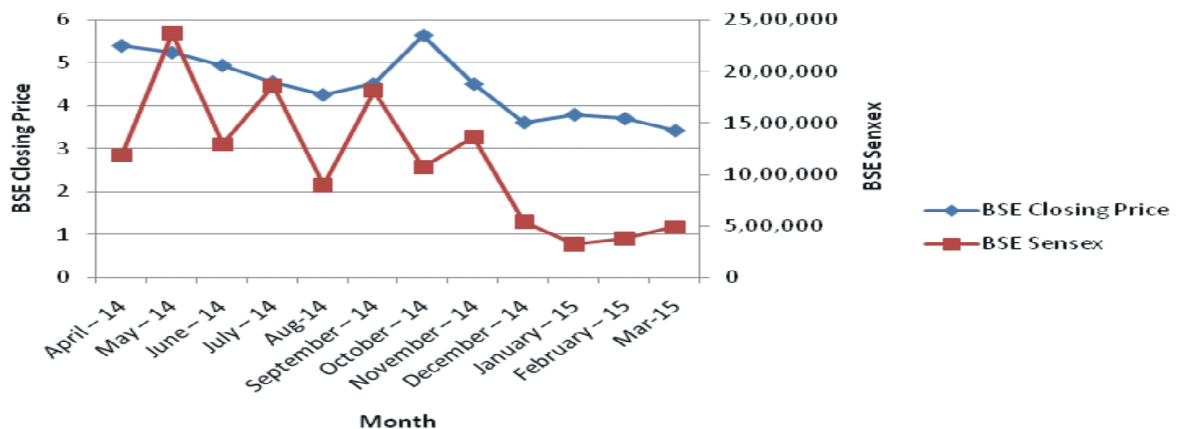
High, Low (based on the closing prices) and number of shares traded during each month in the financial year 2014-15 on the Bombay Stock Exchange Limited and National Stock Exchange:

Month	National Stock Exchange of India Limited		
	High Price (Rupees)	Low Price (Rupees)	Total No. of Shares Traded
April – 14	5.30	3.75	1,276,322
May – 14	6.35	4.80	1,194,304
June – 14	6.05	4.65	1,226,972
July – 14	5.30	3.80	1,565,103
August - 14	5.45	3.80	1,434,375
September – 14	5.75	4.10	2,262,904
October – 14	5.80	4.00	1,369,938
November – 14	5.95	4.40	2,008,195
December – 14	5.00	3.50	1,012,951
January – 15	4.25	3.35	814,496
February – 15	4.55	3.45	806,466
March - 15	4.20	2.55	541,201

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

Month	Bombay Stock Exchange Limited		
	High Price (Rupees)	Low Price (Rupees)	Total No. of Shares Traded
April – 14	5.39	3.82	1,185,599
May – 14	6.53	4.80	2,370,534
June – 14	6.17	4.71	1,294,481
July – 14	5.45	3.72	1,857,163
August - 14	5.80	3.70	899,460
September – 14	6.00	3.90	1,810,953
October – 14	5.65	4.00	1,070,376
November – 14	5.99	4.30	1,364,760
December – 14	4.90	3.60	539,857
January – 15	4.55	3.60	323,784
February – 15	4.60	3.20	382,099
March - 15	4.00	2.90	493,953

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





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

M/s Bigshare Services Private Limited  
 E/2 & 3 Ansa Industrial Estates, 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, 2015. 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, 2015:**

No. of Shares	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Upto – 500	1759	44.2850	399,337	0.5621
501 – 1000	707	17.7996	622,195	0.8758
1001-2000	484	12.1853	785,782	1.1061
2001-3000	216	5.4381	575,647	0.8102
3001-4000	103	2.5932	373,705	0.5260
4001-5000	179	4.5065	867,347	1.2208
5001-10000	215	5.4129	1,661,969	2.3393
10001 and above	309	7.7795	65,760,028	92.5597
<b>Total</b>	<b>3972</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, 2015.

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, 2015, 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, 2015.

The Global Depository Receipts (GDRs) issued in October, 2010 are listed on the Luxembourg Stock Exchange since then Outstanding GDRs as on March 31, 2015 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.

Name of the Custodian : The Bank of New York Mellon

Name of the Bank : DBS Bank Limited

**(xiii) Means of Communication**

Quarterly, Half yearly and Annual Financial Results of the Company are communicated to the Stock Exchanges, immediately after the same are considered by the Board, and are published in the Newspaper named NavShakti and Free Press Journal.

**(xiv) SEBI Complaints redressal System (SCORES)**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based system and online redressal of the Shareholders complaints. Our Company is in compliance with the SCORES and redressed the complaints well within the stipulated time.

**(xiii) Address for correspondence:**

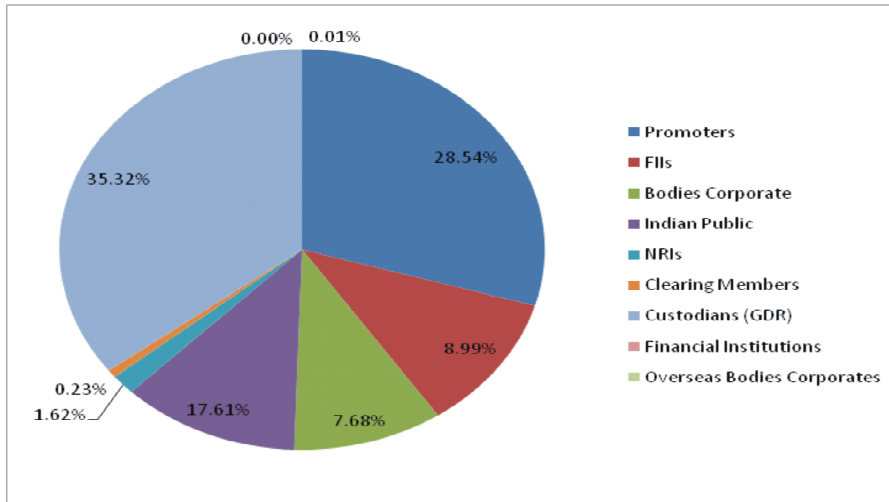
Chromatic India Limited  
207, Vardhaman Complex Premises Co-op Soc Ltd,  
L. B. S. Marg, Vikhroli (W),  
Mumbai – 400083  
Phone No.: 022 61369800  
Fax No.: 022 25793973  
Email Id: dyestuff@bom3.vsnl.net.in, cs@chromatic.in  
Website: www.chromatic.in

**(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, 2015**

Category	Shareholders(Nos)	No of Shares	Percentage
Promoter & Promoter Group	1	20,273,305	28.54
Foreign Institutional Investors (FIIs)	3	6,387,422	8.99
Public Shareholding			
Bodies Corporate	167	5,458,472	7.68
Indian Public	3678	12,515,557	17.61
NRIs	87	1,150,593	1.62
Clearing Members	34	159,695	0.23
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>3972</b>	<b>71,046,100</b>	<b>100.00</b>



**(xvi) Listing fees and Annual Custodian Fees**

The Company has already paid the Listing fees to National Stock Exchange of India Limited and Bombay Stock Exchange Limited for the F.Y 2015-16. The Company has yet to pay the Listing fees of Luxembourg Stock Exchange. The Annual Custodian Fees for the year 2015-16 will be paid by the Company immediately to NSDL and CDSL on receipt of the invoices from them.

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

- i) Communication to Shareholders: 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.
- ii) Audit Qualification: The Company is in the regime of unqualified financial statements.
- iii) Reporting of Internal Auditor :The Internal Auditor directly reports to the Audit Committee

**(12) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund**

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend for the following years, which remains unclaimed for seven years, will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

Members who have not so far encashed their dividend warrants are requested to seek revalidation of dividend warrants in writing to the Company’s Registrar and Transfer Agents , M/s Bigshare Services Private Limited, immediately. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Members are also advised to update their correspondence address in their demat accounts in case of their holdings in the electronic form or inform their latest correspondence address to the Registrars in case of holdings in physical form.

Information in respect of such unclaimed dividends due for transfer to the IEPF are as follows:

Financial Year	Date of Declaration of Dividend	Date on which dividend will become part of IEPF
2009-10(Interim)	January 29, 2010	March 07, 2017
2011-12(Interim)	February 08, 2012	March 16, 2019
2012-2013(Final)	September 30, 2013	November 06, 2020

**(13) Compliance Certificate of the Practicing Company Secretary**

Certificate from the Practicing Company Secretary, M/s. R.N.Gupta & Co., confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.



**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, 2015.

Mumbai, 01st August, 2015

**Vinod Kumar Kaushik**  
*Whole-time Director*  
(DIN02586479)



## 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 2015.

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.

Place: Mumbai  
Dated: 30th July, 2015

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

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



**Certification by Whole Time Director**

I, Vinod Kumar Kaushik, the Whole Time Director hereby certify that:

- a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2015 are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - (iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**V.K.Kaushik**  
*Whole Time Director*



## Independent Auditor's Report

To The Members of **Chromatic India Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Chromatic India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, subject to note nos. 27, 28, 29, 30 & 35 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 Standalone Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Standalone Statement of Profit and Loss, of the Profit of the company for the year ended on that date and
- (c) In the case of the Standalone 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that :
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
  - e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place: Mumbai  
Date: May 29, 2015

**Annexure to Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of **Chromatic India Limited** on the standalone financial statements for the year ended March 31, 2015, we report that:

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.
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.
3. In respect of the Loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') there is no overdue amount of loan granted to said companies.
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. According to the information and explanations given to us, the company has not accepted any deposits from the public.
6. The Company is required to maintain the cost records as prescribed by the Central Government of India under sub-section (1) of section 148 of the Companies 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.
7. 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.
  - c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under has been transferred to such fund within time.



8. The Company has no accumulated losses at the end of the financial.
9. 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 a financial institution or bank or debenture holders.
10. 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
11. 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.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

Place: Mumbai  
Date: May 29, 2015



## Balance Sheet as on 31st March 2015

(Amount in INR)

Particulars	Note No.	As on 31st March 2015	As on 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	71,04,61,000	71,04,61,000
(b) Reserves and Surplus	2	2,64,10,50,042	2,55,29,26,070
		<u>3,35,15,11,042</u>	<u>3,26,33,87,070</u>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	2,15,063	3,39,733
(b) Deferred Tax Liabilities (Net)		40,71,791	39,76,506
(c) Long-Term Provisions		-	-
		<u>42,86,854</u>	<u>43,16,239</u>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	4	6,65,53,616	11,74,76,776
(b) Trade Payables	5	66,60,09,707	73,32,71,483
(c) Other Current Liabilities	6	25,98,191	33,86,098
(d) Short-Term Provisions	7	5,65,300	9,86,453
		<u>73,57,26,814</u>	<u>85,51,20,810</u>
<b>TOTAL</b>		<b><u>4,09,15,24,709</u></b>	<b><u>4,12,28,24,119</u></b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	8	3,51,82,074	3,76,57,472
ii) Intangible Assets		-	-
iii) Capital Work-In-Progress	8	1,05,72,00,000	1,05,72,00,000
iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	9	22,64,490	22,64,490
(c) Long-Term Loans and Advances	10	2,26,81,21,946	2,17,93,77,399
(d) Other Non-Current Assets		-	-
		<u>3,36,27,68,510</u>	<u>3,27,64,99,361</u>
<b>Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	11	6,12,96,905	7,28,34,297
(c) Trade Receivables	12	54,69,29,110	65,95,03,671
(d) Cash and Bank Balances	13	2,04,19,525	86,48,322
(e) Short-Term Loans and Advances	14	10,01,10,659	10,53,38,469
		<u>72,87,56,200</u>	<u>84,63,24,758</u>
<b>TOTAL</b>		<b><u>4,09,15,24,709</u></b>	<b><u>4,12,28,24,119</u></b>

## Significant Accounting Policies and Notes to Financial Statements 23 to 47

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 : 29 th May,2015

**Mr.V.K.Kaushik**  
Wholetime Director  
Din No : 02586479  
Place: Mumbai  
Date : 29 th May,2015

**Mr.Chirag Shah**  
Director  
Din No : 06583820



## Statement of Profit &amp; Loss for the year ended 31st March 2015

(Amount in INR)

Particulars	Note No.	As on 31st March 2015	As on 31st March 2014
<b>I. INCOME</b>			
(a) Revenue from operations	15	40,73,52,652	27,33,15,510
(b) Other income	16	66,62,964	1,25,89,872
<b>Total</b>		<b>41,40,15,616</b>	<b>28,59,05,382</b>
<b>II. Expenses</b>			
(a) Raw Material consumed	17	36,30,33,921	24,12,32,254
(b) (Increase)/Decrease in Inventories (WIP)	18	(43,56,390)	(40,49,073)
(c) Employee benefits expense	19	1,45,52,004	1,36,38,786
(d) Finance Cost	20	88,96,297	91,42,181
(e) Depreciation and Amortization expense	21	24,26,255	36,23,822
(f) Other expenses	22	2,89,74,889	2,20,53,952
<b>Total</b>		<b>41,35,26,976</b>	<b>28,56,41,922</b>
<b>III. Profit before tax</b>		<b>4,88,640</b>	<b>2,63,460</b>
<b>IV. Tax expense:</b>			
(a) Current tax		80,000	75,000
(b) Deferred tax		95,285	61,194
<b>Add/(Less):Prior year income (net)</b>		<b>-</b>	<b>-</b>
<b>V. Net Profit after Tax</b>		<b>3,13,355</b>	<b>1,27,266</b>
<b>VI. Earnings per Equity Share:</b>			
(a) Basic		0.004	0.002
(b) Diluted		0.004	0.002

**Significant Accounting Policies and Notes to Financial Statements** 23 to 47

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 : 29 th May,2015

**Mr.V.K.Kaushik**

Wholetime Director

**Din No : 02586479**

Place: Mumbai

Date : 29 th May,2015

**Mr.Chirag Shah**

Director

**Din No : 06583820**



**Notes forming part of the financial statements**

**Note -1 Share Capital**

1.1 Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs 10/- each	125000000	1,25,00,00,000	125000000	1,25,00,00,000
<b>Issued</b>				
Equity Shares of Rs 10/- each	71046100	71,04,61,000	71046100	71,04,61,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10/- each fully paid	71046100	71,04,61,000	71046100	71,04,61,000
<b>Total</b>	<b>71046100</b>	<b>71,04,61,000</b>	<b>71046100</b>	<b>71,04,61,000</b>

**1.2 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 2015		As at 31 March 2014	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	71046100	71,04,61,000	71046100	71,04,61,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>71046100</b>	<b>71,04,61,000</b>	<b>71046100</b>	<b>71,04,61,000</b>

**1.3 Details of Shares held by the Holding Company, the ultimate Holding Company their subsidiaries and associates**

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	20273305	20,27,33,050	20988305	20,98,83,050

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

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	25096941	35.32%	25096941	35.32%
M/s. Cheetah Multitrade Pvt. Ltd.	20273305	28.54%	20988305	29.54%



Notes forming part of the financial statements

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-2 Reserves and Surplus</b>		
<b>a. Capital reserve</b>	-	-
Opening balance	16,95,000	16,95,000
Add: Additions during the year (give details)	-	-
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	16,95,000	16,95,000
<b>b. Securities premium account</b>		
Opening balance	1,98,58,12,100	1,98,58,12,100
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:		
Issuing bonus shares	-	-
Closing balance	1,98,58,12,100	1,98,58,12,100
<b>c. General reserve</b>		
Opening balance	1,79,78,960	1,79,78,960
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	1,79,78,960	1,79,78,960
<b>d. Foreign currency translation reserve</b>		
Opening balance	53,85,94,363	33,10,13,749
Add / (Less): Effect of foreign exchange rate variations during the year	8,85,85,357	20,75,80,614
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	62,71,79,720	53,85,94,363
<b>e. Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	88,45,647	87,18,382
Add: Profit / (Loss) for the year	3,13,355	1,27,266
Add: Adjustment Relating to Fixed Assets*	(7,74,141)	-
TOTAL	83,84,862	88,45,647
Add/ (Less): Prior Period Expenses	(600)	-
Profit after Tax and Prior Period Adjustments	83,84,262	88,45,647
Less: Provision for dividend (including Dividend Tax)	-	-
Closing balance	83,84,262	88,45,647
<b>Total</b>	<b>2,64,10,50,042</b>	<b>2,55,29,26,070</b>

\* pursuant to provisions of Companies Act; 2013





Notes forming part of the financial statements

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note - 3 Long-term borrowings</b>		
<b>a. Term loans</b>		
<b>From banks</b>		
Secured	-	-
Unsecured	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>From other parties</b>		
Secured*	2,15,063	3,39,733
Unsecured	-	-
<b>Total</b>	<b>2,15,063</b>	<b>3,39,733</b>
<b>Total</b>	<b>2,15,063</b>	<b>3,39,733</b>

\* Secured by Hypothecation of underlying assets purchased.

**Note - 4 Short-term borrowings**

<b>a. Loans repayable on demand</b>		
<b>From banks</b>		
Secured#:		
1. Cash Credit Limit from Bank of India	(78,27,954)	73,59,219
2. Export Packing Credit Limit from Bank of India	2,90,89,999	3,55,79,730
Unsecured	-	-
<b>Total (a)</b>	<b>2,12,62,045</b>	<b>4,29,38,949</b>
<b>b. From other parties</b>		
Secured @	2,14,85,672	2,17,20,277
Unsecured	2,34,30,427	2,05,24,744
Advances from Customer	3,75,472	3,22,92,805
<b>Total (b)</b>	<b>4,52,91,571</b>	<b>7,45,37,826</b>
<b>Total</b>	<b>6,65,53,616</b>	<b>11,74,76,776</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



## Notes forming part of the financial statements

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note - 5 Trade payables</b>		
Trade payables:		
Acceptances	-	-
Other than Acceptances	66,60,09,707	73,32,71,483
<b>Total</b>	<b>66,60,09,707</b>	<b>73,32,71,483</b>
<b>Note-6 Other current liabilities</b>		
a. Current maturities of long-term debt (Refer Note (i) below)	-	5,60,000.00
b. Current maturities of finance lease obligations	1,24,670.00	2,25,644.00
c. Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	4,96,472	1,53,886
(ii) Others: Salary & Wages	6,05,140	5,95,810
(iii) Other Liabilities	12,91,909	17,75,758
(iv) Current Year Tax Provision	80,000	75,000
<b>Total</b>	<b>25,98,191</b>	<b>33,86,098</b>
Note (i): Current maturities of long-term debt (Refer Notes 3 - Long-term borrowings for details of security and guarantee):		
<b>(a) Term loans</b>		
From banks		
Secured#	-	5,60,000
Unsecured	-	5,60,000
<b>(b) From other parties</b>		
Secured	1,24,670	2,25,644
Unsecured	-	-
<b>Total</b>	<b>1,24,670</b>	<b>7,85,644</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>		
<b>Provision for employee benefits:</b>		
i. Provision for bonus	3,97,600	4,04,833
ii. Provision for other employee benefits - Exgratia	1,67,700	1,68,111
iii. Provision for Gratuty employee benefits	-	4,13,509
<b>Total</b>	<b>5,65,300</b>	<b>9,86,453</b>



**Note-8  
Fixed Assets**

Particular	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 01.04.2014	Additions	Other Adjustments	Deductions	Balance as at 31.03.2015	Up to 31.03.2014	Depreciation charge for the year	On disposals	Balance as at 31.03.2015	Balance as at 31.03.2014
<b>a) TANGIBLE ASSETS</b>										
LAND - LEASE HOLD	1,17,02,920	-	-	-	1,17,02,920	7,01,899	1,56,713	-	1,08,44,308	1,10,01,021
BLDG. & RESI.FLAT	3,06,48,278	-	-	-	3,06,48,278	1,58,16,890	9,94,125	1,68,11,015	1,48,31,388	
PLANT & MACHINERY	5,46,01,629	6,36,524	(3,65,828)	-	5,48,72,325	4,56,16,912	5,60,509	4,61,77,421	89,84,717	
OFFICE & OTHERS EQUIP.	60,80,168	88,476	(3,58,802)	-	58,09,842	53,92,888	1,18,202	-	2,98,752	6,87,280
FURNITURE & FIXTURE	27,81,217	-	-	-	27,81,217	27,75,112	866	27,75,978	6,105	
VEHICLES	48,01,653	-	(49,511)	-	47,52,142	26,54,692	5,95,840	-	15,01,610	21,46,961
<b>TOTAL</b>	<b>11,06,15,865</b>	<b>7,25,000</b>	<b>(7,74,141)</b>	<b>-</b>	<b>11,05,66,724</b>	<b>7,29,58,393</b>	<b>24,26,255</b>	<b>-</b>	<b>3,51,82,074</b>	<b>3,76,57,472</b>
<b>b) INTANGIBLE ASSETS</b>										
CAPITAL W.I.P.	1,05,72,00,000	-	-	-	1,05,72,00,000	-	-	-	1,05,72,00,000	1,05,72,00,000
<b>TOTAL (A+B)</b>	<b>1,16,72,15,865</b>	<b>7,25,000</b>	<b>(7,74,141)</b>	<b>-</b>	<b>1,16,77,66,724</b>	<b>7,29,58,393</b>	<b>24,26,255</b>	<b>-</b>	<b>1,09,23,82,074</b>	<b>1,09,46,57,472</b>
Previous Year	1,16,72,37,014	5,78,851	-	-	1,16,78,15,865	6,93,34,571	36,23,822	-	1,09,48,57,472	1,09,79,02,443

**NOTES:**

- 8.1** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs 7.74 lacs.
- 8.2** In the absence of complete details of additions in the case of buildings, revised estimated remaining life has been considered as certified by the management. The WDV as on 31.03.2014 has been depreciated in the remaining estimated life of the asset as such. In the case of Factory Building remaining life has been estimated at 10 years and in case of office and store building, the life has been estimated at 35 years.
- 8.3** Leased hold land has been depreciated over the lease period as per the policy of the company.



Notes forming part of the financial statements

Note - 9 Non-Current Investment

Details of Non-Current Investment

Name of the Body	Corporate Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)	
		2015	2014			2015	2014	2015	2014
<b>Investment in Equity Instruments</b>									
<b>Long Term, Trade</b>									
Chromatic Ferro Alloys Ltd. Equity shares of 10/- each fully paid up	Subsidiary	99940	99940	Unquoted	Fully paid	99.94%	99.94%	9,99,940	9,99,940
Chromatic International FZE Equity shares of 100000 AED each fully paid	Subsidiary	100000	100000	Unquoted	Fully paid	100%	100%	12,28,550	12,28,550
<b>Long Term, Non - Trade</b>									
Equity shares of Bank of India of Rs. 10 each at a premium of Rs. 35/- each	Others	800	800	Quoted	Fully paid	-	-	36,000	36,000
<b>Total</b>								<b>22,64,490</b>	<b>22,64,490</b>

Particulars

As at 31st March, 2015 ₹

As at 31st March, 2014 ₹

Note - 10 Long-term loans and advances

a. Security deposits

Secured, considered good	-	-
Unsecured, considered good	12,74,181	12,08,177
Doubtful	-	-
Sub-Total	12,74,181	12,08,177
Less: Provision for doubtful deposits	-	-
<b>Sub-Total (a)</b>	<b>12,74,181</b>	<b>12,08,177</b>

b. Loans and advances to related parties

Secured, considered good	-	-
Unsecured, considered good:		
-Arcoiris SA	1,36,03,915	1,36,03,915
-Chromatic International FZE	2,25,03,32,515	2,16,17,47,158
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
<b>Sub-Total (b)</b>	<b>2,26,39,36,430</b>	<b>2,17,53,51,073</b>

c. Advance income tax (net of provisions) - Unsecured, considered good

	29,11,335	28,18,149
<b>Sub-Total (c)</b>	<b>29,11,335</b>	<b>28,18,149</b>
<b>Total (a+b+c)</b>	<b>2,26,81,21,946</b>	<b>2,17,93,77,399</b>



Notes forming part of the financial statements

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-11 Inventories</b> (At lower of cost and net realisable value)		
a. Raw materials (including Goods in transit)	4,61,77,040	6,20,70,822
b. Finished Goods	-	-
c. Work-in-progress	1,51,19,865	1,07,63,475
<b>Total</b>	<b>6,12,96,905</b>	<b>7,28,34,297</b>
<b>Note-12 Trade receivables</b>		
<b>a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	62,32,80,662	62,39,20,745
Doubtful	-	-
Sub-Total	62,32,80,662	62,39,20,745
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>62,32,80,662</b>	<b>62,39,20,745</b>
<b>b. Other Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	2,30,15,027	3,59,65,189
Doubtful	-	-
Sub-Total	2,30,15,027	3,59,65,189
Less: Provision for doubtful trade receivables	3,82,263	3,82,263
<b>Total</b>	<b>2,26,32,764</b>	<b>3,55,82,926</b>
<b>Total</b>	<b>54,69,29,110</b>	<b>65,95,03,671</b>
<b>Note-13 Cash and cash equivalents</b>		
a. Cash on hand	11,40,453	3,39,684
b. Cheques, drafts on hand	-	-
c. Balances with banks:		
(i) In current accounts	1,63,71,891	56,92,764
(ii) In EEFC accounts		
(iii) In deposit accounts	69,089	63,773
(iv) In earmarked accounts		
- Unpaid dividend accounts	1,769	64,778
- 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	28,35,685	24,86,686
- Other earmarked accounts (Gratuity Account)	638	638
<b>Total</b>	<b>2,04,19,525</b>	<b>86,48,322</b>



## Notes forming part of the financial statements

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-14 Short-term loans and advances</b>		
<b>a. Loans and advances to employees</b>		
Secured, considered good	-	-
Unsecured, considered good	8,18,181	1,30,095
Doubtful	-	-
	<u>8,18,181</u>	<u>1,30,095</u>
Less: Provision for doubtful loans and advances	-	-
<b>Total (a)</b>	<b>8,18,181</b>	<b>1,30,095</b>
<b>b. Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)</b>		
	84,871	1,42,297
<b>Total (b)</b>	<b>84,871</b>	<b>1,42,297</b>
<b>c. Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	1,91,38,417	2,35,12,226
(iii) Service Tax credit receivable	2,65,577	51,254
(iv) Export Incentive Receivable	1,38,75,155	1,51,53,131
(v) Balance with Central Excise	1,48,55,210	1,53,42,824
<b>Total (c)</b>	<b>4,81,34,359</b>	<b>5,40,59,435</b>
<b>d. Others (Advances Recoverable)</b>		
Secured, considered good	-	-
Unsecured, considered good	5,10,73,248	5,10,06,642
Doubtful	-	-
Sub-Total	<u>5,10,73,248</u>	<u>5,10,06,642</u>
Less: Provision for other doubtful loans and advances	-	-
<b>Total (d)</b>	<b>5,10,73,248</b>	<b>5,10,06,642</b>
<b>Total</b>	<b>10,01,10,659</b>	<b>10,53,38,469</b>



## Notes forming part of the financial statements

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
<b>15. Revenue from Operations</b>		
Sale of products	31,33,36,362	26,76,49,551
Sales of traded goods	9,40,16,290	56,65,959
<b>Total</b>	<b>40,73,52,652</b>	<b>27,33,15,510</b>
<b>16. Other Income</b>		
Interest Received	2,79,930	1,93,483
Dividend-others from Long Term Investments	-	12,000
Rent Recd	9,60,000	4,00,000
Conversion Charges	13,19,906	7,30,553
Duty Drawback	50,81,390	52,47,132
Misc & other income	2,44,187	8,57,845
Exchange variation	(12,22,449)	51,48,859
<b>Total</b>	<b>66,62,964</b>	<b>1,25,89,872</b>
<b>17. Purchase &amp; Direct Expenses</b>		
<b>Raw Material consumed</b>		
Opg Stock of Raw Material	6,20,70,822	4,10,07,117
Add : Raw Material Purchase	33,51,54,252	25,52,69,408
Packing Material	26,25,292	22,49,414
Freight Inward	93,60,594	47,77,138
	<b>40,92,10,961</b>	<b>30,33,03,076</b>
Less : Closing stock	4,61,77,040	6,20,70,822
<b>Total</b>	<b>36,30,33,921</b>	<b>24,12,32,254</b>
<b>18. (Increase)/Decrease in Inventories</b>		
Inventory at the beginning of the year		
Finished Goods	-	-
Work in Progress	1,07,63,475	67,14,402
<b>TOTAL</b>	<b>1,07,63,475</b>	<b>67,14,402</b>
Inventory at the end of the year		
Finished Goods	-	-
Work in Progress	1,51,19,865	1,07,63,475
<b>TOTAL</b>	<b>1,51,19,865</b>	<b>1,07,63,475</b>
<b>(Increase) in Inventories</b>	<b>(43,56,390)</b>	<b>(40,49,073)</b>



## Notes forming part of the financial statements

Particulars	For the year ended	
	31st March, 2015	31st March, 2014
	₹	₹
<b>19. Employee Benefit Expenses</b>		
Salary, Wages and Bonus Etc.	1,23,99,107	1,18,48,756
Company's Contribution to Provident Fund, ESIC & Gratuity	13,84,552	8,10,315
Staff welfare Expenses & other Amenities	7,68,345	9,24,577
Leave Encashment	-	55,138
<b>Total</b>	<b>1,45,52,004</b>	<b>1,36,38,786</b>
<b>20. Finance Cost</b>		
Interest expense		
Bank Interest	36,37,290	37,43,703
Other Interest	34,96,169	45,03,829
Bank Charges	17,62,838	8,94,649
<b>Total</b>	<b>88,96,297</b>	<b>91,42,181</b>
<b>21. Depreciation and Amortization Expenses</b>		
Depreciation on tangible assets	24,26,255	36,23,822
<b>Total</b>	<b>24,26,255</b>	<b>36,23,822</b>
<b>22. Other Expenses</b>		
Rates & Taxes	10,20,499	3,96,435
Power & Water	45,16,046	53,95,256
Stores & Spares	10,83,331	12,17,325
Repairs and Maintenance :	-	-
- Repairs to Building	3,19,095	16,73,812
- Repairs to Machinery	3,91,377	3,65,098
- Repairs to Others	1,24,030	1,46,624
Advertisement & Sales Promotion	1,25,820	2,05,678
Freight & Forwarding Charges	59,41,611	28,12,962
Travelling Expenses	3,70,627	1,51,952
Auditor's Remuneration (Refer Note No.21)	5,00,206	5,18,864
Insurance	1,74,024	1,78,179
Telephone Charges	2,32,832	2,69,331
Car Expenses	7,30,632	5,96,580
Labour Charges	31,70,856	31,09,405
Stamp duty on lease agreement	-	2,68,800
General Expenses	23,25,364	17,01,653
Annual Listing Exps	6,75,026	5,73,924
Professional Charges	11,00,844	20,46,743
Printing & Stationery	2,23,671	2,42,893
Balance Written Off	59,48,998	1,82,437
<b>Total</b>	<b>2,89,74,889</b>	<b>2,20,53,952</b>
<b>*Payment to Auditors</b>		
<b>a) As Auditors</b>		
Statutory Audit fee	1,90,000	
Tax Audit Fees	70,000	2,60,000
Other services (certification fees)		99,980
Reimbursement of expenses		1,40,226
<b>Total</b>	<b>5,00,206</b>	<b>5,18,864</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**

- a) These financial statements have been prepared in compliance with the Generally Accepted Accounting Principles applicable in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act,2013.
- b) The financial statements have been prepared under historical cost convention, on an accrual basis. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs.

**24.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

**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.

**Rentals**

Revenue is recognised on accrual & time proportion basis.

**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 (net of Cenvat Credit) of acquisition/construction and includes amounts added on revaluation, less accumulated depreciation and impairment loss. Cost includes purchase price, borrowing costs and any direct expenses as well as clearly identifiable indirect expenses incurred to bring the assets to their working condition for its intended use.

**24.6 Depreciation and Amortisation**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on 'Straight Line Method' as on 31.03.2014 on the remaining useful life of the Assets in the manner and at the rates specified in Schedule II of the Companies Act, 2013 except in the case of buildings where WDV as on 31.03.2014 has been depreciated in the remaining estimated life of the asset (as certified by the management in the absence of complete details of additions), which is different then those prescribed in schedule-II. Assets acquired under finance lease are depreciated over the period of lease. Leasehold land & and premium thereon are depreciated over the period of lease. Also individual capital items of upto a value of Rs.5,000/- have been fully depreciated.

**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.

**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 31-03-15<br>(Rupees) | As at 31-03-14<br>(Rupees) |
|---|----------------------------|----------------------------|
| Bank Guarantees (secured by fixed deposit receipts) | 3,89,083                   | 76,274                     |
- 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.2250332515/-** given to Chromatic International FZE, the subsidiary of the company for overseas Business Development. The subsidiary 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. Net worth of Arcoiris SA is fully eroded and the company has been liquidated during the year 2011-12. However, no provision is made for investment made by the company in Arcoiris S.A. amounting to **Rs.26.23 lacs** and advances and interest receivable amounting to **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. These advances are subject to confirmation and reconciliation.
- 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.
- | 32 Net amount of exchange differences   | As at 31-03-15<br>(Rupees) | As at 31-03-14<br>(Rupees) |
|---|----------------------------|----------------------------|
| The net amount of exchange differences debited / (credited) 'to profit & loss account | 12,22,449                  | (51,48,859)                |
- 33 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs 7.74 lacs. In the absence of complete details of additions in the case of buildings, revised estimated remaining life has been considered as certified by the management. The WDV as on 31.03.2014 has been depreciated in the remaining estimated life of the asset as such. In the case of Factory Building remaining life has been estimated at 10 years and in case of office and store building, the life has been estimated at 35 years. Lease hold land has been depreciated over the lease period as per the policy of the company.
- 34 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

	<b>2014-15</b>	<b>2013-14</b>
Employers Contribution to Provident fund	7,40,225.00	7,93,634.00

**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

	<b>2014-15</b>	<b>2013-14</b>
Employers Contributions to Employee State Insurance	8,396.00	10,979.00

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 2014-15</b>	<b>Gratuity 2013-14</b>
Present value of obligation at the beginning	-	35,38,966.00
Current service costs	1,95,309.00	1,86,838.00
Benefits paid		
Acturial (Gain)/Loss on obligation	40,13,027.00	63,329.00
Present value of obligation at the end	42,08,336.00	37,89,133.00

<b>II. Amount to be recognized in the Balance Sheet:</b>	<b>2014-15</b>	<b>2013-14</b>
Present value of obligation at the end of the current year	42,08,336.00	37,89,133.00
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	42,08,336.00	33,75,624.00
Unrecongized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	-	4,13,509.00

<b>III. Expenses recognized in the Statement of Profit &amp; Loss:</b>	<b>2014-15</b>	<b>2013-14</b>
Current service cost	1,95,309.00	1,86,838.00
Net Actuarial (Gain)/Loss recognized in the I.V.P	3,25,258.00	(2,58,443.00)
Expenses recognized in the Statement of Profit & Loss	15,275.00	(71,605.00)

<b>IV. Actuarial Assumptions:</b>	<b>LIC 1994-96 (Ultimate) 2014-15</b>	<b>LIC 1994-96 (Ultimate) 2013-14</b>
Discounting Rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawal Rate	1% - 3%	1% - 3%
Average Past Service	20	18.70



### 35 Segment reporting

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

Particulars	Domestic	Overseas	Total
Sales	9,40,16,290 (56,65,959)	31,33,36,362 (26,76,49,551)	40,73,52,652 (27,33,15,510)
<b>Total Sales</b>	<b>9,40,16,290</b> (56,65,959)	<b>31,33,36,362</b> (26,76,49,551)	<b>40,73,52,652</b> (27,33,15,510)

Figures in bracket represent previous year figures.

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

Name of the country	2014-15 (Rupees)	2013-14 (Rupees)
India	9,40,16,290	56,65,959
Switzerland	19,37,72,747	18,26,52,347
Austria	1,92,17,770	16,79,739
Italy	40,18,223	87,33,853
Singapore	9,63,27,623	7,45,83,612
<b>Total</b>	<b>40,73,52,652</b>	<b>27,33,15,510</b>

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 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
Export Debtors	4,82,01,186	3,16,33,269
<b>Total</b>	<b>4,82,01,186</b>	<b>3,16,33,269</b>

### 36 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.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel
(g) Mr. Chirag Shah (From 29/05/2013)	Key Managerial Personnel
(h) Diana Mahesh Joshi (From 01/09/2014)	Key Managerial Personnel

(ii) Remuneration to Whole Time Directors: (Includes benefits which are debited to respective expenses)	As at 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
a Remuneration	9,18,000	8,10,000
b Provident Fund Contribution	1,10,160	97,200
c Other Perquisites (LTA & Medical Allowance)	15,000	30,000
<b>Total</b>	<b>10,43,160</b>	<b>9,37,200</b>



(iii) Transactions during the year with related parties(excluding reimbursements)	2014-15 (Rupees)	2013-14 (Rupees)
<b>With Holding Company: Cheetah Multitrade Pvt. Ltd.</b> Unsecured loan taken	32,95,938	41,86,464
<b>With Arcoiris SA</b>		
<b>Sales</b>	-	-
<b>Interest income</b>	-	-
<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. Advances given / received back	- -	- (8,25,000)
<b>With Key Managerial Personnel :</b> Mr.V.K.Kaushik-Remuneration	10,43,160	9,37,200
(iii) <u>Closing balance as on 31st March:</u>		
<b>With Holding Company: Cheetah Multitrade Pvt. Ltd.</b> Unsecured loan taken	81,82,402	48,86,464
<b>With Arcoiris SA</b> Unsecured loan given (including interest and exchange rate difference)	1,36,03,915	1,36,03,915
<b>With Subsidiary: Chromatic International FZE</b> Investment in Share Capital of Chromatic International FZE Unsecured loan given (including exchange rate difference)	12,28,550 2,25,03,32,515	12,28,550 2,16,17,47,158
<b>With Subsidiary: Chromatic Ferro Alloys Ltd.</b> Investment in Share Capital of Chromatic Ferro Alloys Ltd. Advances given	9,99,940 4,50,000	9,99,940 4,50,000

**37 Calculation of Earning Per Shares**

(i) Basic EPS	As at 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	3,13,355	1,27,266
Weighted average no. of Equity Shares used as denominator	7,10,46,100	7,10,46,100
<b>Basic Earning Per Share (In Rupees)</b>	<b>0.004</b>	<b>0.002</b>
(ii) Diluted EPS	As at 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	3,13,355	1,27,266
Weighted average no. of Equity Shares used as denominator	7,10,46,100	7,10,46,100
<b>Diluted Earning Per Share (In Rupees)</b>	<b>0.004</b>	<b>0.002</b>





38 Deferred Tax

Particulars	Opening Balance as at 01.04.2014	During the year 2014-15	Closing Balance as at 31.03.2015
<b>Deferred Tax Assets</b>			
Ex-Gratia	51,946	(127)	51,819
Bonus	1,25,093	(2,235)	1,25,093
Gratuity	1,27,774	(1,27,774)	1,27,774
VRS	-	-	-
	<b>3,04,813</b>	<b>(1,30,136)</b>	<b>3,04,686</b>
<b>Deferred Tax Liability</b>			
Depreciation	42,81,321	(34,851)	42,46,470
<b>Net Deferred Tax Liability</b>	<b>39,76,508</b>	<b>95,285</b>	<b>40,71,793</b>

39 Disclosure pursuant to Clause 32 of The Equity Listing Agreement and section 186 of the Companies Act, 2013  
(Rs in Lacs)

Particulars	Year ended 31/03/2015	Year ended 31/03/2014
<b>Loans and advances in the nature of loans to subsidiaries</b>		
<b>Chromatic International FZE</b>		
Balance as at the year end	22,503.33	21,617.47
Maximum amount outstanding at any time during the year (Interest free loan given to subsidiary has been utilised for meeting working capital requirement)	22,886.75	22,542.99
<b>Chromatic Ferro Alloys Ltd</b>		
Balance as at the year end	4.50	4.50
Maximum amount outstanding at any time during the year (Interest free loan given to subsidiary has been utilised for meeting working capital requirement)	4.50	12.75

<b>40 Earnings in foreign currency</b>	<b>As at 31-03-15 (Rupees)</b>	<b>As at 31-03-14 (Rupees)</b>
F.O.B. Value of Exports (on accrual basis)	31,33,36,362	26,76,49,551
<b>41 Value of import on CIF basis</b>	<b>As at 31-03-15 (Rupees)</b>	<b>As at 31-03-14 (Rupees)</b>
Raw Materials & Packing Material Purchased	16,74,73,054	4,28,38,280
Stores and Spares Purchased	-	-
<b>42 Expenditure in foreign currency</b>	<b>As at 31-03-15 (Rupees)</b>	<b>As at 31-03-14 (Rupees)</b>
Travelling Expenses	2,44,245	23,010



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

Particulars	Currency	As at 31-03-15		As at 31-03-14	
		USD	Rupees	USD/EURO	Rupees
Debtors (net of advances)	USD	7,64,110.98	4,78,26,318	5,29,912.95	3,22,31,948
	EURO	-	-	49,930.00	41,66,658

44 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 2015, and concluded that there have been no significant impaired fixed assets that need to be recognized in the books of accounts.

45 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 31-03-15 (Rupees)	Maximum balance outstanding during the year
Unsecured Loan to Chromatic International FZE	2,25,03,32,515 (2,16,17,47,158)	2,28,86,75,431 (2254299024)

Figures in bracket represent previous year figures.

46 Additional quantitative information

A	Details of licensed and installed capacity and actual production	As at 31-03-15 in KG	As at 31-03-14 in KG
	Licensed capacity	12,00,000	12,00,000
	Installed capacity	12,00,000	12,00,000
	Actual production	8,92,123	9,15,683

B Details of finished goods / WIP as on 31-03-15

All Quantities are in KG

Particulars	Opening Stock		Production Turnover			Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S.O. Dyestuffs (Reactive dyes)	31,890	1,07,63,475	8,92,123	8,65,956	40,73,52,652	58,057	1,51,19,865
<b>Total</b>	<b>31,890</b>	<b>1,07,63,475</b>	<b>8,92,123</b>	<b>8,65,956</b>	<b>40,73,52,652</b>	<b>58,057</b>	<b>1,51,19,865</b>
Previous Year	(30,033)	(67,14,402)	(9,15,683)	(9,13,826)	(27,33,15,510)	(31,890)	(1,07,63,475)

Figures in bracket represent previous year figures.

C Raw material consumed/ sales

Particulars	For the year ended 31-03-15		For the year ended 31-03-14	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	133608	111139734	129174	58967271
J. Acid	12440	9202001	22048	9142511
Vinyl Sulphone	118252	33691956	308152	66712897
F.Oil	29575	820787	199580	15851880
Other raw materials	-	208179443	-	104611767
<b>Total</b>		<b>36,30,33,921</b>		<b>25,52,86,326</b>

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

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Value (Rs.)	%	Value (Rs.)	%
<b>A) Raw Material &amp; Packing Material</b>				
Imported	16,74,73,054	46.13	4,28,38,280	16.78
Indigenous	19,55,60,867	53.87	21,24,48,046	83.22
<b>Total</b>	<b>36,30,33,921</b>	<b>100.00</b>	<b>25,52,86,326</b>	<b>100.00</b>
<b>B) Stores &amp; Spares</b>				
Imported	-	0.00	-	0.00
Indigenous	10,83,331	100.00	12,17,324	100.00
<b>Total</b>	<b>10,83,331</b>	<b>100.00</b>	<b>12,17,324</b>	<b>100.00</b>

47 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.

**AUDITORS' REPORT**

**As per our report of even date attached**

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

*Chartered Accountants*

(Firm Regn. No. 004017C)

**CA. Sudhir K. Jain**

*Partner*

Membership No.: 072282

Place : Mumbai

Date : 29th May, 2015

**For and on behalf of Board of Directors**

**Mr.V.K.Kaushik**

*Wholetime Director*

**Din No : 02586479**

**Mr.Chirag Shah**

*Director*

**Din No : 06583820**

Place: Mumbai

Date : 29th May, 2015



**CASH FLOW STATEMENT AS ON 31.03.2015**

(Amount in Lacs)

	PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2015
<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax & Extraordinary Items	4.89	2.63
	Adjustment for :		
	Depreciation	24.26	36.24
	Depreciation Deletion	-	-
	Interest	71.33	82.48
	Rental Income	(9.60)	(4.00)
	Dividend Income	-	(0.12)
	Interest earned	(2.80)	(1.93)
	Loss/ expenses of previous year adjusted	-	-
		83.19	112.66
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>88.08</b>	<b>115.29</b>
	Adjustment for :		
	Trade and other Receivables including Loans & Advances	1,176.43	38.14
	Inventories	115.37	(251.13)
	Trade & Other Payables	(684.68)	(67.15)
		607.12	(280.13)
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>695.20</b>	<b>(164.84)</b>
	Taxes Paid	-	-
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>695.20</b>	<b>(164.84)</b>
<b>II</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets (Including Capital WIP)	(7.25)	(5.79)
	Security deposit recd (lease agreement)	-	6.00
	Rental Income	9.60	4.00
	Dividend Income	-	0.12
	FD Under Lien	(0.82)	(0.76)
	Interest Received	2.80	1.93
		4.33	5.50
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>699.53</b>	<b>(159.34)</b>
<b>III</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Repayment) / increase in Long Term Borrowings	(1.25)	(7.86)
	(Repayment) / increase in Short Term Borrowings	(509.23)	302.86
	Investment in Subsidiary	-	-
	Dividend Paid	-	-
	Interest Paid	(71.33)	(82.48)
		(581.81)	212.53
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>117.72</b>	<b>53.19</b>
<b>IV</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	ADD : Opening Balance as on 01.04.2014 (P.Y. As on 01.04.13)	86.48	33.29
	<b>Total Cash Flow</b>	<b>204.20</b>	<b>86.48</b>
	<b>Closing Balance As on 31.03.2015 (P.Y.As on 31.03.2014)</b>	<b>204.20</b>	<b>86.48</b>
	<b>Notes to the cash flow statement :</b>		
	Cash and cash equivalent consist of cash on hand and balances with banks and investments in money market instruments.		
		<b>31.03.2015</b>	<b>31.03.2014</b>
	Cash on hand	11.40	3.39
	Balances with banks	192.79	83.09
		<b>204.20</b>	<b>86.48</b>

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

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

Place : Mumbai  
Date : 29th May, 2015

**For and on behalf of Board of Directors**

**Mr.V.K.Kaushik**  
Wholetime Director  
Din No : 02586479

**Mr.Chirag Shah**  
Director  
Din No : 06583820

Place: Mumbai  
Date : 29th May, 2015



## Independent Auditor's Report

To The Members of **Chromatic India Limited**

### Report on the Consolidated 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, 2015, 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 Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, subject to note nos. 27, 28, 29 & 35 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, 2015;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date and
- (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. 23423.37 Lacs as at 31st March, 2015, (22501.30 Lacs as at 31.03.2014), the total revenue of Rs. 0.00 Lacs as at 31st March, 2015, (0.00 Lacs as at 31.03.2014) 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 reflect Group's share of total assets of total assets of Rs. 13.00 Lacs as at 31.03. 2015,(13.00 Lacs as at 31.03.2014), the total revenue of Rs. 0.00 Lacs as at 31.03.2015 , (0.00 Lacs as at 31.03.2014) and net cash inflows of Rs. 0.00 Lacs as at 31.03. 2015, (0.00 Lacs as at 31.03.2014) as considered in the consolidated financial statements.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that :
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act and
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place: Mumbai  
Date: May 29, 2015



### Annexure to Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of **Chromatic India Limited** on the Consolidated Financial Statements for the year ended March 31, 2015, we report that:

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.
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.
3. In respect of the Loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') there is no overdue amount of loan granted to said companies.
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. According to the information and explanations given to us, the company has not accepted any deposits from the public.
6. The Company is required to maintain the cost records as prescribed by the Central Government of India under sub-section (1) of section 148 of the Companies 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.
7. 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.
  - c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under has been transferred to such fund within time.
8. The Company has no accumulated losses.



9. 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 a financial institution or bank or debenture holders.
10. 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
11. 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.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

Place: Mumbai  
Date: May 29, 2015





## Consolidated Balance Sheet as on 31st March 2015

(Amount in INR)

Particulars	Note No.	As on 31th March 2015	As on 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	71,04,61,000	71,04,61,000
(b) Reserves and Surplus	2	2,73,09,40,731	2,63,93,31,885
		3,44,14,01,731	3,34,97,92,885
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	2,15,063	3,39,733
(b) Deferred Tax Liabilities (Net)		40,71,791	39,76,506
(c) Long-Term Provisions		-	-
		42,86,854	43,16,239
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	4	6,65,53,616	11,74,76,776
(b) Trade Payables	5	66,60,09,707	73,32,71,483
(c) Other Current Liabilities	6	37,83,446	39,84,845
(d) Short-Term Provisions	7	5,65,300	9,86,453
		73,69,12,069	85,57,19,557
<b>TOTAL</b>		<b>4,18,26,00,654</b>	<b>4,20,98,28,680</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	8	3,51,82,074	3,76,57,472
ii) Intangible Assets		-	-
iii) Capital Work-In-Progress	8	1,05,72,00,000	1,05,72,00,000
iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	9	36,000	36,000
(c) Long-Term Loans and Advances	10	2,36,01,06,825	2,26,77,41,252
(d) Other Non-Current Assets		-	-
		3,45,25,24,899	3,36,26,34,724
<b>Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	11	6,12,96,905	7,28,34,297
(c) Trade Receivables	12	54,69,29,110	65,95,03,671
(d) Cash and Bank Balances	13	2,04,64,080	86,92,520
(e) Short-Term Loans and Advances	14	10,13,85,659	10,61,63,469
		73,00,75,755	84,71,93,956
<b>TOTAL</b>		<b>4,18,26,00,654</b>	<b>4,20,98,28,680</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

**CA Sudhir K. Jain**

*Partner*

Membership No. 072282

Place: Mumbai

Date : 29 th May,2015

**For and on behalf of Board of Directors**

**Mr.V.K.Kaushik**

*Wholetime Director*

**Din No : 02586479**

Place: Mumbai

Date : 29 th May,2015

**Mr.Chirag Shah**

*Director*

**Din No : 06583820**



## Consolidated Statement of Profit &amp; Loss for the year ended 31st March 2015

(Amount in INR)

Particulars	Note No.	As on 31st March 2015	As on 31st March 2014
<b>I. INCOME</b>			
(a) Revenue from operations	15	40,73,52,652	27,33,15,510
(b) Other income	16	66,62,964	1,25,89,872
<b>Total</b>		<b>41,40,15,616</b>	<b>28,59,05,382</b>
<b>II. Expenses</b>			
(a) Raw Material consumed	17	36,30,33,921	24,12,32,254
(b) (Increase)/Decrease in Inventories (WIP)	18	(43,56,390)	(40,49,073)
(c) Employee benefits expense	19	1,45,52,004	1,36,38,786
(d) Finance Cost	20	88,96,297	92,78,326
(e) Depreciation and Amortization expense	21	24,26,255	36,23,822
(f) Other expenses	22	2,90,88,643	2,22,22,731
<b>Total</b>		<b>41,36,40,730</b>	<b>28,59,46,846</b>
<b>III. Profit before tax</b>		<b>3,74,886</b>	<b>(41,464)</b>
<b>IV. Tax expense:</b>			
(a) Current tax		80,000	75,000
(b) Deferred tax		95,285	61,194
<b>Add/(Less):Prior year income (net)</b>		-	-
<b>V. Net Profit after Tax</b>		<b>1,99,601</b>	<b>(1,77,658)</b>
<b>VI. Earnings per Equity Share:</b>			
(a) Basic		0.003	-0.003
(b) Diluted		0.003	-0.003
<b>Significant Accounting Policies and Notes to Financial Statements</b>	23 to 44		

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

**As per our report of even date attached**

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

**Chartered Accountants**

Firm Registration No. 004017C

**CA Sudhir K. Jain**

*Partner*

Membership No. 072282

Place: Mumbai

Date : 29 th May,2015

**For and on behalf of Board of Directors**

**Mr.V.K.Kaushik**

*Wholetime Director*

**Din No : 02586479**

Place: Mumbai

Date : 29 th May,2015

**Mr.Chirag Shah**

*Director*

**Din No : 06583820**



Notes forming part of the financial statements

Note -1 Share Capital

1.1 Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs 10/- each	125000000	1,25,00,00,000	125000000	1,25,00,00,000
<b>Issued</b>				
Equity Shares of Rs 10/- each	71046100	71,04,61,000	71046100	71,04,61,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10/- each fully paid	71046100	71,04,61,000	71046100	71,04,61,000
<b>Total</b>	<b>71046100</b>	<b>71,04,61,000</b>	<b>71046100</b>	<b>71,04,61,000</b>

1.2 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 2015		As at 31 March 2014	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	71046100	71,04,61,000	71046100	71,04,61,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>71046100</b>	<b>71,04,61,000</b>	<b>71046100</b>	<b>71,04,61,000</b>

1.3 Details of Shares held by the Holding Company, the ultimate Holding Company their subsidiaries and associates

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	20273305	20,27,33,050	20988305	20,98,83,050

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

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	25096941	35.32%	25096941	35.32%
M/s. Cheetah Multitrade Pvt. Ltd.	20273305	28.54%	20988305	29.54%



Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-2 Reserves and Surplus</b>		
<b>a. Capital reserve</b>		
Opening balance	18,53,350	18,53,350
Add: Additions during the year (give details)	-	-
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	18,53,350	18,53,350
<b>b. Securities premium account</b>		
Opening balance	1,98,58,12,100	1,98,58,12,100
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for: Issuing bonus shares	-	-
Closing balance	1,98,58,12,100	1,98,58,12,100
<b>c. General reserve</b>		
Opening balance	1,79,78,960	1,79,78,960
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	1,79,78,960	1,79,78,960
<b>d. Foreign currency translation reserve</b>		
Opening balance	55,19,64,368	33,59,28,657
Add / (Less): Effect of foreign exchange rate variations during the year	9,21,83,984	21,60,35,711
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	64,41,48,352	55,19,64,368
<b>e. Statutory Reserves (subsidiary company)</b>		
Opening Balance	6,93,450	6,93,450
Add: for the year	-	-
Closing Balance	6,93,450	6,93,450
<b>f. Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	8,10,29,657	8,12,07,315
Add: Profit / (Loss) for the year	1,99,601	(1,77,658)
Add: Adjustment Relating to Fixed Assets*	(7,74,141)	-
TOTAL	8,04,55,117	8,10,29,657
Add/ (Less): Prior Period Expenses	(600)	-
Profit after Tax and Prior Period Adjustments	8,04,54,517	8,10,29,657
Less: Provision for dividend (including Dividend Tax)	-	-
Closing balance	8,04,54,517	8,10,29,657
<b>Total</b>	<b>2,73,09,40,731</b>	<b>2,63,93,31,885</b>

\* pursuant to provisions of Companies Act; 2013



Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-3 Long-term borrowings</b>		
<b>a. Term loans</b>		
<b>From banks</b>		
Secured	-	-
Unsecured	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>From other parties</b>		
Secured*	2,15,063	3,39,733
Unsecured	-	-
<b>Total</b>	<b>2,15,063</b>	<b>3,39,733</b>
<b>Total</b>	<b>2,15,063</b>	<b>3,39,733</b>

\* Secured by Hypothecation of underlying assets purchased.

#### Note - 4 Short-term borrowings

<b>a. Loans repayable on demand</b>		
From banks		
Secured#:		
1. Cash Credit Limit from Bank of India	(78,27,954)	73,59,219
2. Export Packing Credit Limit from Bank of India	2,90,89,999	3,55,79,730
<b>b. Unsecured</b>	<b>-</b>	<b>-</b>
<b>Total (a)</b>	<b>2,12,62,045</b>	<b>4,29,38,949</b>
From other parties		
Secured @	2,14,85,672	2,17,20,277
Unsecured	2,34,30,427	2,05,24,744
Advances from Customer	3,75,472	3,22,92,805
<b>Total (b)</b>	<b>4,52,91,571</b>	<b>7,45,37,826</b>
<b>Total</b>	<b>6,65,53,616</b>	<b>11,74,76,776</b>

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

@ Secured by shares held by the Promoters



Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-5 Trade payables</b>		
<b>Trade payables:</b>		
Acceptances	-	-
Other than Acceptances	66,60,09,707	73,32,71,483
<b>Total</b>	<b>66,60,09,707</b>	<b>73,32,71,483</b>
<b>Note-6 Other current liabilities</b>		
a. Current maturities of long-term debt (Refer Note (i) below)	-	5,60,000
b. Current maturities of finance lease obligations	1,24,670	2,25,644
c. Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	4,96,472	1,53,886
(ii) Others: Salary & Wages	6,05,140	5,95,810
(iii) Other Liabilities	24,77,164	23,74,505
(iv) Current Year Tax Provision	80,000	75,000
<b>Total</b>	<b>37,83,446</b>	<b>39,84,845</b>
<b>Note (i): Current maturities of long-term debt (Refer Notes 3 - Long-term borrowings for details of security and guarantee):</b>		
<b>(a) Term loans</b>		
From banks		
Secured#	-	5,60,000
Unsecured	-	-
	-	5,60,000
<b>(b) From other parties</b>		
Secured	1,24,670	2,25,644
Unsecured	-	-
	1,24,670	2,25,644
<b>Total</b>	<b>1,24,670</b>	<b>7,85,644</b>
# Secured by exclusive charge on the underlying plant & machineries i.e. Hot Air Generator, Hypohecation of Stocks, Collateral Security of Equitable Mortgage of Land & Buildings situated at B-12/2, Lote Parshuram Indl. Area, Taluka-Khed, Distt. Ratnagiri and simple deposit of title deeds of office premises situated at Vikhroli, Mumbai.		
<b>Note-7 Short-term provisions</b>		
<b>Provision for employee benefits:</b>		
i. Provision for bonus	3,97,600	4,04,833
ii. Provision for other employee benefits - Exgratia	1,67,700	1,68,111
iii. Provision for Gratuity employee benefits	-	4,13,509
<b>Total</b>	<b>5,65,300</b>	<b>9,86,453</b>



**Note-8  
Fixed Assets**

Particular	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 01.04.2014	Additions	Other Adjustments	Deductions	Balance as at 31.03.2015	Up to 31.03.2014	Depreciation charge for the year	On disposals	Balance as at 31.03.2015	Balance as at 31.03.2014
<b>a) Tangible Assets</b>										
LAND-LEASE HOLD	1,17,02,920	-	-	-	1,17,02,920	7,01,899	1,56,713	-	1,08,44,308	1,10,01,021
BLDG. & RESIFLAT	3,06,48,278	-	-	-	3,06,48,278	1,58,16,890	9,94,125	1,68,11,015	1,48,31,388	
PLANT & MACHINERY	5,46,01,629	6,36,524	(3,65,828)	-	5,48,72,325	4,56,16,912	5,60,509	4,61,77,421	89,84,717	
OFFICE & OTHERS EQUIP.	60,80,168	88,476	(3,58,802)	-	58,09,842	53,92,888	1,18,202	-	2,98,752	6,87,280
FURNITURE & FIXTURE	27,81,217	-	-	-	27,81,217	27,75,112	866	27,75,978	6,105	
VEHICLES	48,01,653	-	(49,511)	-	47,52,142	26,54,692	5,95,840	-	15,01,610	21,46,961
TOTAL	11,06,15,865	7,25,000	(7,74,141)	-	11,05,66,724	7,29,58,393	24,26,255	-	3,51,82,074	3,76,57,472
<b>b) Intangible Assets</b>										
CAPITAL W.I.P.	1,05,72,00,000	-	-	-	1,05,72,00,000	-	1,05,72,00,000	1,05,72,00,000	-	-
<b>TOTAL (A+B)</b>	<b>1,16,78,15,865</b>	<b>7,25,000</b>	<b>(7,74,141)</b>	<b>-</b>	<b>1,16,77,66,724</b>	<b>7,29,58,393</b>	<b>24,26,255</b>	<b>-</b>	<b>1,09,23,82,074</b>	<b>1,09,46,57,472</b>
Previous Year	1,16,72,37,014	5,78,851	-	-	1,16,78,15,865	6,83,34,571	36,23,822	-	1,09,48,57,472	1,09,79,02,443

**NOTES:**

**8.1** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs 7.74 lacs.

**8.2** In the absence of complete details of additions in the case of buildings, revised estimated remaining life has been considered as certified by the management. The WDV as on 31.03.2014 has been depreciated in the remaining estimated life of the asset as such. In the case of Factory Building remaining life has been estimated at 10 years and in case of office and store building, the life has been estimated at 35 years.

**8.3** Leased hold land has been depreciated over the lease period as per the policy of the company.







Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-11 Inventories</b>		
(At lower of cost and net realisable value)		
a. Raw materials (including Goods in transit)	4,61,77,040	6,20,70,822
b. Finished Goods	-	-
c. Work-in-progress	1,51,19,865	1,07,63,475
<b>Total</b>	<b>6,12,96,905</b>	<b>7,28,34,297</b>
<b>Note-12 Trade receivables</b>		
<b>a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	62,32,80,662	62,39,20,745
Doubtful	-	-
<b>Sub-Total</b>	<b>62,32,80,662</b>	<b>62,39,20,745</b>
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>62,32,80,662</b>	<b>62,39,20,745</b>
<b>b. Other Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	2,30,15,027	3,59,65,189
Doubtful	-	-
<b>Sub-Total</b>	<b>2,30,15,027</b>	<b>3,59,65,189</b>
Less: Provision for doubtful trade receivables	3,82,263	3,82,263
<b>Total</b>	<b>2,26,32,764</b>	<b>3,55,82,926</b>
<b>Total</b>	<b>54,69,29,110</b>	<b>65,95,03,671</b>
<b>Note-13 Cash and cash equivalents</b>		
a. Cash on hand	11,57,543	3,57,174
b. Cheques, drafts on hand	-	-
c. Balances with banks		
(i) In current accounts	1,63,99,356	57,19,472
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	69,089	63,773
(iv) In earmarked accounts		
- Unpaid dividend accounts	1,769	64,778
- 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)	28,35,685	24,86,686
- Other earmarked accounts (Gratuity Account)	638	638
<b>Total</b>	<b>2,04,64,080</b>	<b>86,92,520</b>



Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note-14 Short-term loans and advances</b>		
<b>a. Loans and advances to employees</b>		
Secured, considered good	-	-
Unsecured, considered good	8,18,181	1,30,095
Doubtful	-	-
<b>Sub Total</b>	<b>8,18,181</b>	<b>1,30,095</b>
Less: Provision for doubtful loans and advances	-	-
<b>Total (a)</b>	<b>8,18,181</b>	<b>1,30,095</b>
<b>b. Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)</b>		
	84,871	1,42,297
<b>Total (b)</b>	<b>84,871.00</b>	<b>1,42,297.00</b>
<b>c. Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	1,91,38,417	2,35,12,226
(iii) Service Tax credit receivable	2,65,577	51,254
(iv) Export Incentive Receivable	1,38,75,155	1,51,53,131
(v) Balance with Central Excise	1,48,55,210	1,53,42,824
<b>Total (c)</b>	<b>4,81,34,359</b>	<b>5,40,59,435</b>
<b>d. Others (Advances Recoverable)</b>		
Secured, considered good	-	-
Unsecured, considered good	5,23,48,248	5,18,31,642
Doubtful	-	-
<b>Sub-Total</b>	<b>5,23,48,248</b>	<b>5,18,31,642</b>
Less: Provision for other doubtful loans and advances	-	-
<b>Total (d)</b>	<b>5,23,48,248</b>	<b>5,18,31,642</b>
<b>Total</b>	<b>10,13,85,659</b>	<b>10,61,63,469</b>
<b>15. Revenue from Operations</b>		
<b>Sale of products</b>	31,33,36,362	26,76,49,551
<b>Sales of traded goods</b>	9,40,16,290	56,65,959
<b>Total</b>	<b>40,73,52,652</b>	<b>27,33,15,510</b>



Particulars	For the year ended	For the year ended
	31st March, 2015	31st March, 2014
	₹	₹
<b>16. Other Income</b>		
Interest Received	2,79,930	1,93,483
Dividend-others from Long Term Investments	-	12,000
Rent Recd	9,60,000	4,00,000
Conversion Charges	13,19,906	7,30,553
Duty Drawback	50,81,390	52,47,132
Misc & other income	2,44,187	8,57,845
Exchange variation	(12,22,449)	51,48,859
<b>Total</b>	<b>66,62,964</b>	<b>1,25,89,872</b>
<b>17. Purchase &amp; Direct Expenses</b>		
<b>Raw Material consumed</b>		
Opg Stock of Raw Material	6,20,70,822	4,10,07,117
Raw Material Purchase	33,51,54,252	25,52,69,408
Packing Material	26,25,292	22,49,414
Freight Inward	93,60,594	47,77,138
Less:-Closing stock	(4,61,77,040)	(6,20,70,822)
Purchase of Traded goods	-	-
<b>Total</b>	<b>36,30,33,921</b>	<b>24,12,32,254</b>
<b>18. (Increase)/Decrease in Inventories</b>		
Inventory at the beginning of the year Finished & Work in Progress		
Finished Goods	-	-
Work in Progress	1,07,63,475	67,14,402
<b>TOTAL</b>	<b>1,07,63,475</b>	<b>67,14,402</b>
Inventory at the end of the year		
Finished Goods	-	-
Work in Progress	1,51,19,865	1,07,63,475
<b>TOTAL</b>	<b>1,51,19,865</b>	<b>1,07,63,475</b>
<b>(Increase) in Inventories</b>	<b>(43,56,390)</b>	<b>(40,49,073)</b>
<b>19. Employee Benefit Expenses</b>		
Salary, Wages and Bonus Etc.	1,23,99,107	1,18,48,756
Company's Contribution to Provident Fund,ESIC&Gratuity	13,84,552	8,10,315
Staff welfare Expenses & other Amenities	7,68,345	9,24,577
Leave Encashment	-	55,138
<b>Total</b>	<b>1,45,52,004</b>	<b>1,36,38,786</b>



Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹	₹
<b>20. Finance Cost</b>		
Interest expense		
Bank Interest	36,37,290	37,43,703
Other Interest	34,96,169	45,03,829
Bank Charges	17,62,838	10,30,794
<b>Total</b>	<b>88,96,297</b>	<b>92,78,326</b>
<b>21. Depreciation and Amortization Expenses</b>		
Depreciation on tangible assets	24,26,255	36,23,822
<b>Total</b>	<b>24,26,255</b>	<b>36,23,822</b>
<b>22. Other Expenses</b>		
Rates & Taxes	10,20,499	3,96,435
Power & Water	45,16,046	53,95,256
Stores & Spares	10,83,331	12,17,325
Repairs and Maintenance :	-	-
- Repairs to Building	3,19,095	16,73,812
- Repairs to Machinery	3,91,377	3,65,098
- Repairs to Others	1,24,030	1,46,624
Advertisement & Sales Promotion	1,25,820	2,05,678
Freight & Forwarding Charges	59,41,611	28,12,962
Travelling Expenses	3,70,627	1,51,952
Auditor's Remuneration (Refer Note No.21)	5,11,606	5,41,336
Insurance	1,74,024	1,78,179
Telephone Charges	2,32,832	2,69,331
Car Expenses	7,30,632	5,96,580
Labour Charges	31,70,856	31,09,405
Stamp duty on lease agreement	-	2,68,800
General Expenses	24,10,864	18,45,860
Annual Listing Exps	6,75,026	5,73,924
Professional Charges	11,17,698	20,48,843
Printing & Stationery	2,23,671	2,42,893
Balance Written Off	59,48,998	1,82,437
<b>Total</b>	<b>2,90,88,643</b>	<b>2,22,22,731</b>
<b>*Payment to Auditors</b>		
<b>a) As Auditors</b>		
Statutory Audit fee	2,01,400	
Tax Audit Fees	70,000	2,71,400
Other services (certification fees)		99,980
Reimbursement of expenses		1,40,226
<b>Total</b>	<b>5,11,606</b>	<b>4,98,864</b>

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

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

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

- a) These financial statements have been prepared in compliance with the Generally Accepted Accounting Principles applicable in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.
- b) The financial statements have been prepared under historical cost convention, on an accrual basis. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs.

**24.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

**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.

**Rentals**

Revenue is recognised on accrual & time proportion basis.

**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 (net of Cenvat Credit) of acquisition/construction and includes amounts added on revaluation, less accumulated depreciation and impairment loss. Cost includes purchase price, borrowing costs and any direct expenses as well as clearly identifiable indirect expenses incurred to bring the assets to their working condition for its intended use.

**24.6 Depreciation and Amortisation**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on 'Straight Line Method' as on 31.03.2014 on the remaining useful life of the Assets in the manner and at the rates specified in Schedule II of the Companies Act, 2013 except in the case of buildings where WDV as on 31.03.2014 has been depreciated in the remaining estimated life of the asset (as certified by the management in the absence of complete details of additions), which is different than those prescribed in schedule-II. Assets acquired under finance lease are depreciated over the period of lease. Leasehold land & and premium thereon are depreciated over the period of lease. Also individual capital items of upto a value of Rs.5,000/- have been fully depreciated.

**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.

**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 consolidated financial statements****OTHER NOTES TO ACCOUNTS**

- 25 Contingent liabilities not provided for:**
- |   | As at 31-03-15<br>(Rupees) | As at 31-03-14<br>(Rupees) |
|---|----------------------------|----------------------------|
| Bank Guarantees (secured by fixed deposit receipts) | 3,89,083                   | 76,274                     |
- 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. Net worth of Arcoiris SA is fully eroded and the company has been liquidated during the year 2011-12. However, no provision is made for investment made by the company in Arcoiris S.A. amounting to **Rs.26.23 lacs** and advances and interest receivable amounting to **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. These advances are subject to confirmation and reconciliation.
- 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.
- 31** Net amount of exchange differences
- |   | As at 31-03-15<br>(Rupees) | As at 31-03-14<br>(Rupees) |
|---|----------------------------|----------------------------|
| The net amount of exchange differences debited / (credited) 'to profit & loss account | 12,22,449                  | (51,48,859)                |
- 32** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs 7.74 lacs. In the absence of complete details of additions in the case of buildings, revised estimated remaining life has been considered as certified by the management. The WDV as on 31.03.2014 has been depreciated in the remaining estimated life of the asset as such. In the case of Factory Building remaining life has been estimated at 10 years and in case of office and store building, the life has been estimated at 35 years. Lease hold land has been depreciated over the lease period as per the policy of the company.
- 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

	2014-15	2013-14
Employers Contribution to Provident fund	7,40,225.00	7,93,634.00



**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

	<b>2014-15</b>	<b>2013-14</b>
<b>Employers Contributions to Employee State Insurance</b>	8,396.00	10,979.00

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 2014-15</b>	<b>Gratuity 2013-14</b>
Present value of obligation at the beginning	-	35,38,966.00
Current service costs	1,95,309.00	1,86,838.00
Benefits paid		
Acturial (Gain)/Loss on obligation	40,13,027.00	63,329.00
Present value of obligation at the end	42,08,336.00	37,89,133.00
<b>II. Amount to be recognized in the Balance Sheet:</b>	<b>2014-15</b>	<b>2013-14</b>
Present value of obligation at the end of the current year	42,08,336.00	37,89,133.00
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	42,08,336.00	33,75,624.00
Unrecongized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	-	4,13,509.00
<b>III. Expenses recognized in the Statement of Profit &amp; Loss:</b>	<b>2014-15</b>	<b>2013-14</b>
Current service cost	1,95,309.00	1,86,838.00
Net Actuarial (Gain)/Loss recognized in the I.V.P	3,25,258.00	(2,58,443.00)
Expenses recognized in the Statement of Profit & Loss	15,275.00	(71,605.00)
<b>IV. Actuarial Assumptions:</b>	<b>LIC 1994-96 (Ultimate) 2014-15</b>	<b>LIC 1994-96 (Ultimate) 2013-14</b>
Discounting Rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawal Rate	1% - 3%	1% - 3%
Average Past Service	20	18.70

**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>
<b>Sales</b>	9,40,16,290 (56,65,959)	31,33,36,362 (26,76,49,551)	40,73,52,652 (27,33,15,510)
<b>Total Sales</b>	9,40,16,290 (56,65,959)	31,33,36,362 (26,76,49,551)	40,73,52,652 (27,33,15,510)

Figures in bracket represent previous year figures.



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

Name of the country	2014-15 (Rupees)	2013-14 (Rupees)
India	9,40,16,290	56,65,959
Switzerland	19,37,72,747	18,26,52,347
Austria	1,92,17,770	16,79,739
Italy	40,18,223	87,33,853
Singapore	9,63,27,623	7,45,83,612
<b>Total</b>	<b>40,73,52,652</b>	<b>27,33,15,510</b>

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 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
Export Debtors	4,82,01,186	3,16,33,269
EEFCA/c.	-	-
<b>Total</b>	<b>4,82,01,186</b>	<b>3,16,33,269</b>

### 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.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel
(g) Mr. Chirag Shah (From 29/05/2013)	Key Managerial Personnel
(h) Diana Mahesh Joshi (From 01/09/2014)	Key Managerial Personnel

#### (ii) (Entities in which any director or his relative is a partner , director or member)

(a) Healthy Choice Agro India Limited	Company
(b) Chromatic Sponge Iron Limited	Company
(c) Inshape Lifestyle Centre	Proprietorship

#### (iii) Remuneration to Whole Time Directors:

(Includes benefits which are debited to respective expenses)	As at 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
(a) Remuneration	9,18,000	8,10,000
(b) Provident Fund Contribution	1,10,160	97,200
(c) Other Perquisites (LTA & Medical Allowance)	15,000	30,000
<b>Total</b>	<b>10,43,160</b>	<b>9,37,200</b>



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

	2014-15 (Rupees)	2013-14 (Rupees)
<b>With Holding Company: Cheetah Multitrade Pvt. Ltd.</b>		
Unsecured loan taken	32,95,938	41,86,464
<b>With Arcoiris SA</b>		
<b>Sales</b>	-	-
<b>Interest income</b>	-	-
<b>With Key Managerial Personnel :</b>		
Mr.V.K.Kaushik-Remuneration	10,43,160	9,37,200
<b>Closing balance as on 31st March:</b>		
<b>With Holding Company: Cheetah Multitrade Pvt. Ltd.</b>		
Unsecured loan taken	81,82,402	48,86,464
<b>With Arcoiris SA</b>		
Unsecured loan given (including interest and exchange rate difference)	1,36,03,915	1,36,03,915

36 Calculation of Earning Per Shares

(i) Basic EPS	As at 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	1,99,601	(1,77,658)
Weighted average no. of Equity Shares used as denominator	7,10,46,100	7,10,46,100
Basic Earning Per Share (In Rupees)	0.003	(0.003)
(ii) Diluted EPS	As at 31-03-15 (Rupees)	As at 31-03-14 (Rupees)
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	1,99,601	(1,77,658)
Weighted average no. of Equity Shares used as denominator	7,10,46,100	7,10,46,100
Diluted Earning Per Share (In Rupees)	0.003	(0.003)

37 Deferred Tax

Particulars	Opening Balance as at 01.04.2014	During the year 2014-15	Closing Balance as at 31.03.2015
<b><u>Deferred Tax Assets</u></b>			
Ex-Gratia	51,946	(127)	51,819
Bonus	1,25,093	(2,235)	1,25,093
Gratuity	1,27,774	(1,27,774)	1,27,774
VRS	-	-	-
	<b>3,04,813</b>	<b>(1,30,136)</b>	<b>3,04,686</b>
<b><u>Deferred Tax Liability</u></b>			
Depreciation	42,81,321	(34,851)	42,46,470
<b><u>Net Deferred Tax Liability</u></b>	<b>39,76,508</b>	<b>95,285</b>	<b>40,71,793</b>



<b>38 Earnings in foreign currency</b>	<b>As at 31-03-15 (Rupees)</b>	<b>As at 31-03-14 (Rupees)</b>
F.O.B. Value of Exports (on accrual basis)	31,33,36,362	26,76,49,551
<b>39 Value of import on CIF basis</b>	<b>As at 31-03-15 (Rupees)</b>	<b>As at 31-03-14 (Rupees)</b>
Raw Materials & Packing Material Purchased	16,74,73,054	4,28,38,280
Stores and Spares Purchased	-	-
<b>40 Expenditure in foreign currency</b>	<b>As at 31-03-15 (Rupees)</b>	<b>As at 31-03-14 (Rupees)</b>
Travelling Expenses	2,44,245	23,010

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

Particulars	Currency	As at 31-03-15		As at 31-03-14	
		USD	Rupees	USD/EURO	Rupees
<b>Debtors (net of advances)</b>	<b>USD</b>	7,64,110.98	4,78,26,318	5,29,912.95	3,22,31,948
	<b>EURO</b>	-	-	49,930.00	41,66,658

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 2015, 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**

<b>A.</b> Details of licensed and installed capacity and actual production	<b>As at 31-03-15 in KG</b>	<b>As at 31-03-14 in KG</b>
Licensed capacity	12,00,000	12,00,000
Installed capacity	12,00,000	12,00,000
Actual production	8,92,123	9,15,683

**B. Details of finished goods / WIP as on 31-03-15**

**All Quantities are in KG**

Particulars	Opening Stock		Production Turnover			Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S.O. Dyestuffs (Reactive dyes)	31,890	1,07,63,475	8,92,123	8,65,956	40,73,52,652	58,057	1,51,19,865
Total	31,890	1,07,63,475	8,92,123	8,65,956	40,73,52,652	58,057	1,51,19,865
Previous Year	(30,033)	(67,14,402)	(9,15,683)	(9,13,826)	(27,33,15,510)	(31,890)	(1,07,63,475)

Figures in bracket represent previous year figures.

**C. Raw material consumed/ sales**

Particulars	For the year ended 31-03-15		For the year ended 31-03-14	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	133608	111139734	129174	58967271
J. Acid	12440	9202001	22048	9142511
Vinyl Sulphone	118252	33691956	308152	66712897
F.Oil	29575	820787	199580	15851880
Other raw materials	-	208179443	-	104611767
		<b>36,30,33,921</b>		<b>25,52,86,326</b>



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

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Value (Rs.)	%	Value (Rs.)	%
<b>A) Raw Material &amp; Packing Material</b>				
Imported	16,74,73,054	46.13	4,28,38,280	16.78
Indigenous	19,55,60,867	53.87	21,24,48,046	83.22
	<b>36,30,33,921</b>	<b>100.00</b>	<b>25,52,86,326</b>	<b>100.00</b>
<b>B) Stores &amp; Spares</b>				
Imported	-	0.00	-	0.00
Indigenous	10,83,331	100.00	12,17,324	100.00
	<b>10,83,331</b>	<b>100.00</b>	<b>12,17,324</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.

**AUDITORS' REPORT**

**As per our report of even date attached**

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

*Chartered Accountants*

(Firm Regn. No. 004017C)

**CA. Sudhir K. Jain**

*Partner*

Membership No.: 072282

Place : Mumbai

Date : 29th May, 2015

**For and on behalf of Board of Directors**

**Mr.V.K.Kaushik**

*Wholetime Director*

**Din No : 02586479**

**Mr.Chirag Shah**

*Director*

**Din No : 06583820**

Place: Mumbai

Date : 29th May, 2015



CONSOLIDATED CASH FLOW STATEMENT AS ON 31.03.2015

(Amount in Lacs)

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary Items	3.75	(0.41)
Adjustment for :		
Depreciation	24.26	36.24
Depreciation Deletion	-	-
Interest	71.33	82.48
Rental Income	(9.60)	(4.00)
Dividend Income	-	(0.12)
Miscellaneous Expenses	-	-
Interest earned	(2.80)	(1.93)
VRS Expenses Amortised	-	-
GDR Expenses adjusted against Securities prem a/c	-	-
Loss/ expenses of previous year adjusted	0.01	-
	83.20	112.66
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	86.95	112.24
Adjustment for :		
Trade and other Receivables including Loans & Advances	1,171.69	(111.92)
Unamortised Voluntary Retirement Scheme Expenses	-	-
Inventories	115.37	(251.13)
Trade Payables	(679.64)	(67.90)
	607.42	(430.95)
<b>CASH GENERATED FROM OPERATIONS</b>	694.37	(318.71)
Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	694.37	(318.71)
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(7.25)	(5.79)
Security deposit recd (lease agreement)	-	6.00
Rental Income	9.60	4.00
Dividend Income	-	0.12
FD Under Lien	-	(0.76)
Interest Received	2.80	1.93
	5.15	5.50
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	699.52	(313.20)
<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 Borrowing	(1.25)	(7.86)
(Repayment) / increase in Short Term Borrowing	(509.23)	302.86
Investment in Subsidiary	-	-
Dividend Paid	-	-
Interest Paid	(71.33)	(82.48)
	(581.81)	212.53
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	117.71	(100.67)
<b>IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
ADD : Opening Balance as on 01.04.2014 (P.Y. As on 01.04.13)	86.93	187.60
<b>Total Cash Flow</b>	204.64	86.93
<b>Closing Balance As on 31.03.2015 (P.Y.As on 31.03.2014)</b>	204.64	86.93
<b>Notes to the cash flow statement :</b>		
Cash and cash equivalent consist of cash on hand and balances with banks and investments in money market instruments.		
	<b>31.03.2015</b>	<b>31.03.2014</b>
Cash on hand	11.58	3.57
Balances with banks	193.07	83.35
	204.64	86.93

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

CA Sudhir K. Jain  
Partner  
Membership No.: 072282

Place : Mumbai  
Date : 29th May, 2015

For and on behalf of Board of Directors

Mr.V.K.Kaushik  
Wholetime Director  
Din No : 02586479

Mr.Chirag Shah  
Director  
Din No : 06583820

Place: Mumbai  
Date : 29th May, 2015



## Form AOC-1

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)**

### Part "A": Subsidiaries

Sr. No.	Name of the subsidiary Companies	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange rates as on last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments (excluding Investment in Subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend shareholding	% of	Country
1	Chromatic International FZE (previous year)	31-03-2015	AED	17.02 (16.35)	17.02 (16.35)	896.29 (861.82)	22,510.06 (21,623.12)	22,510.06 (21,623.12)	-	-	-0.85 (-2.34)	-	-0.85 (-2.34)	-	100.00	UAE
2	Chromatic Ferro Alloys Limited (previous year)	31-03-2015	INR	1.00	0.71 (0.71)	-2.12 (-1.83)	13.00 (13.01)	13.00 (13.01)	-	-	-0.29 (-0.25)	-	-0.29 (-6.77)	-	99.94	India

\* Amount reported in equivalent INR.

**Notes:**

1. All mentioned above are yet to commence operations as on reporting date.
2. None of above are liquidated or sold during the year.
3. Previous year's figure is given in bracket.

For and on behalf of Board of Directors

<b>Vinod Kumar Kaushik</b>	<b>Chirag Shah</b>
DIN : 02586479	DIN : 06583820
Wholetime Director	Director







## CHROMATIC INDIA LTD.

Registered Office: 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083  
CIN: L99999MH1987PLC044447 Phone No. 022 61369800 Fax 022 25793973 Email ID chromatic@mtnl.net.in  
Website www.chromatic.in

### ATTENDANCE SLIP

**28th th Annual General Meeting at 04.00 P.M. on September 30, 2015**

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) \_\_\_\_\_

I hereby record my presence at the 28th Annual General Meeting of the Chromatic India Limited at the Registered Office of the Company on Wednesday, 30th day of September, 2015 at 4.00 p.m

Member's or Proxy's Signature

**Note:**

1. Shareholder / Proxy must bring the Admission Slip, duly signed, to the Meeting and hand it over at the entrance of the meeting hall.
2. Only Members who have not updated their PAN with the Company/Depository Participant shall use default PAN mentioned in the address sticker.



# CHROMATIC INDIA LIMITED

**Registered Office:** 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083  
 CIN: L99999MH1987PLC044447 Phone No: 022 61369800 Fax: 022 25793973 Email ID: chromatic@mtnl.net.in  
 Website: www.chromatic.in

## Form MGT -11 PROXY FORM

Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014.  
**28th Annual General Meeting – 30.09.2015**

Name of the Member (s)		
Registered Address		
Registered Folio No. :	DPID	
No. of Shares held:	Client ID:	
Email ID		

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

1. Name .....
- Address.....
- Email :.....
- Signature .....or failing him/her
2. Name .....
- Address.....
- Email .....
- Signature ..... or failing him/her
3. Name .....
- Address.....
- Email .....
- Signature .....

As my / our proxy to attend and Vote, in case of a poll, for me/ us and on my/our behalf at the Twenty Eighth (28th) Annual General Meeting of the Company to be held on Wednesday, the 30th day of September , 2015 at 4.00 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	For	Against
<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, 2015		
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 Statutory Auditors of the Company.		
<b>Special Business</b>			
4.	To make investments, give loans, guarantees and provide securities beyond the prescribed limits and enter into joint venture agreement		

Signed this.....day of.....2015

Signature of shareholder:.....

Affix Rupeee. 1 Revenue Stamp
--

Signature of Proxy Holder(s): .....

**Note:**

1. The form of proxy in order to be effective should be duly completed and deposited in the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Proxy need not be a member of the company.

**BY COURIER**

**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