

25TH ANNUAL REPORT
2011-2012



CHROMATIC INDIA LTD.

25TH ANNUAL REPORT 2011-2012



Corporate information

Board of Directors

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

Company Secretary & Compliance Officer

Ms. Priyanka Chauhan

Auditors

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

Bankers

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

Registered Office

207, Vardhaman Complex Premises Co. op. Society Ltd.,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400083
Tel. No. +91 22 6136 9800
Email: dyestuff@bom3.vsnl.net.in
Website: www.chromatic.in

Registrar & Share Transfer Agent

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



NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Chromatic India Limited will be held on Wednesday, September 26, 2012 at 11.00 a.m. at 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083, to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares for the year 2011-2012.
3. To appoint a Director in place of Mr. Ajay Singh Sethi, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Priyanka Chauhan
Company Secretary

Registered Office:

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

Date: August 13, 2012

Place : Mumbai

Notes:-

1. **A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself and the proxy need not be a Member of the Company.**
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
3. The Register of Members and Share Transfer Books will remain closed from 24th September, 2012 to 26th September, 2012 (both days inclusive) for the purposes of Annual General Meeting.
4. 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.
5. Members / proxies should bring duly-filled Attendance Slips sent along with this Notice to attend the meeting.
6. Members whose shareholding is in the electronic mode are requested to communicate change of address notification and updation of bank account details to their respective depository participants.
7. Unclaim dividend for the financial years 2004-05, 2005-06, 2006-07, 2009-10 and 2011-12, are still lying in the respective unpaid dividend accounts of the Company. Members who have not encashed the dividend warrants for the said financial years, are requested to contact the Company's Registrar and Share transfer agent, Big Share Services Private Limited at the earliest.
8. The Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by Companies (vide its circular no. 17/2011 dated April 21, 2011) and clarified that the service of documents / communications including the Notice of calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc. via electronic mode by a company can be made through electronic mode instead of sending the physical copy of the document(s).



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

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

Name of the Director	Mr. Ajay Singh Sethi
Date of Birth	December 21, 1967
Nationality	Indian
Date of Appointment on Board	May 29, 2010
Qualifications	M. Com, PGDBM
Expertise	Wide experience in Finance & Administration.
Directorships held in other Public Companies (Excluding foreign companies and Section 25 Companies)	1. Resurgere Mines & Minerals India Ltd. 2. Healthy choice Agro (India) Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	Chairmanship – 1 Membership – 1
Number of Shares held in the Company	NIL
Relationship between Directors inter-se	NIL



MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

The Indian Economy on account of inflationary pressures coupled with rising interest rates experienced a lower growth in comparison to the previous years. The sensex witnessed a dip of 10% - 11% in comparison to the levels which prevailed at the beginning of the financial year. On the other hand, the price of Crude Oil did not experience such corresponding dips. India, being a large importer of Oil, suffered heavily and this along with various other negative macroeconomic factors resulted in significant depreciation of the Rupee vis-a-vis US Dollar. Over the financial year the Rupee has depreciated by about 20% - 25%. The ballooning trade deficit and the current account deficit also put significant pressure on the exchange rate. Adverse news from EU also affected growth in that market. In light of the above, RBI has taken the first step in cutting down key interest rates which are expected to help the Indian economy.

Chemicals dyes Industry

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

Industry Structure and Developments

Your Company is engaged in the manufacture and sale of chemicals dyes and has its manufacturing facilities at Dombivali, District Thane and Khed, District Ratnagiri. The setting up of additional production facilities will enable your Company to capture a higher market share out of additional production volumes.

Business Outlook: Opportunities and threats

The Company is continually working towards achieving further improvements in the quality of its products as well as in technological and operational efficiencies of its manufacturing processes. It also strives to develop new products to improve its participation in the market and enlarge its product range. The company is also, through its strong research initiatives, engaged in developing new products which would meet the emerging needs of its customers and the environmental challenges of the future. The pricing scenario of chemicals dyes, accordingly, is likely to undergo a positive change with the reduction in the global supply position.

However, in the short term, due to the pressure of liquidating inventories and quick exit from chemical dyes business by some competitors, we are likely to experience unrealistic low prices from them. The Indian Government authorities have also justifiably imposed Anti-dumping duties and Safeguard Duty on certain key products, which to some extent, protects domestic pricing from dumped imports. Besides, your Company will continue to strive for improvement in the market share of chemicals dyes by optimizing the product mix and offering wide range of products to its customers.

On the other hand, the continuing aggressive export promotion policies of some countries, aided by the undervalued Chinese currency and the continued dumping of unrealistically priced chemicals dyes from China and some other countries into India, continues to remain a matter of concern as these may adversely impact our capacity utilization and margins.

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.



Risks and concerns

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.

Financial performance – Operational performance

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

Net Sales and Other Income	Rs. - 1,23,03,89,738
Profit before tax	Rs. - 1,25,32,903
Profit after tax	Rs. - 85,22,787

During the year under review, the Company achieved a profit before tax of Rs. 1.25 crores as compared to Rs. 1.17 crores in 2010-11. The Sales Volumes increased by 10.26%. Thanks to an overall consistent operational performance coupled with well managed liquidity position. The current trend for rupee is in a weak mode and the overall economic sentiment does not appear very positive.

Internal control systems

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

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

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

Material developments in human resources

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

Cautionary statement

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



DIRECTORS REPORT

To
The Members,

We are pleased to present the 25th Annual Report and the audited accounts of the Company for the financial year ended 31st March, 2012.

Operational Results

The summary of the financial performance of the Company for the financial year ended 31st March, 2012 compared to the previous year ended 31st March 2011 is summarized below:

(In Rupees)

Particulars	2011-2012	2010-2011
Net Sales and Other Income	1,230,389,738	1,104,112,194
Profit/ (Loss) Before Tax	12,532,903	11,747,107
Add / (Less): Deferred Tax Adjustments	2,838	(292,403)
Less: Current Income Tax	(4,007,278)	(2,300,000)
Less: Fringe Benefit Tax	-	-
Less: Wealth Tax	-	-
Profit/(Loss) after Tax	8,522,787	9,154,704
Add/(Less): Prior Year short provision for Tax	6180	(40,865)
Balance Brought Forward	3,838,665	(5,275,174)
Amount Available for Appropriation	12,367,632	3,838,665
Appropriations		
Interim Dividend on Equity Shares	3,552,305	-
Tax on Dividend	576,273	-
Surplus / Deficit Carried Forward	8,239,054	3,838,665

Review of Performance and Management discussion and Analysis

Your directors are pleased to report total income of Rs. 123.04 crores for the year ended 2011-12 as against Rs. 110.41 crores for the year ended 2010-11, an increase of 10.26%. The profit before tax is Rs. 1.25 crores for the year ended 2011-12 compare to Rs. 1.17 crores for the year ended 2010-11. The Net profit after tax is Rs. 85.22 lacs for the financial year ending 2011-2012. The Management Discussion and Analysis is the part of this Annual Report.

Internal Control System

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

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

Dividend

During the year under review, your Company has declared and paid an interim dividend of Rs. 0.05 per equity share in the month of February, 2012 aggregating to Rs. 3552305/- on 71046100 equity shares of nominal value of Rs. 10/- each. The dividend distribution will result in a cash outgo of Rs. 4128578/- (including tax on dividend of Rs. 576273/-).

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Transfer to Reserve

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

Subsidiary Company

As on 31st March 2012, your Company has three wholly owned subsidiaries, namely,

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

The Company has formed two 100% wholly – owned subsidiary, “Chromatic Ferro Alloys Limited” and “Chromatic Sponge Iron Limited” on 13th September, 2011 and 12th September, 2011 respectively. The Company has not subscribed the Shares of the Subsidiaries till 31st March, 2012.

In terms of Section 212 of the Companies Act, 1956, the Directors’ Report, Balance Sheet, Profit and Loss Account of its Subsidiary companies are attached to this Annual Report along with necessary statement under the said section. In accordance with the general circular No. 2/2011 dated 8th February, 2011, an exemption has been provided to companies from complying with Section 212, provided such companies publish the audited consolidated financial statement in the Annual Report. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. These documents will also be kept open for inspection during the business hours at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

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

Listing of Equity Shares

The equity shares of your company are listed on Bombay Stock Exchange Limited (BSE) and the Luxembourg Stock Exchange, Luxembourg. The annual listing fees for the year 2012-13 have been paid to all these Stock Exchanges.

Your Company has got listed on National Stock Exchange of India Limited vide NSE letter dated 25th May, 2012. The Equity Shares of the Company has been listed and admitted to dealings on the Exchange with effect from May 29, 2012. The Symbol of our securities on National Stock Exchange is CHROMATIC.

Human Resource Development

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

Depository System

Your Company’s equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March, 31st March 2012, 99.61% of the Equity shares were held in demat form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization form either of the Depositories. Relevant ISIN No. is INE662C01015.

Buy-Back of Shares

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

Corporate Governance Report

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance has been annexed as part of the Annual Report along with a certificate from the practicing Company Secretary confirming the compliance of conditions of corporate governance under clause 49 of the Listing Agreement is also attached to this Report.



CHROMATIC INDIA LTD.

Directors

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

Mr. Balkishan Kalia, who was the Director of the Company, has ceased to be a director, due to his death, with effect from 14th March, 2012. The Board expressed their deep condolences at the untimely and sad demise of Mr. Balkishan Kalia and may his soul rest in peace. The Board placed on record a deep appreciation for the valuable services rendered by Mr. Balkishan Kalia during his tenure as a director of the Company.

Directors Responsibility Statement

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

- (I) In the preparation of Annual Accounts for the year ended March 31, 2012 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, 2012, and profit of the company for the year ended on that date;
- (III) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (IV) The Directors have prepared the Annual Accounts of the Company on a going concern basis.

Auditors and Auditors' Report

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

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

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

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

Cost Audit

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

Fixed Deposits

The Company had neither invited nor accepted any public deposits, during the year, under Section 58A of the Companies Act, 1956 and, as such, no amount on account of principal or interest on public deposits was outstanding during the period under review.

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Consolidated Financial Results

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

Foreign Exchange Earnings and Outgo

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

(Rs. In Lakh)

Particular	2011-12	2010-11
Expenditure in Foreign Currency	117.36	147.27
Earning in Foreign Currency	1473.33	1800.88

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

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

Environment and Social Concern

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

Particulars of Employees

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

Pledge of Shares

During the year under review, the promoters of the Company M/s Cheetah Multitrade Private Limited have pledged 715000 equity shares with financial institution.

Transfer to investor education and protection fund

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

Financial Year	Date of Declaration of Dividend	Date on which dividend will become part of IEPF
2004-05 (Final)	September 30, 2005	November 06, 2012
2005-06 (Final)	November 10, 2006	December 17, 2013
2006-07 (Final)	September 29, 2007	November 5, 2014
2009-10 (Interim)	January 29, 2010	March 07, 2017
2011-12 (Interim)	February 08, 2012	March 16, 2019

Acknowledgement

Yours Directors place on record their appreciation of co-operation and support extended by the Bankers, Government agencies and other institution and look forward to their continued support. Your Directors wish to place on record their deep sense of appreciation for the committed services of Executives, Staff and Workers of the Company.

By order of the Board of Directors
For Chromatic India Limited

Sd/-
Director

Sd/-
Whole time Director

Place : Mumbai

Dated : 13th August, 2012



Annexure 'A' to Director's Report

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

A. Conservation of Energy :

(a) Energy conservation measures taken :

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

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

B. Technology Absorption :

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

C. Foreign exchange earnings and outgo : Rs. (Lakhs)

Foreign exchange earned	:	1473.33
Foreign exchange used	:	117.36

Form - A

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

A. Power and fuel consumption :	2011-12	2010-11
1. Electricity :		
Unit	578910	693910
Total Amt. (Rs.)	3587940	3520360
Rate per Unit (Rs.)	6.19	5.07
2. Furnace Oil :		
Quantity (Ltrs)	210675	275406
Total Amt. (Rs.)	8280151	8090216
Average Rate (Rs.)	39.30	29.37
3. Briquettes / Firewoods :		
Quantity (Kgs)	722980	921352
Total Amt. (Rs.)	3206710	3836319
Average Rate (Rs.)	4.44	4.16
B. Consumption per unit of production :		
Production Unit (In Kg.)	752948	1132143
Electricity Unit	0.769	0.613
Furnace Oil (Ltrs)	0.280	0.243
Briquettes/Firewoods(Kgs.)	0.960	0.813

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

The consumption of electricity per unit of production has increase due to decrease in volume of production

During the year under review, the rates of all the raw materials has increased due to price inflation therefore the average rate has increased as compared to previous year.

Form - B

(See Rule - 2)

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

Research and Development (R&D)

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



Report on Corporate Governance

1. Company's Philosophy on code of Corporate Governance

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 Board of Directors of the Company fully understands and appreciates the need of increased awareness for transparency and professionalism for effective control and management of the organization.

The Company has adopted a Code of Conduct for its Directors and senior management personnel. The Code is available on the Company's website. The Company has also adopted a Code of Conduct for Prevention of Insider Trading as a code of Corporate Disclosure Practices.

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

2. Board of Directors

(a) Composition of Board of Directors

As on 31st March, 2012, the Company has three Directors on Board of Directors of the Company. Out of the three Directors, two (i.e. 2/3) are Non Executive and Independent Directors. The Composition of the Board is in conformity with Clause 49 of the listing agreements entered with the Stock Exchanges.

Name of Director	Category	Number of Board Meetings during the year 2011-2012		Attendance at the last AGM held on 29.09.2011 Companies	Number of Directorships in other public	Number of Committee position held in other public Companies*	
		Held	Attended			Chairman	Members
Mr. Vinod Kumar Kaushik (Whole-time Director)	Non Promoter Executive	7	7	Yes	2	NIL	NIL
Mr. Nitin Sethi	Independent, Non Executive	7	7	Yes	5	NIL	NIL
Mr. Ajay Singh Sethi	Independent, Non Executive	7	7	Yes	1	1	1
Mr. Bal Kishan Kalia #	Independent, Non Executive	7	6	Yes	NIL	NIL	NIL

ceased to be director with effect from 14.03.2012 due to his death.

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

(b) Details of Board Meetings Held During the Year

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

Board Meeting	Dates
First	18th April, 2011
Second	30th May, 2011
Third	12th August, 2011
Fourth	21st October, 2011
Fifth	10th November, 2011
Sixth	18th January, 2012
Seventh	8th February, 2012



- (c) None of the Directors of the Company have any material pecuniary relationship or business relationship with the Company.
- (d) None of the Directors received any loans and advances from the Company during the year.
- (e) None of the Directors hold directorships in more than 15 public limited Companies. Also, none of the Director holds membership of more than 10 Committees / chairmanship of more than 5 Committees of Board.

(f) **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, 2012. A declaration to this effect, duly signed by the Whole time Director is annexed in this Annual Report.

3. Audit Committee

(a) **Composition**

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

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

ceased to be director with effect from 14.03.2012 due to his death.

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

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

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

(b) **Terms of Reference**

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.



5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
14. Appointment of Cost Auditor.

(c) Meetings and Attendance during the year

During the year 2011-12, four Audit Committee Meetings were held on 30th May, 2011, 12th August, 2011, 10th November 2011, and 18th January, 2012. Attendance of Committee Members at committee Meetings is as follows:

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

4. Remuneration Committee

- (i) The Company has constituted a Remuneration Committee of Directors. The Broad terms of reference of the Remuneration Committee are as under:
 - a) To recommend / review / approve the remuneration, service agreement, commission/incentive remuneration payable to the Managing Director, Whole-time Director (s) basis on their performance.
 - b) Approval of the commission payable to the Non-Executive Directors of the Company, if any.

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



(ii) No meetings were held during the year.

(iii) Remuneration Policy:

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

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

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

(iv) Details of the Remuneration for the year ended 31st March 2012:

a) Non-Executive Directors:

Names	Sitting Fees (in Rs.)
Mr. Nitin Sethi	7500
Mr. Ajay Singh Sethi	7500
Mr. B. K. Kalia	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. 1.4.2009 for 5 years)	6.18	1.19	7.37

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

The Company does not have any Employee Stock Option Scheme.

None of the Directors of the Company holds Shares of the Company as on 31st March 2012.

5. Investors / Shareholders Grievance Committee

(a) Composition

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

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

ceased to be director with effect from 14.03.2012 due to his death.

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. Priyanka Chauhan, Company Secretary and Compliance Officer, nominated for this purpose under clause no. 47 (a) of the Listing Agreement. She looks into the investor grievances and supervises and coordinates with the M/s Big Share Services Pvt Ltd, Registrar and Share Transfer Agents, for redressal of grievances. Every quarter the Company publishes the status of the complaint received and their respective redressal.

(b) Terms of Reference

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

(c) Meetings and Attendance during the year

Four meetings of the Committee were held during the year 2011-12 which are as follows:

30th May, 2011, 12th August, 2011, 10th November 2011, and 18th January, 2012

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

(d) Status of Shareholders' Complaints as on 31 March, 2012

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

6. General Body Meetings

(i) Annual General Meetings

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

Year	Day, Date & Time	Venue	Whether Special Resolution Passed
AGM 2010-11	Thursday, September 29, 2011 - 11.00 AM	207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai - 400083	NIL
AGM 2009-10	Monday, September 20, 2010 - 11.00 AM	207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai - 400083	Yes - Revision of remuneration of Mr. Vinod Kumar Kaushik, Whole Time Director. - Allotment of Shares on Preferential Basis - Delisting of Equity Shares from Ahmedabad Stock Exchange - Increasing limit for FIIS - Increasing limit under Section 372A
AGM 2008-09	Tuesday, September 29, 2009 - 11.00 AM	207, Vardhaman Complex Premises Co.op Soc. Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (West), Mumbai - 400083	NIL



(ii) Extra Ordinary General Meetings

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

(iii) Postal Ballot

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, three special resolutions were passed by shareholders through Postal Ballot notice dated 18th January, 2012. The notice of postal ballot along with self addressed pre-paid envelopes, were dispatched to all shareholders. Ms. Nishi Jain, Practicing Company Secretary had been appointed as scrutinizer for conducting the Postal Ballots voting in a fair and transparent manner.

The following resolutions as set out in the Postal Ballot Notice.

Date of declaration of Result of Postal Ballot	Brief of Resolution	Special / Ordinary Resolution	Percentage of votes in favor	Percentage of votes against	Percentage of Invalid votes
29.02.2012	Insertion of new sub-Clauses 169 after Sub-Clause 168 under Other Objects	Special	99.99%	0.00%	0.01%
	commencement and carrying new business and activities under section 149(2A) of the Companies Act, 1956	Special	99.99%	0.00%	0.01%
	Issuance of warrants in the Company on Preferential basis	Special	99.99%	0.00%	0.01%

The result of the Postal Ballot was displayed at the registered office of the Company besides being communicated to the Stock Exchanges where the securities of the Company are listed.

The Company has followed the procedure as prescribed under Companies (Passing of the Resolution by Postal Ballot), Rules, 2011.

7. Disclosures

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

During the year 2011-12, 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 mater related to capital market during the last three years.

(c) Code for prevention of Insider – Trading practices

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

(d) Share Capital Audit Report:



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

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

8. Means of Communications

The quarterly, half-yearly and annual 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 results are also displayed on the Company's website at www.chromatic.in.

9. Generals Shareholders Information

i) 25th Annual General Meeting

Date : Wednesday, 26th September, 2012

Time : 11.00am

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 in	: 26th September, 2012
Dividend Payment date	: No final dividend has been recommended.

(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 26, 2012

(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 2011-2012 on the Bombay Stock Exchange Limited:

Month	Bombay Stock Exchange Limited		
	High Price (Rupees)	Low Price (Rupees)	Total No. of Shares Traded
April - 11	110.00	94.60	912959
May - 11	107.80	90.10	2464796
June - 11	95.75	80.20	2295810
July - 11	127.10	80.45	2386411
August - 11	110.05	74.00	2405853
September - 11	106.00	92.10	2713246
October - 11	103.00	68.50	1880777
November - 11	83.50	56.55	1357433
December - 11	84.00	66.05	1210517
January - 12	87.70	61.55	2228495
February - 12	89.90	59.00	2227951
March - 12	83.90	65.40	2140420

Note: the company was listed on NSE in the month of May 2012.

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



(viii) Registrar and Transfer Agents:

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

**(ix) Share Transfer System:**

99.61% of the shares of the Company are in electric form as on March 31, 2012. 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, 2012:

Number of Shares	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Upto – 500	720	62.1225	1,57,537	0.2217
501 – 1000	187	16.1346	1,35,261	0.1904
1001-2000	100	8.6281	1,37,392	0.1934
2001-3000	31	2.6747	74,978	0.1055
3001-4000	16	1.3805	58,920	0.0829
4001-5000	9	0.7765	41,095	0.0578
5001-10000	24	2.0708	1,91,982	0.2702
10001 and above	72	6.2123	7,02,48,935	98.8780
Total	1159	100.00	71,046,100	100.00

(xi) Dematerialization of Shares and liquidity:

The Company's shares are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.61% of the Company's share capitals are dematerialized as on March 31, 2012.

The Company's Shares are regularly traded on the Bombay Stock Exchange Limited, in electronic form. With effect from May 2012, the company's shares got listed on NSE also and are being traded.

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, 2012, the outstanding GDRs of the Company are 4144444 and represented equity shares are 37299996 held by Custodians as per the Shareholding Pattern of 31st March, 2012.

(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
 Website: www.chromatic.in

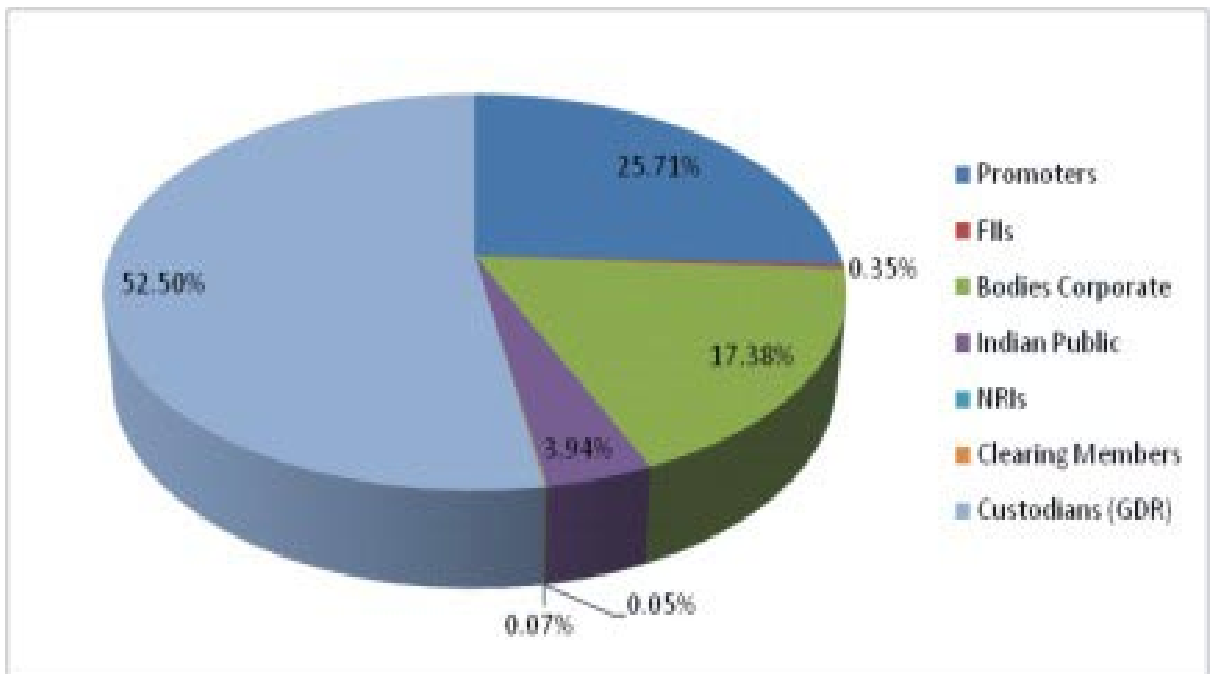


(xiv) Factory location

- (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, 2012

Category	Shareholders(Nos)	No of Shares	Percentage
Promoter & Promoter Group	1	18,262,541	25.71
Foreign Institutional Investors (FIIs)	1	2,49,570	0.35
Public Shareholding			
Bodies Corporate	95	12,349,717	17.38
Indian Public	1008	2,800,366	3.94
NRIs	45	34,449	0.05
Clearing Members	8	49,461	0.07
Shares held by Custodians and against which GDR have been issued (Custodians (GDR))	1	37,299,996	52.50
Grand Total	1159	71,046,100	100.00



(xvi) Listing fees and Annual Custodial Fees

The Company has paid the Annual Listing fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the year 2012-13.

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

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

Declaration pursuant to clause 49 of the Listing Agreement regarding adherence to the code of conduct

To,
The Shareholders of
Chromatic India Limited,
Mumbai

We, hereby declare that all the Board and Senior Management Personnel have affirmed compliance with the respective provisions of the Code of Conduct of the Company formulated by the Board of Directors for the financial year ended 31st March, 2012.

Place: Mumbai
Date: August, 13, 2012

Vinod Kumar Kaushik
Whole-time Director



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 compliance of conditions of Corporate Governance by Chromatic India Limited, for the year ended 31st March 2012, as stipulated in revised clause 49 of the Listing Agreement with stock exchanges in India as applicable on the Company.

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

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

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

For Nishi Jain.,
Company Secretaries in Practice,

(Nishi Jain)
Membership No. 22386
CP No. 8429

Date: 13.08.2012



Auditors' report

To,
The Members of **Chromatic India Limited**

1. We have audited the attached balance sheet of **Chromatic India Limited** ('the Company') as at March 31, 2012 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) order, 2003, as amended by the companies (Auditor's Report) (amendment) order, 2004, issued by the central government of India in terms of sub-section(4A) of section 227 of 'the companies act, 1956' and on the basis of such checks of the books and records of the company as were considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the paragraph 3 above and subject to note nos. 27,29 & 33, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies act, 1956, except for non-compliance of accounting standard 15 (Revised) on "Employee Benefits" wherein the impact on the financial statement cannot be ascertained.
 - v) On the basis of the information and explanations given to us and written representations obtained by the company from the directors, as on March 31, 2012 and taken on record by the board of directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required.
 - vii) As stated in note no. 29 of the notes on accounts, no provision has been made with regard to the realisability of the investment, loan and interest receivable, from Societa Eiducle L Con Sa (Arcoiris SA), a subsidiary company, liquidated during the year, aggregating Rs 136.04 lacs as at March 31, 2012 (Rs 136.97 lacs as at March 31, 2011). This has resulted in overstatement of profits by Rs 136.04 lacs (Rs 136.97 lacs for the year ended March 31, 2011) loans and advances by Rs 136.04 lacs (Rs 136.97 lacs as at March 31, 2011).
5. Based on our audit conducted as above, subject to the effects of our observations given in paragraph 4 above, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) In the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

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

CA. Sudhir K. Jain
Partner
Membership No. 072282

Place: Mumbai
Date: May 30, 2012



Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Chromatic India Limited on the financial statements for the year ended March 31, 2012]

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year.
- ii) a) The inventory has been physically verified by the management during the year. In our Opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- iii) a) As informed, the Company has not granted/ taken any loans, secured or unsecured to/ from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b), (c), (d), (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence, not reported upon.
- iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- v) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- b) None of the transactions made in pursuance of any contracts or arrangements exceed the value of Rupees five lakh in respect of any such party in the financial year.
- vi) The company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The Company is required to maintain the cost records as prescribed by the Central Government of India under clause (d) of sub-section (1) of section 209 of the act for the activities carried on by the company.
- ix) a) Undisputed statutory dues including provident fund, investor education and protection fund, Employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, have not been regularly deposited with the appropriate authorities and there have been slight delays in few cases.
- 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, income-tax, 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.

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- c) According to the records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	6,75,100	A. Y. 2002-03	Asst. CIT, Mumbai

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

For S. K. Badjatya & Co.

Chartered Accountants

Firm Registration No. 004017C

CA. Sudhir K. Jain

Partner

Membership No. 072282

Place: Mumbai

Date: May 30, 2012

CHROMATIC INDIA LTD.



Balance Sheet as on 31st March 2012

(Amount in INR)

Particulars	Note No.	As on 31st March 2012	As on 31st March 2011
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	710,461,000	710,461,000
(b) Reserves and Surplus	2	2,233,656,329	2,009,324,725
		<u>2,944,117,329</u>	<u>2,719,785,725</u>
Non-Current Liabilities			
(a) Long-Term Borrowings	3	1,983,983	777,346
(b) Deferred Tax Liabilities (Net)		3,947,127	3,944,289
(c) Long-Term Provisions		-	-
		<u>5,931,110</u>	<u>4,721,635</u>
Current Liabilities			
(a) Short-Term Borrowings	4	57,293,951	14,836,800
(b) Trade Payables	5	557,388,102	420,072,228
(c) Other Current Liabilities	6	5,636,830	1,507,547
(d) Short-Term Provisions	7	651,000	558,746
		<u>620,969,882</u>	<u>436,975,321</u>
	TOTAL	<u>3,571,018,321</u>	<u>3,161,482,681</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	8	42,691,776	41,844,192
ii) Intangible Assets	8	-	-
iii) Capital Work-In-Progress	8	1,057,200,000	876,100,000
iv) Intangible Assets Under Development	8	-	-
(b) Non-Current Investments	9	1,264,550	1,264,550
(c) Long-Term Loans and Advances	10	1,866,279,365	930,751,303
(d) Other Non-Current Assets		-	-
		<u>2,967,435,691</u>	<u>1,849,960,045</u>
Current Assets			
(a) Current Investments	-	-	-
(b) Inventories	11	32,608,018	24,309,249
(c) Trade Receivables	12	493,904,511	358,011,633
(d) Cash and Bank Balances	13	2,999,285	721,450,914
(e) Short-Term Loans and Advances	14	74,070,815	207,750,840
		<u>603,582,629</u>	<u>1,311,522,635</u>
	TOTAL	<u>3,571,018,321</u>	<u>3,161,482,681</u>

Significant Accounting Policies and Notes to Financial Statements 23-46

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

As per our report of even date attached

For S.K.Badjatya & Co

Chartered Accountants

Firm Registration No. 004017C

CA.Sudhir K.Jain

Partner

Membership No. 072282

For and on behalf of Board of Directors

wholetime Director

Director

Company Secretary

Place: Mumbai

Date : 30th May,2012

Place: Mumbai

Date : 30th May,2012

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Statement of Profit & Loss for the year ended 31st March 2012

(Amount in INR)

Particulars	Note No.	For the year ended 31st March 2012	For the year ended 31st March 2011
I. INCOME			
(a) Revenue from operations	15	1202785446	1049975470
(b) Other income	16	27,604,293	54,136,724
	Total	1,230,389,738	1104112194
II. Expenses			
(a) Purchases and Direct Expenses	17	1,170,413,816	1,024,990,780
(b) (Increase)/Decrease in Inventories	18	(3,402,147)	(2,393,495)
(c) Employee benefits expense	19	13,841,953	16,676,182
(d) Finance Cost	20	4,968,289	1,954,999
(e) Depreciation and Amortization expense	21	3,351,510	2,880,706
(f) Other expenses	22	28,683,415	48,255,915
	Total	1,217,856,835	1092365087
III. Profit before tax		12,532,903	11747107
IV. Tax expense:			
(a) Current tax		4,007,278	2300000
(b) Deferred tax		2,838	292403
V. Net Profit after Tax		8,522,787	9,154,704
VI. Earnings per Equity Share:			
(a) Basic		0.12	0.13
(b) Diluted		0.12	0.24

Significant Accounting Policies and Notes to Financial Statements 23-46

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

As per our report of even date attached

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

CA.Sudhir K.Jain
Partner
Membership No. 072282

Place: Mumbai
Date : 30th May,2012

For and on behalf of Board of Directors

wholetime Director *Director*

Company Secretary

Place: Mumbai
Date : 30th May,2012



Notes forming part of the financial statements

Note 1 SHARE CAPITAL

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

	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs 10/- each	125000000	1,250,000,000	125000000	1,250,000,000
Issued				
Equity Shares of Rs 10/- each	71046100	710,461,000	71046100	710,461,000
Subscribed & Paid up				
Equity Shares of Rs 10/- each fully paid	71046100	710,461,000	71046100	710,461,000
Total	71046100	710,461,000	71046100	710,461,000

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

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

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Amount (Rs.)	Number	Amount (Rs.)
EQUITY SHARES WITH VOTING RIGHTS:				
Opening Balance	71046100	710,461,000	71046100	710,461,000
Fresh Issue	-	-	-	-
Bonus	-	-	-	-
ESOP	-	-	-	-
Conversion	-	-	-	-
Buy Back	-	-	-	-
Other Changes (give details)	-	-	-	-
Closing Balance	71046100	710,461,000	71046100	710,461,000

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

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

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
EQUITY SHARES WITH VOTING RIGHTS:				
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	18262541	182,625,410	18262541	182,625,410

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

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

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	37299996	52.50%	37299996	52.50%
M/s. Cheetah Multitrade Pvt. Ltd.	18262541	25.71%	18262541	25.71%

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

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

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

Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-2 Reserves and surplus		
(a) Capital reserve		
Opening balance	1,695,000	1,695,000
Add: Additions during the year (give details)	-	-
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	1,695,000	1,695,000
(b) Securities premium account		
Opening balance	1,985,812,100	943,003
Add : Premium on shares issued during the year	-	2,018,991,049
Less : Utilised during the year for: Issuing bonus shares	-	34,121,952
Closing balance	1,985,812,100	1,985,812,100
(c) General reserve		
Opening balance	17,978,960	17,978,960
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for: Issuing bonus shares Others (give details)	-	-
Closing balance	17,978,960	17,978,960
(d) Foreign currency translation reserve		
Opening balance	-	-
Add / (Less): Effect of foreign exchange rate variations during the year	219,931,215	-
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	219,931,215	-
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	3,838,665	(5,275,174)
Add: Profit / (Loss) for the year	8,522,787	9,154,704
Total	12,361,452	3,879,530
Add/ (Less): Prior Period Expenses	6,180	(40,865)
Profit after Tax and Prior Period Adjustments	12,367,632	3,838,665
Less: Interim dividend (including Dividend Tax)	4,128,578	-
Closing balance	8,239,054	3,838,665
Total (a+b+c+d+e)	2,233,656,329	2,009,324,725



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

Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-3 Long-term borrowings		
(a) Term loans		
From banks		
Secured#	1,520,000	0
Unsecured	0	0
Total	1,520,000	0
From other parties		
Secured*	463,983	777,346
Unsecured	0	0
Total	463,983	777,346
Total Long-term borrowings	1,983,983	777,346

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

* Secured by Hypothecation of underlying assets purchased.

Note-4 Short-term borrowings

(a) Loans repayable on demand

From banks

Secured#: 1. Cash Credit Limit from Bank of India	6,194,955	0
2. Export Packing Credit Limit from Bank of India	17,164,000	13,836,800
Unsecured	-	-

Total **23,358,955** **13,836,800**

From other parties

Secured @	33,934,996	1,000,000
Unsecured	-	-

Total **33,934,996** **1,000,000**

Total Short Term Borrowings **57,293,951** **14,836,800**

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

@ Secured by shares held by the Promoters

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



Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-5 Trade payables		
Trade payables:		
Acceptances	-	
Other than Acceptances	557,388,102	420,072,228
Total	557,388,102	420,072,228
Note-6 Other current liabilities		
(a) Current maturities of long-term debt (Refer Note (i) below)	960,000	-
(b) Current maturities of finance lease obligations (Refer Note 30.8.c)	442,300	-
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	302,252	204,933
(ii) Others: Salary & Wages	460,018	-
Other Liabilities	1,016,340	788,553
(iii) current year tax provision (netted off tds)	2,455,920	514,061
Total	5,636,830	1,507,547
Note (i): Current maturities of long-term debt (Refer Notes 3 - Long-term borrowings for details of security and guarantee):		
(a) Term loans		
From banks		
Secured	960,000	0
Unsecured	-	0
	960,000	0
From other parties		
Secured	442,300	0
Unsecured	-	0
	442,300	0
Total	1,402,300	-
Note-7 Short-term provisions		
(a) Provision for employee benefits:		
(i) Provision for bonus	458,400	400,319
(ii) Provision for other employee benefits - Exgratia	192,600	158,427
Total	651,000	558,746

Notes forming part of the financial statements

Note-8

Fixed Assets

PARTICULARS	GROSS BLOCK					ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 April, 2011	Additions	Other Adjustments	Deductions	Balance as at 31 March 2012	Up to 31 March 2011	Depreciation charge for the year	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
Tangible Assets											
LAND - LEASE HOLD	11,702,920				11,702,920	232,179	157,133	-	389,312	11,313,608	11,470,741
BLDG. & RESI.FLAT	30,356,189				30,356,189	13,254,111	850,963		14,105,074	16,251,115	17,102,078
PLANT & MACHINERY	49,840,698	3,799,608			53,640,306	39,617,242	1,839,841		41,457,083	12,183,223	10,223,456
OFFICE & OTHERS EQUIP.	5,798,963	50,866			5,849,829	4,991,048	137,215	-	5,128,263	721,566	807,915
FURNITURE & FIXTURE	2,580,677	200,540			2,781,217	2,580,675	40,829		2,621,504	159,713	2
VEHICLES	4,237,010	629,219		802,649	4,063,580	1,997,010	325,529	321,510	2,001,029	2,062,551	2,240,000
TOTAL	104,516,457	4,680,233	-	802,649	108,394,041	62,672,265	3,351,510	321,510	65,702,265	42,691,776	41,844,192
CAPITAL W.I.P.	876,100,000	182,595,703		1,495,703	1,057,200,000	-			-	1,057,200,000	876,100,000
TOTAL	876,100,000	182,595,703			1,057,200,000	62,672,265	3,351,510	321,510	65,702,265	1,057,200,000	876,100,000
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL	876,100,000	182,595,703	-	-	1,057,200,000	62,672,265	3,351,510	321,510	65,702,265	1,057,200,000	876,100,000
Previous Year	99,486,996	881,916,457	-	786,998	980,616,457	60,053,884	2,880,706	262,325	62,672,266	917,944,192	39,433,114

Note: There are no Intangible Assets under development.



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Note: 9 Non-Current Investment

Particulars	As at 31 March, 20X2			As at 31 March, 20X1		
	Quoted Rs.	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A Trade						
(a) Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries 1 (As at 31 March, 2011: 1) shares of 100000 AED each fully paid up in Chromatic International FZE equivalent to INR		1,228,550.00	1,228,550.00		1,228,550.00	1,228,550.00
(b) Other non-current investments (specify nature) 800 equity shares of Bank of India of Rs. 10 each at a premium of Rs. 35/- each	36,000.00	-	36,000.00	36,000.00	-	36,000.00
Total - Trade (A)	36,000.00	1,228,550.00	1,264,550.00	36,000.00	1,228,550.00	1,264,550.00

Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
-------------	------------------------------	------------------------------

Note-10 Long-term loans and advances

(a) Security deposits

Secured, considered good	-	-
Unsecured, considered good	1,152,460	1,109,710
Doubtful	-	-
Sub-Total	1,152,460	1,109,710
Less: Provision for doubtful deposits	-	-
Total (a)	1,152,460	1,109,710.00

(b) Loans and advances to related parties

Secured, considered good	-	-
Unsecured, considered good:		
-Arcoiris SA	13,603,915	13,697,308
-Chromatic International FZE	1,843,084,010	906,902,355
Doubtful	-	-
Sub-Total	1,856,687,925	920,599,663
Less: Provision for doubtful loans and advances	-	-
Total (b)	1,856,687,925	920,599,663.20

(c) Advance income tax (net of provisions) (As at 31 March, 20X1 ' 9041930) - Unsecured, considered good

	8,438,981	9,041,930
Total (a+b+c)	1,866,279,365	930,751,303



Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-11 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials	18,878,829	12,468,950
Goods-in-transit	-	-
(b) Work-in-progress, Finished Goods & Packing Material	13,729,189	11,840,299
Goods-in-transit	-	-
Total	32,608,018	24,309,249.00
Note-12 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	0	0
Unsecured, considered good	307,744	307,744
Doubtful	0	0
Sub-Total	307,744	307,744
Less: Provision for doubtful trade receivables	0	0
Total (a)	307,744	307,744
Other Trade receivables		
Secured, considered good	0	0
Unsecured, considered good	493,596,767	357,703,889
Doubtful	382,263	382,263
Sub-Total	493,979,030	358,086,152
Less: Provision for doubtful trade receivables	382,263	382,263
Total (b)	493,596,767	357,703,889
Total (a+b)	493,904,511	358,011,633
Note-13 Cash and cash equivalents		
(a) Cash on hand	804,129	64,452
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	1,186,434	10,282,315
(ii) In EEFC accounts		
(iii) In deposit accounts	54,418	710,944,220
(iv) In earmarked accounts		
- Unpaid dividend accounts	159,838	159,188
- Unpaid matured deposits	-	-



Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-13 Cash and cash equivalents (Contd.)		
- 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)	740,146	-
- Other earmarked accounts (Gratuity Account)	54,320	738
(d) Others (specify nature)	-	-
Total	2,999,285	721,450,914
Note-14 Short-term loans and advances		
(a) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	263,645	237,550
Doubtful	-	0
Sub Total	263,645	237,550
Less: Provision for doubtful loans and advances	-	-
Total (a)	263,645	237,550
(b) Prepaid expenses - Unsecured, considered good		
(For e.g. Insurance premium, Annual maintenance contracts, etc.)	440,686	116,006
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	-	165,628
(ii) VAT credit receivable	11,322,436	9,192,003
(iii) Service Tax credit receivable	263,013	257,500
(iv) Export Incentive Receivable	7,419,343	9,188,430
(v) Balance with Central Excise	2,128,424	1,492,188
Total (c)	21,133,216	20,295,749
(d) Others (Advances Recoverable)		
Secured, considered good	-	-
Unsecured, considered good	52,233,268	187,101,535
Doubtful	-	-
Sub-Total	52,233,268	187,101,535
Less: Provision for other doubtful loans and advances	-	-
Total (d)	52,233,268	187,101,535
Total (a+b+c+d)	74,070,815	207,750,840



Particulars	For the year ended 31 March 2012 ₹	For the year ended 31 March 2011 ₹
Note-15 Revenue from Operations		
Sale of products	149,155,912	180,462,149
Sales of traded goods	1,053,629,533	869,513,321
Total	1,202,785,446	1,049,975,470
Note-16 Other Income		
Interest Received	18,019,228	24,314,619
Dividend-others from Long Term Investments	5,600	2,800
Miscellaneous Income	9,579,464	29,819,305
Total	27,604,293	54,136,724
Note-17 Purchase & Direct Expenses		
Raw Material consumed		
Opg Stock of Raw Material	14,683,184	9,756,735
Raw Material Purchase	120,447,432	154,451,651
Packing Material	341,477	4,155,931
Freight Inward	1,702,787	2,313,435
Less:-Closing stock	(19,579,806)	(14,683,184)
Purchase of Traded goods	1,052,818,743	868,996,213
Total	1,170,413,816	1,024,990,780
Note-18 (Increase)/Decrease in Inventories		
Inventory at the beginning of the year Finished & Work in Progress		
Finished Goods	-	46,433
Work in Progress	9,626,065	7,186,137
Total	9,626,065	7,232,570
Inventory at the end of the year		
Finished Goods	1,512,000	-
Work in Progress	11,516,212	9,626,065
Total	13,028,212	9,626,065
(Increase) in Inventories	(3,402,147)	(2,393,495)
Note-19 Employee Benefit Expenses		
Salary, Wages and Bonus Etc.	11,643,846	11,417,578
Company's Contribution to Provident Fund and ESIC	991,124	873,590
Staff welfare Expenses & other Amenities	819,949	737,677
Gratuity Expenses	334,303	3,647,337
Leave Encashment	52,731	-
Total	13,841,953	16,676,182

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Particulars	For the year ended 31 March 2012 ₹	For the year ended 31 March 2011 ₹
Note- 20 Finance Cost		
Interest expense		
Bank Interest	1,933,276	1,230,796
Other Interest	2,249,296	2,318
Bank Charges	785,717	721,885
Total	4,968,289	1,954,999
Note-21 Depreciation and Amortization Expenses		
Depreciation on tangible assets	3,351,510	2,880,706
Total	3,351,510	2,880,706
Note-22 Other Expenses		
Rates & Taxes	203,296	92,919
Power & Water	5,449,519	5,097,867
Stores & Spares	2,902,549	1,508,971
Repairs and Maintenance :	-	-
- Repairs to Building	989,469	249,007
- Repairs to Machinery	2,735,505	2,570,874
- Repairs to Others	383,705	257,064
Advertisement & Sales Promotion	295,981	390,475
Freight & Forwarding Charges	2,161,952	3,514,714
Travelling Expenses	475,646	587,613
Payment to Auditors*	422,388	422,497
Insurance	107,029	143,692
Telephone Charges	302,751	274,837
Car Expenses	502,986	739,625
Labour Charges	3,150,806	2,716,067
Loss on Sale of Assets	281,139	204,673
General Expenses	2,874,307	3,065,814
Annual Listing Exps	392,308	86,748
Excise Duty expense	-	20,425
Exchange Difference (Net)	-	-
Professional Charges	2,273,828	542,784
Printing & Stationery	220,698	264,612
Commission on sales	-	-
Balance Written Off	2,437,553	25,504,637
Total	28,683,415	48,255,915
*Payment to Auditors		
a) As Auditors		
Statutory Audit fee	190000	
Tax Audit Fees	<u>50000</u>	240,000
Other services (certification fees)		138,341
Reimbursement of expenses		164,047
Total	542,388	422,497



CHROMATIC INDIA LTD.

Notes forming part of the financial statements

Note-23 Company Overview

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

Note-24 Significant Accounting Policies

24.1 Basis of Preparation of Financial Statements

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

24.2 Use of Estimates

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

24.3 Revenue Recognition

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

Sale of Goods

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

Interest

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

Dividends

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

24.4 Accounting for Export Incentive:

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

24.5 Fixed Assets

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

24.6 Depreciation and Amortisation

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



24.7 Impairment of Assets

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

24.8 Leased Assets

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

Lease hold land is amortised over the Lease period.

24.9 Foreign Currency Transactions

(i) Initial Recognition:

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

(ii) Conversion:

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

(iii) Exchange Differences:

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

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

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

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

24.10 Investment

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



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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

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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 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
	Bank Guarantees (secured by fixed deposit receipts)	60,000	20,000
	Disputed Income-tax demands with various authorities for various years	3,958,448	3,894,352

(For the A.Y. 1999-00, certain expenses were disallowed amounting to Rs. 90,35,149. ITAT referred back the case to CIT appeals to verify the case on factual ground. In the A.Y. 2002-03, the company had written off loss on investment in subsidiary amounting to Rs. 6,75,100/-. The loss was claimed as "business loss" in the computation of income. In assessment the loss was disallowed and Assessing Office (A.O.) has initiated penalty. The case has been presented before the A.O. for clarification on non levy of penalty. The order for the same is awaited. In the assessment of 2008-09 disallowances are made for non submission of TDS certificate amounting to Rs. 56,950 . The company has deposited the original TDS certificate to claim the credit.)

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.



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- 28** Loans & Advances includes non-interest bearing unsecured loan of Rs. 1843084010/- given to Chromatic International FZE, the subsidiary of the company for overseas Business Development.
- 29** The Company had made investments in subsidiary namely Arcoiris SA with a view to have establishment abroad to penetrate into foreign market. However, the company has been liquidated during the year and net worth of Arcoiris SA is fully eroded. However, no provision is made for investment amounting to Rs. 26.23 lacs and advances and interest receivable of Rs. 109.81 lacs, which are doubtful of recovery. The amount has been shown as Long Term Loans & Advances.
- 30** Following accounts still continue in the name of Blue rock dyes and chemicals Ltd., which were amalgamated with Chromatic India Ltd. on 01.04.2006. The amount lying in said accounts will be transferred in the name of Chromatic India Ltd. in due course.

Type of Account	Account Number	As at 31-03-12
Current Deposit	001720100007331	81560.99

- 31** No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at the date or for the period then ended, other than those reflected or fully disclosed in the books of account.

	As at 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
32 The net amount of exchange differences debited / (credited) to profit & loss account	(6,402,076)	(23,905,854)
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

	2011-2012	2010-2011
Employers Contribution to Provident fund	871,091	762,272

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

	2011-2012	2010-2011
Employers Contributions to Employee State Insurance	35,881	37,109

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

I. Change in present value of obligations:	Gratuity 2011-12	Gratuity 2010-11
Present value of obligation at the beginning	2,436,856	1,884,138
Current service costs	203,562	202,352
Benefits paid	-	-
Acturial (Gain)/Loss on obligation	645,389	812,296
Present value of obligation at the end	3,268,793	2,898,786



II. Amount to be recognized in the Balance Sheet:	Gratuity 2011-12	Gratuity 2010-11
Present value of obligation at the end	3,268,793	2,898,786
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	2,754,145	2,384,138
Unrecongized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	514,648	514,648
III. Expenses recognized in the Statement of Profit & Loss:	Gratuity 2011-12	Gratuity 2010-11
Current service cost	203,562	202,352
Net Actuarial (Gain)/Loss recognized in the I.V.P	130,741	894,985
Expenses recognized in the Statement of Profit & Loss	334,303	1,097,337

IV. Actuarial Assumptions:	LIC 1994-96 (Ultimate) 2011-12	LIC 1994-96 (Ultimate) 2010-11
Discounting rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawal Rate	1-3%	1-3%
Remaining Working Life	16.67 years	15.41 years

34 Segment reporting

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

Particulars	Domestic	Overseas	Total
Sales	1,055,451,802 (869,934,595)	147,333,644 (180,088,193)	1,202,785,446 (1,050,022,788)
Total Sales	1,055,451,802 (869,934,595)	147,333,644 (180,088,193)	1,202,785,446 (1,050,022,788)

Figures in bracket represent previous year figures.

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

Name of the country	2011-12 (Rupees)	2010-11 (Rupees)
India	1,055,451,802	869,934,595
Switzerland	78,656,745	119,786,308
South Africa	1,041,936.00	-
Italy	3,496,232	5,552,241
Singapore	64,138,730	54,749,644
Total	1,202,785,445	1,050,022,788

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 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
Export Debtors	5,613,065	13,006,306
EEFCA/c.	-	-
Total	5,613,065	13,006,306



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	100% Subsidiary
(c) Chromatic International FZE	100% Subsidiary
(d) Mr.V.K.Kaushik	Key Managerial Personnel
(f) Mr.Nitin Sethi (From 06/02/2008)	Key Managerial Personnel
(g) Mr.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel
(h) Mr.Bal Kishan Kalia (From 04/10/2010)	Key Managerial Personnel

Particulars	2011-12 (Rupees)	2010-11 (Rupees)
(ii) Transactions during the year with related parties (excluding reimbursements)		
With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	100,000	1,000,000
With Subsidiary: Arcoiris SA		
Sales	-	-
Interest income	229,096	413,950
With Subsidiary: Chromatic International FZE		
Investment in Share Capital of Chromatic International FZE	1,228,550	1,228,550
Unsecured loan given	1,843,084,010 (exclude exchange variation)	906,902,355
With Key Managerial Personnel :		
Mr.V.K.Kaushik-Remuneration	737,760	649,800
(iii) Closing balance as on 31st March:		
With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	-	1,000,000
With Subsidiary: Arcoiris SA		
Unsecured loan given (including interest and exchange rate difference)	1,09,80,915	11,074,308
With Subsidiary: Chromatic International FZE		
Unsecured loan given (including exchange rate difference)	1,843,084,010	906,902,355

Remuneration to executive directors: (Includes benefits which are debited to respective expenses)	As at 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
Remuneration	618,000	540,000
Provident Fund Contribution	74,160	64,800
Other Perquisites (LTA & Medical Allowance)	45,000	45,000
Total	737,160	649,800

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



36 Calculation of Earning Per Shares

		As at 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
i)	Basic EPS		
	Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	8,522,787	9,154,704
	Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
	Basic Earning Per Share (In Rupees)	0.12	0.13
ii)	Diluted EPS		
	Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	8,522,787	9,154,704
	Weighted average no. of Equity Shares used as denominator	71,046,100	37,375,766
	Diluted Earning Per Share (In Rupees)	0.12	0.24

37 Deferred Tax

Particulars	Opening balance as at 01-04-11	During year 2011-12	Closing balance as at 31-03-12
Deferred Tax Assets			
Ex-Gratia	55,045	4,468	59,513
Bonus	149,268	(10,218)	139,050
Gratuity	175,362	24,063	199,425
VRS	382,354	(174,791)	207,563
Total	762,029	(156,478)	605,551
Deferred Tax Liability			
Depreciation	4,706,318	(153,640)	4,552,678
Net Deferred Tax Liability Net	3,944,289	2,838	3,947,127

38 Managerial Remuneration

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

Particulars	2011-12 Amount	2010-11 Amount
Salary	618,000	540,000
Contribution to Provident Fund	74,160	64,800
Other Perquisites(LTA & Medical Allowances)	45,000	45,000
Total	737,160	649,800

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

Particulars	2011-12 Amount	2010-11 Amount
Profit as per Profit & Loss A/c before tax	12,532,903	11,747,107
Add: Depreciation charged in the accounts	3351510	2,880,706
Add :Loss on sales discarding of fixed assessts	281139	204673
Managerial Remuneration debited to P & L A/c.	737160	649,800
Total	16621573	15,277,613
Less: Depreciation in accordance with Section 350 Of the Companies Act, 1956	-	-
Net Profit for the Year as per section 349 of the Companies Act , 1956	16621573	15,277,613
Maximum Managerial Remuneration @ 5% of Net Profit	831079	763881

Note:

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



Eligibility As Per Companies Act, 1956

Particulars	2011-12 Amount	2010-11 Amount
Commission to Independent Directors u/s 309 (calculated @ 1% of the Net Profit)	8,311	7,639
Remuneration to Directors u/s 198 (calculated @ 5% of the Net Profit)	831,079	763,881
Total Eligibility	839,389	771,519
Total Actual Remuneration Paid	737,160	649,800
Remuneration Restricted to	839,389	771,519

	As at 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
39 Earnings in foreign currency		
F.O.B. Value of Exports (on accrual basis)	147,333,643	180,088,193
40 Value of import on CIF basis		
Raw Materials & Packing Material Purchased	11,573,179	14,479,432
Stores and Spares Purchased	45,181	48,419
41 Expenditure in foreign currency		
Travelling Expenses	51,000	200,000

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

Particulars	Currency	As at 31-03-12 (Rupees)		As at 31-03-11 (Rupees)	
Debtors	USD	71,731.10	3,486,131.46	151,154.80	6,749,062
	EURO	28,440.00	1,878,392.25	98,944.40	6,257,244

43 Pursuant to Accounting Standard (AS)-28 on "Impairment of Asset" issued by The Institute of Chartered Accountants of India, the company assessed its fixed assets for impairment as at 31st March 2012, and concluded that there have been no significant impaired fixed assets that need to be recognized in the books of accounts.

44 Disclosure as per clause 32 of the listing agreement:

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

Name of subsidiary company	As at 31-03-12 (Rupees)	Maximum balance outstanding during the year
Unsecured Loan to Chromatic International FZE	1,843,084,010 (906,979,500)	1,843,084,010 (906,979,500)

Figures in bracket represent previous year figures.

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

A Details of licensed and installed capacity and actual production

Particulars	As at 31-03-12 in KG	As at 31-03-11 in KG
Licensed capacity	1,200,000	1,200,000
Installed capacity	1,200,000	1,200,000
Actual production	752,948	1,132,143

All Quantities are in KG

**B Details of finished goods / WIP as on 31-03-12**

Particulars	Opening Stock		Production	Turnover		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S.O. Dyestuffs (Reactive dyes)	43,699	9,226,065	752,948	738,691	147,333,643	57,956	13,028,211
Total	43,699 (37,073)	9,226,065 (7,232,571)	752,948 (1,132,143)	738,691 (1,125,517)	147,333,643 (180,088,193)	57,956 (43,699)	13,028,211 (9,226,065)

Figures in bracket represent previous year figures.

C Raw material consumed/ sales

Particulars	For the year ended 31-03-12		For the year ended 31-03-11	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	66977	17259419	114650	26,026,481
J. Acid	9011	3168043	10779	3,407,546
Vinyl Sulphone	142367	19269996	293584	39,943,712
F. Oil	173675	6737335	275406	8,090,217
Other raw materials	-	78154618	-	75,797,973
Total		124589411		153,265,929

D Raw material & stores & spares imported/ indigenous:

Particulars	For the year ended 31-03-12		For the year ended 31-03-11	
	Value (Rs.)	%	Value (Rs.)	%
A) Raw Material & Packing Material				
Imported	11,573,179	9.29	14,479,432	9.45
Indigenous	113,016,232	90.71	138,786,497	90.55
Total	124,589,411	100.00	153,265,929	100.00
B) Stores & Spares				
Imported	45,181	1.56	48,419	3.21
Indigenous	2,857,368	98.44	1,460,552	96.79
Total	2,902,549	100.00	1,508,971	100.00

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

As per our report of even date attached

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

CA.Sudhir K.Jain
Partner
Membership No. 072282

Place: Mumbai
Date : 30th May,2012

For and on behalf of Board of Directors

wholetime Director *Director*

Company Secretary

Place: Mumbai
Date : 30th May,2012



CASH FLOW STATEMENT AS ON 31.03.2012

(Amount in Lacs)

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	125.33	117.47
Adjustment for :		
Depreciation	33.52	28.81
Depreciation Deletion	3.22	2.62
Interest	49.68	19.55
Miscellaneous Expenses	-	0.19
Interest earned	(180.19)	(243.15)
VRS Expenses Amortised	-	-
GDR Expenses adjusted against Securities prem a/c	-	(177.96)
Expenses of previous year adjusted	(0.06)	0.41
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	31.49	(252.06)
Adjustment for :		
Trade and other Receivables including Loans & Advances	(7,159.99)	(12,628.32)
Unamortised Voluntary Retirement Scheme Expenses	-	-
Inventories	(82.99)	(73.20)
Trade Payables	<u>1,383.24</u>	<u>3,908.34</u>
CASH GENERATED FROM OPERATIONS	(5,828.25)	(8,793.18)
Taxes Paid	(5.40)	-
NET CASH FROM OPERATING ACTIVITIES	(5,833.65)	(9,045.24)
II CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital WIP)	(1,872.76)	(8,819.16)
Sale of Fixed Assets	2.00	3.20
FD Under Lien	(0.60)	(8.95)
Interest Received	<u>180.19</u>	<u>243.15</u>
NET CASH USED IN INVESTING ACTIVITIES	(7,524.82)	(17,627.01)
III CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital / GDR Issue (Including Share Premium Amount)	-	24,801.00
Repayment of Finance Lease Liabilities	450.66	(31.30)
Investment in Subsidiary	-	(12.29)
Dividend Paid	(41.29)	-
Interest Paid	(49.68)	(19.55)
NET CASH USED IN FINANCING ACTIVITIES	(7,165.12)	24,737.87
IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
ADD : Opening Balance as on 01.04.2011 (P.Y. As on 01.04.10)	7,195.11	84.26
	29.99	7,195.11
Closing Balance As on 31.03.2012 (P.Y.As on 31.03.2011)	29.99	7,195.11
Notes to the cash flow statement :		
Cash and cash equivalent consist of cash on hand and balances with banks and investments in money market instruments.		
	31.03.2012	31.03.2011
Cash on hand	8.04	0.64
Balances with banks	21.95	7194.47

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 : 30th May,2012

For and on behalf of Board of Directors

wholtime Director Director

Company Secretary

Place: Mumbai
Date : 30th May,2012



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

Name of the Subsidiary	Number of shares in the Subsidiary Company held by Chromatic India Limited at the financial year ending date		The net aggregate of profits / (losses) of the Subsidiary Companies so far as they concern the members of Chromatic India Ltd.			
			For Current Financial year (Amount in Rs. Lacs)		For Previous Financial Years (Amount in Rs. Lacs)	
	Equity	Extent of holding	Dealt with in the account of the Chromatic India Ltd for the year ended 31st March, 2012	Not dealt with in the account of the Chromatic India Ltd for the year ended 31st March, 2012	Dealt with in the account of the Chromatic India Ltd for the year ended 31st March, 2011	Not dealt with in the account of the Chromatic India Ltd for the year ended 31st March, 2011
Chromatic International FZE	1 Equity Share	100%	740.59	N.A.	(5.46)	N.A.

Notes:

1. The financial year of Chromatic India Limited and its subsidiary company are ending on 31st March, 2012.
2. Chromatic International FZE was incorporated in Ras Al Khaimah Free Trade Zone under Registration Number: RAKFTZA-FZE-4005123 as a Free Zone establishment with limited liability on 21st October 2010.

For and on behalf of the Board

Director *Director*

Company Secretary

Place: Mumbai
Date: May 30, 2012



Consolidated Auditors' report

- To,
The Board of directors of Chromatic India Limited on Consolidated Financial Statements of Chromatic India Limited
1. We have audited the attached consolidated balance sheet of Chromatic India Limited ('the Company') and its subsidiaries (together referred as Chromatic Group) as at March 31, 2012 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
 3. We have not audited the financial statements of the subsidiaries, whose financial statements reflect Group's share of total assets of Rs. 190.92 Lacs as at 31st March, 2012, the total revenue of Rs. 153.28 Crores and net cash inflows of Rs. 1.21 Crores for the year then ended as considered in the consolidated financial statements. These financial statements of the subsidiaries 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.
 4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS)-21 Consolidated Financial Statements, Accounting Standard (AS)-23 Accounting for Investments in Associates in consolidated Financial Statements and Accounting Standard (AS)-27, Financial Reporting of Interests in Joint Venture, notified pursuant to the Companies (Accounting Standards) Rules 2006.
 5. Based on our audit conducted and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, subject to our note nos. 27 related to realisability of current assets and loans & advances, note no. 29 related to realisability of the investment, loan and interest receivable, from Societa Eiducle L Con Sa (Arcoiris SA), a subsidiary company, liquidated during the year, aggregating Rs 136.04 lacs as at March 31, 2012 (Rs 136.97 lacs as at March 31, 2011). This has resulted in overstatement of profits by Rs 136.04 lacs (Rs 136.97 lacs for the year ended March 31, 2011) loans and advances by Rs 136.04 lacs (Rs 136.97 lacs as at March 31, 2011), where no provision has been made, and note no. 33 related to employees benefits and to the best of our information and according to the explanation given to us, we are of the opinion that the attached consolidated financial statements give a true & 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 Chromatic Group as at March 31, 2012;
 - b) In the case of the consolidated profit and loss account, of the profit of Chromatic Group for the year ended on that date; and
 - c) In the case of consolidated cash flow statement, of the cash flows of Chromatic Group for the year ended on that date.

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

CA. Sudhir K. Jain
Partner
Membership No. 072282

Place: Mumbai
Date: May 30, 2012

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Consolidated Balance Sheet as on 31st March 2012

(Amount in INR)

Particulars	Note No.	As on 31st March 2012	As on 31st March 2011
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	710,461,000	710,461,000
(b) Reserves and Surplus	2	2,307,250,617	2,008,779,748
		<u>3,017,711,617</u>	<u>2,719,240,748</u>
Non-Current Liabilities			
(a) Long-Term Borrowings	3	1,983,983	777,346
(b) Deferred Tax Liabilities (Net)		3,947,127	3,944,289
(c) Long-Term Provisions		-	-
		<u>5,931,110</u>	<u>4,721,635</u>
Current Liabilities			
(a) Short-Term Borrowings	4	57,293,951	14,836,800
(b) Trade Payables	5	557,388,102	420,072,228
(c) Other Current Liabilities	6	6,389,057	2,055,255
(d) Short-Term Provisions	7	651,000	558,746
		<u>621,722,109</u>	<u>437,523,029</u>
	TOTAL	<u>3,645,364,837</u>	<u>3,161,485,412</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	8	42,691,776	41,844,192
ii) Intangible Assets	8	-	14,550
iii) Capital Work-In-Progress	8	1,057,200,000	876,100,000
iv) Intangible Assets Under Development	8	-	-
(b) Non-Current Investments	9	36,000	36,000
(c) Long-Term Loans and Advances	10	1,926,061,773	930,481,759
(d) Other Non-Current Assets		-	-
		<u>3,025,989,549</u>	<u>1,848,476,501</u>
Current Assets			
(a) Current Investments		-	-
(b) Inventories	11	32,608,018	24,309,249
(c) Trade Receivables	12	495,928,247	358,011,633
(d) Cash and Bank Balances	13	16,768,206	722,937,190
(e) Short-Term Loans and Advances	14	74,070,815	207,750,840
		<u>619,375,286</u>	<u>1,313,008,911</u>
	TOTAL	<u>3,645,364,837</u>	<u>3,161,485,412</u>

Significant Accounting Policies and Notes to Financial Statements 23-44

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 : 30th May,2012

For and on behalf of Board of Directors

wholetime Director

Director

Company Secretary

Place: Mumbai

Date : 30th May,2012



Consolidated Statement of Profit & Loss for the year ended 31st March 2012

(Amount in INR)

Particulars	Note No.	For the year ended 31st March 2012	For the year ended 31st March 2011
I. INCOME			
(a) Revenue from operations	15	2,735,583,914	1,049,975,470
(b) Other income	16	27,526,678	54,136,724
Total		2,763,110,591	1,104,112,194
II. Expenses			
(a) Purchases and Direct Expenses	17	2,628,765,032	1,024,990,780
(b) (Increase)/Decrease in Inventories	18	(3,402,147)	(2,393,495)
(c) Employee benefits expense	19	13,841,953	16,676,182
(d) Finance Cost	20	5,023,501	2,073,667
(e) Depreciation and Amortization expense	21	3,351,510	2,880,706
(f) Other expenses	22	29,016,923	48,682,223
Total		2,676,596,772	1,092,910,063
III. Profit before tax		86,513,819	11,202,131
IV. Tax expense:			
(a) Current tax		4,007,278	2,300,000
(b) Deferred tax		2,838	292,403
V. Net Profit after Tax		82,503,703	8,609,728
VI. Earnings per Equity Share:			
(a) Basic		1.16	0.12
(b) Diluted		1.16	0.23

Significant Accounting Policies and Notes to Financial Statements 23-44

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

For and on behalf of Board of Directors

wholetime Director *Director*

Company Secretary

Place: Mumbai
Date : 30th May,2012

Place: Mumbai
Date : 30th May,2012

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Notes forming part of Consolidated financial statements

Note 1 SHARE CAPITAL

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

	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs 10/- each	125000000	1,250,000,000	125000000	1,250,000,000
Issued				
Equity Shares of Rs 10/- each	71046100	710,461,000	71046100	710,461,000
Subscribed & Paid up				
Equity Shares of Rs 10/- each fully paid	71046100	710,461,000	71046100	710,461,000
Total	71046100	710,461,000	71046100	710,461,000

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

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

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Amount (Rs.)	Number	Amount (Rs.)
EQUITY SHARES WITH VOTING RIGHTS:				
Opening Balance	71046100	710,461,000	71046100	710,461,000
Fresh Issue	-	-	-	-
Bonus	-	-	-	-
ESOP	-	-	-	-
Conversion	-	-	-	-
Buy Back	-	-	-	-
Other Changes (give details)	-	-	-	-
Closing Balance	71046100	710,461,000	71046100	710,461,000

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

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

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
EQUITY SHARES WITH VOTING RIGHTS:				
M/s Cheetah Multitrade Private Limited, Holding Company of Chromatic India Limited	18262541	182,625,410	18262541	182,625,410

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

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

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	Shares held	% of Holding	Shares held	% of Holding
The Bank Of New York Mellon, DR	37299996	52.50%	37299996	52.50%
M/s. Cheetah Multitrade Pvt. Ltd.	18262541	25.71%	18262541	25.71%



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

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

Notes forming part of the financial statements

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

Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-2 Reserves and surplus		
(a) Capital reserve		
Opening balance	1,695,000	1,695,000
Add: Additions during the year (on consolidation)	158,350	-
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	1,853,350	1,695,000
(b) Securities premium account		
Opening balance	1,985,812,100	943,003
Add : Premium on shares issued during the year	-	2,018,991,049
Less : Utilised during the year for:		
Issuing bonus shares	-	34,121,952
Closing balance	1,985,812,100	1,985,812,100
(c) General reserve		
Opening balance	17,978,960	17,978,960
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:		
Issuing bonus shares	-	-
Others (give details)	-	-
Closing balance	17,978,960	17,978,960
(d) Foreign currency translation reserve		
Opening balance	-	-
Add / (Less): Effect of foreign exchange rate variations during the year	219,931,215	-
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	219,931,215	-
(e) Statutory Reserves (subsidiary company)		
Opening Balance	-	-
Add: for the year	693,450	-
Closing Balance	693,450	-



Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-2 Reserves and surplus (Contd.)		
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	3,293,689	(5,275,174)
Add: Profit / (Loss) for the year	81,810,253	8,609,728
Total	85,103,942	3,334,554
Add/ (Less): Prior Period Expenses	6,180	(40,865)
Profit after Tax and Prior Period Adjustments	85,110,122	3,293,689
Less: Interim dividend (including Dividend Tax)	4,128,578	-
Closing balance	80,981,544	3,293,689
Total	2,307,250,617	2,008,779,749

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

Note-3 Long-term borrowings

(a) **Term loans**

From banks

Secured#

1520000

0

Unsecured

0

0

Total (a)

1520000

0

From other parties

Secured*

463983

777346

Unsecured

0

0

Total (b)

463983

777346

Total (a+b)

1,983,983

777,346

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 Hypothecation of underlying assets purchased.

Note-4 Short-term borrowings

(a) **Loans repayable on demand**

From banks

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

6,194,955

0

2. Export Packing Credit Limit from Bank of India

17,164,000

13,836,800

Unsecured

-

-

Total (a)

23,358,955

13,836,800

From other parties

Secured @

33,934,996

1,000,000

Unsecured

-

-

Total (b)

33,934,996

1,000,000

Total Short Term Borrowing

57,293,951

14,836,800

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

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



Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-5 Trade payables		
Trade payables:		
Acceptances	-	
Other than Acceptances	557,388,102	420,072,228
Total	557,388,102	420,072,228
Note-6 Other current liabilities		
(a) Current maturities of long-term debt (Refer Note (i) below)	960,000	-
(b) Current maturities of finance lease obligations (Refer Note 30.8.c)	442,300	-
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	302,252	204,933
(ii) Others: Salary & Wages	460,018	-
Other Liabilities	1,768,567	1,336,261
(iii) current year tax provision (netted off tds)	2,455,920	514,061
Total	6,389,057	2,055,255
Note (i): Current maturities of long-term debt (Refer Notes 3 - Long-term borrowings for details of security and guarantee):		
(a) Term loans		
From banks		
Secured	960,000	0
Unsecured	-	0
	960,000	0
From other parties		
Secured	442,300	0
Unsecured	-	0
	442,300	0
Total	1,402,300	-
Note-7 Short-term provisions		
(a) Provision for employee benefits: @		
(i) Provision for bonus	458,400	400,319
(ii) Provision for other employee benefits - Exgratia	192,600	158,427
Total	651,000	558,746



Note-8
Fixed Assets

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 April, 2011	Additions	Other Adjustments	Deductions	Balance as at 31 March 2012	Up to 31 March 2011 charge for the year	Depreciation	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2011
a) Tangible Assets										
LAND - LEASE HOLD	11,702,920				11,702,920	232,179	157,133	-	389,312	11,470,741
BLDG & RESI.FLAT	30,356,189				30,356,189	13,254,111	850,963		14,105,074	17,102,078
PLANT & MACHINERY	49,840,698	3,799,608			53,640,306	39,617,242	1,839,841		41,457,083	10,223,456
OFFICE & OTHERS EQUIP.	5,798,963	50,866			5,849,829	4,991,048	137,215		5,128,263	807,915
FURNITURE & FIXTURE	2,580,677	200,540			2,781,217	2,580,675	40,829		2,621,504	2
VEHICLES	4,237,010	629,219		802,649	4,063,580	1,997,010	325,529	321,510	2,001,029	2,240,000
TOTAL	104,516,457	4,680,233	-	802,649	108,394,041	62,672,265	3,351,510	321,510	65,702,265	41,844,192
CAPITAL W.I.P.	876,100,000	182,595,703		1,495,703	1,057,200,000	-	-	-	-	876,100,000
TOTAL	876,100,000	182,595,703			1,057,200,000	62,672,265	3,351,510	321,510	65,702,265	876,100,000
TOTAL	876,100,000	182,595,703			1,057,200,000	62,672,265	3,351,510	321,510	65,702,265	876,100,000
Previous Year	99,486,996	881,916,457		786,998	980,616,457	60,053,884	2,880,706	262,325	62,672,266	39,433,114
b) Intangible Assets										
Goodwill on consolidation	14,550	-		14,550	-	-	-	-	-	14,550
Previous Year	-	14,550			14,550	-	-	-	-	-

Note: There are no Intangible Assets under development.



Note: 9 Non-Current Investment

Particulars	As at 31 March, 20X2			As at 31 March, 20X1		
	Quoted Rs.	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Other non-current investments (specify nature) 800 equity shares of Bank of India of Rs. 10 each at a premium of Rs. 35/- each	36,000	-	36,000	36,000	-	36,000
Total	36,000	-	36,000	36,000	-	36,000

Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
-------------	------------------------------	------------------------------

Note-10 Long-term loans and advances

(a) Security deposits

Secured, considered good	-	-
Unsecured, considered good	1,152,460	1,109,710
Doubtful	-	-
Sub-Total	1,152,460	1,109,710
Less: Provision for doubtful deposits	-	-
Total (a)	1,152,460	1,109,710

(b) Loans and advances to related parties

Secured, considered good	-	-
Unsecured, considered good:		
-Arcoiris SA	13,603,915	13,697,308
-Chromatic International FZE	-	0
Doubtful	-	-
Sub-Total	13,603,915	13,697,308
Less: Provision for doubtful loans and advances	-	-
Total (b)	13,603,915	13,697,308

(c) Advance income tax (net of provisions) (As at

31 March, 20X1 ' 9041930) - Unsecured, considered good	8,438,981	9,041,930
(i) Other loans and advances (consolidation)		
Secured, considered good		
Unsecured, considered good	1,902,866,418	906,632,811
Doubtful		
Total (a+b+c)	1,926,061,773	930,481,759



Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-11 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials	18,878,829	12,468,950
Goods-in-transit	-	-
(b) Work-in-progress, Finished Goods & Packing Material	13,729,189	11,840,299
Goods-in-transit	-	-
Total	32,608,018	24,309,249
Note-12 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	0	0
Unsecured, considered good	307,744	307,744
Doubtful	0	0
Sub-Total	307,744	307,744
Less: Provision for doubtful trade receivables	0	0
Total	307,744	307,744
Other Trade receivables		
Secured, considered good	0	0
Unsecured, considered good	495,620,504	357,703,889
Doubtful	382,263	382,263
Sub-Total	496,002,766	358,086,152
Less: Provision for doubtful trade receivables	382,263	382,263
Total	495,620,503	357,703,889
Total	495,928,247	358,011,633
Note-13 Cash and cash equivalents		
(a) Cash on hand	804,129	64,452
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	14,955,355	11,768,591
(ii) In EEFC accounts		
(iii) In deposit accounts	54,418	710,944,220
(iv) In earmarked accounts		
- Unpaid dividend accounts	159,838	159,188
- Unpaid matured deposits	-	-



Particulars	As at 31 March, 20X2 ₹	As at 31 March, 20X1 ₹
Note-13 Cash and cash equivalents (Contd.)		
- 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)	740,146	-
- Other earmarked accounts (Gratuity Account)	54,320	738
(d) Others (specify nature)	-	-
Total	16,768,206	722,937,190
Note-14 Short-term loans and advances		
(a) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	263,645	237,550
Doubtful	-	0
Sub Total	263,645	237,550
Less: Provision for doubtful loans and advances	-	-
Total (a)	263,645	237,550
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
	440,686	116,006
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	-	165,628
(ii) VAT credit receivable	11,322,436	9,192,003
(iii) Service Tax credit receivable	263,013	257,500
(iv) Export Incentive Receivable	7,419,343	9,188,430
(v) Balance with Central Excise	2,128,424	1,492,188
Total (c)	21,133,216	20,295,749
(d) Others (Advances Recoverable)		
Secured, considered good	-	-
Unsecured, considered good	52,233,268	187,101,535
Doubtful	-	-
Sub-Total	52,233,268	187,101,535
Less: Provision for other doubtful loans and advances	-	-
Total (d)	52,233,268	187,101,535
Total (a+b+c+d)	74,070,815	207,750,840



Particulars	For the year ended 31 March 2012 ₹	For the year ended 31 March 2011 ₹
Note-15 Revenue from Operations		
Sale of products	149,155,912	180,462,149
Sales of traded goods	2,586,428,001	869,513,321
Total	2,735,583,914	1,049,975,470
Note-16 Other Income		
Interest Received	18,019,228	24,314,619
Dividend-others from Long Term Investments	5,600	2,800
Miscellaneous Income	9,501,849	29,819,305
Total	27,526,678	54,136,724
Note-17 Purchase & Direct Expenses		
Raw Material consumed		
Opg Stock of Raw Material	14,683,184	9,756,735
Raw Material Purchase	120,447,432	154,451,651
Packing Material	341,477	4,155,931
Freight Inward	1,702,787	2,313,435
Less:-Closing stock	(19,579,806)	(14,683,184)
Purchase of Traded goods	2,511,169,959	868,996,213
Total	2,628,765,032	1,024,990,780
Note-18 (Increase)/Decrease in Inventories		
Inventory at the beginning of the year Finished & Work in Progress		
Finished Goods	-	46,433
Work in Progress	9,626,065	7,186,137
Total	9,626,065	7,232,570
Inventory at the end of the year		
Finished Goods	1,512,000	-
Work in Progress	11,516,212	9,626,065
Total	13,028,212	9,626,065
(Increase) in Inventories	(3,402,147)	(2,393,495)
Note-19 Employee Benefit Expenses		
Salary, Wages and Bonus Etc.	11,643,846	11,417,578
Company's Contribution to Provident Fund and ESIC	991,124	873,590
Staff welfare Expenses & other Amenities	819,949	737,677
Gratuity Expenses	334,303	3,647,337
Leave Encashment	52,731	-
Total	13,841,953	16,676,182



Particulars	For the year ended 31 March 2012 ₹	For the year ended 31 March 2011 ₹
Note- 20 Finance Cost		
Interest expense		
Bank Interest	1,933,276	1,230,796
Other Interest	2,249,296	2,318
Bank Charges	840,930	840,553
Total	5,023,501	2,073,667
Note-21 Depreciation and Amortization Expenses		
Depreciation on tangible assets	3,351,510	2,880,706
Total	3,351,510	2,880,706
Note-22 Other Expenses		
Rates & Taxes	203,296	92,919
Power & Water	5,449,519	5,097,867
Stores & Spares	2,902,549	1,508,971
Repairs and Maintenance :	-	-
- Repairs to Building	989,469	249,007
- Repairs to Machinery	2,735,505	2,570,874
- Repairs to Others	383,705	257,064
Advertisement & Sales Promotion	295,981	390,475
Freight & Forwarding Charges	2,161,952	3,514,714
Travelling Expenses	475,646	587,613
Payment to Auditors*	542,388	422,497
Insurance	107,029	143,692
Telephone Charges	302,751	274,837
Car Expenses	502,986	739,625
Labour Charges	3,150,806	2,716,067
Loss on Sale of Assets	281,139	204,673
General Expenses	3,207,815	3,065,814
Annual Listing Exps	392,308	86,748
Excise Duty expense	-	20,425
Exchange Difference (Net)	-	-
Professional Charges	2,273,828	542,784
Printing & Stationery	220,698	264,612
Commission on sales	-	-
Balance Written Off	2,437,553	25,504,637
Total	29,016,923	48,682,223
*Payment to Auditors		
a) As Auditors		
Statutory Audit fee	190000	
Tax Audit Fees	50000	240,000
Other services (certification fees)	138,341	128,765
Reimbursement of expenses	164,047	34,755
Total	542,388	422,497



Notes forming part of Consolidated financial statements

Note-23 Company Overview

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

Note-24 Significant Accounting Policies

24.1 Basis of Preparation of Financial Statements

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

24.2 Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

The financial statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealised profit or losses if any as per Accounting Standard-21.

The financial statements of the Subsidiary Companies used in consolidation are drawn for the same period as that of Parent Company i.e. year ended March 31, 2012.

Goodwill represents the difference due to exchange rate in Parent company's shares in the Subsidiary companies as on the date of Balance Sheet.

The consolidated financial statements have been prepared using uniform accounting policies unless otherwise stated for like transactions and other events in similar circumstances and are presented in the same manner as the parent company's separate financial statements.

24.3 Use of Estimates

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

24.4 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.



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Dividends

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

24.5 Accounting for Export Incentive:

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

24.6 Fixed Assets

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

24.7 Depreciation and Amortisation

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

24.8 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

24.9 Leased Assets

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

Lease hold land is amortised over the Lease period.

24.10 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.

24.11 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.

24.12 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.

24.13 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.



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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.

24.14 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.

24.15 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.

24.16 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

24.17 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.

24.18 Cash and Cash equivalents:

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



Notes forming part of Consolidated financial statements

OTHER NOTES TO ACCOUNTS

25 Contingent liabilities not provided for:

	As at 31-03-12	As at 31-03-11
	(Rupees)	(Rupees)
Bank Guarantees (secured by fixed deposit receipts)	60,000	20,000
Disputed Income-tax demands with various authorities for various years	3,958,448	3,894,352

(For the A.Y. 1999-00, certain expenses were disallowed amounting to Rs. 90,35,149. ITAT referred back the case to CIT appeals to verify the case on factual ground. In the A.Y. 2002-03, the company had written off loss on investment in subsidiary amounting to Rs. 6,75,100/-. The loss was claimed as "business loss" in the computation of income. In assessment the loss was disallowed and Assessing Office (A.O.) has initiated penalty. The case has been presented before the A.O. for clarification on non levy of penalty. The order for the same is awaited. In the assessment of 2008-09 disallowances are made for non submission of TDS certificate amounting to Rs. 56,950 . The company has deposited the original TDS certificate to claim the credit.)

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 subsidiary namely Arcoiris SA with a view to have establishment abroad to penetrate into foreign market. However, the company has been liquidated during the year and net worth of Arcoiris SA is fully eroded. However, no provision is made for investment amounting to Rs. 26.23 lacs and advances and interest receivable of Rs. 109.81 lacs, which are doubtful of recovery. The amount has been shown as Long Term Loans & Advances.

29 Following accounts still continue in the name of Blue rock dyes and chemicals Ltd., which were amalgamated with Chromatic India Ltd. on 01.04.2006. The amount lying in said accounts will be transferred in the name of Chromatic India Ltd. in due course.

Type of Account	Account Number	As at 31-03-12
Current Deposit	001720100007331	81560.99

30 No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at the date or for the period then ended, other than those reflected or fully disclosed in the books of account.

	As at 31-03-12	As at 31-03-11
	(Rupees)	(Rupees)
31 The net amount of exchange differences debited / (credited) to profit & loss account	(6,402,076)	(23,905,854)



32 Provision for Gratuity payable to employees has been covered by the Group Gratuity Policy taken by the company with LIC of India and premium of the policy has been duly accounted for. However, no provision has been made for leave encashment as required by AS-15 (Revised 2005) employee Benefits notified by Companies (Accounting Standard) Rules 2006, has been made and the same shall be accounted for as and when paid.

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

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

	2011-2012	2010-2011
Employers Contribution to Provident fund	871,091.00	762,272.00

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

	2011-2012	2010-2011
Employers Contributions to Employee State Insurance	35,881.00	37,109.00

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

I. Change in present value of obligations:	Gratuity 2011-12	Gratuity 2010-11
Present value of obligation at the beginning	2,436,856.00	1,884,138.00
Current service costs	203,562.00	202,352.00
Benefits paid	-	-
Actuarial (Gain)/Loss on obligation	645,389.00	812,296.00
Present value of obligation at the end	3,268,793.00	2,898,786.00
II. Amount to be recognized in the Balance Sheet:	Gratuity 2011-12	Gratuity 2010-11
Present value of obligation at the end	3,268,793.00	2,898,786.00
Fair value of plan assets at the end of the I.V.P	-	-
Funded status	2,754,145.00	2,384,138.00
Unrecongized Actuarial (Gain)/Loss at the end	-	-
Net Assets/ (Liability) Recognized in the Balance Sheet	514,648.00	514,648.00
III. Expenses recognized in the Statement of Profit & Loss:	Gratuity 2011-12	Gratuity 2010-11
Current service cost	203,562.00	202,352.00
Net Actuarial (Gain)/Loss recognized in the I.V.P	130,741.00	894,985.00
Expenses recognized in the Statement of Profit & Loss	334,303.00	1,097,337.00
IV. Actuarial Assumptions:	LIC 1994-96 (Ultimate) 2011-12	LIC 1994-96 (Ultimate) 2010-11
Discounting rate	8.00%	8.00%
Salary Rise	5.00%	5.00%
Withdrawl Rate	1-3%	1-3%
Remaining Working Life	16.67 years	15.41 years



33 Segment reporting

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

Particulars	Domestic	Overseas	Total
Sales	2,586,428,001 (869,513,321)	149,155,912 (180,462,149)	2,735,583,913 (1,049,975,470)
Total Sales	2,586,428,001 (869,513,321)	149,155,912 (180,462,149)	2,735,583,913 (1,049,975,470)

Figures in bracket represent previous year figures.

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

Name of the country	2011-12 (Rupees)	2010-11 (Rupees)
India	1,055,451,802	869,934,595
Switzerland	78,656,745	119,786,308
South Africa	1,041,936.00	-
Italy	3,496,232	5,552,241
Singapore	64,138,730	54,749,644
UAE	1,532,798,468	-
Total	2,735,583,913	1,049,975,470

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 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
Export Debtors	5,613,065	13,006,306
EEFCA/c.	-	-
Total	5,613,065	13,006,306

34 Related Party Disclosures

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

(i) List of related parties and relationships:

Name of the Related Party	Nature of Relationship
(a) Cheetah Multitrade Pvt. Ltd.	Holding Company
(b) Arcoiris SA	100% Subsidiary
(c) Mr.V.K.Kaushik	Key Managerial Personnel
(d) Mr.Nitin Sethi (From 06/02/2008)	Key Managerial Personnel
(e) Mr.Ajay Sethi (From 29/05/2010)	Key Managerial Personnel
(f) Mr.Bal Kishan Kalia (From 04/10/2010)	Key Managerial Personnel



Particulars	2011-12 (Rupees)	2010-11 (Rupees)
(ii) Transactions during the year with related parties(excluding reimbursements)		
With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	100,000	1,000,000
With Subsidiary: Arcoiris SA		
Sales	-	-
Interest income	229,096	413,950
With Key Managerial Personnel :		
Mr.V.K.Kaushik-Remuneration	737,760	649,800
(iii) Closing balance as on 31st March:		
With Holding Company: Cheetah Multitrade Pvt. Ltd.		
Unsecured loan taken	-	1,000,000
With Subsidiary: Arcoiris SA		
Unsecured loan given (including interest and exchange rate difference)	1,09,80,915	11,074,308

Remuneration to executive directors: (Includes benefits which are debited to respective expenses)	As at 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
Remuneration	618,000	540,000
Provident Fund Contribution	74,160	64,800
Other Perquisites (LTA & Medical Allowance)	45,000	45,000
Total	737,160	649,800

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

35 Calculation of Earning Per Shares

Particulars	As at 31-03-12 (Rupees)	As at 31-03-11 (Rupees)
i) Basic EPS		
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	82,503,703	8,609,728
Weighted average no. of Equity Shares used as denominator	71,046,100	71,046,100
Basic Earning Per Share (In Rupees)	1.16	0.12
ii) Diluted EPS		
Net Profit / (Loss) after tax available for equity shareholders (Rupees) used as numerator	82,503,703	8,609,728
Weighted average no. of Equity Shares used as denominator	71,046,100	37,375,766
Diluted Earning Per Share (In Rupees)	1.16	0.23



36 Deferred Tax

Particulars	Opening balance as at 01-04-11	During year 2011-12	Closing balance as at 31-03-12
Deferred Tax Assets			
Ex-Gratia	55,045	4,468	59,513
Bonus	149,268	(10,218)	139,050
Gratuity	175,362	24,063	199,425
VRS	382,354	(174,791)	207,563
Total	762,029	(156,478)	605,551
Deferred Tax Liability			
Depreciation	4,706,318	(153,640)	4,552,678
Net Deferred Tax Liability Net	3,944,289	2,838	3,947,127

37 Managerial Remuneration

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

Particulars	2011-12 Amount	2010-11 Amount
Salary	618,000	540,000
Contribution to Provident Fund	74,160	64,800
Other Perquisites(LTA & Medical Allowances)	45,000	45,000
Total	737,160	649,800

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

Particulars	2011-12 Amount	2010-11 Amount
Profit as per Profit & Loss A/c before tax	12,532,903	11,747,107
Add: Depreciation charged in the accounts	335,1510	2,880,706
Add :Loss on sales discarding of fixed assessts	281,139	204,673
Managerial Remuneration debited to P & L A/c.	737,160	649,800
Total	16621573	15,277,613
Less: Depreciation in accordance with Section 350 Of the Companies Act, 1956	-	-
Net Profit for the Year as per section 349 of the Companies Act , 1956	16621573	15,277,613
Maximum Managerial Remuneration @ 5% of Net Profit	831079	763881

Note:

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



Eligibility As Per Companies Act,1956

Particulars	2011-12 Amount	2010-11 Amount
Commission to Independent Directors u/s 309 (calculated @ 1% of the Net Profit)	8,311	7,639
Remuneration to Directors u/s 198 (calculated @ 5% of the Net Profit)	831,079	763,881
Total Eligibility	839,389	771,519
Total Actual Remuneration Paid	737,160	649,800
Remuneration Restricted to	839,389	771,519

38 Earnings in foreign currency **As at 31-03-12** **As at 31-03-11**
(Rupees) **(Rupees)**

F.O.B. Value of Exports (on accrual basis)	147,333,643	180,088,193
Domestic local sale from UAE	1,532,798,468	0

39 Value of import on CIF basis **As at 31-03-12** **As at 31-03-11**
(Rupees) **(Rupees)**

Raw Materials & Packing Material Purchased	11,573,179	14,479,432
Stores and Spares Purchased	45,181	48,419
Domestic local Purchased from UAE	1,458,351,216	0

40 Expenditure in foreign currency **As at 31-03-12** **As at 31-03-11**
(Rupees) **(Rupees)**

Travelling Expenses	51000	200,000
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41 Particulars of unhedged foreign currency exposure as at balance sheet date

Particulars	Currency	As at 31-03-12		As at 31-03-11	
			(Rupees)		(Rupees)
Debtors	USD	71,731.10	3,486,131.46	151,154.80	6,749,062
	EURO	28,440.00	1,878,392.25	98,944.40	6,257,244
	AED	145918.00	2023737.00	0	0

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 2012, and concluded that there have been no significant impaired fixed assets that need to be recognized in the books of accounts.

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

A Details of licensed and installed capacity and actual production

Particulars	As at 31-03-12 in KG	As at 31-03-11 in KG
Licensed capacity	1,200,000	1,200,000
Installed capacity	1,200,000	1,200,000
Actual production	752,948	1,132,143

All Quantities are in KG

**B Details of finished goods / WIP as on 31-03-12**

Particulars	Opening Stock		Production	Turnover		Closing Stock	
	Quantity	Value (Rs.)	Quantity	Quantity	Value (Rs.)	Quantity	Value (Rs.)
S.O. Dyestuffs (Reactive dyes)	43,699	9,226,065	752,948	738,691	147,333,643	57,956	13,028,211
Total	43,699 (37,073)	9,226,065 (7,232,571)	752,948 (1,132,143)	738,691 (1,125,517)	147,333,643 (180,088,193)	57,956 (43,699)	13,028,211 (9,226,065)

Figures in bracket represent previous year figures.

C Raw material consumed/ sales

Particulars	For the year ended 31-03-12		For the year ended 31-03-11	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
H. Acid	66977	17259419	114650	26,026,481
J. Acid	9011	3168043	10779	3,407,546
Vinyl Sulphone	142367	19269996	293584	39,943,712
F. Oil	173675	6737335	275406	8,090,217
Other raw materials	-	78154618	-	75,797,973
		124589411		153,265,929

D Raw material & stores & spares imported/ indigenous:

Particulars	For the year ended 31-03-12		For the year ended 31-03-11	
	Value (Rs.)	%	Value (Rs.)	%
A) Raw Material & Packing Material				
Imported	11,573,179	9.29	14,479,432	9.45
Indigenous	113,016,232	90.71	138,786,497	90.55
	124,589,411	100.00	153,265,929	100.00
B) Stores & Spares				
Imported	45,181	1.56	48,419	3.21
Indigenous	2,857,368	98.44	1,460,552	96.79
	2,902,549	100.00	1,508,971	100.00

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

As per our report of even date attached

For S.K.Badjatya & Co

Chartered Accountants

Firm Registration No. 004017C

CA.Sudhir K.Jain

Partner

Membership No. 072282

For and on behalf of Board of Directors

wholetime Director

Director

Company Secretary

Place: Mumbai

Date : 30th May,2012

Place: Mumbai

Date : 30th May,2012



CONSOLIDATED CASH FLOW STATEMENT AS ON 31.03.2012

(Amount in Lacs)

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	865.14	112.02
Adjustment for :		
Depreciation	33.52	28.81
Depreciation Deletion	3.22	2.62
Interest	50.24	20.74
Miscellaneous Expenses	0.78	0.19
Interest earned	(180.19)	(243.15)
VRS Expenses Amortised	-	-
GDR Expenses adjusted against Securities prem a/c	-	(177.96)
Expenses of previous year adjusted	(0.06)	0.41
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	772.63	(256.32)
Adjustment for :		
Trade and other Receivables including Loans & Advances	(15,911.62)	(21,573.32)
Change in accrued expenses	1.27	5.48
Inventories	(82.99)	(73.20)
Trade Payables	9,513.72	12,856.09
CASH GENERATED FROM OPERATIONS	(5,706.99)	(9,041.27)
Taxes Paid	(5.40)	-
NET CASH FROM OPERATING ACTIVITIES	(5,712.39)	(9,041.27)
II CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital WIP)	(1,872.76)	(8,819.16)
Sale of Fixed Assets	2.00	3.20
FD Under Lien	(0.60)	(8.95)
Interest Received	180.19	243.15
NET CASH USED IN INVESTING ACTIVITIES	(1,691.17)	(8,581.77)
	(7,403.55)	(17,623.04)
III CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital / GDR Issue (Including Share Premium Amount)	-	24,813.16
Repayment of Finance Lease Liabilities	450.66	(31.30)
Investment in Subsidiary	-	(12.29)
Dividend Paid	(41.29)	-
Interest Paid	(50.24)	(20.74)
NET CASH USED IN FINANCING ACTIVITIES	359.14	24,748.84
	(7,044.41)	7,125.80
IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
ADD : Opening Balance as on 01.04.2011 (P.Y. As on 01.04.10)	7,211.89	84.26
	167.48	7,210.05
Closing Balance As on 31.03.2012 (P.Y.As on 31.03.2011)	167.68	7,229.38
Notes to the cash flow statement :		
Cash and cash equivalent consist of cash on hand and balances with banks and investments in money market instruments.		
	31.03.2012	31.03.2011
Cash on hand	8.04	0.64
Balances with banks	159.64	7194.47

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 : 30th May,2012

For and on behalf of Board of Directors

wholetime Director *Director*

Company Secretary

Place: Mumbai
Date : 30th May,2012

Summary of Financial Information of Subsidiary company

(Rs In Lakhs)

SI No.	Name of the Company	Reporting Currency	Exchange Rate	Capital	Reserve	Total Assests	Total Liabilities	Investment Excluding In subsidiaries)	Turnover	Profit before Tax	Provision for Taxation	Profit After Tax	Proposed Dividend	Country
1	Chromatic International FZE	AED	13.869	14	5244977	19092	18343.30	0.00	15328	741	0.00	0.00	0.00	UAE



CHROMATIC INDIA LTD.

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

PROXY

Reg. Folio No.

No. of Shares held

I/We

.....of.....

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

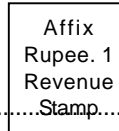
hereby appointof.....or

failing him.....of.....as

my/ our proxy to vote for me/ us on my behalf at the 25TH ANNUAL GENERAL MEETING of the Company to be held on Wednesday the 26th September, 2012 and at any adjournment thereof.

Signed this day of, 2012

Signature



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

CHROMATIC INDIA LTD.

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

ATTENDANCE

(To be handed over at the entrance of the Meeting Hall)

25th Annual General Meeting - 26th September, 2012

I hereby record my presence at the 25TH ANNUAL GENERAL MEETING of the company held on Wednesday, September 26, 2012 at 11.00 a.m. at 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083.

Full name of Member (IN BLOCK LETTERS).....

Reg. Folio No./ Demat ID.....

No. of shares held.....

Full name of Proxy (IN BLOCK LETTERS)
.....

.....
Member's / Proxy Signature

BOOK - POST

To

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