



**14th Annual Report
2000-2001**

CHROMATIC INDIA LTD.

CHROMATIC INDIA LIMITED

Board of Directors

S. K. Sengupta.	(Director)
M. S. Vartak.	(Director)
A. W. Palekar.	(Director)
K. R. Kamath.	(Director)
Lt. Col. M. K. Sengupta(Retd.)	(Director)

Company Secretary B.R.Tarafdar

Auditors M/s Haribhakti & Co.
Chartered Accountants

Banker Bank of India

**Registrar & Share
Transfer Agent** M/s BigShare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai- 400 072.

Tel. No. 852 3474 & 856 0652/53

Registered Office 207,Vardhaman Service Industrial Estate,
L.B.S.Marg,Vikhroli (West),
Mumbai 400083.

Works B-12/2, Lote Parshuram Ind. Area,
Taluka: Khed,
Dist: Ratnagiri.

CHROMATIC INDIA LTD.

CHROMATIC INDIA LIMITED

207, Vardhaman Service Ind.Estate, Fitwell Compound, L.B.S.Marg, Vikhroli (West), Mumbai-400083.

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of Chromatic India Limited will be held at **Shree Sai Leela, A/11, Rajwadi housing society, Ghatkopar**, on Friday the twenty eighth day of September- 2001 at 10.00 a.m. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2001 and the profit and loss account for the year ended on that date along with the Directors' report and Auditors' report thereon.
2. To appoint a Director in place of Mr. M. S. Vartak, who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint a Director in place of Mr. S. K. Sengupta, who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint Auditors and to fix their remuneration.

Place :Mumbai
Date :17.08.2001

By order of the Board of Directors
For, Chromatic India Ltd.

B.R.Tarafdar
Company Secretary

- Notes: (1) A member entitled to attend and vote at the Annual general meeting is entitled to appoint a proxy to attend and vote in his/her behalf and the proxy need not be a member of the company.
- (2) Instrument appointing proxy must be deposited at the registered office of the company at least forty eight hours before the time fixed for the annual general meeting.
- (3) The share transfer books and the register of members of the company will remain closed from 27th September-2001 to 28th September-2001 (both days inclusive).
- (4). Members are requested to inform the company regarding any change of address .

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DIRECTORS' REPORT**To the shareholders,**

Your Directors' have pleasure in presenting their 14th Annual Report together with the Audited Accounts for the year ended 31st March, 2001.

1. Financial Results :	2000-2001	1999-2000
	(Rs)	(Rs)
Profit/(loss) before tax	(48,45,715)	32,68,413
Prior period adjustments	(19,63,274)	(2,52,363)
Provision for taxation	nil	nil
Balance brought forward from previous year	1,64,19,249	1,63,99,479
Available for appropriation	96,10,260	1,94,15,528
Appropriations :		
Dividend / Interim Dividend	nil	26,99,350
Provision for tax on	nil	2,96,929
Dividend distribution		
Transfer to general reserve	nil	nil
Balance carried to balance sheet	96,10,260	1,64,19,249

2. Appropriations and Reserves : The Board recommends not to transfer any amount to the General Reserve.

3. Operations : Sales for the current year ended 31st March-2001 is Rs 696.05 lacs againsts Rs.1,238.11 lacs during the previous year. Turnover for the year under review has declined substantially. Main reason for this is gradual recession during the period globally as well as locally, apart from price reduction on a continuous basis. Mainly as a result of above your company has incurred loss to the tune of Rs 48.46 lacs.

4. Directors : Mr.M.S.Vartak and Mr. S.K.Sengupta both Directors of the company will retire by rotation at the fourteenth annual General Meeting and being eligible offers themselves for re - appointment.

5. Auditors : (a) M/s Haribhakti & Co. - Chartered Accounts, Statutory Auditor of the company will retire at the conclusion of this annual general meeting and being eligible offers themselves for re - appointment. Necessary certificates under section 224 (1-B) of the companies Act, 1956 obtained from the auditors.

(b) In view of the order issued by the central Govt. vide no: 52/167/CAB-2000 dated 10.08.2000 company has appointed Mr. Kishore Bhatia, Cost Accountant as the cost auditor for the year ended 31.03.2001

6. Subsidiary : In compliance with the requirement of section 212 of the companies Act, 1956 the balance sheet, Profit & loss account, report of the Board of Directors and the auditors report relating to Blue Rock Dyes & Chemicals Limited, which is a 100% subsidiary of the company is appended herewith. Profit & loss account, Balance sheet and Directors report of Forward Infotech Ltd. Arcoiris will be appended to next years annual report in view of the requirement of section 212(2)(a)(ii) of the Companies Act, 1956.

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7. Conservation of energy, Technology absorption & Foreign exchange earnings and outgo : Information in accordance with the provisions of section 217(1) (e) of the companies Act, 1956 read with companies (Disclosure of particulars in the report of the Board of Directors) Rule 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are as per annexure-A and forms part of this report.

8. Particulars of employees : Particulars of employees as per section 217(2A) of the Companies Act, 1956 read with companies (particulars of employees rule) 1975, as amended from time to time are given in annexure – B and forms part of this report.

9. Insurance : All the insurable interest of the company including Inventories, Building, Plant and Machinery are adequately insured.

10. Listing Status : Company's equity shares are listed with (1) The Stock exchange – Mumbai & (2) The Stock exchange – Ahmedabad. Annual listing fees for the year 2001-2002 paid by the company in time.

11. Demat : Equity Shares of your Company are available for dematerialisation w.e.f. 10th January, 2001. Relevant ISIN No* is INE662C01015.

Acknowledgement : Your Directors wish to place on record their sincere appreciation to the Govt. of Maharashtra, MSEB, MPCB, MTNL, BSES, Company's customers, suppliers, Bankers and shreholders for their valuable guidance and support throughout the year.

Place :Mumbai
Date : 17.08.2001

On behalf of the Board of Directors
of Chromatic India limited

Report  Junction
K.R.Kamath
(Executive Director)

CHROMATIC INDIA LTD.

Annexure 'A' to Director's Report

Particulars required under the 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 energy taken up during the year. As a result no additional investment incurred on this account and measures taken in the previous year is continuing.

(b) Total energy consumption & energy consumption per unit of production (as per form – annexed hereto).
- B. Technology Absorption :**

Efforts made on technology absorption are as per Form - B annexed hereto.
- C. Foreign exchange earnings and outgo :**

Rs.

Foreign exchange earned : 608.08

Foreign exchange used : 27.10

FORM - A
(see rule 2)

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption			
1.	Electricity	Current year	Previous year
	(a) Purchased		
	Unit (k.w.h)	5,51,382	8,04,992
	Total amount (Rs)	26,22,306	33,21,544
	Rate per unit (Rs)	4.75/unit	4.13/unit
2.	Furnace Oil		
	Quantity (K.Ltrs)	319.774	543.91
	Total amount (Rs)	37,96,796	44,75,024
	Average rate (Rs)	11,873.37	8227.51
3.	Light diesel oil		
	Quantity (K.Ltrs)	16.979	31.54
	Total amount (Rs)	2,51,584	2,70,360
	Average rate (Rs)	14,817.36	8,571.97

B. Consumption per unit of Production:

	Current year	Previous year
Production Unit (In Metric Ton)	436.974	774.375
Electricity	1,261.82	1039.540
Furnace Oil	0.732	0.702
Light diesel oil	0.039	0.041

Reasons for variation in the consumption of Power & Fuel from the previous year :
Higher consumption of power per unit of production is mainly due to the change in product mix. Lower consumption of L.D.O per unit of production is on account of burning of small spray dryer by furnace oil instead of L.D.O and same is the reason for slightly higher consumption of furnace oil per unit of production.

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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 years R&D efforts the new products are already running in the market.

Annexure 'B' to Director's Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

Sr. No.	Name	Age (Years)	Design.	gross remunera-tions	qualifi-cations	total exper-ience (Years)	date of commence ment of em ployment	Last employment
1.	Mr. K.R.Kamath -	55	Executive Director	3,50,413	B.E(Chem.) Chartered Engr.	31 yrs	01.10.1988	Somaiya Organics Ltd.
2.	Lt.Col.M.K.Sengupta - (Retd)	59	Executive Director	3,38,000	B.Com.	33 yrs	01.12.1992	Lt.Col. in the Indian Armed forces

- Notes :**
1. Above remuneration includes salary, company's contribution to provident fund and re-imburement of medical expenses etc.
 2. Except Lt. Col. M.K.Sengupta (who is a relative of Mr. S.K.Sengupta -Director of the company) none of the empolyees are related to any Director of the Company.

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CHROMATIC INDIA LTD.

AUDITORS' REPORT
TO THE MEMBERS OF CHROMATIC INDIA LIMITED

We have audited the attached Balance Sheet of Chromatic India Limited, as at 31st March, 2001 and the Profit and Loss Account of the Company for the year ended on that annexed thereto.

- I. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above :
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) 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, except that as mentioned in Note No.6 the information of dues of SSI creditors is not available.
 - e) In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company, except as mentioned in Note No. 1(A) regarding non compliance with Accounting Standard 15 on Accounting policy on "accounting of retirement benefits to employees".
 - f) On the basis of the written representations received from the directors of the Company as on 31st March, 2001, and taken on record by the Board of Directors of the Company, we report that, prima facie, none of the directors is disqualified as on 31st March, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - g) In our opinion and to the best of information and according to the explanations given to us, the said accounts give the information required by Companies Act, 1956 in the manner so required subject to Note No 3 regarding non confirmation of balances in respect of Advances recoverable in cash or in kind and of amounts due from/to sundry debtors/sundry creditors and Note No. 4 regarding amount due on bills discounted of Rs. 101.68 lakhs which appears to be not fully recoverable, the said accounts give a true and fair view :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2001 and
 - ii) in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date.

FOR HARIBHAKTI & CO.,
 CHARTERED ACCOUNTANTS,

MUMBAI,
 DATED : 17th August 2001

CHETAN DESAI
 Partner

CHROMATIC INDIA LTD.

**ANNEXURE REFERRED TO IN PARAGRAPH I OF
OUR REPORT OF EVEN DATE TO THE MEMBERS OF
CHROMATIC INDIA LIMITED**

- 1 We are informed that the Company is in process of updating records showing full particulars, including quantitative details & situation of fixed assets and that all the fixed assets have been physically verified by the Management during the year & that no material discrepancies were noticed on verification.
- 2 None of the fixed assets was revalued during the year.
- 3 We are informed that the stock of finished goods, spare parts and raw materials have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- 4 The procedure and method of physical verification of stocks followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- 5 The discrepancies noticed on verification between the physical stock and book records were not material.
- 6 On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- 7 The Company has not taken/given any loans or advances in the nature of loans from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under Section 370 of the Companies Act, 1956.
- 8 In respect of other loans given by the Company, the loan instalments have been recovered as stipulated.
- 9 There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw-materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
- 10 The transactions of purchase & sale of goods made in pursuance of contracts or arrangements entered in the register maintained under section 301 and aggregating during the year to 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the quotations for similar goods obtained from other parties.
- 11 As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores and raw materials and finished goods. Adequate provision has been made in the accounts for loss arising on items so determined.
- 12 The Company has not accepted any deposit from "public" attracting provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
- 13 Reasonable records have been maintained by the Company for the sale and disposal of realisable scrap. The Company does not have any realisable by-product.
- 14 The Company has an adequate internal audit system commensurate with its size and nature of its business. However, there is a scope of increasing the frequency and reporting of the audit.
- 15 Under section 209(1) (d) of the Companies Act, 1956, the Central Government has prescribed maintenance of cost records. We are informed that such records are being compiled. Cost auditor has been appointed for this year and thereafter by the Central Government.
- 16 The Company has generally regularly deposited during the year, Provident Fund dues with the appropriate authorities. However, there were arrears of Rs. 5191/- as on 31st March, 2001. ESIC was not applicable during the year.
- 17 According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty were outstanding as on 31st March, 2001 for a period of more than six months from the date they became payable.
- 18 According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- 19 The Company is not a 'sick industrial company' within the meaning of clause (i) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 20 We are informed that in respect of items traded in by the company, no goods have been determined as damaged.

FOR HARIBHAKTI & CO.,
CHARTERED ACCOUNTANTS,

MUMBAI,
DATED : 17th August 2001

CHETAN DESAI
Partner

CHROMATIC INDIA LIMITED
BALANCE SHEET AS AT MARCH 31,20001.

CHROMATIC INDIA LTD.

	Schedule No.	As at 31-03-01 (Rupees)	As at 31-03-00 (Rupees)
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	26,993,500	26,993,500
b) Reserves & Surplus	2	74,027,937	80,836,926
		<u>101,021,437</u>	<u>107,830,426</u>
2. LOAN FUNDS			
(a) Secured Loans	3	11,658,807	11,785,239
		<u>11,658,807</u>	<u>11,785,239</u>
TOTAL		<u><u>112,680,244</u></u>	<u><u>119,615,665</u></u>
APPLICATION OF FUNDS			
3. FIXED ASSETS	4		
a) Gross Block		57,365,624	56,949,151
b) Depreciation		<u>23,033,650</u>	<u>18,872,326</u>
c) Net Block		34,331,974	38,076,825
d) Capital work in progress		<u>0</u>	<u>0</u>
		<u>34,331,974</u>	<u>38,076,825</u>
4. INVESTMENTS	5	15,196,410	11,898,310
5. CURRENT ASSETS, LOANS AND ADVANCES	6		
a) Inventories		11,343,539	8,817,539
b) Sundry Debtors		14,330,625	17,563,975
c) Cash and Bank Balances		8,891,660	11,779,204
d) Other Current Assets		6,169,004	11,408,887
e) Loans and Advances		<u>32,908,447</u>	<u>32,588,399</u>
		<u>73,643,275</u>	<u>82,158,004</u>
6. CURRENT LIABILITIES AND PROVISIONS			
a) Liabilities	7	14,162,440	12,478,154
b) Provisions	8	<u>1,000,000</u>	<u>3,996,279</u>
		<u>15,162,440</u>	<u>16,474,433</u>
7. NET CURRENT ASSETS		58,480,836	65,683,571
8. MISCELLANEOUS EXPENDITURE	9	4,671,025	3,956,959
(To the extent not written off or adjusted)			
DEFERRED REV. EXP./ PUBLIC ISSUE EXP.			
TOTAL		<u><u>112,680,244</u></u>	<u><u>119,615,665</u></u>
NOTES TO ACCOUNTS	17		

The Schedules referred to above form an integral part of the Balance Sheet As per our attached report of even date
For and on behalf of the board

For Haribhakti & Co.
Chartered Accountants

MR. K.R.KAMATH
Exe.Director

LT. COL.M.K.SENGUPTA(RETD)
Exe.Director

MR. M.S.VARTAK
Director

CHETAN DESAI
Partner
Mumbai

MR.A.W.PALEKAR
Director

MR.B.R.TARAFDAR
G.M.(SECRETARIAL & FINANCE)

Dated : 17th August 2001