



CHROMATIC INDIA LIMITED

report  junction.com



**21st ANNUAL REPORT
2007-2008**

CHROMATIC INDIA LIMITED

CHROMATIC INDIA LIMITED

Board of Directors

S. K. Sengupta : (Exe. Director)

A.W. Palekar : (Exe. Director)

K.R. Kamath : (Exe. Director)

Lt. Col. M.K. Sengupta (Retd.) : (Exe. Director)

Nitin Sethi : (Director)

Auditors : **M/s. Haribhakti & Co.**
Chartered Accountants

Banker : Bank of India

Registrar & Share Transfer Agents : **M/s. Big Share Service Pvt. Ltd.**
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.
Tel. No. : 2847 3474 & 2847 0652 / 53

Registered Office : 207, Vardhaman Complex Premises Co.op.
Society Ltd.,
L.B.S. Marg, Vikhroli (W),
Mumbai - 400 083.
Tel. No. 2579 3345 / 2579 3367

Works

- (1) B-12/2, Lote Parshuram Ind. Area,
Taluka : Khed,
Dist. : Ratnagiri
- (2) W-34, Phase - II
MIDC, Dombivli (E), 421204
Dist - Thane

CHROMATIC INDIA LIMITED

CHROMATIC INDIA LIMITED

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of Chromatic India Limited will be held at **Shri. Sai Leela, A1/1, Rajawadi Hsg. Society, Ghatkopar (E), Mumbai 400 077**, on **Tuesday, 30th September 2008 at 11.00 a.m.** to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended on that date along with the Director's Report & Auditors' Report thereon.
2. To appoint a Director in place of Mr. K.R.Kamath who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Special Business :

4. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution :-
"Resolved that Mr. Nitin Sethi, be and is hereby appointed as Director of the Company."

Place: Mumbai

Date : 28/08/2008

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

K. R. Kamath
(Executive Director)

- Notes:
- 1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and Vote on 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 29th September 2008 to 30th September 2008 (both days inclusive).
 - 4) Members are requested to inform the Company any change of address.
 - 5) Explanatory statement in respect of special business is annexed.

Explanatory statement pursuant to Section 173 of the Companies Act, 1956.

Item No. 4

Mr. Nitin Sethi was appointed as Additional Director on 6/2/2008 to hold the office upto the next Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 from a shareholder, of the intention to propose the appointment of Mr. Nitin Sethi as Director of the Company, at the Annual General Meeting. Hence the Resolution.

Mr. Nitin Sethi is MBA and having about 20 years experience in manufacturing and service Industry. He is visiting faculty to many management Institutes and is a member of the Indian Society for Training and Development and Tourism Development Society of Kota.

Place: Mumbai

Date : 28/8/2008

By Order of the Board of Directors
For Chromatic India Ltd.

K. R. Kamath
(Executive Director)

CHROMATIC INDIA LIMITED

CHROMATIC INDIA LIMITED

207, Vardhaman Complex Premises Co.op. Society Ltd., Fitwell Compound, L.B.S. Marg, Vikhroli (W), Mumbai -83.

DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting their 21st Annual Report together with the Audited Accounts for the year ended on 31st March 2008.

| | 2007- 2008 | 2006- 2007 |
|---|-------------------------|-------------------------|
| | (Rupees) | (Rupees) |
| 1.Financial Results : | | |
| Profit / (Loss) For the Year | 3,933,068 | 11,728,756 |
| Less : Prior year adjustment | — | — |
| Profit / (Loss) Before Tax | 3,933,068 | 11,728,756 |
| Add/(Less) : Deferred Tax Adjustments | 289,543 | (3,973,691) |
| Less : Current Income Tax | (1,151,541) | (1,331,581) |
| Less : Fringe Benefit Tax | (248,384) | (218,262) |
| Less : Wealth Tax | (5,204) | — |
| Profit / (Loss) After Tax | 2,817,482 | 6,205,222 |
| Less : Prior year short provision for Tax | (72,650) | — |
| Balance Brought Forward | (1,344,816) | (4,712,792) |
| Amount Available for Appropriation | <u>1,400,016</u> | <u>1,492,430</u> |
| Appropriations | | |
| Proposed Dividend | — | 2,425,100 |
| Provision for Tax on Dividend | — | 412,146 |
| Transfer to general reserve | — | — |
| Surplus/(Deficit) Carried Forward | <u>1,400,016</u> | <u>(1,344,816)</u> |
| Total | <u>1,400,016</u> | <u>1,492,430</u> |

2. Operations : During the year under review there has been increase in sales by 17.65% in terms of quantity. However, due to reduction in selling price on account of recession in the market, the realisation has increased only marginally. During the current year there has been improvement in selling price.

3. Dividend : Due to non-availability of adequate profit, the Directors do not recommend dividend for the financial year 2007-2008.

4. Auditors Observations : The notes to the accounts adequately deal with Auditors observations / Comments.

5. Directors : Mr. K. R. Kamath retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment . Mr. Nitin Sethi was appointed as an Additional Director during the year to hold office till the date of ensuing Annual General Meeting and he is eligible for appointment at the Annual General Meeting.

CHROMATIC INDIA LIMITED

6. Change in Control : The members are aware that there has been change in control over management of the Company.

7. Auditors : M/s. Haribhakti & Co.- Chartered Accountants, Statutory Auditors of the Company hold office till the next Annual General Meeting and being eligible offer themselves for re-appointment. Necessary certificates under section 224 (1-B) of the Companies Act, 1956 has been received from the auditors.

8. 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 Arcoiris SA which is subsidiary of the Company, are attached herewith along with necessary statement under the said Section .

9. Conservation 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 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.

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

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

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

13. Directors Responsibility :

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) Appropriate accounting policies have been selected and applied them consistently and Directors have made judgements and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at 31 st March, 2008 and of the profit and loss of the Company for that period.
- c) Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The accounts have been prepared on Going Concern basis.

14. Acknowledgment : Your Directors wish to place on record their sincere appreciation of the Govt. Of Maharashtra, MSEB, MPCB, MTNL, BSES, Company's Customers, suppliers, Bankers and Shareholders for their valuable guidance and support during the year.

By Order of the Board of Directors
For Chromatic India Ltd.

Place : Mumbai
Date : 30/6/2008

K.R. Kamath
(Executive Director)

CHROMATIC INDIA LIMITED**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 consumption & 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 | : | 1719.66 |
| Foreign exchange used | : | 132.53 |

FORM - A

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

A. Power and fuel consumption :

| | <u>Current Year</u> | <u>Previous Year</u> |
|--|---------------------|----------------------|
| 1. Electricity : | | |
| Unit (k.w.h.) | 563,950 | 541,461 |
| Total amount (Rs.) | 3,015,660 | 3,072,620 |
| Rate per unit (Rs.) | 5.35 | 5.67 |
| 2. Furnace Oil : | | |
| Quantity (Ltrs) | 83,989 | 386,488 |
| Total Amount (Rs.) | 1,751,726 | 7,427,738 |
| Average rate (Rs.) | 20.85 | 19.21 |
| 3. Light Diesel Oil: | | |
| Quantity (Ltrs) | 15,611 | 21,467 |
| Total Amount (Rs.) | 458,799 | 517,160 |
| Average rate (Rs.) | 29.38 | 24.09 |
| 4. Briquets/Fire Wood : | | |
| Quantity (Kgs.) | 1,445,890 | --- |
| Total Amount (Rs.) | 3,989,364 | --- |
| Average rate (Rs.) | 2.76 | --- |
| B. Consumption per unit of production : | Current Year | Previous Year |
| Production Unit (In kg.) | 1,078,522 | 891,717 |
| Electricity Unit | 0.522 | 0.607 |
| Furnace Oil (Ltrs) | 0.077 | 0.433 |
| Light Diesel Oil (Ltrs) | 0.014 | 0.024 |
| Briquets/Firewood (Kgs.) | 1.340 | --- |

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

The consumption of power & fuel per unit of production has come down due to increase in volume of production & different product mix.

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.

CHROMATIC INDIA LIMITED**AUDITORS' REPORT**
TO THE MEMBERS OF CHROMATIC INDIA LIMITED

We have audited the attached Balance Sheet of **CHROMATIC INDIA LIMITED**, as at 31st March, 2008 and the Profit & Loss Account and also Cash Flow Statement of the company for the year ended on that 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.

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 misstatements. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as under:

- I. Our report as required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us by the management, we give in the Annexure 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, the Company has kept proper books of account as required by law so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with 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 non-compliance of Accounting Standard 15 (Revised) on "Employee Benefits".
 - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2008, and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) 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.
 - g) Subject to
 - 1) 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.
 - 2) Note no.4 regarding amount due on bills discounted of Rs. 101.68 lacs, which appears to be fully not recoverable.
 - 3) Note no. 5 regarding amount due on bills discounted of Rs. 156.75 lacs, which is subject to confirmation.
 - 4) The network of the Wholly Owned Subsidiary Arcoiris SA is eroded and it does not have any realizable assets. No provision is made for the investment of Rs.26.23 lacs and dues of Rs.94.08 lacs which is doubtful of recovery.
 - 5) Provision not made for bad debts amounting to Rs. 3.88 lacs.

We are unable to comment on the resulting effect of our observations in paragraph II(d) and (g) above on relevant assets, liabilities and on profit for the year. Subject to this, the said accounts give a true and fair view in conformity with the accounting policies generally accepted in India:

 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008,
 - ii) in case of the Profit & Loss Account, of the profit of the Company for the year ended on that date. And
 - iii) in case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For HARIBHAKTI & CO.
Chartered Accountants

Place : Mumbai
Date : 30th June, 2008

RAKESH RATHI
Partner
Membership No. 45228

CHROMATIC INDIA LIMITED

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

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. We are informed that these assets have been physically verified by the Management at reasonable intervals, which in our opinion, is appropriate having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
3. During the year, the Company has not disposed off a substantial part of its fixed assets.
4. We are informed that the Management has physically verified the stocks of stores, spares, raw materials and finished goods during the year. In our opinion, the frequency of verification is reasonable.
5. The procedures for physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. On the basis of our examination of the records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical and book records were not material.
7. The company has neither taken nor given 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. In view of above, paragraph (iii) (b),(c),(d),(f) and (g) are not reported upon.
8. In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
9. Each of these transactions are made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for sale of goods. During the course of audit, no major weakness has been noticed in the internal controls.
11. The Company has an adequate internal audit system commensurate with its size and nature of its business.
12. The Company has not accepted any deposits from the 'public' to which the provisions of section 58A and section 58AA of the Companies Act, 1956, and the rules framed thereunder apply.
13. The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, ESIC dues, Sales tax, Wealth tax, Excise duty, Custom duty and other material statutory dues, if any, applicable to it and there are no outstanding dues as at balance sheet date for more than six months from the date they became payable, except for Income Tax of Rs. 1,68,193.