



27th Annual Report 2013-2014

Corporate information

Board of Directors

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

Company Secretary & Compliance Officer

Ms. Dipti V Chinchkhede

Auditors

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

Bankers

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

Registered Office

207, Vardhaman Complex Premises Co. op. Society Ltd.,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400083
Tel. No. +91 22 6136 9800
Fax No. +91 22 25793973
Email: chromatic@mtnl.net.in, cs@chromatic.in
Website: www.chromatic.in
CIN No. L99999MH1987PLC044447

Registrar & Share Transfer Agent

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



NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **Chromatic India Limited** will be held on Tuesday, September 30, 2014 at 3.00 p.m. at 207, Vardhaman Complex Premises Co. op. Society Ltd., L.B.S. Marg, Vikhroli (West), Mumbai – 400083, to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, Profit and Loss Account for the year ended on that date, on a standalone and consolidated basis, together with the Reports of the Board of Directors and the Auditors thereon.
2. To re-appoint a Director in place of Mr. Vinod Kumar Kaushik (DIN02586479), who retires by rotation and, being eligible, offers himself for reappointment.
3. To re-appoint Auditors, M/s S K Badjatiya & Co., Chartered Accountants, (Firm Registration No. 004017C), to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

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

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

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

b) Perquisites:

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

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

Explanation:

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

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



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

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board of Directors



Notes:-

1. **A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself and the proxy need not be a Member of the Company.**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
4. The Explanatory Statement pursuant to the provisions of Section 102 (1) of the Companies Act, 2014 setting out the material facts in respect to the Special Business in annexed herewith.
5. The Register of Members and Share Transfer Books will remain closed from 21st September, 2014 to 30th September, 2014 (both days inclusive) for the purposes of Annual General Meeting.
6. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors are also annexed.
7. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide their Bank Account Number, Name and address of the Bank / Branch to the Registrar and Share Transfer Agent of the Company i.e. M/s Big Share Services Private Limited in respect of shares held in physical mode and to their respective DPs for demat mode to enable them to incorporate the same in the dividend warrants.
8. Members / proxies should bring duly-filled Attendance Slips sent along with this Notice to attend the meeting.
9. Members whose shareholding is in the electronic mode are requested to communicate changes of address and change of bank account details to their respective depository participants (DP) with whom the Demat account is maintained.
10. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 am to 12.30pm, except Saturday, prior to the Annual General Meeting.
11. Members desirous of obtaining any information / clarification (s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of meeting to Company Secretary at the Registered Office of the Company so that the same may be attended to appropriately.
12. Unclaimed dividend for the financial years 2006-07, 2009-10, 2011-12 and 2012-13 are still lying in the respective unpaid dividend accounts of the Company. Members who have not encashed the dividend warrants for the said financial years, are requested to contact the Company's Registrar and Share transfer agent, Big Share Services Private Limited at the earliest.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Bigshare, for consolidation into a single folio.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare.
15. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
16. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail address are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies is being sent by the permitted mode.



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

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

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

18. The Company shall appoint an Independent Professional as Scrutinizer to conduct the E-voting in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding 3 working days from the conclusion of voting period, shall unblock the votes in presence of two witness, who are not in employment of the Company and after scrutinizing such votes received shall make a Scrutinizers report of the votes cast in favor or against or invalid votes in connection with the resolution (s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.
19. The results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.
20. The instructions and process for e-voting are as under:

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

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

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

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

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



CHROMATIC INDIA LTD

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

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

By Order of the Board of Directors

Place: Mumbai
Date: September 2, 2014

Dipti Chinchkhede
Company Secretary

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

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

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

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

All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 am to 12.30pm, except Saturday, prior to the Annual General Meeting.

Your Board recommends the resolution for approval of members.

ITEM NO. 5 and 6:

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

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

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

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

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

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

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

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

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

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

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

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

All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 am to 12.30pm, except Saturday, prior to the Annual General Meeting.

Your Board recommends the resolutions for approval of members.

ITEM NO. 7:

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

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

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



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

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

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

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

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

All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 am to 12.30pm, except Saturday, prior to the Annual General Meeting.

Your Board recommends the resolutions for approval of members.

ITEM NO. 8:

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

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

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

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

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

All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 am to 12.30pm, except Saturday, prior to the Annual General Meeting.

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

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



DIRECTORS REPORT

Dear Shareholders,

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

Financial Results

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

(In Rupees)

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

Review of Performance and Management discussion and Analysis

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

The Management's Discussion and Analysis on Company's performance – industry trends and other material changes with respect to the Company and its subsidiaries pursuant to Clause 49 of the Listing Agreement is presented in a separate section forming part of this Annual Report.

Dividend

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

Internal Control System

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

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

Transfer to Reserve

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

**Subsidiary Company**

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

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

The Company had formed two 100% wholly – owned subsidiary, “Chromatic Ferro Alloys Limited” and “Chromatic Sponge Iron Limited” on 13th September, 2011 and 12th September, 2011 respectively.

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

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

Listing of Equity Shares

The equity shares of your company are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited and the Luxembourg Stock Exchange, Luxembourg. The equity shares of the Company was listed and admitted for dealing on National Stock Exchange with effect from 29th May, 2012. The annual listing fees for the year 2014-15 yet to be paid to all Stock Exchanges.

Human Resource Development

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

Depository System

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March, 31st March 2014, 99.63% of the Equity shares were held in demat form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization form either of the Depositories. Company's ISIN No. is INE662C01015.

Buy-Back of Shares

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

Share Capital

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

Pledge of shares

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

Corporate Governance Report

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Report.

The requisite Certificate from M/s R. N. Gupta, Practicing Company Secretary on compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.