



CHROMATIC INDIA LIMITED

Regd. Office : 207, Vardhaman Complex Premises Co-op. Soc. Ltd., L.B.S. Marg, Vikhroli (W), Mumbai - 400 083. CIN NO.: L99999MH1987PLC044447,

Tel.: 022-61369800 Fax : 022-25793973. E-Mail : chromatic@mtnl.net.in website : www.chromatic.in

Corporate Office : 501, Maker Chamber V, 221 Nariman Point, Mumbai (INDIA) - 400 021. Tel.: 022-22875661 E-mail : chromatic@mtnl.net.in

Factory : B-12/2, Lole Parshuram Indl. Area, Tal.- Khed, Dist. Ratnagiri. Tel.: 02356-272240, 272346 Fax : 02356 - 272127 E-mail : chromatic_chi@plun@hotmail.com

Dombivli Unit: W-34, M.I.D.C., Phase-II, Dombivli (East), Dist-Thane.

Date: June 5, 2018

To,
The Manager / Chief Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G, Bandra
Kurla Complex, Bandra (E),
Mumbai- - 400 051.
Tel No: (022) 26598100 – 8114
Fax No: (022) 26598120

Script Code: CHROMATIC

Subject: Non-compliance as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref: Your letter no NSE/LIST/FR/6701

Dear Sir / Madam,

This is with reference to the above captioned subject and pursuant to **your letter no NSE/LIST/FR/6701** dated May 30, 2018, we wish to inform you that due to slow internet server the Company could not submit the Financial Results for the period ended March 2018 within the stipulated time frame under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we regret the inconvenience for the same.

Further to bring your notice, as stated in point no. 2 of your foresaid letter that the Company has not submitted the Statement of Modified Opinion to the Stock Exchange is invalid, as the Company while submitting the Financial Results for the period ended March 2018 has submitted the Statement of Audit Qualification both Standalone & Consolidated. However, the Company is again submitting the same for your reference.

The Company is also enclosing herewith Statement of Reconciliation (Standalone & Consolidated)

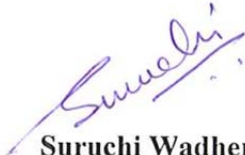
We request you to kindly resolve the matter.

You are kindly requested to take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For Chromatic India Ltd.


Suruchi Wadher
Company Secretary
Encl: As above



Reconciliation of Balance sheet & profit / (loss) for the year ended 31st march 2017 on account of transition from previos GAAP to Ind AS is an Under :

a) Reconciliation of Equity (Standalone Balance Sheet) as at date of transition (1st April 2016)

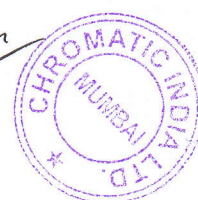
(Rs.In Lakhs)

PARTICULARS	Prevoius GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	370.31	(1.42)	368.89
Capital work-in-progress	10572.00	-	10,572.00
Investment Property		1.42	1.42
Financial assets			
- Non-Current investments	22.64	-	22.64
Other non-current assets	23978.51	(29.90)	23948.61
Total Non-Current Assets (A)	34943.46	(29.90)	34913.56
Current assets			
Inventories	749.06	-	749.06
Financial assets			
- Current investments			
- Trade and other receivables	5533.81	-	5533.81
- Cash and cash equivalents	226.96	-	226.96
- Bank Balances (other than above)	0.00	-	-
- Others	0.00	527.33	527.33
Other current assets	1031.20	(527.33)	503.87
Current tax assets		29.90	29.90
Total Current Assets (B)	7541.03	29.90	7570.93
TOTAL ASSETS (A+B)	42484.49	-	42484.49
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	7104.61	-	7104.61
Other equity			
- Reserves and Surplus	27708.93	(7567.52)	20141.41
- Other Reserves	-	5297.27	5297.27
Equity attributable to owners	34813.54	(2270.25)	32543.29
Share application money pending allotment	-	-	-
Total Equity (C)	34813.54	(2270.25)	32543.29
Liabilities			
Non-current liabilities			
Financial liabilities			
- Long term borrowings	5.87	-	5.87
Employee benefit obligation	-	-	-
Deferred tax liabilities (Net)	39.96	2,270.26	2310.22
Long term provisions	-	-	-
Total Non-Current Liabilities (D)	45.83	2,270.26	2316.09
Current liabilities			
Financial liabilities			
- Short term borrowings	562.90	-	562.90
- Trade and other payables	6918.72	-	6918.72
- Other financial liabilities	-	59.47	59.47
Other current liabilities	131.32	(71.32)	60.00
Other current liabilities	0.00	11.36	11.36
Liabilities for current tax (net)	-	0.48	0.48
Short-term provisions/Employee benefit	12.19		12.19
Total Current Liabilities (E)	7625.13	(0.01)	7625.12
Total Liabilities (F) (D+E)	7670.96	2270.25	9941.21
TOTAL EQUITY AND LIABILITIES (C + F)	42484.49	-	42484.49



b) Reconciliation of Equity (Standalone Balance Sheet) as at date of transition (31st March 2017)

(Rs.In Lakhs)			
PARTICULARS	Prevoius GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	343.38	(1.25)	342.13
Capital work-in-progress	10572.00	-	10,572.00
Investment Property		1.25	1.25
Financial assets			
- Non-Current investments	22.64	-	22.64
Other non-current assets	23426.96	(111.12)	23315.84
Total Non-Current Assets (A)	34364.98	(111.12)	34253.86
Current assets			
Inventories	630.03	-	630.03
Financial assets			
- Current investments			
- Trade and other receivables	5539.29	-	5539.29
- Cash and cash equivalents	186.96	-	186.96
- Bank Balances (other than above)	-	-	-
- Others	-	558.26	558.26
Other current assets	1101.75	(558.26)	543.49
Current Tax Assets		111.12	111.12
Total Current Assets (B)	7458.03	111.12	7569.15
TOTAL ASSETS (A+B)	41823.01	-	41823.01
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	7104.61	-	7104.61
Other equity			
- Reserves and Surplus	27213.31	(7070.78)	20142.53
- Other Reserves	-	4949.55	4949.55
Equity attributable to owners	34317.92	(2121.23)	32196.69
Share application money pending allotment	-	-	-
Total Equity (C)	34317.92	(2121.23)	32196.69
Liabilities			
Non-current liabilities			
Financial liabilities			
- Long term borrowings	-	-	-
Employee benefit obligation	-	-	-
Deferred tax liabilities (Net)	42.65	2121.23	2163.88
Long term provisions	-	-	-
Total Non-Current Liabilities (D)	42.65	2121.23	2163.88
Current liabilities			
Financial liabilities			
- Short term borrowings	407.89	-	407.89
- Trade and other payables	6974.54	-	6974.54
- Other financial liabilities	-	9.35	9.35
Other current liabilities	70.25	(10.25)	60.00
Liabilities for current tax (net)		0.90	0.90
Short-term provisions	9.76	-	9.76
Total Current Liabilities (E)	7462.44	-	7462.44
Total Liabilities (F) (D+E)	7505.09	2,121.23	9626.32
TOTAL EQUITY AND LIABILITIES (C + F)	41823.01	-	41823.01



c) Reconciliation of total comprehensive income (Standalone Profit and Loss) for the period ended 31st March 2017

(Rs.In Lakhs)			
PARTICULARS	Prevoius GAAP	Adjustments	Ind AS
Continuing Operation			
Income			
Revenue from operations	3,565.43	-	3,565.43
Other income	162.96	-	162.96
Other Gain /Loss	-	22.64	22.64
Total Income	3,728.39	22.64	3,751.03
Expenses			
Cost of materials consumed	3,140.35	-	3,140.35
Purchase of stock-in-trade	-	-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	38.00	-	38.00
Employee benefit expense	140.54	-	140.54
Finance cost	33.30	-	33.30
Depreciation and amortisation expense	24.25	-	24.25
Other expense	347.24	22.64	369.88
Total expenses	3,723.69	22.64	3,746.32
Profit/ (loss) before exceptional items, share of net profits of investments accounted for using equity method and tax	4.70	-	4.70
Share of net profit / (Loss) of associates and joint ventures accounted for using the equity method	-	-	-
Profit/ (loss) before exceptional items and tax	4.70	-	4.70
Exceptional items	-	-	-
Profit/ (loss) before tax from continuing operations	4.70	-	4.70
Tax expense			
a) Current tax	0.90	-	0.90
b) Deferred tax	2.68	-	2.68
	3.58	-	3.58
Profit/ (loss) for the period from continuing operations	1.12	-	1.12
Discontinued operation			
Profit/ (loss) from discontinued operations before tax	-	-	-
Tax expense of discontinued operations	-	-	-
Profit/ (loss) from discounting operations (after tax)	-	-	-
	1.12	-	1.12
Profit/ (loss) for the year	1.12	-	1.12
Other comprehensive income			
Items that may be reclassified to profit or loss			
- (Profit)/ loss on Changes in fair value of FVCOI Equity instruments	-	-	-
- (Profit)/ loss on exchange differences on translation of foreign operations	-	496.74	(496.74)
Items that will not be reclassified to profit or loss			
- (Profit)/ loss on remeasurements of post-employment benefit obligations	-	-	-
Other comprehensive income for the year, net of tax	1.12	496.74	(495.62)
Total comprehensive income for the year	1.12	496.74	(495.62)
Total comprehensive income attributable to owners			
Continuing operations	1.12	496.74	(495.62)
Discontinued operations	-	-	-



d) Reconciliation of Equity (Consolidated Balance Sheet) as at date of transition (1st April 2016)

PARTICULARS	Prevoius GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	370.31	(1.42)	368.89
Capital work-in-progress	10572.00	-	10572.00
Financial assets			
Investment Properties		1.42	1.42
- Non-Current investments	0.36	-	0.36
Other non-current assets	24951.33	(29.89)	24921.44
Total Non-Current Assets (A)	35894.00	(29.89)	35864.11
Current assets			
Inventories	749.06	-	749.06
Financial assets			
- Current investments			
- Trade and other receivables	5533.81	-	5533.81
- Cash and cash equivalents	227.42	-	227.42
- Bank Balances (other than above)	-	-	-
- Others	-	527.33	527.33
Other current assets	1031.20	(527.33)	503.87
Current assets		29.89	29.89
Total Current Assets (B)	7541.49	29.89	7571.38
TOTAL ASSETS (A+B)	43435.48	-	43435.48
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	7104.61	-	7104.61
Other equity			
- Reserves and Surplus	28646.66	(7789.80)	20856.86
- Other Reserves	-	5519.54	5,519.54
Equity attributable to owners	35751.27	(2270.26)	33481.01
Share application money pending allotment	-	-	-
Total Equity (C)	35751.27	(2270.26)	33481.01
Liabilities			
Non-current liabilities			
Financial liabilities			
- Long term borrowings	5.87	-	5.87
Employee benefit obligation	-	-	-
Deferred tax liabilities (Net)	39.96	2270.26	2310.22
Long term provisions	-	-	-
Total Non-Current Liabilities (D)	45.83	2270.26	2316.09
Current liabilities			
Financial liabilities			
- Short term borrowings	562.91	-	562.91
- Trade and other payables	6918.72	-	6918.72
- Other financial liabilities	-	84.08	84.08
Other Current liabilities	144.56	(84.56)	60.00
Liabilities for current tax (net)		0.48	0.48
Short-term provisions/Employee benefits	12.19	-	12.19
Liabilities for current tax (net)	-	-	-
Total Current Liabilities (E)	7638.38	-	7638.38
Total Liabilities (F) (D+E)	7684.21	2270.26	9954.47
TOTAL EQUITY AND LIABILITIES (C + F)	43435.48	-	43435.48



e) Reconciliation of Equity (Consolidated Balance Sheet) as at date of transition (31st March 2017)

PARTICULARS	Previous GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	343.38	(1.25)	342.13
Capital work-in-progress	10572.00	0.00	10572.00
Investment property		1.25	1.25
Financial assets			
- Non-Current investments	0.36	-	0.36
Other non-current assets	24379.24	(111.12)	24268.12
Total Non-Current Assets (A)	35294.98	(111.12)	35183.86
Current assets			
Inventories	630.03	-	630.03
Financial assets			
- Current investments			
- Trade and other receivables	5539.29	-	5539.29
- Cash and cash equivalents	187.42	-	187.42
- Bank Balances (other than above)	0.00	-	0.00
- Others		558.26	558.26
Other current assets	1101.75	(558.26)	543.49
Current tax assets		111.12	111.12
Total Current Assets (B)	7458.49	111.12	7569.61
TOTAL ASSETS (A+B)	42753.46	-	42753.46
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	7104.61	-	7104.61
Other equity			
- Reserves and Surplus	28129.67	(7272.68)	20856.99
- Other Reserves	0.00	5151.45	5151.45
Equity attributable to owners	35234.28	(2121.23)	33113.05
Share application money pending allotment	-	-	-
Total Equity (C)	35234.28	2121.23	33113.05
Liabilities			
Non-current liabilities			
Financial liabilities			
- Long term borrowings	-	-	-
Employee benefit obligation	-	-	-
Deferred tax liabilities (Net)	42.65	(2121.23)	2163.88
Long term provisions	-	-	-
Total Non-Current Liabilities (D)	42.65	(2121.23)	2163.88
Current liabilities			
Financial liabilities			
- Short term borrowings	407.89	-	407.89
- Trade and other payables	6974.54	-	6974.54
- Other financial liabilities	-	23.44	23.44
Other Current liabilities	84.34	(24.34)	60.00
Liabilities for current tax (net)		0.90	0.90
Short-term provisions	9.76	-	9.76
Total Current Liabilities (E)	7476.53	-	7476.53
Total Liabilities (F) (D+E)	7519.18	(2121.23)	9640.41
TOTAL EQUITY AND LIABILITIES (C + F)	42753.46	-	42753.46

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f) Reconciliation of total comprehensive income (Consolidated Profit and Loss) for the period ended 31st March 2017

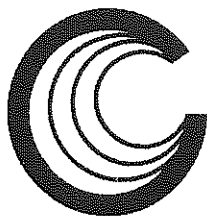
(Rs. In Lakhs)

PARTICULARS	Previous GAAP	Adjustments	Ind AS
Continuing Operation			
Income			
Revenue from operations	3,565.43	-	3,565.43
Other income	162.96	-	162.96
Other Gain /Loss	-	22.64	22.64
Total Income	3,728.39	22.64	3,751.03
Expenses			
Cost of materials consumed	3,140.35	-	3,140.35
Purchase of stock-in-trade	-	-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	38.00	-	38.00
Employee benefit expense	140.54	-	140.54
Finance cost	33.30	-	33.30
Depreciation and amortisation expense	24.25	-	24.25
Other expense	348.24	22.65	370.89
Total expenses	3,724.68	22.65	3,747.33
Profit/ (loss) before exceptional items, share of net profits of investments accounted for using equity method and tax	3.71	-	3.70
Share of net profit / (Loss) of associates and joint ventures accounted for using the equity method	-	-	-
Profit/ (loss) before exceptional items and tax	3.71	-	3.70
Exceptional items	-	-	-
Profit/ (loss) before tax from continuing operations	3.71	-	3.70
Tax expense			
a) Current tax	0.90	-	0.90
b) Deferred tax	2.68	-	2.68
	3.58	-	3.58
Profit/ (loss) for the period from continuing operations	0.12	-	0.12
Discontinued operation			
Profit/ (loss) from discontinued operations before tax	-	-	-
Tax expense of discontinued operations	-	-	-
Profit/ (loss) from discounting operations (after tax)	-	-	-
	0.12	-	0.12
Profit/ (loss) for the year	0.12	-	0.12
Other comprehensive income			
Items that may be reclassified to profit or loss			
- (Profit)/ loss on Changes in fair value of FVCOI Equity instruments	-	-	-
- (Profit)/ loss on exchange differences on translation of foreign operations	-	496.74	(496.74)
Items that will not be reclassified to profit or loss			
- (Profit)/ loss on remeasurements of post-employment benefit obligations	-	-	-
Other comprehensive income for the year, net of tax	0.12	496.74	(496.62)
Total comprehensive income for the year	0.12	496.74	(496.62)
Total comprehensive income attributable to owners			
Continuing operations	0.12	496.74	(496.62)
Discontinued operations	-	-	-

Place: Mumbai
Date : 4th June 2018

Vinod kumar Kaushik
Whole Time Director
DIN : 02586479





CHROMATIC INDIA LIMITED

Regd. Office : 207, Vardhaman Complex Premises Co-op. Soc. Ltd., L.B.S. Marg, Vikhroli (W), Mumbai - 400 083. CIN NO.: L99999MH1987PLC044447,

Tel.: 022-61369800 Fax : 022-25793973. E-Mail : chromatic@mtnl.net.in website : www.chromatic.in

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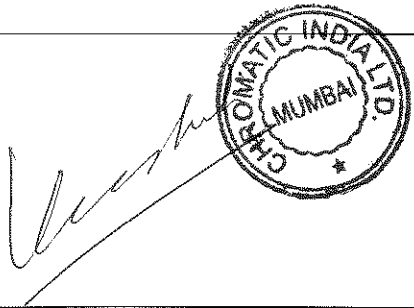
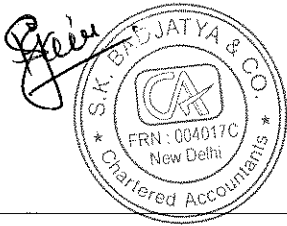
Dombivli Unit: W-34, M.I.D.C., Phase-II, Dombivli (East), Dist-Thane.

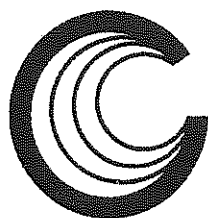
Standalone

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Standalone (Rs. In Lakhs)	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	4364.41	4364.41
	2	Total Expenditure	4375.37	4375.37
	3	Net Profit/(Loss)	(10.96)	(10.96)
	4	Earnings Per Share	(0.01)	(0.01)
	5	Total Assets	41263.38	41263.38
	6	Total Liabilities	41263.38	41263.38
	7	Net Worth	32215.22	32215.22
	8	Any other financial item(s) (as felt appropriate by the management)	NA	NA
** Note: Amount of adjustment in figures are not quantifiable in the absence of complete information.				
II.	Audit Qualification (each audit qualification separately): Qualification – Standalone			
	a. Details of Audit Qualification:			
	Details of Audit Qualifications are as follows:			
	a. 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. However, Sundry debtors and Loans & Advances (other than advances to Subsidiaries) includes amount of Rs 38.61 Crores and Rs. 1.06 Crores respectively for a period more than three years. b. Loans & Advances includes Rs. 233.67 Crores non- interest bearing unsecured loan given to Chromatic International FZE, the subsidiary of the Company for overseas Business Development. The subsidiary did not do any business during the year. Company has not made the accounting treatment as prescribed in Indian Accounting Standard 113 "Fair value Measurement". Due to non availability of repayment plan, we are not able to provide the			

impact of the same in Balance sheet. c. The Company has made advances for Capital work in progress during previous accounting years for setting up of power plant. The Procurement has not been done for pending clearances from the Government. These advances are subject to confirmation and reconciliation. Said amount includes Rs. 105.72 Crores which is outstanding for a period, more than three years. d. Due to adverse market conditions, company has defaulted in the financial obligations to Bank and accordingly, in compliance with the extant RBI guidelines, Bank has degraded the status of the account from Standard to Non Performing Asset and issued a notice under The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. Company's management is already under discussion with the Bank for the extended repayment plan and also started repaying the debt gradually. The total outstanding amount of financial obligation of the Bank is Rs. 116.66 lacs as on March 31, 2018. e. During the year under review, the Company has initiated the process of closure of its Indian unlisted subsidiary company, i.e., Chromatic Ferro Alloys Limited, due to operational difficulties in the implementation of its plan. As the networth of the said subsidiary is negative, the Company has written off its investment in the Company
b. Type of Audit Qualification : Qualified Opinion, Not Quantifiable
c. Frequency of Qualification: Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification:
a) The management has estimated that the current assets, loans and advances shall have value on realization in the ordinary course of business. Though balances of sundry debtors, sundry creditors, loans and advances and other personal accounts are subject to confirmation and reconciliation, the management feels the same are recoverable. b) The management is of the opinion that the subsidiary would commence business and the advances lent to the subsidiary would be utilized for the purpose of its business. c) The Company is awaiting the required approvals for proceeding to set up the power plant. d) The subsidiary did not do any business during the year, but it is positively estimated that the aforesaid subsidiary may commence business in near future.
(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
(iii) Auditors' Comments on (i) or (ii) above:
The estimate made by the Management assumes certainty of business development and are based on internal business projections and strategies. Further the notes to accounts given by us as a part of the Company's financial statements are self explanatory. In absence of conformity of future events, we are unable to comment on the estimations made by the management.

III.	Signatories:	
	Vinod Kumar Kaushik (DIN: 02586479) Wholetime Director	
	Mayank Rasiklal Kotadia (DIN: 07484438) Audit Committee Chairman	
	CA Sudhir K. Jain (Membership Number: 072282) Partner For S. K. Badjatya & Co. Chartered Accountants (Firm Registration Number : 004017C) Statutory Auditor of the Company	
	Place: Mumbai	
	Date: May 26, 2018	



CHROMATIC INDIA LIMITED

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Tel.: 022-61369800 Fax : 022-25793973. E-Mail : chromatic@mtnl.net.in website : www.chromatic.in

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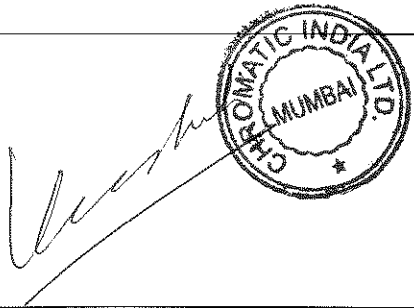
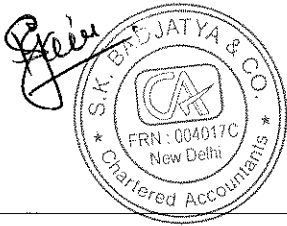
Dombivli Unit: W-34, M.I.D.C., Phase-II, Dombivli (East), Dist-Thane.

Consolidated

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Consolidated (Rs. In Lakhs)	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	4364.41	4364.41
	2	Total Expenditure	4376.37	4376.37
	3	Net Profit/(Loss)	(27.54)	(27.54)
	4	Earnings Per Share	(0.0039)	(0.0039)
	5	Total Assets	42186.72	42186.72
	6	Total Liabilities	9038.77	9038.77
	7	Net Worth	33147.95	33147.95
	8	Any other financial item(s) (as felt appropriate by the management)	NA	NA
** Note: Amount of adjustment in figures are not quantifiable in the absence of complete information.				
II.	Audit Qualification (each audit qualification separately): Qualification – Consolidated			
	a. Details of Audit Qualification:			
	Details of Audit Qualifications are as follows:			
	a. 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. However, Sundry debtors and Loans & Advances (other than advances to Subsidiaries) includes amount of Rs 38.61 Crores and Rs. 1.06 Crores respectively for a period more than three years.			
	b. Loans & Advances includes Rs. 233.67 Crores non- interest bearing unsecured loan given to			

Chromatic International FZE, the subsidiary of the Company for overseas Business Development. The subsidiary did not do any business during the year. Company has not made the accounting treatment as prescribed in Indian Accounting Standard 113 "Fair value Measurement". Due to non availability of repayment plan, we are not able to provide the impact of the same in Balance sheet. c. The Company has made advances for Capital work in progress during previous accounting years for setting up of power plant. The Procurement has not been done for pending clearances from the Government. These advances are subject to confirmation and reconciliation. Said amount includes Rs. 105.72 Crores which is outstanding for a period, more than three years. d. Due to adverse market conditions, company has defaulted in the financial obligations to Bank and accordingly, in compliance with the extant RBI guidelines, Bank has degraded the status of the account from Standard to Non Performing Asset and issued a notice under The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. Company's management is already under discussion with the Bank for the extended repayment plan and also started repaying the debt gradually. The total outstanding amount of financial obligation of the Bank is Rs. 116.66 lacs as on March 31, 2018. f. During the year under review, the Company has initiated the process of closure of its Indian unlisted subsidiary company, i.e., Chromatic Ferro Alloys Limited, due to operational difficulties in the implementation of its plan. As the networth of the said subsidiary is negative, the Company has written off its investment in the Company
b. Type of Audit Qualification : Qualified Opinion, Not Quantifiable
c. Frequency of Qualification: Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Quantified
e. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification:
a) The management has estimated that the current assets, loans and advances shall have value on realization in the ordinary course of business. Though balances of sundry debtors, sundry creditors, loans and advances and other personal accounts are subject to confirmation and reconciliation, the management feels the same are recoverable. b) The management is of the opinion that the subsidiary would commence business and the advances lent to the subsidiary would be utilized for the purpose of its business. c) The amount has been shown as Long Term Loans & Advances in the Financial Statements. Unfortunately, the company has been liquidated during the year 2011-12 and hence recovery of the same is estimated as doubtful. d) The Company is awaiting the required approvals for proceeding to set up the power plant. e) The subsidiary did not do any business during the year, but it is positively estimated that the aforesaid subsidiary may commence business in near future.
(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
(iii) Auditors' Comments on (i) or (ii) above:
The estimate made by the Management assumes certainty of business development and are based on internal business projections and strategies. Further the notes to accounts given by us as a part of the Company's financial statements are self explanatory. In absence of conformity of future events, we are unable to comment on the estimations made by the management.

III.	Signatories:
	Vinod Kumar Kaushik (DIN: 02586479) Wholetime Director 
	Mayank Rasiklal Kotadia (DIN: 07484438) Audit Committee Chairman 
	CA Sudhir K. Jain (Membership Number: 072282) Partner For S. K. Badjatya & Co. Chartered Accountants (Firm Registration Number : 004017C) Statutory Auditor of the Company 
	Place: Mumbai
	Date: May 26, 2018