



**ORGANIC  
COATINGS LIMITED**

( AN ISO 9001 COMPANY )

**35th ANNUAL REPORT  
1999 - 2000**

**ORGANIC COATINGS LIMITED****BOARD OF DIRECTORS**

**MR. R. K. SHAH**  
**MR. V. D. MEHTA**  
**MR. R. C. SHAH**  
**MR. ABHAY R. SHAH**  
**MR. AJAY R. SHAH**  
**MR. M. V. MEHTA**  
**JUSTICE S. C. PRATAP (Retd.)**  
**MR. V. B. TRIVEDI**  
**MR. A. S. MEHENDALE**  
**MR. K. YOSHIKAWA**  
**MR. A. N. PATIL**

*Chairman & Managing Director**Vice Chairman**Vice Chairman**Jt. Mg. Director**Whole-time Director**Whole-time Director***COMPANY SECRETARY****MR. R. S. SHROFF****REGISTERED OFFICE**

Akal Co-op. Hsg. Scty. Ltd.,  
 Bldg. No. A/2, Flat No. 1  
 Bamanpuri Village, J. B. Nagar  
 Andheri (East), Mumbai - 400 059.

**FACTORY**

S. V. Road  
 Ghodbunder Village  
 Post Mira  
 Dist. Thane - 401104.

**BANKERS**

Bank of Maharashtra  
 S. P. Road Branch  
 Mumbai - 400 004.

**LEGAL ADVISORS****Manilal Kher Ambalal & Co.****AUDITORS**

Paranjape & Paranjape  
 Chartered Accountants

**REGISTRARS & TRANSFER AGENTS**

Delta Services (I) Pvt. Ltd.,  
 B - 1/003, Lok Bharti  
 Marol Maroshi Road  
 Andheri (East)  
 Mumbai - 400 059.

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**35th ANNUAL REPORT****NOTICE**

Notice is hereby given that the 35th Annual General Meeting of the Members of **ORGANIC COATINGS LIMITED** will be held on Friday the 25th August, 2000 at 5.00 p.m. at Vishal Hall, Vishal Shopping Centre, Andheri-Kurla Road, Mumbai - 400 069 to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abhay R. Shah who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M.V. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors,

**R. S. SHROFF**  
COMPANY SECRETARY

**Registered Office :**

Akal Co-op. Housing Society Limited,  
Building No. A/2, Flat No. 1,  
Bamanpuri Village,  
J. B. Nagar,  
Andheri (East),  
Mumbai - 400 059.

Dated : July 18, 2000

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and holidays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th August 2000, to 23rd August, 2000 (both days inclusive).
7. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of the Annual Report to the meeting.

# ORGANIC COATINGS LIMITED

## DIRECTORS' REPORT

Ladies and Gentlemen,

The Directors have pleasure in presenting the 35th Annual Report along with the Audited Statement of Accounts and Auditors' Report for the year ended 31st March, 2000.

### The Year In Retrospect

During the year the Company achieved a turnover of Rs. 14.37 crores as compared to Rs. 13.44 crores in the previous year showing an increase of 6.94%. The Export Sales were Rs. 66.26 lakhs as compared to Rs. 16.33 lakhs last year. The years' operations resulted in a loss of Rs. 31.45 lakhs as against profit of Rs. 29.27 lakhs last year, after providing depreciation of Rs. 39.46 lakhs (Previous year 41.48 lakhs) and Income Tax of Rs. Nil (Previous year Rs. 3.55 lakhs).

### FINANCIAL RESULTS :

	Rs.	Rs.
	1999-2000	1998-99
Profit before Depreciation and Tax	8,01,565	74,29,423
Depreciation	39,46,311	41,47,608
Provision for Tax	Nil	3,55,000
Profit / (Loss) for the year	(31,44,746)	29,26,815
Prior years' Income Tax Adjustment	(4,57,496)	(1,20,295)
Previous year' balance	57,80,768	29,74,248
Profit available for Appropriation	21,78,526	57,80,768
Balance carried forward	21,78,526	57,80,768

### DIVIDEND

In view of the loss incurred during the year, the Directors regret their inability to recommend any dividend this year.

### BUSINESS OPERATIONS

Once again the Company has passed through a very difficult year and the Company has not been able to make a positive thrust in increasing its sales. Although sales have registered a small increase of 6.94% because of ever increasing input costs and other overheads, the operations for the year have, regrettably, resulted in a loss.

The Board of Directors are exploring possibilities of increasing domestic Sales and also Export Sales. It will be noticed that because of concerted efforts, the export sales have gone up substantially viz. by 300%. Although, there are talks of industrial recovery in the country during the current year, the Printing ink Industry is still undergoing sluggish-market conditions and poor offake. Moreover, the biggest problem facing the industry in general and your Company in particular is mounting recoveries and increasing bad debts. Your Directors are trying their best to minimize cost, reduce inventories, increase collections and thus, try to achieve profitable operations.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. A.N. Patil, Mr. Abhay R. Shah & Mr. Manoj V. Mehta retire by rotation and are eligible for reappointment.

### DEPOSITS

The Company has not accepted any deposit from the public during the year.

### INDUSTRIAL RELATIONS

The industrial relations with the workers and the staff remained cordial during the year.

### Y2K COMPLIANCE

The Company had taken adequate steps for Y2K compliance and the Directors are glad to state that the Company did not face any problem in this regard.

**35th ANNUAL REPORT****DISCLOSURE OF PARTICULARS**

Information as required under Section 217(1)(E) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the report of Board of Directors)

Rules, 1988 relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is given in Annexure 'A' forming part of this report.

**PARTICULARS OF EMPLOYEES**

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are given in Annexure 'B' to this report.

**AUDITORS**

M/s. Paranjpe and Paranjpe, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment. The Directors recommend their re-appointment as Auditors and to fix their remuneration. Certificate has been received to the effect the appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

**ACKNOWLEDGEMENTS**

The Board of Directors would like to place on record their thanks and gratitude for the valuable support received from Maharashtra State Financial Corporation, Company's Bankers-Bank of Maharashtra, Suppliers, Customers and most importantly our shareholders.

By Order of the Board of Directors

Place : Mumbai

Date : May 30, 2000

**R.K. SHAH**

*Chairman & Managing Director*

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# ORGANIC COATINGS LIMITED

## ANNEXURE A FORM 'A'

Additional information given in terms of Notification 1029 of 31.12.1988 issued by the Department of Company Affairs  
**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :**

	Year ending 31st March 2000	Year ending 31st March 1999
<b>A. Power and Fuel Consumption:</b>		
<b>1 Electricity</b>		
(a) Purchased Unit	6,98,100	7,05,900
Total Amount (Rs.)	34,60,998	31,81,773
Rate / Unit (Rs.)	4.96	4.51
(b) Own Generated Units	76	108
Total Amount (Rs.)	389	374
Rate / Unit (Rs.)	5.11	3.46
<b>2 Coal</b>	Not Applicable	Not Applicable
<b>3 Furnace Oil + Light Diesel Oil</b>	Not Applicable	Not Applicable
<b>4 Others / Internal Generation</b>	Not Applicable	Not Applicable
<b>5 Consumption per unit of Production</b>	5.34	5.29

Since the Company manufactures several inks and having regard to the records and other books maintained by the Company, it is impracticable to apportion the utilities.

## ANNEXURE A FORM 'B'

### DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH, DEVELOPMENT (R&D) AND ABSORPTION OF TECHNOLOGY

<b>B 1 Specific areas in which R &amp; D carried out by the Company</b>	<p>a) Water based ink duct varnish offline has been developed.</p> <p>b) U.V. curing flexo graphic inks have been developed for paper.</p> <p>c) Water based flexo graphic inks for corrugated boxes and multi walled paper bags have been developed.</p> <p>d) Water white wet on wet oil based over print varnish has been developed in collaboration with N.I.K. Japan.</p> <p>e) Light fast four colour set for paper &amp; non absorbent surface has been developed.</p>
<b>2 Benefits derived as a result of the above R &amp; D</b>	Finding application in packaging line of the above R & D getting Popularity & value added products for the company and its customers.
<b>3 Future plan of action</b>	<p>a) Water based ink duct varnish for wet on wet application.</p> <p>b) U.V.Litho-graphic (wet) offset inks.</p> <p>c) New four colour set for synthetic paper like PVC, BOPP etc.</p>
<b>4 Expenditure on R &amp; D</b>	
(i) Capital Rs.	14,350.00
(ii) Recurring Rs.	<u>58,125.00</u>
(iii) Total Rs.	<u>72,475.00</u>
(iv) Total R & D expenditure as a percentage of total turnover	0.05%