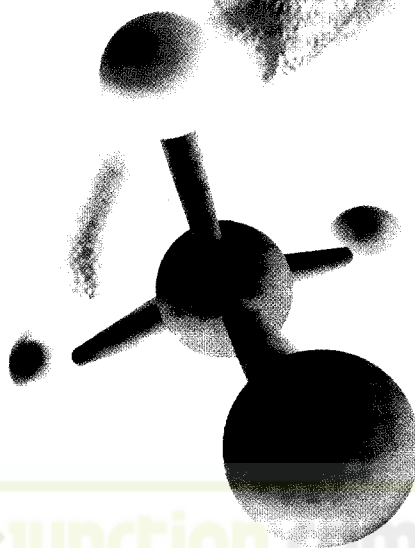


ORGANIC COATINGS LIMITED  
44th Annual Report 2008-09



Report Junction.com

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**Creating a Vibrant Chemistry**



## Message from the Chairman

Dear Shareholders,

It gives me great pleasure to share with you in brief the overall thoughts related to your company.

Last year has been the most difficult year all over the world. Our country was no exception, though the impact has been not that severe as compared to developed countries. I am pleased to inform you that in spite of the setback on overall economy, your company has shown a growth in value as well as volumes over the previous year. I always believed that one must look at the crises positively and use this as an opportunity to plan for the future. Dear friends, we have strengthened our operational Sr. Management team by inviting two young, senior and proven professionals from the industry to join our board. I feel very proud to announce that Mr. Vimal Mehra and Mr. Dhaval Nanavati have now joined us as the Managing Director and Executive Director respectively.

Mr. Vimal Mehra ..... Managing Director

With 35 years experience in business management, he has earned the rich experience and the respect in the printing ink industry. He has worked in various capacities in leading companies like DIC and Huber group (Micro). He has handled the domestic and international market based in India & USA. Mr. Mehra was a member of Executive board of Huber group (Micro Inks) and played a vital role in the rapid growth of the company

Mr. Dhaval Nanavati ..... Executive Director

After completing MBA from Nirma institute of Management from Ahmedabad, Mr. Nanavati has done his advance management from Kellogg institute in Chicago, USA. He has 16 years experience in operational and sales management. He has worked in Huber group (micro Inks) as COO/ VP at their USA plant for 6 years and his last position before joining us was President (Consumer Product) with Pidilite Industries.

Dear Friends, I am confident that the blend of our Existing Working Directors and the new professionals, We set and fulfill our vision to be the strong alternative in the printing ink Industry.

Thank you,

Avinash Mehendale



## Message from the Managing Director

Dear Shareholders,

We are all poised at a moment in our history, where economies across the world are witnessing a series of changes that are unprecedented in the scale and extent of their impact. Indeed, the last 12 months must rank amongst the most eventful and transformational periods in recent times at Organic Coatings.

This year has been a significant one for your company, thanks largely to the direction laid out by company's vision and beginning of the process for unleashing the potential of your company. The company has laid out various strategies to achieve the vision of making it a strong viable option in the printing industry.

### **Growing family of partners & users**

We held series of distributors meets recently across the country sharing our vision for our partners.

- We continue to focus on domestic market through expansion of distribution network and increase in business through distribution.
- We started focusing directly on gaining market share in publication industry.
- Rewards and Recognition for performing distributor's partners including loyalty programs.

Covering new territory in International market.

We have started exports into USA, CIS Countries, Middle-east and Africa during this financial year. A prolonged strategy has been outlined for developing international market.

- Unique marketing strategy in developed countries. (Ink Company's Company)
- Offering publication Inks in Developing Countries like Middle East, North Africa & CIS countries.
- Establishing distribution network including technology transfer arrangements in Under Developed countries.

### Driving home the advantage

Your company is getting future-ready even as it consolidates its present position. The way forward is clear - to expand and grow by sticking to a focussed approach. The company is exploring back-ward integration into pigments giving your company a cost & quality advantage in line with very selective multinational companies.

We have internally developed new green inks, which are 0% VOC inks and will be launched shortly in domestic & international markets to fulfil our obligation and contribution towards building an environ friendly world.

The company continues to enjoy the trust and confidence of all customers and distributors through practising and believing in Indian business values.

The biggest challenge for our industry continues to be crude oil prices and its fluctuations. The global recession and financial difficulties adds to the on-going challenges. Yet, the above strategies, management policies and our employees will deal with the challenges and will have successful 2010.

My sincere thanks to all of you, management colleagues, independent directors and employees for continued support and trust.

Regards,

Vimal Mehra



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

MR. A. S. MEHENDALE	Chairman
MR. R. K. SHAH	Vice Chairman & Managing Director
MR. VIMAL C. MEHRA	Managing Director
MR. ABHAY R. SHAH	Joint Managing Director
MR. DHAVAL J. NANAVATI	Executive Director
MR. AJAY R. SHAH	Whole Time Director
MR. MANOJ V. MEHTA	Whole Time Director
JUSTICE S. C. PRATAP (RETD.)	Director
MR. V. B. TRIVEDI	Director
MR. VILAS K. SHAH	Director
MR. SUDHIR R. SHAH	Company Secretary

**REGISTERED OFFICE**

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

**Email for investors' grievances :**  
**organic-coatings@organic-coatings.com**

**FACTORY**

S. V. Road,  
Ghodbunder Village,  
Post : Mira,  
Dist. Thane – 401 104.

**BANKERS**

Bank of Maharashtra  
S. P. Road Branch,  
Mumbai – 400 004.

**LEGAL ADVISORS**

Manilal Kher Ambalal & Co.  
Advocates, Solicitors & Notary

**AUDITORS**

Soman Uday & Co.  
Chartered Accountants

**REGISTRAR & TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
(Formerly Intime Spectrum Registry Ltd.)  
C/13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (W),  
Mumbai – 400 078.  
Tel : 2596 3838 Fax : 2594 6969

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44<sup>th</sup> Annual General Meeting will be held on  
Friday, the 28<sup>th</sup> August, 2009 at 4.30 p.m. at  
Vishal Hall, Andheri –Kurla Road, Near  
Andheri Railway Station, Andheri (East),  
Mumbai – 400 069.

**NOTICE**

Notice is hereby given that the 44<sup>th</sup> Annual General Meeting of Organic Coatings Limited will be held at Vishal Hall, Vishal Shopping Centre, Andheri-Kurla Road, Near Andheri Station, Andheri (East), Mumbai – 400 069 on Friday, the 28<sup>th</sup> August, 2009 at 4.30 p.m. to transact the following business:

**Ordinary Business :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj V. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Justice (Rtd.) S.C.Pratap who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vilas K. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors and fix their remuneration

**Special Business :**

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

“RESOLVED THAT Mr. Vimal C. Mehra, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 (the act) and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director as per the provisions of Section 257 of the act, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

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 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule XIII to the act, the approval of Members of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Vimal Mehra as a Managing Director of the Company for a period of 5 years from 1<sup>st</sup> December, 2008 to 30<sup>th</sup> November, 2013 on the terms and conditions as set out in the explanatory statement and as per the terms and conditions laid down in the agreement entered into with him by the Company with liberty, power to Board of Directors to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Vimal Mehra within the overall limits laid down in Schedule XIII to the act as may be modified from time to time .”

“RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the aforesaid Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the aforesaid Managing Director remuneration by way of salary, bonus, allowances and perquisites as set out in the Explanatory Statement and the agreement entered into with him by the Company”.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give 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 Mr. Dhaval J. Nanavati, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 (the act) and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director as per the provisions of Section 257 of the act, be and is hereby appointed as a director of the Company, liable to retire by rotation”.



# ORGANIC COATINGS LIMITED

9. 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 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule XIII to the act, the approval of members of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Dhaval J. Nanavati as an Executive Director of the Company for a period of 5 years from 1<sup>st</sup> December, 2008 to 30<sup>th</sup> November, 2013 as set out in the explanatory statement and as per the terms and conditions laid down in the agreement entered into with him by the Company with liberty, power to Board of Directors to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Dhaval J. Nanavati within the overall limits laid down in Schedule XIII to the act as may be modified from time to time.”

“RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the aforesaid Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the aforesaid Executive Director remuneration by way of salary, bonus, allowances and perquisites as set out in the Explanatory Statement and the agreement entered into with him by the Company”.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the act), read with Schedule XIII to the act, approval of the shareholders of the company be and is hereby granted for the increase/revision in the remuneration of Mr. Rajnikant K. Shah, Vice Chairman & Managing Director of the Company for the residual period from 1<sup>st</sup> December, 2008 to 30<sup>th</sup> September, 2009 as set out in the explanatory statement and as per the terms and conditions laid down in the supplemental agreement entered into with him by the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

11. 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 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the act), read with Schedule XIII to the act, approval of the shareholders of the company be and is hereby granted for the increase/revision in the remuneration of Mr. Abhay R. Shah, Joint Managing Director of the Company for the residual period from 1<sup>st</sup> December, 2008 to 30<sup>th</sup> September, 2009 as set out in the explanatory statement and as per the terms and conditions laid down in the supplemental agreement entered into with him by the Company”.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

12. 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 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the act), read with Schedule XIII to the act, approval of the shareholders of the company be and is hereby granted for the increase/revision in the remuneration of Mr. Manoj V. Mehta, Wholtime Director of the Company for the residual period from 1<sup>st</sup> December, 2008 to 30<sup>th</sup> September, 2009 as set out in the explanatory statement and as per the terms and conditions laid down in the supplemental agreement entered into with him by the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

13. 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 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the act), read with Schedule XIII to the act, approval of the shareholders of the company be and is hereby granted for the increase/revision in the remuneration of Mr. Ajay R. Shah, Wholtime Director of the Company for the residual period from 1<sup>st</sup> December, 2008 to 30<sup>th</sup> September, 2009 as set out in the explanatory statement and as per the terms and conditions laid down in the supplemental agreement entered into with him by the Company.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

14. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule XIII to the act, the approval of members of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Rajnikant K. Shah as a Vice Chairman & Managing Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2014 as set out in the explanatory statement and as per the terms and conditions including remuneration laid down in the draft agreement, placed before this meeting initialed by the Chairman, to be entered into between the company and Mr. Rajnikant K. Shah, a draft whereof is hereby specifically sanctioned, with liberty, power to Board of Directors to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Rajnikant K. Shah within the overall limits laid down in Schedule XIII to the act as may be modified from time to time.”

“RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the aforesaid Vice Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the aforesaid Vice Chairman & Managing Director remuneration by way of salary, bonus, allowances and perquisites as set out in the Explanatory Statement and as per the draft agreement”.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

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

“RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule XIII to the act, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Abhay R. Shah as a Joint Managing Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2014 as set out in the explanatory statement and as per the terms and conditions including remuneration laid down in the draft agreement, placed before this meeting, initialed by the Chairman, to be entered into between the company and Mr. Abhay R. Shah, the draft whereof is hereby specifically sanctioned with liberty, power to Board of Directors to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Abhay R. Shah within the overall limits laid down in Schedule XIII to the act as may be modified from time to time.”

“RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the aforesaid Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the aforesaid Joint Managing Director remuneration by way of salary, bonus, allowances and perquisites as set out in the Explanatory Statement and as per the draft agreement, placed before this meeting, to be entered into with him by the Company”.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.



**ORGANIC COATINGS LIMITED**

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

“RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions of the Companies Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule XIII to the act, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Manoj V. Mehta as a Wholetime Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2014 as set out in the explanatory statement and as per the terms and conditions including remuneration laid down in the draft agreement, placed before this meeting, initialed by the Chairman, to be entered into between the company and Mr. Manoj V. Mehta, the draft whereof is hereby specifically sanctioned with liberty, power to Board of Directors to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Manoj V. Mehta within the overall limits laid down in Schedule XIII to the act as may be modified from time to time.”

“RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the aforesaid Wholetime Director, the Company has no profits or its profits are inadequate, the Company will pay to the aforesaid Wholetime Director remuneration by way of salary, bonus, allowances and perquisites as set out in the Explanatory Statement and as per the draft agreement, placed before this meeting”.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

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

“RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule XIII to the act, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Ajay R. Shah as a Wholetime Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2014 as set out in the explanatory statement and as per the terms and conditions including remuneration laid down in the draft agreement, placed before this meeting, initialed by the Chairman, to be entered into between the company and Mr. Ajay R. Shah, the draft whereof is hereby specifically sanctioned with liberty, power to Board of Directors to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Ajay R. Shah within the overall limits laid down in Schedule XIII to the act as may be modified from time to time”.

“RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the aforesaid Wholetime Director, the Company has no profits or its profits are inadequate, the Company will pay to the aforesaid Wholetime Director remuneration by way of salary, bonus, allowances and perquisites as set out in the Explanatory Statement and as per the draft agreement, placed before this meeting”.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps, as may be necessary, proper or expedient and to do such acts, deeds, matters and things to give effect to this resolution”.

By Order of the Board of Directors

Sudhir R. Shah  
Company Secretary

Date : June 13, 2009

Registered Office  
Akai Co-op. Hsg. Scy. Ltd.,  
Bldg. No. A/2, Flat No. 1,  
J. B. Nagar, Andheri (East),  
Mumbai - 400 059.

## 44th ANNUAL REPORT

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members/Proxies should fill the Attendance Slip for attending the meeting.
5. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to write their client ID and DPID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. The Register of Members and the Share Transfer Books of the Company will be closed from 24/08/2009 to 28/08/2009 both days inclusive, for the purpose of the Annual General Meeting.
8. Explanatory statement under section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting is annexed hereto and shall be forming part of the notice. The relevant details in respect of the Directors, seeking appointments/re-appointments, required to be provided pursuant to Clause 49 of the Listing Agreement are also annexed hereto.

