



Organic Coatings Limited

52nd annual report 2016 - 2017



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52nd Annual General Meeting will be held on Friday, the 29th September, 2017 at 4.00 p.m. at Banquet Hall, 1st Floor, Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.

REGISTERED OFFICE

Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd.,
Vith Bhatti, Goregaon (East),
Mumbai – 400 063
Email for investors' grievances :
organiccoatingsltd@organiccoatingsltd.com

FACTORY

Block No. 395, 437, 450,
Village Umraya, Taluka Padra,
Dist. Vadodara - 391 440.
Gujarat State.

BANKERS

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

LEGAL ADVISORS

R.V.J. Associates
Advocates & Solicitors

BOARD OF DIRECTORS

MR. SUDHIR A. SATHE

Chairman (Independent Director)

MR. R. K. SHAH

Vice Chairman & Managing Director

MR. VINAY S. JOG

Independent Director

MS. ASHWINI LAD (CA)

Independent Director

MR. ABHAY R. SHAH

Joint Managing Director

MR. MANOJ V. MEHTA

Whole Time Director

MR. AJAY R. SHAH

Whole Time Director

MR. SUDHIR R. SHAH

Company Secretary

MR. PARVEJ G MANSURI

Chief Financial Officer

STATUTORY AUDITOR

Soman Uday & Co.
Chartered Accountants

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai – 400 083.
Tel : 4918 6000 Fax : 4918 6060



Organic Coatings Limited

NOTICE

Notice is hereby given that the 52nd Annual General Meeting of the members of Organic Coatings Limited will be held on Friday, the 29th September, 2017 at 4.00 p.m. at Banquet Hall, 1st Floor, Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abhay R. Shah (DIN 00016497), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration and in this regard 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 139, 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Praneti Yadav & Co., Chartered Accountants, (ICAI Firm Registration No. 137534W) be and is hereby appointed as the Statutory Auditors of the Company to hold the office for the period of five years from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of Fifty Seventh Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the act) at such remuneration plus applicable taxes and reimbursement of out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

Special Business:

4. To appoint Mr. Vinay S. Jog (DIN 05286779) as an Independent Director and in this regard 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Vinay S. Jog (DIN. 05286779) who was appointed as an Independent Director and whose terms as such of 3 years expires at the conclusion of this 52nd Annual General Meeting of the Company 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office up to the conclusion of 57th Annual General Meeting of the Company in the calendar year 2022”.

Date: 08th May, 2017

Registered Office :

Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd.,
Vith Bhatti, Goregaon (East),
Mumbai – 400 063.

Email ID: organiccoatingsltd@organiccoatingsltd.com

CIN : [L24220MH1965PLC013187](#)

By Order of the Board of Directors

R. K. SHAH

Vice Chairman & Managing Director
(DIN 00011746)

NOTICE

NOTES :

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 & Item No. 4 of the notice annexed hereto. The relevant particulars as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and secretarial standards on general meetings issued by the Institute of Company Secretaries of India, of the Directors seeking appointment/re-appointment at the Annual General Meeting are annexed and forms integral part of the notice.
2. 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 to vote instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in 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.
3. 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.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to 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 are holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to the depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or to the registrar.
7. The Register of Members and the Share Transfer Books of the Company will be closed from 23/09/2017 to 29/09/2017, both days inclusive.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security markets. Members holding shares in electronic form are, therefore requested to submit the 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/Registrar.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.



NOTICE

11. Voting through electronic means

- a) In terms of Regulation 44 of the Listing Regulations and pursuant to the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice), the Company is pleased to provide its members the facility to exercise right to vote at the 52nd Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd. (CDSL);
- b) The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.
- c) The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 26/09/2017 (9.00 a.m.) and ends on 28/09/2017 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22/09/2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- C. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) i) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
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. (1) Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

NOTICE

After entering these details appropriately, click on “SUBMIT” tab.

- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii) 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.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non – Individual Shareholders and Custodians
 - (1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - (2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - (3) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - (4) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - (5) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



NOTICE

- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy of notice of AGM:

- (1) Please follow all steps from sl. no. (i) to sl. no. (xvii) Above to cast vote.

General Instructions

(1) The Company has appointed Ms. Dhanraj Kothari of D. Kothari & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer to the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.

(2) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(3) The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).

(4) Subject to the receipt of sufficient votes, the resolutions shall be deemed to be passed at the 52nd Annual General Meeting of the Company scheduled on Friday, the 29th September, 2017. The results will be declared on/or after the Annual General Meeting of the Company. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.organiccoatingsltd.com and on the website of CDSL within (2) days of the passing of the resolution at the AGM of the Company

Date: 08th May, 2017

Registered Office :

Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd.,
Vith Bhatti, Goregaon (East),
Mumbai – 400 063.

Email ID: organiccoatingsltd@organiccoatingsltd.com

CIN : L24220MH1965PLC013187

By Order of the Board of Directors

R. K. SHAH

Vice Chairman & Managing Director

(DIN 00011746)

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 and Item No. 4 of the accompanying notice.

Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to Section 139(1) of the Companies Act, 2013, M/s. Soman Uday & Co., Chartered Accountants, Mumbai (ICAI Firm Registration No. 110352W) were appointed as Auditors of the Company since the financial year 2002-03 and have completed their tenure as Statutory Auditors. Pursuant to Section 139(2)(b) an audit firm which has completed its tenure shall not be eligible for re-appointment as auditors in the same company for five years from the completion of such tenure.

The Board of Directors in their meeting held on 08th May, 2017, subject to approval of the members appointed M/s. Praneti Yadav & Co., Chartered Accountants, Mumbai (Registration No. 137534W) as Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting till the conclusion of its 57th Annual General Meeting i.e. till the conclusion of Annual General Meeting to be held during the year 2022 for conducting statutory audit for the financial years 2017-18 to 2021-22. Further pursuant to Section 139(1) of the Companies Act, 2013, the members of the company are required to ratify their re-appointment as Statutory Auditors of the company at every subsequent Annual General Meeting.

M/s. Praneti Yadav & Co. have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 144 of the Act.

None of the Directors or key managerial personnel of the Company or their relatives is, in any way concerned or interested in the resolution set out at Item No. 3 of the notice.

The Board commends the ordinary resolution set out at Item No. 3 of the notice for the approval of the members.

Item No. 4

Mr. Vinay S. Jog was appointed as an Independent Director w.e.f. 15th May, 2012 liable to retire by rotation in terms of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Subsequently, he was appointed as an Independent Director not liable to retire by the members of the Company at the 49th Annual General Meeting by passing a Ordinary Resolution till the conclusion of 52th Annual General Meeting of the Company to be held in the calendar year 2017.

In terms of Section 149 (10) of the Companies Act, 2013, subject to provisions of Section 152, an Independent Director shall hold office for the term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointments in the Board's Report. Accordingly, the Board of Directors has re-appointed Mr. Vinay S. Jog as an Independent Director for the further period of five consecutive years subject to the approval of the shareholders by a Special Resolution as proposed.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under section 160 of the act proposing the candidature of Mr. Vinay S. Jog for the office of the Director of the Company.

The Company has also received declaration from Mr. Vinay S. Jog that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Vinay S. Jog fulfils the conditions for appointment as Independent Director as specified in the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Vinay S. Jog is independent of the management.



EXPLANATORY STATEMENT

Brief resume of Mr. Vinay S. Jog, nature of his expertise in specific functional areas and other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.

Copy of the draft letter of appointment of Mr. Vinay S. Jog as Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Save and except Mr. Vinay S. Jog and his relatives to the extent of their shareholding interests, if any, in the company none of the other Directors, Key Managerial Personnel (KMP) of the company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the notice.

The Board commends the Special Resolution set out at Item No. 4 of the notice for the approval of the members.

Particulars of the Directors seeking appointment / re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Mr. Abhay R.Shah	Mr. Vinay S. Jog
Date of Birth	13/07/1966	28/09/1957
Date of Appointment	01/10/1994	15/05/2012
Expertise in specific functional areas	Marketing & production planning	Legal
Qualifications	B.sc.	B.Com (Hons) LLB
No. of shares held in Organic Coatings Ltd.	6,75,422 (8.8%)	NIL
Directorship in other Companies	NIL	NIL
Disclosure of relationship	Mr. Abhay Shah is related to Mr. R.K.Shah, Vice Chairman & Managing Director and Mr. Ajay R. Shah, Executive Director of the company	Mr. Vinay S. Jog is not related to any Director of the company

Membership of Committees in other Public Limited Companies:

Audit Committee	NIL	NIL
Shareholders' / Investors' Grievance	NIL	NIL

For other details such as number of meetings of the Board attended during the year, remuneration drawn in respect of Mr. Abhay R. Shah and Mr. Vinay S. Jog, please refer to Corporate Governance Report.

Date: 08th May, 2017

Registered Office :

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Email ID: organiccoatingsltd@organiccoatingsltd.com
CIN : L24220MH1965PLC013187

By Order of the Board of Directors

R. K. SHAH
Vice Chairman & Managing Director
(DIN 00011746)

DIRECTORS' REPORT

To the members,

Your directors submit 52nd annual report of the Company along with the audited financial statements for the financial year ended March 31, 2017.

1. Financial results

The Company's financial performance for the year ended March 31, 2017 is summarized below:

Particulars	2016 – 17 (₹ in Lacs)	2015 – 16 (₹. in Lacs)
Revenue from operations	3025.35	4100.88
Operating expenditure	2765.25	3940.25
Profit before Interest, Depreciation, Tax	260.10	160.63
Less: Finance Cost	117.19	141.96
Profit after Finance Cost	142.91	18.67
Less: Depreciation	130.83	139.86
(Loss) / Profit for the year before tax	12.08	(121.19)
Add: Exceptional Items	0.95	0.00
(Loss) / Profit for the year after exceptional items and before tax	13.03	(121.19)
Less: Income Tax	0.09	0.00
(Loss) / Profit after tax	12.94	(121.19)

2. Company's performance and state of affairs of the company

- * Revenue from operations (net) decreased by 26.43% to ₹2994.03 Lacs from ₹4069.39 Lacs in the previous year.
- * PBDIT increased by 61.92 % to ₹ 260.10 Lacs for the year ended 31st March, 2017 compared to previous year ₹160.63 Lacs.
- * Net Profit increased by 110.68 % to ₹12.94 Lacs for the year compared to loss of ₹121.19 Lacs in the previous year.

There are no material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company. The Company's arrangement for Marketing and Distribution Agreement with M/s. Heidelberg India Pvt. Ltd. for exclusive Marketing and Distribution in India of its products viz. all Sheetfed products which includes Low Segment, Mid Segment, Higher End Segment Inks, Spot Color Inks, Specialty Inks, UV Inks & Coatings and Water-based Inks & Coatings is gradually having positive impact on the sales of the Company.

3. Dividend and transfer to reserves

In view of the prior years carried forward losses, the Board of Directors is unable to recommend any dividend for the financial year 2016-17 and no amount is transferred to Reserves for the financial year 2016-17.

4. Management discussion and analysis statement and corporate governance report

The statement on management discussion and analysis and report on corporate governance, forms part of the annual report is provided in Annexure I.

A certificate of the auditors of the Company, Soman Uday & Co., Chartered Accountants, confirming compliance of the conditions of corporate governance is annexed.