



Organic Coatings Ltd.

55th
ANNUAL
REPORT
2019-20

Corporate Information

CONTENTS

Corporate Information.	01
Notice	02
Board's Report	14
Auditor's Report	35
Balance Sheet.	43
Statement of Profit & Loss	45
Cash Flow Statement	47
Notes to Financial Statements	49

55th Annual General Meeting will be held on Friday, the 28th August, 2020 at 3.00 p.m.

BOARD OF DIRECTORS

MR. SUDHIR A. SATHE
Chairman (Independent Director)

MR. CHANDRAKUMAR Z. SHAH
Independent Director

MS. ASHWINI LAD (CA)
Independent Director

MR. ABHAY R. SHAH
Managing Director

MR. AJAY R. SHAH
Whole Time Director

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

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

STATUTORY AUDITOR

Praneti Yadav & Co.
Chartered Accountants

MR. SUDHIR R. SHAH

Company Secretary & Compliance Officer

MR. SHIVSHYAM MAURYA

Chief Financial Officer

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

Notice

Notice is hereby given that the 55th Annual General Meeting of Organic Coatings Limited will be held on Friday, the 28th August, 2020 at 3:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors' thereon and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors' thereon laid before this meeting, be and are hereby considered and adapted".

2. To appoint Mr. Ajay R. Shah (DIN:00011763) who retires by rotation as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 152 of the Companies Act, 2013, Mr. Ajay R. Shah (DIN:00011763) who retires by rotation at this meeting be and is hereby appointed as a Director of the company, liable to retire by rotation".

Special Business:

3. To appoint Mr. Sudhir Sathe (DIN: 03008729) as Non-Executive & 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, 150, 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 & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of Nomination & Remuneration Committee and the board of directors of the Company, approval of the members be and is hereby accorded for appointment of Mr. Sudhir Sathe (DIN: 03008729) as Non-Executive & Independent Director of the Company not liable to retire by rotation 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 as Non-Executive & Independent Director of the Company not liable to retire by rotation notwithstanding his having already attained the age of 75 years to hold the office for a term of 4 years up to the conclusion of 59th Annual General Meeting of the Company in the calendar year 2024".

4. To appoint Mr. Chandrakumar Z. Shah (DIN:03596808) as Non-Executive & 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, 150, 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 & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of Nomination & Remuneration Committee and the board of directors of the Company, approval

Notice

of the members be and is hereby accorded for appointment and continuation of Mr. Chandrakumar Z. Shah (DIN: 03596808) as Non-Executive & Independent Director of the Company not liable to retire by rotation notwithstanding his having already attained the age of 75 years, who was appointed as such Non-Executive Independent Director by the shareholders of the Company for the period of 5 consecutive years up to 27th September, 2024 at the 54th Annual General Meeting by passing an Ordinary Resolution”.

By Order of the Board of Directors

Sudhir R. Shah

Company Secretary & Compliance Officer

Place: Mumbai

Date: 30th June, 2020

Registered Office :

Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd.,

Vitth Bhatti, Goregaon (East),

Mumbai – 400 063.

Email ID: organiccoatingsltd@organiccoatingsltd.com

CIN : L24220MH1965PLC013187

Website : www.organiccoatingsltd.com

Tel.: +91 22 29276921 / 2114

Notice

NOTES :

1. In compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 20/2020 dated 5th May, 2020 read together with MCA General Circular Nos. 14 & 8 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC" / "OAVM").

Link Intime India Pvt. Ltd., Registrar & Transfer Agent of the Company shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 20 below.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
3. The relevant details pursuant to regulations 26(4) and 36(3) of SEBI Listing Regulations and Secretarial Standard on general meetings issued by the Institute of company Secretaries of India, in respect of directors seeking re-appointment at this AGM is annexed.
4. Pursuant to the provisions of the Companies Act, 2013, 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 his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of members have been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the proxy form and attendance slip are not annexed to this notice.
5. Institutional / Corporate shareholders (i.e. other than individuals / HUF, NRI etc.) are required to send scanned copy (PDF / JPG format) of its board or governing body resolution /authorization etc. authorizing its representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolutions / authorization shall be sent to the Scrutinizer through its registered email fcs.dhanraj@gmail.com with a copy marked to organiccoatingsltd@organiccoatingsltd.com.
6. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with above mentioned MCA and SEBI Circulars, the AGM of the Company is being conducted through VC/OAVM.

In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards – 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM/ Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

7. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto. Further, additional information with respect to Item No. 2 to 4 is also annexed hereto.
8. M/s. Praneti Yadav & Co., Chartered Accountants, who was appointed as Statutory Auditors of the Company at the 52nd Annual General Meeting held on 29th September, 2017 to hold the office for the period of 5 years till the conclusion of 57th Annual General Meeting of the Company to be held in the year 2022. Pursuant to the notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the act and Rules framed thereunder, the mandatory requirement for ratification of appointment of auditors by the members at every Annual

Notice

General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of auditors at this AGM.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 are available for inspection.
10. 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.
11. The Register of Members and the Share Transfer Books of the Company will be closed from 24/08/2020 to 28/08/2020, both days inclusive.
12. 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.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
14. 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.
15. The Company has transferred the unpaid or unclaimed dividends declared for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company and the same can be accessed through the link: <http://www.organiccoatingsltd.com/Investor-Relations/ShareholdersInformation.aspx>.

The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

16. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. December 01, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://www.organiccoatingsltd.com/InvestorRelations/ShareholdersInformation.aspx>.

The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

- (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact Link Intime India Pvt. Ltd. for lodging claim for refund or shares and/or dividend from the IEPF Authority.
17. SEBI has decided that securities of listed companies can be transferred only in dematerialized form i.e. from 5th December, 2018 onwards. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

Notice

18. Members holding shares in physical mode:

- (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Link Intime India Pvt. Ltd., if not registered with the Company as mandated by SEBI.
- (b) are advised to register the nomination in respect of their shareholding in the Company.
- (c) are requested to register / update their e-mail address with the Company / Link Intime India Pvt. Ltd. for receiving all communications from the Company electronically.

19. Members holding shares in electronic mode:

- (a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
- (b) are advised to contact their respective DPs for registering the nomination.
- (c) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

20. Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

- 1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
- 2. Click “Go to Meeting”

Note:

Notice

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call them: - Tel : (022-49186175)

21. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at organiccoatingsltd@organiccoatingsltd.com up to 26/08/2020 by 5.00 p.m.

The Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at organiccoatingsltd@organiccoatingsltd.com. The same will be replied by the company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

22. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Notice

Note:

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call them: - Tel : (022-49186175)

23. SCRUTINIZER FOR E-VOTING : Ms. Dhanraj Kothari, Practicing Company Secretary (Membership No. FCS 4930) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. Voting through electronic means

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 55th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by: <https://instavote.linkintime.co.in>

The Instructions are as under :

The voting period begins on 25/08/2020 (9.00 a.m.) and ends on 27/08/2020 (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 21/08/2020, may cast their vote electronically

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -
 - A. **User ID:** Enter your User ID
 - Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Notice

- Shareholders/members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
 - Shareholders/members holding shares in **NSDL demat account shall provide 'D', above**
 - Shareholders/members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- > Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- > Click "confirm" (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.

Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

The password should contain minimum 8 characters, at least one special character(@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.