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49<sup>th</sup> Annual General Meeting will be held on Tuesday, the 30<sup>th</sup> September, 2014 at 4.00 p.m. at Ruby Hall, Ground Floor, Hotel Parle International, Near Vile Parle Station, Vile Parle (East), Mumbai – 400 057.

## BOARD OF DIRECTORS

**MR. SUDHIR A. SATHE**

Chairman (Independent Director)

**MR. R. K. SHAH**

Vice Chairman &amp; Managing Director

**MR. VINAY S. JOG**

Independent Director

**MS. ASWINI LAD (CA)**

Independent Director

(Appointed w.e.f 30<sup>th</sup> May, 2014)**MR. ABHAY R. SHAH**

Joint Managing Director

**MR. AJAY R. SHAH**

Whole Time Director

**MR. MANOJ V. MEHTA**

Whole Time Director

**MR. SUDHIR R. SHAH**

Company Secretary

**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. Vadodra - 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**

Soman Uday & Co.  
Chartered Accountants

**REGISTRAR & TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
C/13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai – 400 078.  
Tel : 2596 3838 Fax : 2594 6968



## **NOTICE**

Notice is hereby given that the 49<sup>th</sup> Annual General Meeting of Organic Coatings Limited will be held at Ruby Hall, Ground Floor, Hotel Parle International, Vile Parle (East), Mumbai – 400 057 on Tuesday, the 30<sup>th</sup> September, 2014 at 4.00 p.m. to transact the following businesses:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2014 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abhay R. Shah (DIN No. 00016497), who retires by rotation at this Annual General Meeting and being eligible has offered 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 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. Soman Uday & Co., Chartered Accountants( ICAI Firm Registration No. 110352W) be and are hereby appointed as auditors of the Company, to hold the office on the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company".

### **Special Business:**

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

"RESOLVED THAT in partial modifications to the resolutions passed by the shareholders of the Company at the Annual General Meetings held on 28<sup>th</sup> August, 2009 and 27<sup>th</sup> September, 2010 and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule V to the act including such approvals as may be necessary, the approval of the members of the Company be and is hereby accorded to revise the scale of salary payable to Mr. R. K. Shah as a Vice Chairman & Managing Director of the Company for the residual period of 1 year from 1<sup>st</sup> October, 2013 to 30<sup>th</sup> September, 2014 from Rs. 1,25,000/- p.m. upto Rs. 2,50,000/- p.m. as set out in the explanatory statement with authority to the Board of Directors of the Company (which herein referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee of the Directors) to determine his remuneration from time to time within the said scale and to fix the allowances and other benefits and perquisites vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. R. K. Shah within the overall limits laid down in Schedule V to the act as may be modified from time to time".

"RESOLVED FURTHER THAT the aforesaid Vice Chairman & Managing Director be paid remuneration by way of salary, bonus, allowances and perquisites as above as minimum remuneration 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".

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

"RESOLVED THAT in partial modifications to the resolutions passed by the shareholders of the Company at the Annual General Meetings held on 28<sup>th</sup> August, 2009 and 27<sup>th</sup> September, 2010 and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the act), read with Schedule V to the act including such approvals as may be necessary, the approval of the members of the Company be and is hereby accorded to revise the scale of salary payable to Mr. Abhay R. Shah as a Joint Managing Director of the Company for the residual period of 1 year from 1<sup>st</sup> October, 2013 to 30<sup>th</sup> September, 2014 from Rs. 1,25,000/- p.m. upto Rs. 2,50,000/- p.m. as set out in the explanatory statement with authority to the Board of Directors of the Company (which herein referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee of the Directors) to determine his remuneration from time to time within the said scale and to fix the allowances and other benefits and perquisites 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 V to the act as may be modified from time to time".

"RESOLVED FURTHER THAT the aforesaid Joint Managing Director be paid remuneration by way of salary, bonus, allowances and perquisites as above as minimum remuneration 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".

6. To re-appoint Mr. Rajnikant Kodariyal Shah (DIN No. 00011746) as Vice Chairman & Managing 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 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Rajnikant K. Shah (DIN No. 00011746) as a Vice Chairman & Managing Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 for a remuneration and perquisites up to an amount of Rs. 3,50,000/- p.m. 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 (hereinafter refer to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) 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 V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof".



"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

7. To re-appoint **Mr. Abhay R. Shah** (DIN No. 00016497) as Joint Managing Director 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to **Mr. Abhay R. Shah** (DIN No. 00016497) as a Joint Managing Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 for a remuneration and perquisites up to an amount of Rs. 3,50,000/- p.m. 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 (hereinafter refer to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) 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 V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

8. To re-appoint **Mr. Manoj V. Mehta** (DIN No. 00251271) as Whole Time Director 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to **Mr. Manoj V. Mehta** (DIN No. 00251271) as a Whole Time Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 for a remuneration and perquisites up to an amount of Rs. 3,50,000/- p.m. 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 (hereinafter refer to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) 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 V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

9. To re-appoint **Mr. Ajay R. Shah** (DIN No. 00011763) as Whole Time Director 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Ajay R. Shah (DIN No. 00011763) as a Whole Time Director of the Company for a period of 5 years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 for a remuneration and perquisites up to an amount of Rs. 3,50,000/- p.m. 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 (hereinafter refer to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) 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 V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

10. To appoint **Mr. Sudhir Sathe** (DIN No. 03008729) 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 an **Ordinary 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 Clause 49 of the Listing Agreement, Mr. Sudhir Sathe (DIN No. 03008729) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting 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 50<sup>th</sup> Annual General Meeting of the Company in the calendar year 2015".

11. To appoint **Mr. Vinay Jog** (DIN No. 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 an **Ordinary 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 Clause 49 of the Listing Agreement, Mr. Vinay Jog (DIN No. 05286779) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting 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 for 3 consecutive years for term up to the conclusion of 52<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2017".

12. To appoint **Ms. Ashwini Lad** (DIN No. 06885346) 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 an **Ordinary 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 Clause 49 of the Listing Agreement, Ms. Ashwini Lad (DIN No. 06885346) who was appointed as a Additional Director of the Company by the Board of Directors on 30<sup>th</sup> May, 2014 and whose term expires at this Annual General Meeting 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 for 5 consecutive years for term up to the conclusion of 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019".

13. To accord consent to the Board of Directors to borrow and 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 Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors to borrow any sums or sums of money from time to time, with or without security and on such terms and conditions as the Board may think fit notwithstanding that the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors shall not exceed the sum of Rs. 25 Crores ( Rupees Twenty Five Crores Only ).

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be necessary, expedient and usual to give effect to this resolution".

14. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft articles contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

By Order of the Board of Directors

Sudhir R. Shah  
Company Secretary

Date: May 30, 2014

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

**NOTES :**

1. 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.

2. 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.
3. Brief resume of Directors including those proposed to be appointed, re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorship and membership / chairmanships of Board, Committees, shareholding and relationships between directors inter se as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange is annexed.
4. 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.
5. Members are requested to bring their ballot form along with their copy of Annual Report to the Meeting.
6. 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.
7. Relevant documents referred to in the accompanying notice and statements are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Annual General Meeting.
8. 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.
9. The Register of Members and the Share Transfer Books of the Company will be closed from 23/09/2014 to 30/09/2014 both days inclusive.
10. 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.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.



12. 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.

### 13. Voting through electronic means

In terms of Clause 35B of the Listing Agreement 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 "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 49<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd. (CDSL);

The instructions for members for voting electronically are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "ORGANIC COATINGS LIMITED" from the drop down menu and click on "SUBMIT"
- (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](http://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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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 number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) of ORGANIC COATINGS LIMITED.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### **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 voting period begins on 22/09/2014 (9.00 a.m.) and ends on 24/09/2014 (6.00 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 22/08/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (2) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (3) The Company has appointed Ms. Dhanraj Kothari of D.Kothari & Associates having address as 701, EMP-09, Evershine Millenium Paradise, Thakur Village, Kandivali (East), Mumbai - 400 101 as the Scrutinizer to the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.



- (4) 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.
- (5) In the event of a poll, please note that the members who have exercised their right to vote by the electronic means/through ballot form as above shall not be eligible to vote by way of poll at the meeting. 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).
- (6) Subject to the receipt of sufficient votes, the resolutions shall be deemed to be passed at the 49<sup>th</sup> Annual General Meeting of the Company scheduled on Tuesday, 30<sup>th</sup> September, 2014. The results will be declared on/or after the Annual General Meeting of the Company. The result declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.organiccoatingsltd.com](http://www.organiccoatingsltd.com) and on the website of CDSL within (2) days of the passing of the resolution at the AGM of the Company.

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act") IS AS UNDER:**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying notice.

**Item 4 & 5**

The Board of Directors of the Company at its meeting held on 13<sup>th</sup> June, 2009 re-appointed Mr. R.K.Shah as Vice Chairman & Managing Director, Mr. Abhay R. Shah as Joint Managing Director, for a period of 5 years from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2014 and their appointments were approved by the shareholders of the Company at the Annual General Meeting held on 28<sup>th</sup> August, 2009

The remunerations payable / paid were well within the limits specified in Sections 198, 309 and Schedule XIII to the Companies Act, 1956.

In terms of Sub – Clause (c)(ii) of part I of Schedule XIII to the Companies Act, 1956, the resolution regarding the re-appointment of Mr. R.K.Shah as Vice Chairman & Managing Director was made by special resolution since he has attained age of more than 70 years.

The above remuneration was fixed in line with Schedule XIII Part II Section II 1(A) to the Companies Act, 1956 i.e. monthly remuneration payable not exceeding Rs. 1,25,000/- p.m plus other benefits by passing Special Resolution and Ordinary Resolutions on 28<sup>th</sup> August, 2009.

In view of the increasing role and responsibilities of the aforesaid Managing Director and Joint Managing Director in the competitive environment and also considering the amount of time devoted and the contribution made by them, it was felt that the Board of Directors be authorized to determine their remunerations upto an amount of Rs. 2,50,000/- plus other terminal benefits like provident fund, gratuity and encashment of leave at the end of the tenure as laid down in Schedule XIII Part II Section II (B) to the Companies Act, 1956 by passing Special Resolutions in this behalf at the Annual General Meeting held on 27<sup>th</sup> September, 2010. The revision in remunerations as under as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2014 for a residual period of 1 year from 1<sup>st</sup> October, 2013 to 30<sup>th</sup> September, 2014 are as under:

Particulars	Mr. R. K. Shah (Rs. p. m.)	Mr. Abhay R. Shah (Rs. p. m.)
Basic	93170	79860
HRA	45680	39670
Bonus	2084	2084

The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled for the following perquisites and benefits :

- 1) Medical : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled to reimbursement of medical expenses incurred by them subject to overall limit of one month's basic salary in a year respectively.
- 2) LTA : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled to reimbursement of actual leave travel expenses once in a year for themselves and their family to any destination in India by air/rail/road, however which shall not exceed one month's basic salary plus HRA respectively.



- 3) Club Fees : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled to reimbursement of fees towards membership of 2 clubs. However, they shall not be entitled to reimbursement of any admission and/or fees payable towards life membership.
- 4) Electricity : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled for allowance towards electricity of an amount of Rs. 12,100/- p.m. respectively.
- 5) Gas : The aforesaid Vice Chairman & Managing Director shall be entitled for Gas Allowance of Rs. 2,780/- p.m. and the Joint Managing Director shall be entitled for Gas Allowance of Rs. 4,840/- p.m.
- 6) Telephone : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled for telephone and broadband expenses incurred at their residences as well as mobile phones for local calls and long distance calls.
- 7) Personal Accident Insurance : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled for personal accident insurance the premium of which shall be limited to Rs. 4,400/- p.a. for each of them.
- 8) Provident Fund : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled to company's contribution towards provident fund as per the rules of the Company.
- 9) Gratuity : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled to payment of gratuity wherever applicable as per the payment of Gratuity Act, 1972 and amended from time to time as per the rules of the company.
- 10) Leave Encashment : The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall be entitled for leave encashment of accumulated leave (at the rate of basic salary), standing to their credit encashable at the end of their tenure, which shall not lapse during their tenure.
- 11) Car : The aforesaid Vice Chairman & Managing Director and Joint Managing Director will be provided with chauffeur driven cars by the Company, which shall be used by them for official purposes only.
- 12) The aforesaid Vice Chairman & Managing Director and Joint Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors of the Company or any Committee or committees thereof.

#### **MEMORANDUM OF INTEREST**

Mr. R.K.Shah is the father of Mr. Abhay R. Shah and Mr. Ajay R. Shah. Accordingly, each of them may be deemed to be interested or concerned in the resolutions at item No. 4 & 5.

A statement containing the information required to be given to the shareholders pursuant to Schedule XIII Part II Section II (B)(IV) is given in the Annexure hereto.

The Board recommends the special resolutions as set out in Item No. 4 & 5 of this notice.

**Item 6, 7, 8 & 9**

The Board of Directors of the Company at its meeting held on 30<sup>th</sup> May, 2014 re-appointed Mr. R.K.Shah as Vice Chairman & Managing Director, Mr. Abhay R. Shah as Joint Managing Director, Mr. Manoj V. Mehta as Whole Time Director and Mr. Ajay R. Shah as Whole Time Director for a period of 5 years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 subject to approval of the shareholders of the Company at the Annual General Meeting on the following remuneration and other terms and conditions :

Particulars	Mr. R. K. Shah (Rs. p.m.)	Mr. Abhay R. Shah (Rs. p.m.)	Mr. Manoj V. Mehta (Rs. p.m.)	Mr. Ajay R. Shah (Rs. p.m.)
Basic	95210.00	86128.00	53610.00	53610.00
HRA	50525.00	47630.00	26500.00	26500.00
Medical Allowance	7935.00	7178.00	4468.00	4468.00
Bonus	2084	2084.00	2084.00	2084.00

The aforesaid Managing Director, Joint Managing Director and the Whole Time Directors will be given minimum annual increment of 10 % of the basic salary. However, the Board of Directors will have discretion to consider on merit basis, higher increment taking into account the company's performance and subject to ceiling of 10% of the basic salary which shall be within the overall limits prescribed under Schedule V to the Companies Act, 2013 as amended.

Mr. R. K. Shah, Vice Chairman & Managing Director, Mr. Abhay R. Shah, Jt. Managing Director, Mr. Manoj V. Mehta, Wholetime Director and Mr. Ajay R. Shah, Wholetime Director shall be entitled for the following perquisites and benefits:

- 1) LTA: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and the Whole Time Directors shall be entitled to reimbursement of actual leave travel expenses once in a year for themselves and their family to any destination in India by air/rail/road, however which shall not exceed one month's basic salary plus HRA respectively.
- 2) Club Fees: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and the Whole Time Directors shall be entitled to reimbursement of fees towards membership of 2 clubs. However, they shall not be entitled to reimbursement of any admission and/or fees payable towards life membership.
- 3) Telephone: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and the Whole Time Directors shall be entitled for mobile phones for local calls and long distance calls.
- 4) Personal Accident Insurance: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and two Wholetime Directors shall be entitled for personal accident insurance the premium of which shall be limited to Rs. 4,400/- p.a. for each of them.
- 5) Provident Fund: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and the Whole Time Directors shall be entitled to company's contribution towards provident fund as per the rules of the Company.
- 6) Gratuity: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and the Whole Time Directors shall be entitled to payment of gratuity wherever applicable as per the payment of Gratuity Act, 1972 and amended from time to time as per the rules of the company.



- 7) Leave Encashment: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and the Whole Time Directors shall be entitled for leave encashment of accumulated leave, standing to their credit encashable at the end of their tenure, which shall not lapse during their tenure.
- 8) Car: The aforesaid Vice Chairman & Managing Director, Joint Managing Director and the Whole Time Directors will be provided with chauffeur driven cars by the Company, which shall be used by them for official purposes only.
- 9) The aforesaid Vice Chairman & Managing Director, Joint Managing Director and Whole Time Directors shall not be entitled to any sitting fees for attending the meetings of the Board of Directors of the Company or any Committee or committees thereof.
- 10) The aforesaid Vice Chairman & Managing Director, Joint Managing Director and Whole Time Directors shall not so long as they function as such, become interested or otherwise concerned directly or through their wives/minor children in any selling agency of the Company in future without the prior approval of the appropriate authority under the Companies Act, 2013.

The above remunerations are well within the limits specified in Sections 198 and Schedule V to the Companies Act, 2013.

In terms of Proviso to Clause (c) of part I of Schedule V to the Companies Act, 2013, the resolution regarding the re-appointment of Mr. R.K.Shah as Vice Chairman & Managing Director is proposed by way of special resolution since he has attained age of more than 70 years.

#### **MEMORANDUM OF INTEREST**

Mr. R.K.Shah is the father of Mr. Abhay R. Shah and Mr. Ajay R. Shah. Accordingly, each of them may be deemed to be interested or concerned in the resolutions at item No. 6, 7 & 9.

Mr. Manoj V. Mehta alone is interested or concerned in the resolution at item No. 8.

The copies of the draft agreements for the re appointments and payment of remuneration thereof with Mr. R.K.Shah, Mr. Abhay R. Shah, Mr. Manoj V. Mehta and Mr. Ajay R. Shah are open for inspection by the members at the registered office of the Company on any working days between 11.00 a.m. and 1.00 p.m.

#### **Item 10**

Mr. Sudhir Sathe was appointed as an Independent Director w.e.f. 17<sup>th</sup> February, 2010 liable to retire by rotation in terms of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr. Sudhir Sathe as an Independent Director under section 149 of the act and Clause 49 of the Listing Agreement to hold the office for a term up to the conclusion of 50<sup>th</sup> Annual General Meeting of the Company in the calendar year 2015.

The Company has received notices in writing from a member alongwith the deposit of requisite amount under section 160 of the act proposing the candidature of Mr. Sudhir Sathe for the office of the Director of the Company.



The Company has also received declaration from Mr. Sudhir Sathe that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the act and under Clause 49 of the listing agreement.

In the opinion of the Board, Mr. Sudhir Sathe fulfils the conditions for appointment as Independent Director as specified in the act and the listing agreement. Mr. Sudhir Sathe is independent of the management.

Brief resume of Mr. Sudhir Sathe, nature of his expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

Copy of the draft letter of appointment of Mr. Sudhir Sathe 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 Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Sudhir Sathe is interested in the resolution set out at Item No. 10 of the notice with regard to his appointment.

The relatives of Mr. Sudhir Sathe may be deemed to be interested in the resolution set out at Item No. 10 of the notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives, in any way, concern or interested, financially or otherwise in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 10 of the notice for the approval of the shareholders.

#### **Item 11**

Mr. Vinay Jog was appointed as an Independent Director w.e.f. 15<sup>th</sup> May, 2012 liable to retire by rotation in terms of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr. Vinay Jog as an Independent Director under section 149 of the act and Clause 49 of the Listing Agreement to hold the office for a term up to the conclusion of 52<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2017.

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

The Company has also received declaration from Mr. Vinay Jog that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the act and under Clause 49 of the listing agreement.

In the opinion of the Board Mr. Vinay Jog fulfils the conditions for appointment as Independent Director as specified in the act and the listing agreement. Mr. Vinay Jog is independent of the management.



Brief resume of Mr. Vinay Jog, nature of his expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

Copy of the draft letter of appointment of Mr. Vinay 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 Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Vinay Jog is interested in the resolution set out at Item No. 11 of the notice with regard to his appointment.

The relatives of Mr. Vinay Jog may be deemed to be interested in the resolution set out at Item No. 11 of the notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives, in any way, concern or interested, financially or otherwise in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 11 of the notice for the approval of the shareholders.

#### **Item 12**

Ms. Ashwini Lad was appointed as an Additional Director by the Board w.e.f. 30<sup>th</sup> May, 2014 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 Ms. Ashwini Lad will hold office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member alongwith requisite deposit proposing the candidature of Ms. Ashwini Lad for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Ashwini Lad:

- I) Consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment and qualification of Directors) Rules 2014.
- II) Intimation in DIR 8 in terms of Companies (Appointment and qualification of Directors) Rules 2014 to the effect that she is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013 and.
- III) A declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks that the approval of members for the appointment of Ms. Ashwini Lad as an Independent Director of the Company for a period of 5 consecutive years for term up to the conclusion of 54<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Ashwini Lad, the Independent Director proposed to be appointed fulfils the conditions specified in the act and the rules made thereunder and she is independent of the Management.



A copy of the draft letter for the appointment of Ms. Ashwini Lad as an Independent Director setting out the terms and conditions is available for inspection at the company's registered office during normal working hours on the working days upto the date of Annual General Meeting.

No Director, key managerial personnel or their relatives, except Ms. Ashwini Lad, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 12 and for the approval of the members.

**Item 13**

Under the provisions of Section 180(1)(c) of the Companies Act, 2013 the Board of Directors of a company shall exercise power with the consent of the shareholders in the general meeting by passing special resolution for borrowing (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital and free reserves of the Company. The shareholders of the company had by passing Ordinary Resolution at the Annual General Meeting held on 13<sup>th</sup> August, 2005 authorized the Board of Directors to borrow up to an amount of Rs. 25 Crores (apart from temporary loans obtained from the company's bankers in the ordinary course of business). However, in terms of Section 180(1)(c) of the Companies Act, 2013 it has come into effect from 1<sup>st</sup> April, 2014, the Board of Directors needs to be authorized afresh by passing special resolution authorizing the Board of Directors to borrow any sums or sums of money from time to time, with or without security and on such terms and conditions as the Board may think fit notwithstanding that the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors shall not exceed the sum of Rs. 25 Crores.

The Board commends the special resolution for approval of the members.

None of the directors of the Company is interested or concerned in the said resolution.

**Item 14**

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain preferences to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. In September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), comprises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies are notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.



The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication— their non-inclusions makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 14 of the Notice.

The Board recommends the Special Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

By Order of the Board of Directors  
Sudhir R. Shah  
Company Secretary

Date: May 30, 2014

Registered Office :  
Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd.,  
Vith Bhatti, Goregaon (East),  
Mumbai – 400 063.  
Email ID: [organiccoatingsltd@organiccoatingsltd.com](mailto:organiccoatingsltd@organiccoatingsltd.com)  
CIN : L24220MH1965PLC013187



Disclosure Pursuant to Clause sub-clause (iv) under the proviso to sub paragraph (B) of Paragraph 1 under Section II of Part II of Schedule XIII of the Companies Act, 1956 (now Schedule V of the Companies Act, 2013)

## I) General Information :

1)	Nature of Industry	The Company is engaged in the manufacturing and marketing of printing inks.		
2)	Date or expected date of commencement of commercial production	The Company commenced the commercial production in April 1965.		
3)	Financial performance based on given indicators during the two financial year	Particulars	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)
		Total Sales	4176.99	4524.29
		Other Income	1203.73	3.02
		Total Income	5380.72	4527.31
		Expenses	4961.36	5157.19
		Profit/(Loss) after tax	419.28	(629.35)
		EPS	5.46	(8.20)
		P/E Ratio	0.55	(0.46)
		Total Assets	3502.57	4288.62
4)	Export performance and net foreign exchange collaborations	Accumulated Profit/(Loss)	(741.10)	(1160.38)
		The company has made export of Rs. 704.13 Lacs for the year ended 31 <sup>st</sup> March, 2014. The company had foreign exchange outgo of Rs. 227.42 Lacs for the financial year ended 31 <sup>st</sup> March, 2014.		
5)	Foreign investments or collaborators, if any	NIL		

## II) Information about the appointees

Sr. No.	Particulars	(1) Mr. R. K. Shah	(2) Mr. Abhay R. Shah
1)	Background details	As per attached Annexure 1	As per attached Annexure 1
2)	Past remuneration	Mr. R. K. Shah continues to be a Vice Chairman & Managing Director of Organic Coatings Ltd. and his remuneration for the year 2013-14 was approximately Rs. 18.63 Lacs (excluding the proposed increase).	Mr. Abhay R. Shah continues to be a Joint Managing Director of Organic Coatings Ltd. and his remuneration for the year 2013-14 was approximately Rs. 17.41 Lacs (excluding the proposed increase).
3)	Recognition or awards	He was conferred upon Life Time Achievement Award by All India Federation Master Printers (AIFMP). The award comprised of a commemorative gold medal and Plaque, presented to him by the Hon'ble Mr. Arun Gujarathi, then the Speaker, Maharashtra Legislative Assembly on 26 <sup>th</sup> September, 2003. He is also the Committee Member of All India Printing Ink Manufacturers Association Ltd.	--



4)	Job Profile and its suitability	Refer Annexure 1	Refer Annexure 1
5)	Remuneration proposed	Upto Rs. 2.50 Lacs p.m. plus terminal benefits like Gratuity, Provident Fund, Leave Encashment.	Upto Rs. 2.50 Lacs p.m. plus terminal benefits like Gratuity, Provident Fund, Leave Encashment.
6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Information about remuneration of Managing Directors / Executive Director / Wholtime Directors of Ink Industries of comparable size and business profile is not available in public domain. The proposed remuneration is commensurate with his qualifications, experience and challenge confronting the printing ink sector in general and the company in particular.	Information about remuneration of Managing Directors / Executive Director / Wholtime Directors of Ink Industries of comparable size and business profile is not available in public domain. The proposed remuneration is commensurate with his qualifications, experience and challenge confronting the printing ink sector in general and the company in particular.
7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Apart from holding the offices of Director and Vice Chairman & Managing Director of the company Mr. R.K.Shah is father of Mr. Abhay R. Shah, Joint Managing Director and Mr. Ajay R. Shah, Wholtime Director of the company.	Apart from holding the offices of Director & Joint Managing Director of the company Mr. Abhay R. Shah is son of Mr. R. K. Shah, Vice Chairman & Managing Director and brother of Mr. Ajay R. Shah, Wholtime Director of the company.

**III] Other information :**

1)	Reasons for loss or inadequate profits.	The year witnessed divergent growth globally, beginning of positive sentiments of USA economy but uneven and slow growth in the European markets, Japan and also slowdown in emerging and developing economies. In the domestic market, the growth remained subdued with GDP growth around 4.7 %. The overall environment remained sluggish with pessimism across the industries. There is a decline in terms of value and volume in large number of industries. High inflation and interest rate also played a major role for the present state of affairs. Ink industry is having great challenges and competition, more so from multinational companies. Raw material price also plays a major factor for competitive price offerings to the customers.
2)	Steps taken or proposed to be taken for improvement	The Company is making all efforts through its new plant at Vadodara to streamline the operations as well as explore new markets, within as well as outside India. Selling of Thane Unit will provide focused and better insight to the management through better productivity
3)	Expected increase in productivity and profits in measurable terms	The company expects to achieve sales for the year ending 31 <sup>st</sup> March, 2015 to Rs. 55 Crores and estimated nett profit of about Rs. 1.50 Crores.

**ANNEXURE 1 (Background details of all the Directors)****Details of Directors seeking reappointments at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement**

Name of the Director	Mr. R. K. Shah	Mr. Abhay R. Shah	Mr. Ajay R. Shah
Date of Birth	26/06/1935	13/07/1966	21/04/1968
Date of Appointment	22/04/1965	01/10/1994	01/08/1998
Expertise in specific functional areas	He is associated with the Company for last 45 years as a promoter Director. He has to his credit wide experience in the field of Marketing and much of the competence that OCL has achieved during all these years could be attributed to his untiring zeal, efforts and constant search for new innovations in the field of marketing. He has extensive experience in all areas of practice of the company and at present he is the Vice Chairman & Managing Director of OCL. He was conferred upon Life Time Achievement Award by All India Federation Master Printers (AIFMP). The award comprised of a commemorative gold medal and Plaque, presented to him by the Hon'ble Mr. Arun Gujarathi, then the Speaker, Maharashtra Legislative Assembly on 26 <sup>th</sup> September, 2003. He is also the Committee Member of All India Printing Ink Manufacturers Association Ltd. He has been traveling worldwide, attending conferences, exhibitions, coatings shows thus keeping stride with upgrading technology. He is one of the pioneer members of the Company. He has to his credit glorious achievement for his contribution in the field of printing technology	Marketing and production planning.	Accounts & Finance functions of the Company
Qualifications	Industrialist	B.Sc	Diploma in Computer Engnn.
No. of shares held in Organic Coatings Ltd.	8,04,894 (10.49%)	2,58,850 (3.37%)	4,13,970 (5.40%)
Directorship in other Companies	NIL	NIL	NIL

**Membership of Committees in other Public Limited Companies:**

Name of the Director	Mr. R. K. Shah	Mr. Abhay R. Shah	Mr. Ajay R. Shah
Audit Committee	NIL	NIL	NIL
Shareholders'/Investors' Grievance	NIL	NIL	NIL



Name of the Director	Mr. Manoj V. Mehta	Mr. Sudhir A. Sathe	Mr. Vinay S. Jog	Ms. Ashwini Lad
Date of Birth	12/12/1960	19/09/1936	28/09/1957	04/07/1991
Date of Appointment	01/10/1994	17/02/2010	15/05/2012	30/05/2014
Expertise in specific functional areas	Production of the Company.	Personnel matters and industrial relations	Legal	Accounting, Auditing & Taxation
Qualifications	H.S.C.	1) M.A.Sociology 2) Dip. S.S.A. (Personnel Management) Tata Institute of Social Sciences	B.Com (Hons) LL.B	B.Com, ACA
No. of shares held in Organic Coatings Ltd.	81,500 (1.06%)	100	NIL	NIL
Directorship in other Companies	NIL	NIL	NIL	NIL

**Membership of Committees in other Public Limited Companies:**

Name of the Director	Mr. Manoj V. Mehta	Mr. Sudhir A. Sathe	Mr. Vinay S. Jog	Ms. Ashwini Lad
Audit Committee	NIL	NIL	NIL	NIL
Shareholders' / investors' Grievance	NIL	NIL	NIL	NIL

**DIRECTORS' REPORT****TO THE MEMBERS OF ORGANIC COATINGS LIMITED**

Your directors have pleasure in presenting their annual report together with audited statement of accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

**1) Financial Results**

	(Rupees in Lacs)	
	2013 - 14	2012 - 13
(Loss)/Profit before Interest, Depreciation, Tax Exceptional Items (including profit of Rs. 1200.51 Lacs for sale of land and building of Thane Unit)	1043.58	(82.74)
Less: Finance Cost	256.46	386.31
	787.12	(469.05)
Less: Depreciation	162.57	184.56
(Loss) / Profit for the year before tax	624.55	(653.61)
Less/(Add): Exceptional Items	205.19	(23.73)
(Loss)/Profit after Exceptional Items & before tax	419.36	(629.88)
Less: Provision for current taxation (net)	0.01	—
Less: Prior year's Income Tax	0.07	0.53
(Loss) / Profit after tax	419.28	(629.35)

**2) Dividend**

In order to conserve the financial resources for the long term needs of the Company, the Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2014.

**3) Operations**

During the year, company has completed all the legal formalities of disposing of Thane Unit as reported in previous year's report. Company has obtained necessary approval of Shareholders through postal ballot as required under the provisions of the Companies Act, 1956. Through this disposal, Company earned a net surplus of Rs. 992.90 Lacs after considering expenditure towards voluntary retirement scheme of Rs.128.7 Lacs and factory shifting expenses of Rs. 78.88 Lacs. This step by the company should help the management to concentrate on Vadodara plant through better efficiency and control. The disposal of Thane unit has helped in reducing working capital facilities from the Bank, thereby saving on finance cost and also better labour productivity, more so in a competitive landscape. The company achieved net revenue from operations (net of taxes) of Rs. 4,176.99 Lacs as compared to Rs. 4,524.30 Lacs in the previous year. Net Profit after exceptional items and taxes is Rs. 419.28 Lacs as compared to Loss of Rs. 629.35 Lacs in the previous year.



#### **4) Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended, the directors confirm that:

- i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2014 and of the profit for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts for year ended 31<sup>st</sup> March, 2014, have been prepared on a going concern basis.

The above statements have been noted by the Audit Committee at its meeting held on 30<sup>th</sup> May, 2014.

#### **5) Directors**

Mr. Abhay R. Shah retires by rotation and being eligible offehimself for re-appointment at the ensuing annual general meeting.

The ordinary resolutions for appointments of Mr. Sudhir Sathe and Mr. Vinay Jog as Non-Executive Independent Directors not liable to retire by rotation for the period mentioned in the resolutions therein are proposed for the approval of members in terms of the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement as notified by the Securities & Exchange Board of India.

The ordinary resolution for appointment of Ms. Ashwini Lad who was appointed as an Additional Director of the Company as Non-Executive Independent Director not liable to retire by rotation for the period mentioned in the resolution therein is proposed for the approval of members in terms of the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement as notified by the Securities & Exchange Board of India.

The special resolutions for revising the remuneration of Mr. R.K.Shah and Mr. Abhay R. Shah as Vice Chairman & Managing Director and Joint Managing Director respectively for the residual period of 1 year are proposed for the approval of members at the ensuing Annual General Meeting.

The special resolution for re-appointment and payment of remuneration to Mr. R.K.Shah, Vice Chairman & Managing Director and ordinary resolutions for re-appointments and payment of remunerations to Mr. Abhay R. Shah, Jt. Managing Director, Mr. Manoj V. Mehta, Wholetime Director and Mr. Ajay R. Shah, Wholetime Director are proposed for the approval of the members at the ensuing Annual General Meeting.

#### **6) Alteration in Articles of Association of the Company**

The special resolution for altering the Articles of Association of the Company substituting the new Articles of Association in place of the existing Articles of Association based on Table 'F' of the Companies Act, 2013, which sets out the model Articles of Association for a company limited by shares, is proposed for the approval of the members at the ensuing Annual General Meeting.

**7) Corporate Governance Report and Management Discussion and Analysis Statement**

The report on Corporate Governance including Management Discussion and Analysis as stipulated under Clause 49 of the Listing Agreement with Stock Exchange, forms part of the Annual Report is annexed.

A certificate of the auditors of the Company, Soman Uday & Co., Chartered Accountants, confirming compliance of the conditions of corporate governance as stipulated in Clause 49 is annexed.

**8) Fixed Deposits**

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

**9) Industrial Relations**

The Company is happy to have extremely cordial industrial relations with the workers and the staff.

**10) Conservation of energy, technology absorption, foreign exchange earnings and outgo**

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.

**11) Particulars of Employees**

The Company does not have any employee whose particulars are required to be disclosed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**12) Auditors**

M/s. Soman Uday & Co, Chartered Accountants retire as Auditors at the forthcoming annual general meeting and being eligible offer themselves for re-appointment. The members are requested to consider reappointing them as Auditors and to fix their remuneration.

The Company has received a letter from M/s. Soman Uday & Co. to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141 (3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

**13) Cost Auditors**

The Company has appointed M/s. Divyesh Vagadiya & Associates as a Cost Auditor for auditing Company's Cost Accounts for the financial year 2014-15.

**14) Acknowledgements**

Your directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, Bank of Maharashtra regulatory bodies and other business constituents during the year under review.



Your directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, staff and workers.

On behalf of the Board of Directors  
**R. K. Shah**  
Vice Chairman & Managing Director

**Abhay R. Shah**  
Joint Managing Director

Place : Mumbai  
Date : May 30, 2014



## ANNEXURE A

## FORM 'A'

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo-Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

## DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>A. Power Consumption</b>		
1 Electricity		
(a) Purchased Unit	17,80,516	16,98,410
Total Amount (Rs.)	1,36,90,027	1,40,65,626
Rate / Unit (Rs.)	7.69	8.28
(b) Own Generated Units	149	154
Total Amount (Rs.)	1,26,910	1,27,726
Rate / Unit (Rs.)	851.74	829.06
2 Coal	Not Applicable	Not Applicable
3 Furnace Oil + Light Diesel Oil	Not Applicable	Not Applicable
4 Others / Internal Generation	Not Applicable	Not Applicable
5 Consumption per unit of Production (Rs.)	5.76	4.97

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.



## FORM 'B'

**DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH, DEVELOPMENT (R&D) AND ABSORPTION OF TECHNOLOGY****B 1. Specific areas in which R&D carried out by the Company:**

- a. Development of four colour sheet fed offset inks for 8 colour offset printing machine.
- b. Low VOC Pantone basic colours and standard basic colours for packaging printing jobs.
- c. Additive technology for quality up gradation of the existing inks.
- d. High gloss and high scuff water based over printing varnish for high speed printing machine.
- e. Wet offset high gloss UV over printing varnish.

**2. Benefits derived as a result of the above R&D:**

Above developments will enhance the competitiveness of the company and will improve the quality of existing products. The new range of products will further help in increasing the market share.

**3. Future plan of action:**

The company's R&D is working continuously for the development of new products and processes. The new formulations generated by R&D department to give high quality superior performance inks for different applications to its customers.

**4. Expenditure on R&D**

(i) Capital Rs.	—
(ii) Recurring Rs.	68,120
(iii) Total Rs.	68,120

(iv) Total R&D expenditure as a percentage of total turnover is 0.02%.

**5. Technology absorption, adaptation and innovation:**

The company has successfully developed the technology and product listed in B1 above and the technology has been successfully implemented.

**B2. Foreign Exchange earned & used**

The company has earned Rs. 119.56 Lacs in Foreign Exchange & used Rs. 259.65 Lacs of Foreign Exchange.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Developments

The year witnessed divergent growth globally, beginning of positive sentiments of USA economy but uneven and slow growth in the European markets, Japan and also slowdown in emerging and developing economies. In the domestic market, the growth remained subdued with GDP growth around 4.7 %. The overall environment remained sluggish with pessimism across the industries. There is a decline in terms of value and volume in large number of industries. High inflation and interest rate also played a major role for the present state of affairs. UPA Government has tried in last couple of months to revive the economy and with new Government took charge recently; hope to revive the economy with positive sentiments and decisive actions.

Ink industry is having great challenges and competition, more so from multinational companies. Raw material price also plays a major factor for competitive price offerings to the customers. Company is making allefforts through its new plant at Vadodara to streamline the operations as well as explore new markets, within as well as outside India. Selling of Thane Unit will provide focused and better insight to the management through better productivity.

### Opportunities and Threats

Global and Indian economy is expected to recover from constant downfall in last three years. With new Government taking over the reins at New Delhi, sentiments have started increasing. Industry is expecting decisive actions in the time to come which should help to all the industrial sectors. Industry also expects reduction in the rate of interest in the quarters to come. As the economy will open up, company will have the opportunity to explore other emerging economies also.

Company is visualizing major threat from Multinational Companies with their financial and technological strength.

### Segment-wise or Product-wise Performance

The Company is mainly dealing with inks and its ancillaries only.

### Outlook, Risk and Concerns

With only one Plant now at Vadodara to concentrate, Company should be able to improve the efficiency of all the operations including improvement in labour productivity. With positive sentiments on account of new mandate at New Delhi, Industry is hopeful of recovery in the quarters to come and there is expectation that GDP will grow at 5.5 % to 6 % in the current financial year 2014-15 and beyond. Also looking to the demographic position in India, there is tremendous scope for growth in FMCG, media, publishing, etc. industries which should lead to increased consumption of diversified products by the large pool of people across India.

In a challenging and competitive Globalised World, Company is facing risks in terms of Strategy, Operations, Financial, Compliances and Reporting. Competition from multinational companies is a major factor to be looked into. Geo-political scenario like situation in Iraq and Afghanistan may change the landscape for Raw Material prices, Exports, etc. In the time to come, Change in tax laws, interest rate structure, Government policies, etc. may impact your company's business.

**Internal Control systems and their Adequacy**

The Internal Control system of the company is established to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition to ensure that transactions are authorized, recorded and reported correctly and that operations are conducted in an efficient and cost effective manner. Company has appointed an independent firm of Chartered Accountants to carry out the work of Internal Audit. Their reports are put and discussed in the Audit Committee regularly. Company is also taking guidance for constant improvement in the operations.

**Discussion on Financial Performance with respect of Operational Performance**

The Company's net revenue from operations for the year has decreased by 7.68 % to Rs. 4176.99 Lacs as against Rs. 4524.30 Lacs in the previous year.

The Company's operations has resulted into profit of Rs. 1,043.58 Lacs (including Profit of Rs. 1,200.51 Lacs on sale of Thane Unit) before interest, Depreciation, Tax and exceptional items as against loss of Rs. 82.74 Lacs in the previous year.

Material consumption has increased to 69.32 % as compared to 68.11 % in the previous year.

Employee benefits expenses have decreased to 5.12 % as compared to 7.09 % in the previous year, mainly on account of VRS granted to Thane Unit employees.

Finance cost for the year decreased to Rs. 256.46 Lacs from Rs. 386.31 Lacs in the previous year, mainly on account of lower utilization working capital facilities from the Bank.

Depreciation charged at Rs.162.57 Lacs as against Rs.184.56 Lacs in the previous year.

Provision for taxation during the year was Rs. 2.25 Lacs as against Rs. NIL in the previous year. Company has given effect of MAT credit of Rs. 2.24 Lacs.

Net profit for the year is Rs. 419.28 Lacs as against net Loss of Rs.629.35 Lacs in the previous year.

Short-term borrowing is reduced to Rs. 679.77 Lacs as compared to Rs. 2,146.78 Lacs in the previous year. Long-term borrowing is increased to Rs. 698.40 Lacs as compared to Rs. 132.22 Lacs in the previous year.

The Company's net worth as on 31<sup>st</sup> March, 2014 stood at Rs. 857.75 Lacs against Rs. 448.87 Lacs in the previous year.

**Material Developments in human Resources / Industrial Relations front, including number of people employed**

In Globalised economy, the role of Human Resource (HR) is changing rapidly. There is shortage of talented people across industries. Your Company is trying best to move further in this regard looking to its nature of operations and requirements. On account of disposal of Thane Unit, a voluntary retirement scheme was floated for the employees which was very well received and company could successfully disposed off that unit looking to economic imperatives. Management would like to thank all the existing as well as past employees of both the units for their valuable support in testing economic conditions. The company has 85 permanent employees as on 31<sup>st</sup> March, 2014.

**Cautionary Statement**

The report contains forward looking statements that involve risks and uncertainties when used in this discussion, the words like 'plans', 'expects', 'anticipates', 'believes', 'intends', 'estimates' or other similar expressions as they relate to company or its business are intended to identify such forward- looking statements. These statements are based on certain assumptions and expectations of future events. The company's actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements.

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

**A. MANDATORY REQUIREMENTS****1) Company's Philosophy**

Your Company believes that the Corporate Governance is a powerful medium to serve the long term interest of all stakeholders. Corporate Governance strengthens investors' trust and ensures a long term partnerships, which helps your Company in fulfilling its quest for achieving significant growth and profits. A sound Governance process consists of a combination of business practices, which results in enhanced shareholder value and enable the Company to fulfill its commitment to customers, employees, lenders and society in general. Your Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability and independent monitoring.

Corporate Governance through a strong team of Independent Directors is achieved in all our reportings.

**2) Board of Directors**

Composition, attendance at the Board Meetings and the last Annual General Meeting :

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on 24/09/2013	No. of other Companies in which Director	No. of Committees (other than Organic Coatings Limited) in which member
Mr. Sudhir Sathe Chairman	Independent * NED	6	Yes	NIL	NIL
Mr. R.K.Shah Vice Chairman & Managing Director	Promoter + ED	6	Yes	NIL	NIL
Mr. Abhay R. Shah	Promoter + Joint Managing Director	5	Yes	NIL	NIL
Mr. Manoj V. Mehta	Promoter & + ED	6	Yes	NIL	NIL
Mr. Ajay R. Shah	Promoter & + ED	6	Yes	NIL	NIL
Mr. Vinay Jog	Independent * NED	6	Yes	NIL	NIL

\* NED = Non-Executive Director

+ ED = Executive Director

Ms. Ashwini Lad was appointed as an additional director of the Company w.e.f.30/5/2014.

**Board's Functioning & Procedure**

The Company holds a minimum of four Board Meetings in a year, one each per quarter. Additional Board Meetings are convened as and when necessary to address the specific needs of the Company. The Board also approves urgent matters by passing resolutions by circulations. The Meetings of the Board are held at the Company's registered office or its factory at Vadodara, Gujarat or at a hall in South Mumbai depending on the circumstances.

Agenda papers are circulated to the directors in advance and all material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the Meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting. In special and exceptional circumstances, additional or supplementary items on Agenda are permitted.

The information as required under Annexure A to Clause 49 of the Listing Agreement is made available to the Board in every meeting.

**Meetings of the Board of Directors**

During the year 2013-2014, six Board Meetings were held on 22/04/13, 29/05/13, 13/08/13, 09/11/13, 10/02/14 and 18/03/14.

**3) Audit Committee**

The Company continued to derive immense benefit during the financial year from the deliberations of the Audit Committee comprising of Mr. Vinay Jog and Mr. Sudhir Sathe both being Independent Directors. In order to further strengthen Audit Committee, Ms. Ashwini Lad, Chartered Accountant has been inducted as Audit Committee Member w.e.f. 30<sup>th</sup> May, 2014.

**Terms of Reference**

The role and terms of reference of this Committee are wide enough to cover the matters specified for the Audit Committee under Clause 49 of the listing agreement as well as in Section 292 A of the Companies Act, 1956 and are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) To review with Management the financial statements at the end of a quarter, half year and the annual financial statements before submission to the Board for approval, focusing particularly on:
  - (i) matters required to be included in the Director's Responsibility Statement which form part of the Board's reporting in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
  - (ii) changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) significant adjustments made in the financial statements arising out of audit findings;
  - (v) compliance with listing and other legal requirements relating to financial statements;
  - (vi) disclosure of any related party transactions; and
  - (vii) qualifications in the draft audit report.



- c) to consider the appointment or re-appointment of the statutory auditors, the audit fee, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them;
- d) to discuss with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern (in absence of management, wherever necessary);
- e) reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems and discuss the same periodically with the statutory auditors, prior to the Board making its statement thereon;
- f) reviewing the adequacy of internal audit function and frequency of internal audit;
- g) discussion with internal auditors on any significant findings and follow up thereon.
- h) reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- i) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- j) to review the functioning of the Whistle Blower Mechanism, in case the same is existing;
- k) to review the external auditors' audit reports and presentations and management's response thereto;
- l) to ensure co-ordination between the internal and external auditors, and to request internal audit to undertake specific audit projects, having informed management of their intentions;
- m) to consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- n) to consider other topics, as defined by the Board;
- o) to review the following information :

The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18 Related Party Transactions issued by the Institute of the Chartered Accountants of India.

- i) Management discussion and analysis of financial condition and results of operations;
- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii) Management letter/letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating control weaknesses; and
- v) The appointment, removal and terms of remuneration of the Internal Auditor.

**Details of attendance at the meetings of Audit Committee:**

Sr. No.	Name of the members	No. of meetings held	No. of meetings attended
1)	Mr. Sudhir Sathe	4	4
2)	Mr. Vinay S. Jog	4	4

During the year 2013-2014, four Audit Committee Meetings were held on 29/05/13, 13/08/13, 09/11/13 & 10/02/14.

**4) Remuneration Committee (Non-Mandatory):**

The Remuneration Committee of the Board is constituted to formulate and recommend to the Board from time to time, a compensation structure for Managing Directors/Whole-time Directors and Managerial Personnel of the Company.

**Details of attendance at the meetings of Remuneration Committee:**

Sr. No.	Name of the members	No. of meetings held	No. of meetings attended
1)	Mr. Sudhir Sathe	4	4
2)	Mr. Vinay S. Jog	4	4

Ms. Ashwini Lad, Mr R. K. Shah and Mr Abhay R. Shah were appointed as Committee members of the Remuneration committee w.e.f.30/5/2014.

During the year 2013-14, four meetings of Remuneration Committee were held on 29/05/13, 13/08/13, 09/11/13 & 10/02/14.

**5) a) Details of remuneration paid to Managing Directors/Whole Time Directors during the year**

Name of Director	Salary & Allowances (Rs.)	Perquisites (Rs.)	Bonus (Rs.)	P.F. Cont. (Rs.)	Total (Rs.)
Mr. R.K.Shah	15,33,678	1,82,370	25,000	1,21,968	18,63,016
Mr. Abhay R. Shah	14,45,676	1,86,200	25,000	1,04,344	17,41,420
Mr. Ajay R. Shah	8,75,160	1,16,209	25,000	60,984	10,77,353
Mr. Manoj V. Mehta	8,75,160	1,08,709	25,000	60,984	10,69,853
<b>Total</b>	<b>47,29,674</b>	<b>5,73,488</b>	<b>1,00,000</b>	<b>3,48,480</b>	<b>57,51,642</b>

**b) Details of Sitting Fees paid during the year**

The sitting fees are paid to Non-Executive and Independent Directors for attending meetings of the Board of Directors and its Committees:

Name of Director	Amount (Rs.)
Mr. Sudhir Sathe	3,60,000
Mr. Vinay Jog	3,60,000
<b>Total</b>	<b>7,20,000</b>

**c) Stock options details - Company does not have scheme of stock options.**

**6) Shareholders Committee**

- i) Name of non-executive director heading the Committee – Mr. Sudhir A. Sathe, Chairman. During the year the Committee met four times mainly to look into the status of investor grievances reported by Link Intime India Pvt. Ltd., Registrar & Transfer Agent and proper minutes of the meetings were kept and signed by the Chairman.
- ii) Name and designation of Compliance Officer –  
Mr. Sudhir R. Shah, Company Secretary
- iii) Details of attendance at the meetings of Shareholders Committee :

Sr. No.	Name of the members	No. of meetings held	No. of meetings attended
1)	Mr. Sudhir Sathe	4	4
2)	Mr. Abhay R. Shah	4	3
3)	Mr. Manoj V. Mehta	4	4
4)	Mr. Vinay S. Jog	4	4

Ms. Ashwini Lad was appointed as Committee member of the Shareholders committee w.e.f. 30/5/2014.,

During the year 2013-2014, four Shareholders Committee Meetings were held on 29/05/13, 13/08/13, 09/11/13 & 10/02/14.

- iv) No. of shareholders complaints received during the year - 1
- v) No. of complaints not solved to the satisfaction of the shareholders - NIL
- vi) No. of pending shareholders complaints - NIL

**7) General Body Meetings**

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2012 - 2013	Emerald Hall, 2 <sup>nd</sup> Floor, Hotel Parle International, Vile Parle (E), Mumbai – 400 057.	24/09/2013	4.00 p.m.
2011 - 2012	Emerald Hall, 2 <sup>nd</sup> Floor, Hotel Parle International, Vile Parle (E), Mumbai – 400 057.	21/12/2012	4.00 p.m.
2010 - 2011	Vishal Hall, Vishal Shopping Centre, Nr. Andheri Railway Station, Andheri (E), Mumbai – 400 069.	28/09/2011	4.00 p.m.

**Special Resolutions passed at the last three AGMs**

- Year ended 31/03/2013 - No special resolution was passed.  
 Year ended 31/03/2012 - No special resolution was passed.  
 Year ended 31/03/2011 - No special resolution was passed.

**8) Postal Ballot**

An Ordinary Resolution for disposal of Land, Building etc. at Thane unit was passed u/s 293(1)(a) of the Companies Act, 1956 on 3<sup>rd</sup> June, 2013.

**9) Disclosures**

- a) Materially significant related party transaction - NIL
- b) No penalties or strictures were imposed on the Company by any of the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to capital markets during last three years.

**10) Means of Communication**

Unaudited quarterly financial results as well as yearly financial results are published in Free Press Journal and Navshakti within the time permitted by the Exchanges.

**11) General Shareholder Information**

- i) Annual General Meeting  
Day, Date, Time and Venue : Tuesday, the 30<sup>th</sup> September, 2014 at 4.00 p.m. at Ruby Hall, Ground Floor, Hotel Parle International, Near Vile Parle Station, Vile Parle (East), Mumbai – 400 057.
- ii) Financial Calendar : 2014-15  
On or before  
First Quarter Results : 14<sup>th</sup> August, 2014  
Second Quarter/Half Yearly Results : 14<sup>th</sup> November, 2014  
Third Quarter Results : 14<sup>th</sup> January, 2015
- iii) Date of Book Closure : 23/09/2014 to 30/09/2014  
both days inclusive
- iv) Listing on Stock Exchange Shares of the Company are listed at Bombay Stock Exchange Ltd., Mumbai.
- v) Stock Code : BSE Code No. 531157
- vi) Demat ISIN Numbers in NSDL & CDSL for Equity Shares : INE412E01011



## vii) Stock Price Performance at Bombay Stock Exchange Ltd., Mumbai:

Month	Rate (Rs.)	
	High	Low
April '13	4.10	3.62
May '13	3.67	3.33
June '13	3.46	3.15
July '13	3.28	2.98
Aug. '13	3.16	2.80
Sept '13	3.90	2.94
Oct. '13	3.42	3.15
Nov. '13	3.61	2.82
Dec. '13	5.82	3.79
Jan. '14	5.91	5.59
Feb. '14	5.70	4.62
Mar. '14	4.53	3.00

viii) Share Transfer System - With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer to some of the Directors who are members of the Share Transfer Committee which attends to share transfer formalities. The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the shares under transfer are not under any dispute. The share certificates duly endorsed are returned immediately to shareholders who prefer to retain the shares in the physical form. Confirmation in respect of the requests for dematerialization of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) expeditiously. These jobs are being handled by Link Intime India Pvt. Ltd. All requests for transfer are being received by them either directly or through the Company for processing. Approval of the Share Transfer Committee is being sought by them from time to time. The details of the shares transferred are reported to the Board of Directors from time to time.

## ix) A) Distribution of shareholdings as on March 31, 2014 :

Shares held	No. of Holders	%	No. of Shares	%
1 - 500	2,095	71.57	4,06,119	5.29
501 - 1000	396	13.52	3,55,998	4.64
1001 - 5000	326	11.14	7,88,223	10.27
5001 - 10000	51	1.75	3,51,802	4.58
10001 and above	59	2.02	57,72,458	75.22
<b>Total</b>	<b>2,927</b>	<b>100.00</b>	<b>76,74,600</b>	<b>100.00</b>

## B) Categories of Shareholders as on March 31, 2014 :

Categories	No. of Shares	% in Capital
A. Promoters & Persons acting in concert	33,22,077	43.29
B. Financial Institutions, Banks etc.	50,000	0.65
C. Bodies Corporate	3,68,872	4.80
D. NRIs / OCBs	1,60,801	2.10
E. Indian Public	37,72,850	49.16
<b>Total</b>	<b>76,74,600</b>	<b>100.00</b>



## C) Shareholders holding more than 1% of the share capital of the Company as at March 31, 2014 :

Sr. No.	Name of the Shareholder	No. of Shares Held	% to share capital
1	Mr. Rajnikant Kodarlal Shah	8,04,894	10.49
2	Mr. R. K. Shah (HUF)	7,07,483	9.22
3	Mr. Krishnakant R. Shah	4,22,098	5.50
4	Mrs. Padmaja Rajnikant Shah	2,32,600	3.03
5	Mr. Abhay Rajnikant Shah	2,58,850	3.37
6	Mrs. Minal Abhay Shah	1,61,865	2.11
7	Mr. Ajay Rajnikant Shah	4,13,970	5.40
8	Mrs. Aparna Ajay Shah	1,91,915	2.50
9	Mr. Manoj Vasantlal Mehta	81,500	1.06
10	Mrs. Kanchan Vasantlal Mehta	2,98,000	3.88
11	Mr. Mehul K. Shah	4,54,002	5.92
12	Premji & Sons Trading Pvt. Ltd.	2,45,514	3.20
13	Mr. Shashikant G. Badani	1,69,935	2.21
14	Mr. Dipak K. Shah	1,25,000	1.63
15	Mr. Dhaval J. Nanavati	1,00,150	1.30

- x) Dematerialization of Shares - The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31.03.2014, a total of 7 2,91,150 equity shares of the Company, forming 95.00% of the share capital of the Company, stand dematerialized (NSDL - 5180131 CDSL - 2111019).
- xi) Outstanding GDR/ADR/warrants - NIL
- xii) Plants location - Block No. 395, 437, 450 Umraya Village, Padra Taluka, Vadodara District, Gujarat - 391 440.
- xiii) Address for correspondence - Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd., Vith Bhatti, Goregaon (East), Mumbai - 400 063.
- xiv) Compliance Certificate from Auditors of the Company - published elsewhere in this report.
- xv) Compliance with other mandatory requirements.

**1. Management Discussion and Analysis**

Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(iv)(F) of the Listing Agreement is attached.

**2. Disclosures****2.1 Related party Transactions**

The details of all transactions with related parties are placed before the audit committee.

**2.2 Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**3. Code of Conduct**

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All board members and superior personnel have affirmed their compliance with code. A declaration to this effect signed by the Vice Chairman & Managing Director and Joint Managing Director of the Company is given elsewhere in the Annual Report.

**4. CEO/CFO certification**

A Certificate from Vice Chairman & Managing Director and Whole Time Director on the financial statements of the Company was placed before the Board.

**5. Review of Directors' Responsibility statement**

The Board in its report have confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**NON-MANDATORY REQUIREMENTS**

a) Any qualification in Auditors Report	NIL
b) Remuneration Committee	Remuneration Committee has been constituted.
c) Shareholder Rights The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders	The Company's Quarterly results are published in English and Marathi newspapers having wide circulation. In view of the above, the half yearly declaration of financial performance including summary of the significant events in the last six months are not sent. The audited Results for the financial year are communicated to the Shareholders through the Annual Report.



The Board would review implementation of non-mandatory requirements of Corporate Governance code regarding Tenure of independent directors on the board, Training of Board Members, Mechanism for evaluating non-executive board members and Whistle Blower Policy at appropriate time.

**Declaration on compliance with code of conduct**

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the web site of the Company.

It is hereby affirmed that all the Directors and Senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

On behalf of the Board of Directors

**R. K. Shah**

Vice Chairman & Managing Director

**Abhay R. Shah**

Joint Managing Director

Place : Mumbai

Date : May 30, 2014



To The Members of  
**Organic Coatings Limited**

We have examined the compliance of the condition of Corporate Governance by **Organic Coatings Limited** for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd., Mumbai.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrars of the Company to the Investor Grievance Committee as on 31<sup>st</sup> March, 2014 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Soman Uday & Co.  
Chartered Accountants  
Firm Registration No. 110352w

UDAY SOMAN  
Proprietor  
Membership No. 38870

Mumbai  
May 30, 2014



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members  
**ORGANIC COATINGS LIMITED**  
Mumbai

**Report on the Financial Statements**

We have audited the accompanying financial statements of **ORGANIC COATINGS LIMITED**, (the Company) which comprise the Balance Sheet as at March 31st, 2014, the Statement of Profit and Loss and Cash Flow statement for the year then ended, and notes to financial statements comprising of a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expression an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the Books of Accounts;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**Mumbai****May 30, 2014**

**For Soman Uday & Co.**  
**Chartered Accountants**  
**Firm Registration No: 110352W**

**Uday Soman**  
**Proprietor**  
**Membership No.38870**

**Annexure to the Independent Auditor's Report**

(Referred to in Paragraph under the heading "Report on other Legal and Regulatory Requirements" of 1 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification;
- (c) Even though the company has disposed off substantial part of fixed assets during the year, the going concern status of the Company is not affected;
- (ii) (a) As explained to us, Inventories have been physically verified by the management at regular intervals during the year;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business;
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with in the books of accounts;
- (iii) (a) The Company has taken loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956, the details of which are as under:

Number of Parties	Maximum amount Involved	Year end balance
	₹	₹
1	24,78,094	3,06,928

There are no Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 to whom the Company has granted loans;

- (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which the loans have been taken from other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company;
- (c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest;
- (d) There are no overdue amount of loans taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956;



- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls;
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
- (b) In our opinion and according to the explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, did not exceed the value of Rs. Five Lakhs in respect of any party during the year and have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available;
- (vi) In our opinion and according to the explanations given to us, the Company has not accepted deposits from the public within the meaning of the sections 58A and 58AA of the Act and the rules framed there under. Therefore the provisions of clause (vi) of the Companies (Auditors Report) Order 2003 are not applicable to the Company;
- (vii) The Company has appointed a firm of Chartered Accountants to do the internal audit regularly and in our opinion the internal audit is commensurate with its size and nature of business;
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete;
- (ix) (a) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues and there are no undisputed amounts payable in respect of the aforesaid dues that were outstanding as at 31st March 2014 for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, there are no disputed amounts of the statutory dues which have not been deposited with the concerned authorities;
- (x) The Company's accumulated loss at the end of the financial year is less than fifty percent of net worth of the Company. The Company has not incurred cash losses during the financial year covered by our audit, and a sum of ₹. 4,97,52,399 was the cash loss in the immediately preceding financial year;



- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to bank. The Company has not obtained any borrowing from any financial institutions or by way of debentures;
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) Order 2003 are not applicable to the Company;
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly the provisions of clause (xiv) of the Companies (Auditors Report) Order 2003 are not applicable to the Company;
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions;
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised;
- (xvii) In our opinion and according to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- (xix) In our opinion and according to the information and explanations given to us, the Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors Report) Order 2003, are not applicable to the Company;
- (xx) During the period covered by our audit report, the Company has not raised any money by public issues;
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**Mumbai****May 30, 2014****For Soman Uday & Co.,****Chartered Accountants****Firm Registration No. 110352W****Uday Soman****Proprietor****Membership No. 38870**



BALANCE SHEET AS AT 31 <sup>st</sup> MARCH, 2014			
Particulars	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	3	7,67,46,000	7,67,46,000
Reserves and surplus	4	90,29,251	(3,18,58,720)
		8,57,75,251	4,48,87,280
Non-current liabilities			
Long-term borrowings	5	6,98,39,595	1,32,22,416
Current liabilities			
Short-term borrowings	6	6,79,76,570	21,46,78,264
Trade payables	7	8,96,56,248	11,34,35,258
Other current liabilities	8	2,72,83,313	3,20,41,671
Short-term provisions	9	97,25,853	1,05,97,583
		19,46,41,984	37,07,52,776
<b>TOTAL</b>		<b>35,02,56,830</b>	<b>42,88,62,472</b>
<b>ASSETS</b>			
Non-current assets			
Fixed assets	10		
(i) Tangible assets		16,05,45,732	19,65,60,549
(ii) Intangible assets		8,64,323	9,53,666
(iii) Capital work-in-progress		-	10,59,012
		16,14,10,055	19,85,73,227
Current assets			
Inventories	11	4,59,46,157	6,78,92,142
Trade receivables	12	12,03,74,943	13,54,77,166
Cash and cash equivalents	13	38,49,911	42,92,203
Short-term loans and advances	14	1,86,75,764	2,26,27,734
		18,88,46,775	23,02,89,245
<b>TOTAL</b>		<b>35,02,56,830</b>	<b>42,88,62,472</b>
See accompanying notes forming part of the financial statements	1 to 32		
In terms of our report attached			
For Soman Uday & Co. Chartered Accountants Firm Reg No: 110352W		For and on behalf of the Board of Directors	
Uday Soman Proprietor Membership No: 38870		R K Shah Vice Chairman & Managing Director	
		Abhay R Shah Joint Managing Director	Ajay R Shah Whole Time Director
		Manoj V Mehta Whole Time Director	Sudhir R Shah Company Secretary
Mumbai May 30, 2014		Mumbai May 30, 2014	

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2014 ₹	For the year ended 31 <sup>st</sup> March, 2013 ₹
<b>INCOME</b>			
Revenue from operations (gross)	15	46,22,08,008	50,50,70,569
Less: Excise duty		4,45,09,161	5,26,40,962
Revenue from operations (net)		41,76,98,845	45,24,29,607
Other Income	16	12,03,72,800	3,01,577
<b>Total Revenue (A)</b>		<b>53,80,71,645</b>	<b>45,27,31,184</b>
<b>EXPENSES</b>			
Cost of materials consumed	17	30,76,81,582	31,88,95,292
Changes in inventories of finished goods, work-in-progress	18	1,33,00,387	2,51,23,550
Employee benefits expense	19	2,36,74,498	3,57,87,683
Finance costs	20	2,56,46,308	3,86,30,796
Depreciation and amortisation expense	21	1,62,57,272	1,84,55,911
Other expenses	22	8,86,57,069	8,11,98,568
<b>Total Expenses (B)</b>		<b>47,56,17,116</b>	<b>51,80,91,800</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>6,24,54,529</b>	<b>(6,53,60,616)</b>
Less (Add): Exceptional items	23	2,07,61,631	1,14,853
<b>Profit / (Loss) after exceptional and extraordinary items and tax</b>		<b>4,16,92,898</b>	<b>(6,54,75,469)</b>
Less (Add): Excess depreciation of earlier years written back (Refer Note No 10.2)		(2,42,667)	(24,87,904)
<b>Profit / (Loss) before tax</b>		<b>4,19,35,565</b>	<b>(6,29,87,563)</b>
<b>Tax Expense:</b>			
Less: Current tax expense		2,25,000	-
Less: Tax expense relating to prior years		6,348	(52,308)
Add: MAT Credit for the year		(2,24,164)	-
<b>Profit / (Loss) for the Year</b>		<b>4,19,28,381</b>	<b>(6,29,35,255)</b>
<b>Earnings per share of ₹10 each</b>			
Basic	24	5.46	(8.20)
Diluted		5.46	(8.20)
See accompanying notes forming part of the financial statements	1 to 32		

In terms of our report attached  
For Soman Uday & Co.  
Chartered Accountants  
Firm Reg No: 110352W

Uday Soman  
Proprietor  
Membership No: 38870

Mumbai  
May 30, 2014

For and on behalf of the Board of Directors

R K Shah  
Vice Chairman & Managing Director

Abhay R Shah  
Joint Managing Director

Hanoj V Mehta  
Whole Time Director

Mumbai  
May 30, 2014

Ajay R Shah  
Whole Time Director

Sudhir R Shah  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	4,19,35,565	(6,29,87,363)
Adjustments for:		
Depreciation and amortisation (Including Depreciation Withdrawn)	1,62,81,047	1,85,51,012
(Profit) / loss on sale / write off of assets	(11,93,97,576)	57,803
Finance costs	2,56,46,308	3,86,30,796
Interest income	(2,98,839)	(3,01,577)
Bad Debts	91,69,856	56,969
<b>Operating profit / (loss) before working capital changes</b>	<b>(2,66,63,638)</b>	<b>(59,92,560)</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	2,19,45,985	3,67,93,239
Trade receivables	59,32,367	5,15,93,085
Short-term loans and advances	26,61,709	61,77,913
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(2,37,79,010)	(1,30,12,187)
Other current liabilities	(47,58,357)	(1,15,19,749)
Short-term provisions	(8,71,730)	(14,93,611)
<b>Cash Generation from Operation</b>	<b>(2,55,32,674)</b>	<b>6,25,46,130</b>
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(2,55,32,674)</b>	<b>6,25,46,130</b>
<b>B. Cash Flow From Investing Activities</b>		
Capital expenditure on fixed assets, including capital advances	(1,41,36,048)	(10,59,012)
Proceeds from sale of fixed assets	15,46,58,416	2,44,444
Interest Income	2,98,839	3,01,577
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>14,08,21,207</b>	<b>(5,12,991)</b>
<b>C. Cash flow from Financing activities</b>		
Repayment of long-term borrowings	5,66,17,179	(2,20,40,389)
Net increase / (decrease) in working capital borrowings	(14,67,01,694)	(57,69,105)
Proceeds from other short-term borrowings	-	11,57,375
Finance cost	(2,56,46,308)	(3,86,30,796)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(11,57,30,824)</b>	<b>(6,52,82,915)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(4,42,292)</b>	<b>(32,49,777)</b>
<b>Cash and cash equivalents at the Beginning of the year</b>	<b>42,92,203</b>	<b>75,41,980</b>
<b>Cash and cash equivalents at the end of the year*</b>	<b>38,49,911</b>	<b>42,92,203</b>
<b>* Comprises:</b>		
(a) Cash on hand	14,922	4,95,926
(b) Balances with banks		
(i) In current accounts	8,41,311	7,84,927
(ii) In deposit accounts with banks	29,93,678	30,11,350
	<b>38,49,911</b>	<b>42,92,203</b>

In terms of our report attached  
For Sonam Uday & Co.,  
Chartered Accountants  
Firm Reg No: 110352W

Uday Sonam  
Proprietor  
Membership No: 38870

Mumbai  
May 30, 2014

For and on behalf of the Board of Directors

R K Shah  
Vice Chairman & Managing Director

Abhay R Shah  
Joint Managing Director

Manoj V Mehta  
Whole Time Director

Mumbai  
May 30, 2014

Ajay R Shah  
Whole Time Director

Sudhir R Shah  
Company Secretary

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****1. Corporate Information**

The Company was incorporated on 22nd April, 1965 as a Private Limited company limited by shares. It was converted in Public Limited company in the year 1995. It has its Registered office in Mumbai and manufacturing facility at village Umaraya, Taluka-Padra, Dist-Vadodara, Gujarat, India. The company is engaged in the business of manufacturing in Printing Inks & Allied products. The company sells its products across India and to other countries.

**2. Significant accounting policies****2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and provision of the Companies Act, 2013 (To the extent notified). The financial statements have been prepared on accrual basis under the historical cost convention.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. However, future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

**2.3 Inventories**

In terms of the Accounting Standard "Valuation of the Inventories" (Revised) (AS-2) issued by the Institute of Chartered Accountants of India, Inventories are valued on First in First out Basis (FIFO). Inventories of Raw Materials, Consumable Stores, Packing Materials, Work in Progress and Finished Goods are valued at lower of Cost and net realisable Value. Cost Comprises all cost of purchase and other cost incurred in bringing inventories to their present location and condition. Work in Progress and Finished Goods include appropriate amount proportions of the overhead and where applicable excise duty. Imported raw materials, stock in transit are valued at cost and customs duty thereon.

**2.4 Depreciation and Amortisation**

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 w.e.f 1st April 1994 in accordance with the Accounting Standard on Depreciation (Revised) (AS-6) issued by the Institute of Chartered Accountant of



India. Prior to 1st April, 1994, depreciation was charged on written down value method as per the rates prescribed under the Income Tax Act, 1961. Depreciation on additions during the year to fixed assets is provided on pro-rata basis.

## **2.5 Revenue recognition**

Sales of goods are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude excise duty, sales tax and value added tax.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

## **2.6 Tangible Fixed Assets**

Fixed Assets are stated at cost of acquisition net of cenvat including any cost, directly attributable to bringing the assets to their working condition less accumulated depreciation except for certain fixed assets, which have been revalued.

Capital Work in Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## **2.7 Intangible Fixed Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation. All costs till the commencement of the commercial production are capitalised.

## **2.8 Foreign Currency Transactions**

Transactions denominated in the foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction. The monetary assets and liabilities item denominated in the foreign currencies at the year end are restated at the year end rates.

Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account except in the case the long term liabilities, where they relate to the acquisition of the fixed assets, in which case they are adjusted to the carrying amount of such assets.

## **2.9 Employees Benefits**

### **Defined Contribution Plans**

Provident Fund & ESIC are defined contribution schemes established under a State Plan. The contributions to the schemes are charged to the statement of profit and loss in the year when the contributions become due.

**Defined Benefit Plans**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of services as per the rules of the company. The aforesaid liability is provided for on the basis of an actuarial valuation made using Project Unit Credit Method at the end of the financial year. The scheme is funded with an Insurance company in the form of a qualifying insurance policy. Actuarial gains/losses are recognized in statement of profit and loss in the year in which they arise.

**Compensated Absences (Leave Encashment)**

Employees are entitled to accumulate leave subject to certain limits for future encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation made at the end of the financial year using Project Unit Credit Method. The said liability is not funded.

**2.10 Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the period in which they are incurred.

**2.11 Earnings per share**

The company reports basic and diluted earnings per equity share in accordance with AS-20, on earnings per share. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

**2.12 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**2.13 Research and Development**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

**2.14 Impairment of Assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**2.15 Provisions and Contingent Liability**

Provisions involving substantial degree of estimate in measurement are recognised when there is a present obligation as a result of the past events and it is probable that there will be an outflow of resources. Contingent liabilities and commitments are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

**3. SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
<b>(a) Authorised</b>		
1,00,00,000 (1,00,00,000) Equity shares of ₹10 each	10,00,00,000	10,00,00,000
<b>(b) Issued</b>		
77,00,000 (77,00,000) Equity shares of ₹10 each	7,70,00,000	7,70,00,000
<b>(c) Subscribed and fully paid up</b>		
76,74,600 (76,74,600) Equity shares of ₹10 each	7,67,46,000	7,67,46,000
<b>TOTAL</b>	<b>7,67,46,000</b>	<b>7,67,46,000</b>

**3.1 The Reconciliation of the number of the shares outstanding is set out below**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	(No of Shares)	(No of Shares)
Equity Shares at the beginning of the year	76,74,600	76,74,600
Equity Shares at the end of the year	76,74,600	76,74,600

**3.2 Terms/Rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of the Equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees and every equity share is entitled to the same rate of dividend.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**3.3 Details of the Shareholders holding more than 5% of shares**

Name of the Shareholders	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	No of Shares % of holding	No of Shares % of holding
Mr Rajnikant K Shah (Include 7,07,483 (9.22%) Shares of Rajnikant K Shah (HUF) (Previous Year 3,55,483 (4.63%))	15,12,377 19.71%	11,60,377 15.12%
Ajay R Shah	4,13,970 5.39%	4,13,970 5.39%
Vimal C Mehra	- -	8,02,614 10.46%
Mehul K Shah	4,54,002 5.92%	- -
Krishnakant R Shah	4,22,098 5.50%	4,22,098 5.50%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 4. RESERVE AND SURPLUS

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
(a) Capital Reserve As per last Balance Sheet	1,20,000	1,20,000
(b) Securities premium account As per last Balance Sheet	7,78,44,711	7,78,44,711
(c) Revaluation reserve As per last Balance Sheet	10,40,410	11,35,511
Less: Utilised for Set off against depreciation	23,775	95,101
Less: written back during the year	10,16,635	-
(d) General reserve As per last Balance Sheet	51,75,000	10,40,410
(e) Surplus / (Deficit) in Statement of Profit and Loss As per last Balance Sheet	(11,60,38,841)	(5,31,03,586)
Add/(Less): Profit/(Loss) for the year	4,19,28,381	(6,29,35,255)
	(7,41,10,460)	(11,60,38,841)
<b>TOTAL</b>	<b>90,29,251</b>	<b>(3,18,58,720)</b>

## 5. LONG TERM BORROWINGS

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Term Loans from Banks		
Secured		
Plant and Equipment	6,91,08,905	1,22,66,785
Vehicles	7,30,690	9,55,631
<b>TOTAL</b>	<b>6,98,39,595</b>	<b>1,32,22,416</b>

5.1 The Term Loan on Plant and Equipment are secured by Equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipment at Village Umraya, Taluka-Padra, District- Vadodara. These loans are further guaranteed by one of the director in his personal capacity.

5.2 The Vehicles loans are secured by hypothecation of Vehicles.

5.3 Maturity Profile of the Term loans of the Plant and Equipments are set out as under

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
0-1 Year	1,62,31,590	2,12,28,000
1-2 Years	1,59,00,000	1,22,66,785
2-3 Years	2,00,00,000	-
Above 3 Years	3,32,08,905	-
	6,91,08,905	1,22,66,785
<b>TOTAL</b>	<b>8,53,40,495</b>	<b>3,34,94,785</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

**5.4 Maturity Profile of the Term loans of the Vehicles are set out as under**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
0-1 Year	5,14,733	6,26,760
1-2 Years	5,14,733	6,26,760
2-3 Years	2,15,369	3,28,871
Above 3 Years	588	-
	7,30,690	9,55,631
<b>TOTAL</b>	<b>12,45,423</b>	<b>15,82,391</b>

**6. SHORT TERM BORROWINGS**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
<b>From Banks</b>		
<b>Secured</b>		
Working capital loans - repayable on demand	6,56,69,642	21,30,64,512
<b>Loans and advances from related parties</b>		
<b>Unsecured</b>		
From a director	23,06,928	16,13,752
<b>TOTAL</b>	<b>6,79,76,570</b>	<b>21,46,78,264</b>

6.1 The Working Capital Loan is secured by hypothecation of the inventory and trade receivables, Equitable mortgage of Factory land and Building and hypothecation of Plant and Equipment at Village Umraya, Taluka-Padra, District-Vadodara. This loan is further guaranteed by one of the director in his personal capacity.

**7. TRADE PAYABLES**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Micro, Small and Medium Enterprises	-	-
Others	8,96,56,248	11,34,35,258
<b>TOTAL</b>	<b>8,96,56,248</b>	<b>11,34,35,258</b>

7.1 The Company has not received any intimation from suppliers regarding status under \* Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosure, if any relating to amounts unpaid as at the end of year together with interest paid/payable as required under the said act has not been given.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 8. OTHER CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Current Maturities of Long Term Debt (Refer Note No : 5.3)	1,62,31,590	2,12,28,000
Current Maturities Vehicle Loans (Refer Note No : 5.4)	5,14,733	6,26,760
Unpaid Dividends #	88,753	88,753
Others Payables		
Statutory remittances	31,78,287	19,76,956
Security Deposit Received	6,92,551	7,73,339
Advances from customers	1,81,751	33,59,314
Expenses payable	56,72,588	31,43,050
Creditors for Capital Expenditure	7,23,060	8,45,499
<b>TOTAL</b>	<b>2,72,83,313</b>	<b>3,20,41,671</b>

# The figure do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

## 9. SHORT TERM PROVISIONS

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
<b>Provision for employee benefits</b>		
Provision for leave encashment	42,34,524	45,63,224
Provision for gratuity	31,71,998	27,80,113
<b>Provision others</b>		
Excise duty on closing stock of finished goods	23,19,331	32,54,246
<b>TOTAL</b>	<b>97,25,853</b>	<b>1,05,97,583</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**10. FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK		
	As at 1st April, 2013	Addition during the year	Adjustment/ Deduction during the year	As at 1st April, 2014	As at 1st April, 2013	For the year	Adjustment/ Deduction during the year	As at 1st April, 2014	As at 1st March, 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>									
Free Hold Land	1,72,81,842	-	93,24,070	79,57,772	-	-	-	79,57,772	1,72,81,842
Building	4,62,74,141	66,96,695	2,18,78,731	3,10,92,105	1,15,90,323	11,45,293	1,03,69,710	23,66,107	2,87,25,998
Plant & Equipment	24,71,04,366	67,95,247	5,11,93,307	20,27,08,700	11,42,39,595	1,36,68,994	4,17,31,710	8,61,76,871	11,65,29,808
Furniture & Fixtures	55,23,768	1,50,867	55,23,768	1,50,867	26,71,870	80,718	27,51,422	1,364	2,49,202
Vehicle	99,51,769	2,34,101	-	1,06,85,866	31,27,197	9,49,649	-	40,25,846	66,10,030
Other Equipment	35,21,720	50,000	31,98,948	3,72,771	19,87,787	39,067	16,38,819	86,039	2,84,730
Computers	35,58,492	67,650	8,58,018	27,67,326	33,30,467	2,42,667	11,01,483	24,79,691	2,87,679
<b>Total (A)</b>	<b>33,32,15,988</b>	<b>1,44,95,060</b>	<b>9,19,77,841</b>	<b>25,57,33,407</b>	<b>13,86,55,439</b>	<b>1,83,45,378</b>	<b>5,76,13,146</b>	<b>9,51,87,875</b>	<b>18,05,45,732</b>
<b>Intangible Assets</b>									
Computer Software	9,97,095	2,00,000	8,97,095	7,00,000	3,43,421	85,491	3,43,421	85,491	8,14,509
Patents	6,70,360	-	-	6,70,360	3,76,268	50,178	-	4,20,447	2,09,813
<b>Total (B)</b>	<b>16,73,359</b>	<b>2,00,000</b>	<b>8,97,095</b>	<b>13,70,360</b>	<b>7,19,689</b>	<b>1,35,669</b>	<b>3,43,421</b>	<b>9,11,938</b>	<b>9,64,323</b>
<b>Total (A+B)</b>	<b>33,48,89,347</b>	<b>1,51,95,060</b>	<b>9,29,74,736</b>	<b>28,73,09,667</b>	<b>13,73,75,128</b>	<b>1,83,81,047</b>	<b>6,20,56,567</b>	<b>9,56,99,612</b>	<b>18,14,10,658</b>
Capital Works in Progress	-	-	-	-	-	-	-	-	10,59,012
<b>Previous Year</b>	<b>33,50,58,018</b>	<b>-</b>	<b>2,78,076</b>	<b>33,48,89,347</b>	<b>12,17,68,449</b>	<b>1,85,51,012</b>	<b>39,64,335</b>	<b>13,73,75,128</b>	<b>19,78,14,215</b>

Note 10.1: The gross block of fixed assets as on 1st April, 2013 includes ₹ 3,49,31,299/- (previous year ₹ 3,49,31,299/-) on account of revaluation of fixed assets. Consequent to the sale of these assets during the year after withholding charge of depreciation of ₹ 23,775 (previous year ₹ 95,101), the balance in the revaluation reserve of ₹ 10,16,635 has been reduced from the gross block of fixed asset as on 31st March, 2014. This has no impact on profit for the year.

Note 10.2: The adjustment/deduction during the year includes excess depreciation written back ₹ 2,42,667 (previous year ₹ 24,87,904/-).

Note 10.3: Additions during the year do not include borrowing costs (previous year ₹ Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**11. INVENTORIES**

(At Lower of cost and net realisable value)

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Raw materials	1,81,90,692	2,64,89,547
Work-in-progress	29,22,288	49,28,161
Finished goods	2,13,30,060	3,26,24,574
Consumables stores	2,15,440	13,65,029
Packing materials	32,87,677	24,84,831
<b>TOTAL</b>	<b>4,59,46,157</b>	<b>6,78,92,142</b>

**12. TRADE RECEIVABLES**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,24,23,161	2,03,24,712
Other trade receivables		
Unsecured, considered good	10,79,51,782	11,51,52,454
<b>TOTAL</b>	<b>12,03,74,943</b>	<b>13,54,77,166</b>

**13. CASH AND CASH EQUIVALENTS**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Cash on Hand	14,922	4,95,926
Balance With Banks		
- In Current accounts	7,48,007	6,91,174
- In Deposit accounts #	29,93,678	30,11,350
- In Unpaid dividend accounts	93,304	93,753
<b>TOTAL</b>	<b>38,49,911</b>	<b>42,92,203</b>

# Fixed Deposits with Banks include deposits of ₹ 28,93,678/- (Previous Year of ₹ 4,77,180/-) with maturity of more than 12 months.

**14. SHORT TERM LOANS AND ADVANCES**

Unsecured, considered good

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Security deposits	15,68,895	18,36,511
Loans to employees	2,47,500	2,64,148
Prepaid Expenses	3,44,292	3,18,756
Balance with Government Authorities		
- Balance With Excise Authority	18,30,081	32,22,463
- VAT credit receivable	1,01,02,149	1,23,02,115
- Service Tax Credit Receivable	7,61,830	39,737
Advance Income Tax (net of provision of ₹ 2,25,000 (previous year ₹ Nil))	23,63,197	7,90,530
Advance for capital expenditure	2,11,111	19,51,006
Advances to suppliers	10,37,682	14,42,329
Interest accrued on bank deposits	2,09,027	4,60,139
<b>TOTAL</b>	<b>1,86,75,764</b>	<b>2,26,27,734</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

**15. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Sale of products	46,22,08,006	50,50,70,569
Less: Excise duty	4,45,09,161	5,26,40,962
<b>TOTAL</b>	<b>41,76,98,845</b>	<b>45,24,29,607</b>

**15.1 PARTICULARS OF SALE OF PRODUCTS**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>Manufactured goods</b>		
Printing Ink	37,46,80,473	40,28,22,071
Coatings	2,26,98,077	3,88,88,657
Auxiliaries	2,03,20,295	1,07,18,879
<b>TOTAL</b>	<b>41,76,98,845</b>	<b>45,24,29,607</b>

**16. OTHER INCOME**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>Interest income</b>		
Interest on bank deposits	2,98,839	2,09,736
Interest on income tax/sales tax refund	-	26,582
Interest income others	-	65,259
<b>Other non operation income</b>		
Profit on sale of the assets (net)	12,00,51,250	-
Sundry balances written back	22,711	-
<b>TOTAL</b>	<b>12,03,72,800</b>	<b>3,01,577</b>

**16.1** The company has realized profit from sale/disposal of land, building, movable, immovable properties (excluding Plant & Machinery) together with structures thereon of the Company situated at S.V.Road, Ghodbunder Village, Post Mira, Dist. Thane - 401 104 in terms of the approval granted by passing Ordinary Resolution passed by the shareholders through Postal Ballot.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 17. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>Raw material consumed</b>		
Opening stock	2,64,89,547	3,75,79,732
Add : Purchases	27,42,48,328	28,47,29,109
	30,07,37,875	32,23,08,841
Less : Closing stock	1,81,90,692	2,64,89,547
Cost of rawmaterial consumed	28,25,47,183	29,58,19,294
<b>Packing material consumed</b>		
Opening stock	24,84,831	26,22,079
Add : Purchases	2,53,37,245	2,29,38,750
	2,78,22,076	2,55,60,829
Less : Closing Stock	32,87,677	24,84,831
Cost of packing material consumed	2,45,34,399	2,30,75,998
<b>TOTAL</b>	<b>30,70,81,582</b>	<b>31,88,95,292</b>

## 17.1 PARTICULARS OF RAW MATERIALS CONSUMED

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Chemicals	3,13,16,254	3,37,61,434
Pigment	6,68,80,264	7,21,81,394
Resins	7,73,56,811	7,77,58,650
Oil and miscellaneous	10,69,93,854	11,21,17,816
<b>TOTAL</b>	<b>28,25,47,183</b>	<b>29,58,19,294</b>

## 17.2 PARTICULARS OF IMPORTS AND INDIGENOUS CONSUMPTION AND PERCENTAGE OF CONSUMPTION

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>Raw material consumed</b>		
Imported	3,00,13,114	4,80,47,069
Indigenous	25,25,34,069	24,77,72,225
<b>TOTAL</b>	<b>28,25,47,183</b>	<b>29,58,19,294</b>
<b>Percentage raw material consumed</b>		
Imported	10.62%	16.24%
Indigenous	89.38%	83.76%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**18. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>Inventories at the end of the year</b>		
Finished Goods	2,13,30,060	3,26,24,574
Work-in-Progress	29,22,288	49,28,161
	<b>2,42,52,348</b>	<b>3,75,52,735</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	3,26,24,574	5,65,24,683
Work-in-Progress	49,28,161	61,51,602
	<b>3,75,52,735</b>	<b>6,26,76,285</b>
<b>TOTAL</b>	<b>1,33,00,387</b>	<b>2,51,23,550</b>

**19. EMPLOYEES BENEFIT EXPENSE**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Salary	2,13,98,333	3,15,65,881
Contribution to provident and other funds	15,77,343	36,29,017
Staff welfare expenses	6,98,822	5,92,785
<b>TOTAL</b>	<b>2,36,74,498</b>	<b>3,57,87,683</b>

19.1 As per Accounting Standard 15 (Revised) "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:

**Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognised as expenses for the year as under:

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Employer's contribution to provident fund	9,75,216	14,99,765
<b>TOTAL</b>	<b>9,75,216</b>	<b>14,99,765</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

**Defined Benefit Plan**

**(I) Recognition of Opening and Closing Balances of Defined Benefit Obligation of Gratuity and Fair Value of the Plan Assets (Funded)**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Defined benefit obligation at the beginning of the year	77,43,290	66,86,043
Current service cost	1,71,086	3,62,572
Interest cost	4,39,665	5,70,965
Actuarial losses/(gain)	(28,433)	7,95,081
Past service cost	-	-
Benefit paid	(53,83,873)	(6,71,371)
Defined Benefit obligation at the end of the year	29,41,735	77,43,290
Fair value of the plan assets at the beginning of the year	59,63,177	58,90,970
Expected return of the plan assets	3,00,786	4,32,773
Actuarial gain /(losses)	(1,92,866)	85,614
Employer contribution	82,513	2,25,191
Benefit paid	(53,83,873)	(6,71,371)
Fair value of the plan assets at the end of the Year	7,69,737	59,63,177
Actual return on plan assets	1,07,920	5,18,387

**(II) Reconciliation of the Fair Value of the Plan Assets and Defined Benefit Obligation**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
Fair value of the plan assets	7,69,737	59,63,177
Present value of the obligation	29,41,735	77,43,290
Amount recognised in the balance sheet	21,71,998	17,80,113

**(III) Expenses Recognised During the year**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Current service cost	1,71,086	3,62,572
Interest cost	4,39,665	5,70,965
Expected return of the plan assets	(3,00,786)	(4,32,773)
Net actuarial losses/(gain)	1,64,433	7,09,467
Past service cost	-	-
<b>TOTAL</b>	<b>4,74,398</b>	<b>12,10,231</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

**(IV) Investment Details**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Insured managed funds	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>

**(IV) Actuarial Assumptions of Gratuity**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Mortality tables (LIC)	2006-08	1994-96
Discount rate (per annum)	9.15%	8.05%
Expected rate of return on plan assets (per annum)	7.50%	7.50%
Rate of escalation in salary (per annum)	6.00%	6.00%

The estimates of the rate of the escalation in salary considered in the actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is determined based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**20. FINANCE COSTS**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Interest expense on Borrowings	2,39,35,583	3,77,08,685
Other borrowing costs	17,10,725	9,22,111
<b>TOTAL</b>	<b>2,56,46,308</b>	<b>3,86,30,796</b>

**21. DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Depreciation and amortisation	1,62,81,047	1,85,51,012
Less: Transferred from revaluation reserve (Refer Note No 10.1)	23,775	95,101
<b>TOTAL</b>	<b>1,62,57,272</b>	<b>1,84,55,911</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 22. OTHER EXPENSES

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>Manufacturing Expenses</b>		
Consumable stores	16,32,376	12,53,526
Power & fuel	1,47,50,535	1,41,93,350
Factory expenses	4,56,531	8,90,963
Wages and labour charges	1,34,41,696	1,11,01,488
Repairs to machinery	30,17,746	26,02,246
	<b>3,32,98,884</b>	<b>3,00,41,573</b>
<b>Establishment Expenses</b>		
Rent	31,70,887	27,76,540
Repairs to building	1,48,099	18,480
Insurance	9,16,253	14,17,424
Rates and taxes	46,420	2,91,647
Communication expenses	13,87,006	14,86,849
Travelling & conveyance	29,40,349	29,72,457
Printing and stationery	8,30,442	7,11,329
Legal and professional charges	43,89,524	41,82,799
Payment to auditors (refer note no. 22.2)	3,01,500	2,79,244
Net loss on foreign currency transactions and translation	5,67,597	5,28,294
Loss on sale of fixed assets	-	57,803
Prior period items (refer note no. 22.3)	10,723	1,38,851
Motor car expenses	41,15,812	37,89,419
Miscellaneous Expenses	73,24,233	67,49,499
	<b>2,61,48,845</b>	<b>2,54,00,635</b>
<b>Selling and Distribution Expenses</b>		
Increase/(decrease) of excise duty on inventory	(9,34,915)	(28,47,614)
Freight and forwarding	1,51,53,232	1,50,06,043
Sales commission	60,98,442	1,07,27,202
Sales discount	5,87,191	25,98,640
Business promotion	1,35,534	2,15,120
Bad debts	91,69,856	56,969
	<b>3,02,09,340</b>	<b>2,57,56,360</b>
<b>TOTAL</b>	<b>8,96,57,069</b>	<b>8,11,98,568</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 22.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Raw materials	2,12,40,144	4,87,63,865
Packing materials	16,10,240	-
Components and spare parts	93,397	10,80,048
Capital goods	4,25,455	-

## 22.2 PAYMENT TO AUDITORS AS

(Excluding service tax)

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Statutory audit fees	1,95,000	1,75,000
Tax audit fees	25,000	25,000
VAT audit fees	25,000	25,000
Certification charges	21,500	34,244
Income tax matters	35,000	20,000
<b>TOTAL</b>	<b>3,01,500</b>	<b>2,79,244</b>

## 22.3 PRIOR PERIOD EXPENSES (NET)

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Rent expenses	-	19,900
Freight and forwarding	10,723	32,110
Rate difference	-	10,131
Repair others	-	76,710
<b>TOTAL</b>	<b>10,723</b>	<b>1,38,851</b>

## 23. EXCEPTIONAL ITEMS

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Voluntary retirement expenses*	1,28,73,314	-
Factory shifting expenses*	78,88,317	1,14,853
<b>TOTAL</b>	<b>2,07,61,631</b>	<b>1,14,853</b>

\* Expenses incurred on account of voluntary retirement scheme offered to workers of Ghodbunder Unit and subsequent relocation of factory to Vadodara.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

**24. EARNINGS PER SHARE****(I) Basic Earnings Per Share**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Net Profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	4,19,28,381	(6,29,35,255)
Weighted average numbers of equity shares used as denominator for calculating EPS	76,74,600	76,74,600
Basic earnings per share	5.46	(8.20)
Face value per equity shares	10	10

**(II) Diluted Earnings Per Share**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Net Profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	4,19,28,381	(6,29,35,255)
Weighted average numbers of equity shares used as denominator for calculating EPS	76,74,600	76,74,600
Basic and diluted earnings per share	5.46	(8.20)
Face value per equity shares	10	10

**25. EXPENDITURE IN FOREIGN CURRENCY**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
Travelling expenses	1,78,895	93,407
Purchases of raw material	2,40,48,352	4,26,48,823

**26. EARNINGS IN FOREIGN EXCHANGE**

Particulars	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
	₹	₹
FOB value of the exports	1,19,55,852	1,37,20,315



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

**27. RELATED PARTY DISCLOSURES**

As per the Accounting Standard (AS)18 "Related Party", the disclosures of transactions with related parties are given below

**(I) List of the related parties where control exists and related parties with whom transaction have taken place and relationships**

<b>Name of the Related Parties</b>	<b>Relationship</b>
Organic Sales and Services Private Limited	Associate Company
Mr. Rajnikant K Shah	Key Management Personal
Mr. Vimal C Mehra *	Key Management Personal
Mr. Abhay R Shah	Key Management Personal
Mr. Ajay R Shah	Key Management Personal
Mr. Manoj V Mehta	Key Management Personal
Mr. R K Shah (HUF)	Karta of Key Management Personal

**(II) Transactions during the year with related parties**

<b>Nature of the transaction</b>	<b>For the year ended 31<sup>st</sup> March, 2014</b>	<b>For the year ended 31<sup>st</sup> March, 2013</b>
	₹	₹
<b>(a) Sales</b>		
Organic sales and services pvt limited	Nil	Nil
<b>(b) Payment to key management personnel (Excluding Reimbursement)</b>		
Mr. Rajnikant K Shah	18,63,016	19,96,428
Mr. Vimal C Mehra *	-	10,17,918
Mr. Abhay R Shah	17,41,420	17,63,704
Mr. Ajay R Shah	10,77,353	10,45,844
Mr. Manoj V Mehta	10,69,853	10,68,544

<b>Nature of the transaction</b>	<b>For the year ended 31<sup>st</sup> March, 2014</b>	<b>For the year ended 31<sup>st</sup> March, 2013</b>
	₹	₹
<b>(c) Interest to Unsecured Loans</b>		
Mr. Rajnikant K Shah	1,37,385	2,765
Mr. Abhay R Shah	-	16,819
Mr. Ajay R Shah	-	10,515
	1,37,385	30,099
<b>(e) Rent</b>		
Mr. R K Shah (HUF)	53,240	1,65,990

\* Resigned w.e.f 30th September 2012.

**(III) Balances outstanding**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2014</b>	<b>As at 31<sup>st</sup> March, 2013</b>
	₹	₹
Unsecured Loans	23,06,928	16,13,752
Remuneration to Key Management Personal Payable	2,19,587	2,85,555



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

28. The Company does not have different segments and hence segment wise reporting in terms of the Accounting standard (AS) 17 "Segment Reporting" issued by the Institute of the Chartered Accountant of India is not applicable. The Company mainly deals printing inks and auxiliaries which is considered as a one segment only. Geographical segment is not material and hence not required to disclose separately.

**29. DEFERRED TAX LIABILITIES / ASSETS (NET)**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
<b>Deferred tax liability</b>		
Related to Depreciation difference of fixed assets	2,08,51,952	1,95,59,826
<b>Deferred tax asset</b>		
Deductions and un absorbed business losses and depreciation under the Income Tax 1961	(3,78,93,404)	(3,46,81,519)
<b>Deferred tax asset (net)</b>	<b>(1,70,41,452)</b>	<b>(1,51,21,693)</b>

29.1. In terms of Accounting Standard 22- "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has Deferred Tax Assets as on 31st March 2014. In terms of the said Standard, in view of unabsorbed depreciation and unabsorbed business losses under the tax laws, net result of computation is net deferred tax assets. Hence, the management has decided not to incorporate the same in the books of accounts as a matter of prudence and in absence of virtual certainty as to its realization.

**30. CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	₹	₹
<b>(I) Contingent Liabilities</b>		
- Bank Guarantee	38,96,500	39,46,500
- Local Body Tax of Mira Bhyandar Mahanagarpalika	Nil	77,80,963
<b>(II) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Tangible Assets	Nil	Nil
- Intangible Assets	Nil	Nil
(b) Other Commitments	Nil	Nil

31. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

32. In the opinion of the management, current and non current assets are recoverable in normal course of business in terms of our report attached

**For Soman Uday & Co.**  
Chartered Accountants  
Firm Reg No: 110352W  
Uday Soman  
Proprietor  
Membership No: 38870

Mumbai  
May 30, 2014

**For and on behalf of the Board of Directors**

R K Shah

Vice Chairman & Managing Director

Abhay R Shah

Joint Managing Director

Manoj V Mehta

Whole Time Director

Mumbai

May 30, 2014

Ajay R Shah

Whole Time Director

Sudhir R Shah

Company Secretary

**Registered Office:**

Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd.,  
Vith Bhatti, Goregaon (East),  
Mumbai – 400 063.  
E-mail: [organiccoatingsltd@organiccoatingsltd.com](mailto:organiccoatingsltd@organiccoatingsltd.com)  
Website: [www.organiccoatingsltd.com](http://www.organiccoatingsltd.com)  
Tel: 91-22-29276921/29272114

**PROXY FORM**  
**Form No. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN** : L24220MH1965PLC013187

**Name of the Company** : ORGANIC COATINGS LIMITED

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

**Name of the member (s)** :

**Registered address** :

**E-mail ID** :

**Folio No./Client ID/DP ID** :

I/We, \_\_\_\_\_ of \_\_\_\_\_ being the member(s) of ORGANIC COATINGS LTD. hereby appoint the following as my/our proxy to attend vote (for me/us) on my/our behalf at the 49th Annual General Meeting of the company to be held on Tuesday, the 30th September, 2014 at 4.00 p.m. at Ruby Hall, Ground Floor, Hotel Parle International, Near Vile Parle Station, Vile Parle (East), Mumbai – 400 057 and at any adjournment thereof in respect of such resolutions as are indicated below:

- (1) **Name** : \_\_\_\_\_ **Address** : \_\_\_\_\_  
**E-mail ID** : \_\_\_\_\_ **Signature** : \_\_\_\_\_ or failing him
- (2) **Name** : \_\_\_\_\_ **Address** : \_\_\_\_\_  
**E-mail ID** : \_\_\_\_\_ **Signature** : \_\_\_\_\_ or failing him
- (3) **Name** : \_\_\_\_\_ **Address** : \_\_\_\_\_  
**E-mail ID** : \_\_\_\_\_ **Signature** : \_\_\_\_\_ or failing him



\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sl.No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2014 and reports of the Board of Directors and the Auditors thereon		
2.	Re-appointment of Abhay R. Shah who retires by rotation		
3.	Appointment of Soman Uday & Co., Chartered Accountants, as Auditors and fixing their remuneration for the year 2014-15		
<b>Special Business</b>			
4.	Revision in remuneration of Mr. R.K.Shah, Vice Chairman & Managing Director for 1 year.		
5.	Revision in remuneration of Mr. Abhay R. Shah, Joint Managing Director for 1 year.		
6.	Re-appointment of Rajnikant K. Shah as Vice Chairman & Managing Director.		
7.	Re-appointment of Abhay R. Shah as Joint Managing Director.		
8.	Re-appointment of Manoj V. Mehta as Whole Time Director		
9.	Re-appointment of Ajay R. Shah as Whole Time Director		
10.	Appointment of Sudhir Sathu as an Independent Director.		
11.	Appointment of Vinay Jog as an Independent Director.		
12.	Appointment of Ashwini Lad as an Independent Director.		
13.	To accord consent to the Board of Directors to borrow.		
14.	To adopt new Articles of Association of the Company.		

\* This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" columns blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature (s) of Member(s)

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

revenue  
stamp  
of 1/-

Notes: 1. The Proxy to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the Meeting. 2. A Proxy need not be a member of the Company. 3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members. 4. The form of Proxy confers authority to demand or join in demanding a poll. 5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

**BALLOT FORM**  
(In lieu of E-voting)**ORGANIC COATINGS LIMITED**

CIN : L24220MH1965PLC013187

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

Tel: 91-22-29276921/29272114, E-mail: organiccoatingsltd@organiccoatingsltd.com

Website: www.organiccoatingsltd.com

1. Name \_\_\_\_\_

Registered Address \_\_\_\_\_

Of the sole/first named Shareholder \_\_\_\_\_

2. Name(s) of the Joint Shareholder(s) \_\_\_\_\_

If any \_\_\_\_\_

3. Registered Folio/DPID &amp; Client ID No. \_\_\_\_\_

4. No. of Shares held \_\_\_\_\_

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of Forty Ninth Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Sl.No.	Resolution	For	Against
	<b>Ordinary Business</b>		
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2014 and reports of the Board of Directors and the Auditors thereon.		
2.	Re-appointment of Abhay R. Shah who retires by rotation.		
3.	Appointment of Sonali Uday & Co., Chartered Accountants, as Auditors and fixing their remuneration for the year 2014-15.		
	<b>Special Business</b>		
4.	Revision in remuneration of Mr. R.K.Shah, Vice Chairman & Managing Director for 1 year.		
5.	Revision in remuneration of Mr. Abhay R. Shah, Joint Managing Director for 1 year.		
6.	Re-appointment of Rajnikant K. Shah as Vice Chairman & Managing Director.		
7.	Re-appointment of Abhay R. Shah as Joint Managing Director.		
8.	Re-appointment of Manoj V. Mehta as Whole Time Director.		
9.	Re-appointment of Ajay R. Shah as Whole Time Director.		
10.	Appointment of Sudhir Sathe as an Independent Director.		
11.	Appointment of Vinay Jag as an Independent Director.		
12.	Appointment of Ashwini Iad as an Independent Director.		
13.	To accord consent to the Board of Directors to borrow.		
14.	To adopt new Articles of Association of the Company.		

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filing the form. Only valid Ballot Forms received by the Scrutinizer by 6.00 p.m. on 30th September, 2014 shall be considered.



**INSTRUCTIONS**

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Ms. Dhanraj Kothari of D.Kothari & Associates, Practising Company Secretaries Unit: Link Intime India Pvt. Ltd., C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 or to her email id fcs.dhanraj@gmail.com, so as to reach by 6.00 p.m. on 26<sup>th</sup> September, 2014. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event a member casts his votes through both the processes, i.e., e-voting and Ballot Form, the votes in the electronic system will be considered and the Ballot Form will be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
4. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Link Intime India Pvt. Ltd.). Members are requested to keep the same updated.
5. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
6. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
7. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for the e-voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company.