



ORGANIC COATINGS LIMITED

2014-2015
50th ANNUAL REPORT

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50th Annual General Meeting will be held on Tuesday, the 15th September, 2015 at 4.00 p.m. at Hotel Parle International, Near Vile Parle Station, Vile Parle (East), Mumbai – 400 057.

STATUTORY AUDITOR

Soman Uday & Co.
Chartered Accountants

LEGAL ADVISORS

R.V.J. Associates
Advocates & Solicitors

REGISTERED OFFICE

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

FACTORY

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

BOARD OF DIRECTORS**MR. SUDHIR A. SATHE**

Chairman (Independent Director)

MR. R. K. SHAH

Vice Chairman & Managing Director

MR. VINAY S. JOG

Independent Director

MS. ASWINI LAD (CA)

Independent Director

MR. ABHAY R. SHAH

Joint Managing Director

MR. MANOJ V. MEHTA

Whole Time Director

MR. AJAY R. SHAH

Whole Time Director

MR. PARVEJ G MANSURI

Chief Financial Officer

MR. SUDHIR R. SHAH

Company Secretary

BANKERS

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

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 6969



NOTICE

Notice is hereby given that the 50th Annual General Meeting of Organic Coatings Limited will be held at Hotel Parle International, Vile Parle (East), Mumbai – 400 057 on Tuesday, the 15th September, 2015 at 4.00 p.m. to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajay R. Shah (DIN No. 00011763), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. **To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 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 plus service tax and out of pocket expenses as may be fixed by the Board of Directors of the Company”.

Special Business:

4. **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 a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sudhir Sathe (DIN No. 03008729) who was appointed as an Independent Director and his term expires at the conclusion of this 50th Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office up to the conclusion of 55th Annual General Meeting of the Company in the calendar year 2020”.

Date: June 22, 2015

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

Registered Office :

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

Email ID: organiccoatingsltd@organiccoatingsltd.com, CIN : L24220MH1965PLC013187



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 attendance slip alongwith 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 advice 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 10/09/2015 to 15/09/2015 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 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 50th 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 shareholders voting electronically are as under:

- i) The voting period begins on 12/09/2015 (9.00 a.m.) and ends on 14/09/2015 (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 10/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

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

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

- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required



to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non – Individual Shareholders and Custodians
 - (1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - (2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - (3) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - (4) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - (5) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



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

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

General Instructions

- (1) The voting period begins on 12/09/2015 (9.00 a.m.) and ends on 14/09/2015 (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 10/09/2015, 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 under help section or write an email to 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 50th Annual General Meeting of the Company scheduled on Friday, the 11th September, 2015. The results will be declared on/or after the Annual General Meeting of the Company. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.organiccoatingsltd.com and on the website of CDSL within (2) days of the passing of the resolution at the AGM of the Company.

**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

Mr. Sudhir Sathe was appointed as an Independent Director w.e.f. 17th February, 2010 liable to retire by rotation in terms of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Subsequently, he was appointed as an Independent Directors not liable to retire by the members of the Company at the 49th Annual General Meeting by passing a Special Resolution till the conclusion of 50th Annual General Meeting. 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. In terms of Section 149 (10) of the Companies Act, 2013, subject to provisions of Section 152, an Independent Director shall hold office for the term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointments in the Board's Report. Accordingly, the Board of Directors has re-appointed Mr. Sudhir Sathe as an Independent Director for the period of five consecutive years subject to the approval of the shareholders by a Special Resolution as proposed.

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. 4 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. 4 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 Special Resolution set out at Item No. 4 of the notice for the approval of the shareholders.

By Order of the Board of Directors

Sudhir R. Shah (Company Secretary)

Date: June 22, 2015

Registered Office :

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

Email ID: organiccoatingsltd@organiccoatingsltd.com, CIN : L24220MH1965PLC013187

**Information about the appointees**

Name of the Director	Mr. Ajay R. Shah	Mr. Sudhir A. Sathe
Date of Birth	21/04/1968	19/09/1936
Date of Appointment	01/08/1998	17/02/2010
Expertise in specific functional areas	Accounts & Finance functions of the Company	Personnel matters and industrial relations
Qualifications	Diploma in Computer Engin.	1) M.A.Sociology 2) Dip. S.S.A. (Personnel Management) Tata Institute of Social Sciences
No. of shares held in Organic Coatings Ltd.	4,13,970 (5.40%)	100
Directorship in other Companies	NIL	NIL

Membership of Committees in other Public Limited Companies:

Name of the Director	Mr. Ajay R. Shah	Mr. Sudhir A. Sathe
Audit Committee	NIL	NIL
Shareholders' / Investors' Grievance	NIL	NIL

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

Your directors are pleased to present the 50th Annual Report and the Company's Audited Financial Statement for the financial year ended March 31, 2015.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2015 is summarized below:
(In Lacs)

	2014 – 15	2013 - 14
Profit before Interest, Depreciation, Tax (Previous year includes Exceptional item on Profit of Rs. 1200.51 Lacs for sale of land and building of Thane Unit)	220.52	1043.58
Less: Finance Cost	194.21	256.46
	-----	-----
	26.31	787.12
Less: Depreciation	140.76	162.57
	-----	-----
(Loss) / Profit for the year before tax	(114.45)	624.55
Less/(Add): Exceptional Items	--	207.62
	-----	-----
	(114.45)	416.93
Excess Depreciation of earlier years written back	(2.11)	(2.43)
	-----	-----
Loss/Profit after Exceptional Items & before tax	(112.34)	419.36
Less: Provision for current taxation (net)	0.00	0.01
Less: Prior year's Income Tax	0.06	0.07
	-----	-----
(Loss) / Profit after tax	(112.40)	419.28
	=====	=====

RESULTS OF OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY

* Revenue from operations (net) increased by 9.1% to Rs. 4557.18 Lacs from Rs. 4176.99 Lacs in the previous year.

* PBDIT decreased by 78.89% to Rs. 220.52 Lacs for the year ended 31st March, 2015 compared to previous year Rs. 1043.58 Lacs (after considering the exceptional items for sale of assets and land at Thane in the previous year).

* PBDIT increased by 240.52% to Rs. 220.52 Lacs for the year ended 31st March, 2015 compared to loss of Rs. 156.93 Lacs in the previous year (before considering exceptional items for sale of assets and land at Thane in the previous year).

* Net Profit declined by 126.81% due to Loss of Rs. 112.40 Lacs for the year ended 31st March, 2015 compared to profit of Rs. 419.28 Lacs in the previous year.

The financial year 2014-15 was the first year of the full operations at Baroda after disposal of Thane Unit.

There are no material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company except that the Company has entered into Marketing and Distribution Agreement with M/s. Heidelberg India Pvt. Ltd. for exclusive Marketing and Distribution in India of its products viz. all Sheetfed products which includes Low Segment, Mid Segment, Higher End Segment Inks, Spot Color Inks, Specialty Inks, UV Inks & Coatings



and Water-based Inks & Coatings In the opinion of the management, this should have positive have impact on the performance of the Company from the financial year 2015-16 onwards.

DIVIDEND AND TRANSFER TO RESERVE

In view of the loss the Directors are unable to recommend any dividend and no amount is transferred to Reserves & Surplus for the financial year 2014-15.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT AND CORPORATE GOVERNANCE REPORT

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis.
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that Such internal financial controls are adequate and were operating effectively.
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such system were adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties wherein ordinary course of business and on arms length basis and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required.

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party disclosures.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions relating to Corporate Social Responsibility (CSR) under section 135 of the companies Act, 2013 are not applicable to the Company.

RISK MANAGEMENT

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework (b) Overseeing that all the risks that the organization faces such as strategic financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable in addressing those risks. Risk Management Policy was reviewed and approved by the Committee. The Company manages, control, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to the financial statements. During the year such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and Articles of Association of the Company Mr. Ajay R. Shah retires by rotation and being eligible offer himself for re-appointment at the ensuing annual general meeting.

The special resolution for appointment of Mr. Sudhir Sathe 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.

During the year under review the members approved the re-appointments of the following key managerial personnel viz. Mr. Rajnikant Kodarlal Shah as Vice Chairman & Managing Director, Mr. Abhay R. Shah, Joint Managing Director, Mr. Manoj V. Mehta, Whole Time Director and Mr. Ajay R. Shah as Whole Time Director of the Company and Mr. Sudhir Sathe, Mr. Vinay Jog and Ms. Ashwini Lad were appointed as an Independent Directors who are not liable to retire by rotation.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement of Bombay Stock Exchange Limited.

The Company has devised a policy for performance in relation of Independent Directors, Board, Committees which includes criteria for performance evaluation of the Non-Executive and Executive Directors.

The detailed programs for familiarization of Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put in place.

REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members keeping in mind the relevant provisions of the companies Act 2013 read with specific rules. The details of this policy is explained in the Corporate Governance Report.

AUDITORS AND AUDITORS REPORT**Statutory Auditors**

M/s. Soman Uday & Co, Chartered Accountants, Statutory Auditors of the Company hold the office till the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. 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.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

The Board has appointed D.Kothari & Associates, Practicing Company Secretary to conduct the Secretarial Audit for the financial year ended 2014-15. The Secretarial Audit report for the financial year ended March 31, 2015 is annexed herewith and marked as Annexure II to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**DISCLOSURES****Audit Committee**

The Audit Committee comprises Independent Directors viz. Mr. Vinay Jog, Chairman, Mr. Sudhir Sathe and Ms. Ashwini Lad as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Vigil Mechanism of the Company, which also includes Whistle Blower Policy in terms of the Listing Agreement, includes an ethics and compliance task force comprising senior executives of the Company. Protected disclosures can be made by Whistle Blower through an email or letter to the Chairman of the Audit Committee. No person has been denied access to the Audit Committee.

Meetings of the Board

Six meetings of the Board of Directors were held during the year. For further details, please refer to report on Corporate Governance attached to this Annual Report.

Particulars of loans given, investments made, Guarantees given and Securities provided

The Company has not given any loans or made any investments or provided guarantees u/s 186 of the Companies Act, 2013.

Conservation of Energy, technology absorption and foreign exchange earning and outgo.

The particulars related to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the act are provided in Annexure III to this report.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure IV to this report.

Particulars of Employees and Related disclosures

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in Annexure V to this report.

The Company does not have any employee whose particulars are required to be disclosed in terms of the provisions of Section 197(12) of the act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, hence furnishing of the same does not arise.

General

Your Directors take that no disclosure or reporting required in respect of the following items as there were no transactions on these items during the year under review.

- 1) Details relating to deposits covered under Chapter V of the act.
- 2) Issue of Equity Shares to differential rights as to dividend, voting or otherwise.
- 3) Issue of shares (including sweat equity shares) to employees of the Company
- 4) The Company does not have any subsidiaries, hence, the question of receiving remuneration or commission by the Managing Directors or Whole Time Directors of the Company from the subsidiaries does not arise.
- 5) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in the future.

Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors would like to express the sincere appreciation for the assistance and co-operation received from Shareholders, Bank of Maharashtra, Government Authorities and other Business constituents during the year under review. Your Directors would also like to appreciate the commitment displayed by the human resources of the Company.

On behalf of the Board of Directors

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

Place : Mumbai

Date : June 22, 2015

Abhay R. Shah (Joint Managing Director) (DIN 00016497)

**ANNEXURE I TO DIRECTORS' REPORT
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 other emerging and developing economies. In the domestic market as per the latest GDP growth estimates, Indian economy grew by 7.4% in Financial Year 2014-15 compared to 6.9% in Financial Year 2013-14, mostly driven by improved economic fundamentals and revision of GDP methodology calculation. Even inflation showed signs of moderation, a welcome sign – wholesale price and consumer price inflation declined to 4.2% and 7.4% respectively, compared with last year's 6.3% and 10.1%. Reduced inflation, falling crude oil prices, stable Rupee, improved purchasing power and consumer spending, higher capital inflows supported by the government policy reforms have already put India on an accelerating growth track and improved the business outlook.

The Government envisages GDP growth to accelerate to 7.5% and beyond in Financial Year 2015-16 driven by strengthening macroeconomic fundamentals and implementation of policy reforms recently announced. Reforms like e-auctions of coal mines and telecom, FDI hike in insurance, speedier regulatory approvals etc. will be critical growth enablers to de-bottleneck stalled projects, improve the investment outlook and the ease of doing business in the country. Reforms currently underway such as GST implementation, Amendment on Land Acquisition Bill, Labour Reforms, etc. are expected to provide the requisite thrust for growth in the medium-term to long-term.

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 and thereby to capture the market share. 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.

Opportunities and Threats

Global and Indian economy is expected to bounce back from constant downfall in last couple of years. With new Government initiatives have positive impact on the sentiments on the industry. 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 there is a hope of revival in international market, global economy, company will have the opportunity to explore.

Company is facing major threat from Multinational Companies existing as well as new once with their financial and technological strength.

Segment-wise or Product-wise Performance

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

Outlook, Risk and Concerns

Company should be able to improve the efficiency and effectiveness of all the operations at vadodara plant including improvement in labour productivity.

As the world economy is full of challenges and competition, Company is facing risks in terms of Strategy, Operations, Financial reporting and increasing compliances. Competition from multinational companies is a major factor to face. Geo-political scenario like situation in Iraq, Iran, Yemen and Afghanistan may change the landscape for Raw Material prices, Exports, etc. in the time to come. Change in tax laws more so about GST, interest rate structure, Government policies, etc. may impact your company's business.

Internal Control systems and their Adequacy

The Internal Control system including of financial 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. As a better monitoring, audit committee is strengthen.

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

The Company's net revenue from operations for the year has increased by 9.10% to Rs. 4557.18 Lacs as against Rs. 4176.99 Lacs in the previous year. Net loss for the year is Rs. 112.40 Lacs as against net profit of Rs. 419.28 Lacs in the previous year.

The Company's operations has resulted into net profit of Rs. 220.52 Lacs as compared to profit Rs. 1043.58 Lacs (including Profit of Rs. 1,200.51 Lacs on sale of Thane Unit) before Interest, Depreciation, Tax in the previous year.

Material consumption has increased to 79.82% as compared to 76.77% in the previous year.

Employee benefits expenses have decreased to 5.37% as compared to 5.67% in the previous year.

Finance cost for the year decreased to Rs. 194.21 Lacs from Rs. 256.46 Lacs in the previous year, mainly on account of repayment and reduction in bank facilities. .

Depreciation charged at Rs.140.77 Lacs as against Rs.162.57 Lacs in the previous year.

Provision for taxation during the year was Rs. NIL as against Rs. 2.25 Lacs in the previous year.

Net loss for the year is Rs. 112.40 Lacs as against net profit of Rs. 419.28 Lacs in the previous year.

Short-term borrowing is reduced to Rs. 371.92 Lacs as compared to Rs.679.77 Lacs in the previous year. Long-term borrowing is reduced to Rs. 538.95 Lacs as compared to Rs. 698.40 Lacs in the previous year.

The Company's net worth as on 31st March, 2015 stood at Rs. 746.62 Lacs against Rs. 857.75 Lacs in the previous year.

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

In 21st Century, the role of Human Resource (HR) is demanding There is shortage of talented and committed people across industries. Your Company is trying within its own limitation to move further in this regard looking to its nature of operations and requirements. Management would like to thank all the existing as well as past employees for their valuable support in difficult economic conditions. The company has 56 permanent employees as on 31st March, 2015.

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.



**ANNEXURE I TO DIRECTORS REPORT
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 relationship, 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.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

GOVERNANCE STRUCTURE

The Corporate Governance structure is as follows:

1. Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. Committees of the Board: The Board has constituted the following Committees viz. Audit Committee, Remuneration and Nomination Committee and Stakeholders Relationship Committee. Each of the said Committee has been mandated to operate with a given framework.

THE BOARD OF DIRECTORS

Size and Composition of the board

The board is broad-based and consists of eminent individuals from industry, management, financial and marketing. The Company is managed by the Board of Directors in coordination with the Senior Management team. The Board periodically evaluates the need for change in its composition and size. As on March 31, 2015, the Board of the Company had seven Directors out of which four are Executive Directors and three are Non-Executive Independent Directors. The Chairman of the Board is Non-Executive Independent Director.

The details of each member of the Board along with the number of Directorship/Committee Membership and attendance at the Board Meetings and the last Annual General Meeting are as given below:



Sr. No.	Name of Director	Category of Directorship Meetings attended	No. of Board	Attendance at last AGM held on 30/09/2014	No. of other Companies in which Director	No. of Committees (other than Organic Coatings Limited) in which member
1)	Mr. Sudhir Sathe Chairman	Independent * NED	6	Yes	NIL	NIL
2)	Mr. R.K.Shah Vice Chairman &	Promoter+ ED	6	Yes	NIL	NIL
3)	Mr. Abhay R. Shah Joint Managing Director	Promoter + ED	6	Yes	NIL	NIL
4)	Mr. Manoj V. Mehta	Promoter + ED	5	Yes	NIL	NIL
5)	Mr. Ajay R. Shah	Promoter + ED	5	Yes	NIL	NIL
6)	Mr. Vinay Jog	Independent * NED	6	Yes	NIL	NIL
7)	Ms. Ashwini Y. Lad #	Independent * NED	5	Yes	NIL	NIL

* NED = Non-Executive Director

+ ED = Executive Director

= Appointed w.e.f. 30/05/2014

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 as allowed under the provision of the companies Act, 2013. The Meetings of the Board are held at the Company's registered office or its factory at Vadodara, Gujarat or 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 I 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 2014-2015, six Board Meetings were held on 30/05/14, 14/08/14, 06/10/14, 12/11/14, 16/01/15 and 14/02/15. The interval between two meetings was well within the maximum period mentioned in Section 173 of the Companies Act, 2013 and the listing agreement.

Post Meeting Mechanism

The important decision taken at the Board / Board Committee Meetings are communicated to the concerned departments.

Board Support

The Company Secretary attends the Board / Board Committee Meetings and advises on compliance with applicable laws and governance.

FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the



role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Vice Chairman and Managing Director also has one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

CODE OF CORPORATE GOVERNANCE AND ETHICS

The Company has adopted the Code of Corporate Governance and Ethics which is applicable to the Board of Directors and Senior Management Team (one level below the Board) of the Company. The Board of Directors and the Members of Senior Management Team are required to affirm annually compliances of this code. The Code requires Directors and employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The code is displayed on the website of the Company viz. www.organiccoatingsltd.com.

Conflict of Interests

Each Director informs the Company on annual basis about the Board and the Committee positions he occupies in other company's including Chairmanship and notifies changes during the year. Members of the Board while discharging their duties avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any discussions and voting in transactions that they have concern on interest.

Insider Trading Code

The Company has adopted a code of conduct for prevention of insider trading in accordance with the requirement of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and function under their respective charters. These Board Committees play an important role in overall management of day to day affairs and governance of the company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the minutes of the Committee Meeting are placed before the Board for their noting. The Board has currently following committees:

A) AUDIT COMMITTEE

Composition

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal control and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, economics and risk. Mr. Vinay Jog is the Chairman of the Audit Committee. The other members of the Audit Committee includes Mr. Sudhir Sathe and Ms. Ashwini Lad.

Meetings and attendance

The details of number of meeting and attendance at the meetings of Audit Committee are as given below:

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
3)	Ms. Ashwini Y. Lad	4	4

During the year 2014-2015, four Audit Committee Meetings were held on 30/05/14, 14/08/14, 12/11/14 & 14/02/15.

**B) NOMINATION & REMUNERATION COMMITTEE:**

The Nomination & 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 Senior Managerial Personnel of the Company.

Meetings and attendance

The details of number of meeting and attendance at the meetings of Nomination and Remuneration Committee are as given below:

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
3)	Ms. Ashwini Y. Lad	4	4
4)	Mr. R. K. Shah	4	4
5)	Mr. Abhay R. Shah	4	4

During the year 2014-15, four meetings of Nomination & Remuneration Committee were held on 30/05/14, 14/08/14, 12/11/14 & 14/02/15.

REMUNERATION POLICY**A) Remuneration to Non-Executive Independent Directors**

The Non-Executive Independent Directors are paid remuneration by way of sitting fee for each meeting of the Board or Committee of Directors attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Independent Directors are not provided any stock option of the Company.

The details of the sitting fees paid to Independent Directors are given as below:

Name of Director	Amount (Rs.)
Mr. Sudhir Sathe	3,60,000
Mr. Vinay Jog	3,60,000
Ms. Ashwini Y. Lad	3,40,000
Total	10,60,000

B) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and Shareholders of the Company. Payment to Executive Directors is governed by the respective agreements between them and the Company. The remuneration package of the Managing Director, Joint Managing Director and Whole-time Directors comprises of salary, perquisites, allowances and contribution to provident fund and other retirement benefits as approved by the shareholders of the General Meetings. Annual increments are decided by the Remuneration and Nomination Committee and recommend to the Board for their approval thereof.

Presently, the Company does not have scheme for grant of stock options or performance linked incentives for its Directors



The details of remuneration paid to Managing Directors/Whole Time Directors during the year are as under:

Name of Director	Salary & Allowances (Rs.)	Perquisites (Rs.)	Bonus (Rs.)	P.F.Cont. (Rs.)	Total (Rs.)
Mr. R.K.Shah	20,34,698	7,00,053	25,000	1,94,060	29,53,811
Mr. Abhay R. Shah	17,48,454	5,67,211	25,000	1,84,975	25,25,640
Mr. Ajay R. Shah	9,20,442	3,66,011	25,000	98,409	14,09,862
Mr. Manoj V. Mehta	9,20,442	3,69,109	25,000	98,409	14,12,960
Total	56,24,036	20,02,384	1,00,000	5,75,853	83,02,273

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has set out the system for annual performance evaluation of its own performance, the Directors individually as well its evaluation of the working of its Board Committees. A structured questionnaire is being prepared after circulation in the draft forms covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations and governance.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition and Attendance

This Committee comprises of five Directors and Mr. Sudhir Sathe, Non-Executive Independent Director is the Chairman of the Committee. The table below highlights the composition and attendance of the members of the Committee. The necessary quorum was present for all the meetings.

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
3)	Ms. Ashwini Y. Lad	4	4
4)	Mr. Abhay R. Shah	4	4
5)	Mr. Manoj V. Mehta	4	4

During the year 2014-2015, four Stakeholder Relationship Committee Meetings were held on 30/05/14, 14/08/14, 12/11/14 & 14/02/15.

The secretarial department of the Company and the registrar and share transfer agent Link Intime India Pvt. Ltd. attend to all grievances of the shareholders received directly or through SEBI, Stock Exchange, Ministry of Corporate Affairs etc. The minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors of the Board Meeting.

Continuous efforts are made to ensure that grievances are more expeditiously addressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Details of Shareholders complaints received, solved and pending are as under:

- | | |
|--|-------|
| i) No. of shareholders complaints received during the year | - NIL |
| ii) No. of complaints not solved to the satisfaction of the shareholders | - NIL |
| iii) No. of pending shareholders complaints | - NIL |

**SHAREHOLDERS INFORMATION****GENERAL BODY MEETINGS**

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

Year	Venue	Date	Time
2013 - 2014	Ruby Hall, Ground floor, Hotel Parle International, Vile Parle (E), Mumbai – 400 057.	30/09/2014	4.00 p.m.
2012 - 2013	Emerald Hall, 2nd Floor, Hotel Parle International, Vile Parle (E), Mumbai – 400 057.	24/09/2013	4.00 p.m.
2011 - 2012	Emerald Hall, 2nd Floor, Hotel Parle International, Vile Parle (E), Mumbai – 400 057.	21/12/2012	4.00 p.m.

Special Resolutions passed at the last three AGMs

- Year ended 31/03/2014 - 5 special resolutions were passed at the Annual General Meeting held on 30th September, 2014. for modifications of terms of remuneration of Mr. R.K.Shah, Vice Chairman & Managing Director, Mr. Abhay R. Shah, Joint Managing Director, re-appointment of Mr. R.K.Shah as Vice Chairman & Managing Director and adaption of new set of Articles of Association and empowering Board of Directors for borrowing up to Rs. 25 Crores.
- Year ended 31/03/2013 - No special resolution was passed.
- Year ended 31/03/2012 - No special resolution was passed.

Postal Ballot

No resolution was passed by Postal Ballot.

Disclosures

- Materially significant related party transaction - NIL
- 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.

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.

General Shareholder Information

- Annual General Meeting Day, Date, Time and Venue : Tuesday, the 15th September, 2015
4.00 p.m. at Hotel Parle International,
Near Vile Parle Station, Vile Parle (East),
Mumbai – 400 057.
- Financial Calendar : 2015-16
On or before
First Quarter Results : 14th August, 2015
Second Quarter/Half Yearly Results : 14th November, 2015
Third Quarter Results : 14th January, 2016



- iii) Date of Book Closure : 10/09/2015 to 15/09/2015
(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 '14	4.00	3.00
May '14	4.57	3.95
June '14	6.40	4.28
July '14	6.35	4.90
Aug. '14	6.02	4.96
Sept '14	9.64	4.54
Oct. '14	13.66	9.83
Nov. '14	15.91	12.80
Dec. '14	16.32	11.78
Jan. '15	19.12	12.07
Feb. '15	20.05	12.30
Mar. '15	12.24	10.13

- 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, 2015 :

Shares held	No. of Holders	%	No. of Shares	%
1 - 500	2041	72.53	392733	5.12
501 - 1000	372	13.22	334147	4.35
1001 - 5000	294	10.45	699532	9.11
5001 - 10000	51	1.81	368235	4.80
10001 and above	56	1.99	5879953	76.62
Total	2,814	100.00	76,74,600	100.00

**B) Categories of Shareholders as on March 31, 2015 :**

Categories	No. of Shares	% in Capital
A. Promoters & Persons acting in concert	34,11,804	44.46
B. Financial Institutions, Banks etc.	50,000	0.65
C. Bodies Corporate	1,28,374	1.67
D. NRIs / OCBs	1,64,452	2.14
E. Indian Public	39,19,970	51.08
Total	76,74,600	100.00

C) Shareholders holding more than 1% of the share capital of the Company as at March 31, 2015 :

Sr. No.	Name of the Shareholder	No. of Shares Held	% to share capital
01	Mr. Rajnikant Kodarlal Shah	804894	10.49
02	Mr. R. K. Shah (HUF)	797210	10.40
03	Mr. Mehul K. Shah	454002	5.92
04	Mr. Ajay R. Shah	413970	5.40
05	Mrs. Kanchanben V. Mehta	298000	3.90
06	Mrs. Padmaja R. Shah	232600	3.03
07	Mr. Abhay R. Shah	258850	3.37
08	Mrs. Aparna Ajay Shah	191915	2.50
09	Mrs. Minal Abhay Shah	161865	2.11
10	Mr. Manoj V. Mehta	81500	1.06
11	Mr. Krishnakant R. Shah	422098	5.50
12	Mr. Dipak K. Shah	381000	4.96
13	Mr. Shashikant G. Badani	165281	2.15
14	Mr. Dhaval J. Nanavati	99250	1.29
15	Ms. Rhea D. Shah	83662	1.09

- 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 31.03.2015, a total of 73,00,900 equity shares of the Company, forming 95.13% of the share capital of the Company, stand dematerialized (NSDL – 5162897 CDSL - 2138003).
- xi) Outstanding GDR/ADR/warrants - NIL
- xii) Plant location - Block No. 395, 437, 450, Umraya Village, Padra Taluka, Vadodara District, Gujarat - 391 440.

xiii) **Details of unclaimed dividend and due date for transfer are as follows as on March 31, 2015**

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
1.	2009-10	27/09/2010	112478.00	02/12/2017

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

Link Intime India Pvt. Ltd.
Unit: Organic Coatings Limited
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West),
Mumbai – 400 078.

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(VIII) (D) (I) 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 senior 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 Chief Financial Officer on the financial statements of the Company was placed before the Board.



4. Review of Directors' Responsibility statement

The Board in its report have confirmed that the annual accounts for the year ended 31st March, 2015 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

1) 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.

NIL

2) Any qualification in Auditors Report

3) Separate Posts of Chairman and CEO

4) Reporting of Internal Auditor

The company has already separate Posts. Internal Auditor reports to the Audit Committee.

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.

Place : Mumbai
Date : June 22, 2015

On behalf of the Board of Directors
R. K. Shah (Vice Chairman & Managing Director) (DIN 00011746)

Abhay R. Shah (Joint Managing Director) (DIN 00016497)



**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 31st March, 2015 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 ensuing 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 31st March, 2015 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's Registration No. 110352W

UDAY SOMAN
Proprietor
Membership No. 38870

Mumbai
June 22, 2015



ANNEXURE II TO THE DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Organic Coatings Limited
Unit No. 405, Atlanta Estate Premises Co-Op Soc Ltd.
Vith Bhatti, Near Virwani Industrial Estate,
Goregaon East, Mumbai -400 063

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Organic Coatings Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company during the audit period).
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

To the best of our understanding, we are of the view that during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. Industries (Development and Regulation) Act, 1951
2. The Factories Act, 1948
3. Water (Prevention and Control of Pollution) Act, 1974
4. Water (Prevention and Control of Pollution) Cess Act, 1977
5. Indian Boilers Act, 1923;
6. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
7. Information Technology Act, 2000; and
8. Standards of Weights and Measures Act, 1976.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Board of Directors that took place during the period under review were carried out in compliance with provision of the Act
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions are carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

We further report that

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange Ltd., Mumbai
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

We further report that:

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as Annexure and forms integral part of this report.

For D.Kothari And Associates
Company Secretaries

Dhanraj Kothari
Proprietor
FCS No. : 4930
CP No. : 4675

Place: Mumbai
Date: 22nd June, 2015



ANNEXURE

To,
The Members,
Organic Coatings Limited
Unit No. 405, Atlanta Estate Premises Co–Op Soc Ltd.
Vith Bhatti, Near Virwani Industrial Estate,
Goregaon East
Mumbai -63

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For D.Kothari And Associates
Company Secretaries

Dhanraj Kothari
Proprietor
FCS No. : 4930
CP No. : 4675
Place: Mumbai
Date: 22nd June, 2015



ANNEXURE III TO THE DIRECTORS REPORT

Particulars of energy conservation, technology absorption and foreign exchange earnings and outgo required under Companies (Accounts) Rules 2014

A. Conservation of energy

The company's operations do not involve substantial consumption of energy in comparison to the cost of production. Whatever possible, energy conservation measures have been implemented.

B. Technology absorption

The Company has neither purchased any technology domestically nor imported any technology hence the question of furnishing the information regarding technology absorption does not arise.

(i) The expenditure incurred on Research and Development Rs. 24,258/-.

C. Foreign Exchange earnings and Outgo

The company has earned Rs 120.16 Lacs in Foreign Exchange & used Rs. 365.21 Lacs of Foreign Exchange.

**ANNEXURE IV TO THE DIRECTORS REPORT****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2015[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN: : L24220MH1965PLC013187
- ii) Registration Date : 22nd APRIL 1965
- iii) Name of the Company : ORGANIC COATINGS LIMITED
- iv) Category / Sub-Category of the Company : COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
- v) Address of the Registered office and contact details : UNIT NO. 405, ATLANTA ESTATE, NR. VIRWANI INDL. ESTATE, GOREGAON (EAST), MUMBAI - 400 063. TEL.NO.: 91-22-29276921 / 29272114
- i) Whether listed company Yes / No : YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : LINK INTIME INDIA PVT. LTD. C-13, KANTILAL MAGANLAL ESTATE, PANNALAL SILK MILLS COMPOUND, BHANDUP (W), MUMBAI - 400 078. TEL: 91-22-25963838 FAX: 91-22-25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product service	% to total turnover of the company
1	PRINTING INK	3151100	100%
2			
3			
4			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1					
			NOT APPLICABLE		



ORGANIC COATINGS LIMITED

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IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2014)				No. of Shares held at the end of the year (as on 31/03/2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3322077	0	3322077	43.29	3411804	0	3411804	44.46	1.17
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	3322077	0	3322077	43.29	3411804	0	3411804	44.46	1.17
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other.....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter									
(A) = (A)(1) + (A)(2)	3322077	0	3322077	43.29	3411804	0	3411804	44.46	1.17
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	50000	0	50000	0.65	50000	0	50000	0.65	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital									
f) Insurance Companies									
g) FIs									
h) Foreign									
Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	50000	0	50000	0.65	50000	0	50000	0.65	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	357572	11300	368872	4.81	117074	11300	128374	1.67	-3.14
ii) Overseas		7000	7000	0.10	--	7000	7000	0.10	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1398310	248100	1646410	21.45	1321290	239900	1561190	20.34	- 1.11
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2076554	16400	2092954	27.27	2294449	16400	2310849	30.11	2.84



c) Others (specify)									
NRIs	61801	99000	160801	2.09	58452	99000	157452	2.05	- 0.04
Clearing Member	26386	--	26386	0.34	47831	--	47831	0.62	0.28
Independent Director	--	100	100	--	--	100	100		
Sub-total (B)(2):-	3920623	381900	4302523	56.06	3839096	373700	4212796	54.89	- 1.17
Total Public Shareholding									
(B) = (B)(1) + (B)(2)	3970623	381900	4352523	56.71	3889096	373700	4262796	55.54	- 1.17
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	7292700	381900	7674600	100	7300900	373700	7674600	100	--

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/14)			Shareholding at the end of the year (31/03/2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Rajanikant Kodarlal Shah Padmaja Rajanikant Shah	720350	9.39	0	720350	9.39	0	0
2	Rajanikant Kodarlal Shah Ajay Rajanikant Shah	84544	1.10	0	84544	1.10	0	0
3	Aparna Ajay Shah	413970	5.40	0	413970	5.40	0	0
4	Abhay Rajanikant Shah	208700	2.72	0	208700	2.72	0	0
5	Minal A. Shah							
6	Manoj Vasantlal Mehta	81500	1.06	0	81500	1.06	0	0
7	Dimple Manoj Mehta							
8	Abhay Rajanikant Shah Rajanikant Kodarlal Shah	41550	0.54	0	41550	0.54	0	0
9	Rajanikant Kodarlal Shah (HUF)	707483	9.22	0	797210	10.40	0	1.17
10	Padmaja Rajanikant Shah Rajanikant Kodarlal Shah	232600	3.03	0	232600	3.03	0	0
11	Aparna Ajay Shah Ajay Rajanikant Shah	191915	2.50	0	191915	2.50	0	0
12	Minal Abhay Shah Abhay R. Shah	161865	2.11	0	161865	2.11	0	0
13	Kanchanben V. Mehta Manoj Vasantlal Mehta	133750	1.74	0	133750	1.74	0	0
14	Kanchanben V. Mehta Manoj Vasantlal Mehta	104000	1.36	0	104000	1.36	0	0
15	Jagruiti Jawahar Mehta Jawahar Vasantlal Mehta	66000	0.86	0	66000	0.86	0	0
16	Kanchanben V. Mehta	60250	0.79	0	60250	0.79	0	0
17	Jawahar Vasantlal Mehta Jagruiti Jawahar Mehta	56000	0.73	0	56000	0.73	0	0
18	Dimple Manoj Mehta Manoj Vasantlal Mehta	49000	0.64	0	49000	0.64	0	0
19	Abhay Rajanikant Shah Minal Abhay Shah	8600	0.11	0	8600	0.11	0	0
		3322077	43.29	0	3411804	44.47	0	1.17



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	R. K. Shah (HUF)				
	At the beginning of the year	707483	9.22		
	Market Purchase on				
	09-06-14	10000	0.13	717483	9.35
	14-06-14	10000	0.13	727483	9.48
	17-06-14	10000	0.13	737483	9.61
	20-06-14	25000	0.33	762483	9.94
	07-07-14	34727	0.46	797210	10.40
	At the End of the year	797210	10.40		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/14)		Cumulative Shareholding during the year (31/03/15)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MEHUL K. SHAH	454002	5.92	454002	5.92
2	KRISHNAKANT R. SHAH	422098	5.5	422098	5.5
3	PREMJI & SONS TRADING INDIA P.LTD	245514	3.2	245514	3.2
4	SHASHIKANT G. BADANI	169935	2.21	169935	2.21
5	DIPAK K. SHAH	125000	1.63	125000	1.63
6	DHAVAL J. NANAVATI	100150	1.3	100150	1.3
7	HARSHA K. SHAH	76165	0.99	76165	0.99
8	JATIN R. SHAH	74019	0.96	74019	0.96
9	SEJAL M. SHAH	59927	0.78	59927	0.78
10	SHOBHNA KHANNA	50000	0.65	50000	0.65

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01/04/14)		Cumulative Shareholding during the year (31/03/15)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RAJNIKANT K. SHAH	804894	10.40	804894	10.40
2	ABHAY R. SHAH	258850	3.37	258850	3.37
3	AJAY R. SHAH	413970	5.40	413970	5.40
4	MANOJ V. MEHTA	81500	1.06	81500	1.06
5	SUDHIR SATHE	100	0.00	100	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits Rs.	Unsecured Loans	Deposits	Total Indebtedness Rs.
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,10,10,137	Nil	Nil	15,10,10,137
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	15,10,10,137	Nil	Nil	15,10,10,137
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	5,00,15,968	Nil	Nil	5,00,15,968
Net Change	5,00,15,968	Nil	Nil	5,00,15,968
Indebtedness at the end of the financial year				
i) Principal Amount	10,09,94,169	Nil	Nil	10,09,94,169
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	10,09,94,169	Nil	Nil	10,09,94,169

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr R K Shah	Mr Abhay Shah	Mr Ajay Shah	Mr Majoj Mehta
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,53,811	25,25,640	14,09,862	14,12,960	83,02,273
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission					
	- as % of profit	Nil	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil	Nil
5	Others, please	Nil	Nil	Nil	Nil	Nil
	Total (A)	29,53,811	25,25,640	14,09,862	14,12,960	83,02,273
	Ceiling as per the Act					

Note: Ceiling as per the Act - In terms of Section 196 & 197 read with Schedule V of the Companies Act, 2013, each of the above Managerial Personnel is entitled to remuneration not exceeding Rs. 42 Lacs p.a. plus Perquisites viz. Provident Fund, Gratuity, Leave Encashment and Leave Travel Concession.



B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors			Total	Total
		Mr Sudhir Sathe	Mr Vinay Jog	Ms Aswini Lad	Amount	Amount
				
	3. Independent Directors					
	* Fee for attending board committee meetings	3,60,000	3,60,000	3,40,000		10,60,000
	* Commission	Nil	Nil	Nil		
	* Others, please specify	Nil	Nil	Nil		
	Total (1)					
	4. Other Non-Executive Directors					
	* Fee for attending board committee meetings	Nil	Nil	Nil		
	* Commission	Nil	Nil	Nil		
	* Others, please specify	Nil	Nil	Nil		
	Total (2)	Nil	Nil	Nil		
	Total (B) = (1 + 2)	3,60,000	3,60,000	3,40,000	-	10,60,000
	Total Managerial Remuneration					93,62,273
	Overall Ceiling as per the Act	N. A.	N. A.	N. A.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER WTD

Sl.No.	Particular of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,34,786	3,77,952	14,12,738
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5	Others, please specify			
	Total	10,34,786	3,77,952	14,12,738

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



ANNEXURE V

INFORMATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- Ratio of the remuneration of each Director/KMP to the median remuneration of all the Employees of the company for the financial year.

Median remuneration of all the employees of the Company for the Financial Year 2014-15	Rs. 1,52,400
The percentage increase in the median remuneration of employees in the Financial Year	5.91%
The number of permanent employees on the rolls of Company as on 31 March, 2015	56

Name of Director	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2014-15
Non-Executive Directors		
Mr. Sudhir Sathe	236.22	-
Mr. Vinay Jog	236.22	-
Ms. Ashwini Lad (Note : 2)	223.09	-
Executive Directors		
Mr. R. K. Shah	1341.58	9.74
Mr. Abhay R. Shah	1247.10	9.14
Mr. Ajay R. Shah	764.78	8.19
Mr. Manoj V. Mehta	766.82	9.23
Key Managerial Personnel		
Mr. Parvej G. Mansuri	N A	6.08
Mr. Sudhir Shah	N A	8.62

Notes:

- The ratio of remuneration to median remuneration is based on remuneration paid during the period 1 April, 2014 to 31 March, 2015.
- Ms. Ashwini Lad was inducted on the Board with effect from 30th May 2014. Accordingly, the disclosure with respect to increase in her remuneration is not made.

2. Relationship between average increase in remuneration and company performance:

The average increase in remuneration during Financial Year 2014-15 was 5.64% as compared with previous financial year. Net revenues of the Company during the financial year of Rs.45.57 Crores were at par to that of the previous year at Rs. 41.77 Crores. The total employee cost for the Financial Year ended 31 March, 2015 was Rs. 2.45 Crores against Rs. 2.37 Crores for the Financial Year ended 31 March, 2014. The total employee cost as a percentage of net revenues was 5.38% (last year 5.67%). The performance of the Company was under pressure due to the challenges it faced during the year. These are explained in detail in the operations and performance section of this report.



Average increase in remuneration is guided by factors like inflation, normal salary revisions, external competitiveness and talent retention.

Whilst the Company has a strong focus on cost, employee cost being one of the key areas for cost monitoring and Control, the results of any structural initiatives needs to be measured over a long-term horizon and cannot be strictly Compared with annual performance indicators.

Besides employee costs, other significant internal and external factors impacting performance of the Company are explained in detail in the Management Discussion & Analysis Report.

3. Comparison of the remuneration of the KMP against the performance of the Company:

Aggregate remuneration of KMP in Financial Year 2014 – 15 (Rs.)	97,15,011
Revenue (Rs.)	45,57,18,181
Remuneration of KMPs (as % of revenue)	2.13%
Profit/(Loss) before Tax (PBT)(Rs)	(1,12,33,882)
Remuneration of KMPs (as % of PBT)	(86.48%)

4. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sr. No	Description	Rs. In Crores
1	Market Cap variation	
	Mcap at 31 March, 2015	7.30
	Mcap at 31 March, 2014	2.30
	Variation in Mcap in FY 2015 (%)	217%
2	Price-to-Earnings Ratio	
	PE as at 31 March, 2015 (Mkt Price/EPS)	(1.46)
	- PE as at 31 March, 2014 (Mkt Price/EPS)	0.55
	- Variation in PE in FY 2015 (%)	(0.91)
3	% Increase/Decrease from last Public Offer	
	FPO price per share (1995)	Rs.30
	Market price as at 31 March, 2015	Rs.10.13 Per share
	% decrease from last FPO	Rs.19.87 per share

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in salary of the Company's employees was 5.43%. The total managerial remuneration For the Financial Year 2014-15 was Rs. 97,15,011 as against Rs. 70,75,044 during the previous year.

The increase in managerial remuneration was due to reappointments of Vice Chairman & Managing Director, Joint Managing Director and two whole time Directors with effect from



1/10/2014 on the new terms and conditions approved by the shareholders at the last annual general meeting of the Company and other employees increments are based on the recommendation of respective heads of the Company.

6. Comparison of the each remuneration of the KMP against the performance of the Company:

	KEY MANAGERIAL PERSONNE					
Particulars	R.K.Shah (V.C &M.D)	Abhay Shah (Jt. MD)	Ajay Shah (W.D)	Manoj Mehta (W.D)	Parvej Mansuri (C.F.O)	Sudhir Shah (C.S)
Remuneration in FY 15 (Rs.)	29,53,811	25,25,640	14,09,862	14,12,960	10,34,786	3,77,952
Revenue (Rs.)	RS. 45,57,18,181					
Remuneration as % of Revenue	0.64	0.55	0.31	0.31	0.23	0.08
Profit/(Loss) Before Tax (PBT)	(1,12,33,882)					
Remuneration as % of PBT	26.29	22.48	12.55	12.58	9.21	3.36

7. The key parameters for any variable component of remuneration availed by the directors:

There is no variable component in the remuneration of Vice Chairman & Managing Director, Joint Managing Director and two whole time Directors and hence not applicable.

Remuneration to NEDs involve sitting fees for attending meetings of the Board/Committees based on the attendance and contribution towards governance practices and discharging fiduciary duties.

8. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable since no employee of the Company receives remuneration in excess of the highest paid director, i.e. Vice-Chairman and MD.

9. Remuneration is as per the remuneration policy of the Company.

It is hereby affirmed that the remuneration paid is as per the policy for remuneration of Directors, Key Personnel Manager and other employees.



INDEPENDENT AUDITOR'S REPORT

To,
The Members
ORGANIC COATINGS LIMITED
Mumbai

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ORGANIC COATINGS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its 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, 2015 ("The Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Soman Uday & Co.

Chartered Accountants

Firm Registration No: 110352W

Uday Soman

Proprietor

Membership No.38870

Vadodara Gujarat

May 16, 2015



ORGANIC COATINGS LIMITED

The Annexure referred to in Para 1 - Report on Other Legal and Regulatory Requirements of our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that:

- (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;
- (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 and the same have been properly dealt with in the books of accounts;
- (iii) There are no Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2015 to whom the Company has granted any loans;
- (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, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal controls;
- (v) The Company has not accepted deposits from the public within the meaning of the sections 73 to 76 of the Act and the rules framed there under;
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the products manufactured by the Company;
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of excise, Value added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2015 for a period 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;



- (c) There are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder;
- (viii) The Company's accumulated loss at the end of the financial year is more than fifty percent of net worth of the Company. The Company has not incurred cash losses during the financial year covered by our by our audit and in the immediately preceding financial year;
- (ix) 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;
- (x) 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;
- (xi) 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;
- (xii) 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.

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

Uday Soman
Proprietor
Membership No.38870

Vadodara Gujarat
May 16, 2015



BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No.	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	7,67,46,000	7,67,46,000
Reserves and surplus	4	(21,03,773)	90,29,252
		7,46,42,227	8,57,75,251
Non-current liabilities			
Long-term borrowings	5	5,38,95,464	6,98,39,595
Other long-term liabilities	6	14,93,746	6,67,092
Long-term provisions	7	33,68,305	58,43,101
Current liabilities			
Short-term borrowings	8	3,71,92,222	6,79,76,570
Trade payables	9	12,71,70,485	8,89,89,156
Other current liabilities	10	6,25,87,997	2,72,83,313
Short-term provisions	11	26,08,157	38,82,752
		22,95,58,861	18,81,31,791
ASSETS	TOTAL	36,29,58,603	35,02,56,830
Non-current assets			
Fixed assets			
(i) Tangible assets	12	15,02,88,062	16,05,45,733
(ii) Intangible assets		5,32,421	8,64,321
(iii) Capital work-in-progress		-	-
		15,08,20,483	16,14,10,054
Other non-current assets	13	90,68,510	82,45,987
Current assets			
Inventories	14	5,95,06,082	4,59,46,157
Trade receivables	15	11,76,59,049	11,21,28,956
Cash and cash equivalents	16	90,00,817	38,69,085
Short-term loans and advances	17	1,69,03,662	1,86,56,590
		20,30,69,610	18,06,00,788
	TOTAL	36,29,58,603	35,02,56,830
See accompanying notes forming part of the financial statements		1 to 37	

In terms of our report attached

For Soman Uday & Co.

Chartered Accountants

Firm Reg No: 110352W

Uday Soman

Proprietor

Membership No: 38870

Vadodara, Gujarat

May 16, 2015

For and on behalf of the Board of Directors

R K Shah

(Vice Chairman & Managing Director)

Ajay R Shah

(Executive Director)

Parvej G Mansuri

(Chief Financial Officer)

Vadodara, Gujarat

May 16, 2015

Abhay R Shah

(Joint Managing Director)

Manoj V Mehta

(Executive Director)

Sudhir R Shah

(Company Secretary)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
INCOME			
Revenue from operations (gross)	18	50,46,05,280	46,22,08,006
Less: Excise duty		4,88,87,099	4,45,09,161
Revenue from operations (net)		45,57,18,181	41,76,98,845
Other Income	19	1,37,45,378	12,03,72,800
Total Revenue (A)		46,94,63,559	53,80,71,645
EXPENSES			
Cost of materials consumed	20	36,72,50,296	30,73,82,437
Changes in inventories of finished goods	21	(13,02,192)	1,12,94,514
Changes in inventories of work-in-progress	22	(22,04,285)	20,05,873
Employee benefits expense	23	2,44,80,946	2,36,74,498
Finance costs	24	1,94,20,525	2,56,46,308
Depreciation and amortisation expense	25	1,40,76,750	1,62,57,272
Other expenses	26	5,91,86,636	8,93,56,214
Total Expenses (B)		48,09,08,676	47,56,17,116
Profit / (Loss) before exceptional and extraordinary items and tax		(1,14,45,118)	6,24,54,529
Less (Add): Exceptional items	27	-	2,07,61,631
Profit / (Loss) after exceptional and extraordinary items and before tax		(1,14,45,118)	4,16,92,898
Add/(Less): Excess depreciation of earlier years written back (Refer Note No 12.1)		(2,11,234)	2,42,667
Profit / (Loss) before tax		(1,12,33,882)	4,19,35,565
Tax Expense:			
Less: Current tax expense		-	2,25,000
Less: Tax expense relating to prior years		6,281	6,348
Add: MAT Credit for the year		-	(2,24,164)
Profit / (Loss) for the Year		(1,12,40,163)	4,19,28,381
Earnings per share of ₹10 each			
Basic	28	(1.46)	5.46
Diluted		(1.46)	5.46

See accompanying notes forming part of the financial statements 1 to 37

In terms of our report attached

For Soman Uday & Co.

Chartered Accountants

Firm Reg No: 110352W

Uday Soman

Proprietor

Membership No: 38870

Vadodara, Gujarat

May 16, 2015

For and on behalf of the Board of Directors

R K Shah

(Vice Chairman & Managing Director)

Ajay R Shah

(Executive Director)

Parvej G Mansuri

(Chief Financial Officer)

Vadodara, Gujarat

May 16, 2015

Abhay R Shah

(Joint Managing Director)

Manoj V Mehta

(Executive Director)

Sudhir R Shah

(Company Secretary)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(1,12,33,882)	4,19,35,565
Adjustments for:		
Depreciation and amortisation (Net of Depreciation Withdrawn)	1,38,65,516	1,62,81,047
(Profit) / loss on sale / write off of assets	-	(11,93,97,576)
Finance costs	1,94,20,525	2,56,46,308
Interest income	(3,28,407)	(2,98,839)
Sundry balances written back	(11,27,804)	-
Bad Debts	-	91,69,856
Operating profit / (loss) before working capital changes	2,05,95,948	(2,66,63,639)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,35,59,925)	2,19,45,985
Trade receivables	(55,30,093)	1,41,78,354
Short-term loans and advances	17,52,928	26,80,883
Non Current Assets	(8,22,523)	(82,45,987)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,93,09,132	(2,44,46,102)
Other current liabilities	3,52,98,403	(47,58,357)
Short-term provisions	(12,74,595)	(67,14,831)
Other long-term liabilities	8,26,654	6,67,092
Long Term Provisions	(24,74,796)	58,43,101
Cash Generation from Operation	7,41,21,133	(2,55,13,501)
Net cash flow from / (used in) operating activities (A)	7,41,21,133	(2,55,13,501)
B. Cash Flow From Investing Activities		
Capital expenditure on fixed assets, including capital advances	(31,68,804)	(1,41,36,048)
Proceeds from sale of fixed assets	-	15,46,58,416
Interest Income	3,28,407	2,98,839
Net cash flow from / (used in) investing activities (B)	(28,40,397)	14,08,21,207
C. Cash flow from financing activities		
Repayment of long-term borrowings	(1,59,44,131)	5,66,17,179
Net increase / (decrease) in working capital borrowings	(3,07,84,348)	(14,67,01,694)
Finance cost	(1,94,20,525)	(2,56,46,308)
Net cash flow from / (used in) financing activities (C)	(6,61,49,004)	(11,57,30,823)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	51,31,732	(4,23,117)
Cash and cash equivalents at the Beginning of the year	38,69,085	42,92,203
Cash and cash equivalent at the end of the year *	90,00,817	38,69,085
	(51,31,732)	4,23,118
* Comprises:		
(a) Cash on hand	2,08,794	14,922
(b) Balances with banks		
(i) In current accounts	47,69,037	8,60,485
(ii) In deposit accounts with Banks	40,22,986	29,93,678
	90,00,817	38,69,085

In terms of our report attached
For Soman Uday & Co.

Chartered Accountants
Firm Reg No: 110352W
Uday Soman
Proprietor
Membership No: 38870

Vadodara, Gujarat
May 16, 2015

For and on behalf of the Board of Directors

R K Shah
(Vice Chairman & Managing Director)
Ajay R Shah
(Executive Director)
Parvej G Mansuri
(Chief Financial Officer)
Vadodara, Gujarat
May 16, 2015

Abhay R Shah
(Joint Managing Director)
Manoj V Mehta
(Executive Director)
Sudhir R Shah
(Company Secretary)

**ORGANIC COATINGS LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****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 and trading 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**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and other provisions of the Act (to the extent applicable).

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

Upto the year ended 31st March, 2014, Schedule XIV of the Companies Act 1956 was followed for depreciation on Fixed Assets. From the Current Year, Schedule XIV has been replaced by Schedule II to the Companies Act 2013. Accordingly the depreciation has been charged under straight-line method on the balance estimated useful life of the Asset as specified in Schedule II of the Companies Act 2013. The Written Down Value of Fixed Assets whose lives have expired as of 1st April 2014 have been adjusted in the General Reserve amounting to ₹1,07,140.

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 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 on translation is recognised in the statement of profit and loss 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 resources. Contingent liabilities and commitments are not recognised but are disclosed in the notes. Contingents assets are neither recognised nor disclosed in the financial statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

3. SHARE CAPITAL

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
(a) Authorised		
1,00,00,000 (1,00,00,000) Equity shares of ₹ 10 each	10,00,00,000	10,00,00,000
(b) Issued		
77,00,000 (77,00,000) Equity shares of ₹ 10 each	7,70,00,000	7,70,00,000
(c) Subscribed and fully paid up		
76,74,600 (76,74,600) Equity shares of ₹ 10 each	7,67,46,000	7,67,46,000
TOTAL	7,67,46,000	7,67,46,000

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

	(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 Rs 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	No of Shares % of holding	No of Shares % of holding
Mr Rajnikant K Shah [Include 7,97,210 (10.39%) Shares of Rajnikant K Shah (HUF) (Previous Year 7,07,483 (9.22%)]	16,02,104 20.88%	15,12,377 19.71%
Ajay R Shah	4,13,970 5.39%	4,13,970 5.39%
Mehul K Shah	4,54,002 5.92%	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 31st MARCH, 2015

4. RESERVE AND SURPLUS

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
(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
Less: Utilised for Set off against depreciation	-	23,775
Less: written back during the year	-	10,16,635
	-	-
(d) General reserve		
As per last Balance Sheet	51,75,000	51,75,000
Add: Transferred from Accumulated Depreciation of the Assets	1,07,140	-
	52,82,140	51,75,000
(e) Surplus / (Deficit) in Statement of Profit and Loss		
As per last Balance Sheet	(7,41,10,460)	(11,60,38,841)
Add/(Less): Profit/(Loss) for the year	(1,12,40,163)	4,19,28,381
	(8,53,50,623)	(7,41,10,460)
TOTAL	(21,03,773)	90,29,251

5. LONG TERM BORROWINGS

Term Loans from Banks

Secured

Plant and Equipment

Vehicles

Plant and Equipment	5,36,19,819	6,91,08,905
Vehicles	2,75,645	7,30,690
TOTAL	5,38,95,464	6,98,39,595

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

0-1 Year	1,62,00,000	1,62,31,590
1-2 Years	2,04,00,000	1,59,00,000
2-3 Years	2,40,00,000	2,00,00,000
Above 3 Years	92,19,819	3,32,08,905
	5,36,19,819	6,91,08,905
TOTAL	6,98,19,819	8,53,40,495



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

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

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
0-1 Year	5,14,733	5,14,733
1-2 Years	1,83,465	4,89,921
2-3 Years	92,180	2,40,769
Above 3 Years	-	-

	<u>2,75,645</u>	<u>7,30,690</u>
TOTAL	7,90,378	12,45,423

6. OTHER LONG TERM LIABILITIES

Trade payables	14,93,746	6,67,092
TOTAL	14,93,746	6,67,092

7. LONG TERM PROVISIONS

Provision for leave encashment	12,37,354	26,71,103
Provision for gratuity	21,30,951	31,71,998
TOTAL	33,68,305	58,43,101

8. SHORT TERM BORROWINGS

From Banks

Secured

Working capital loans - repayable on demand	3,11,74,350	6,56,69,642
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Loans and advances from related parties

Unsecured

From directors	60,17,872	23,06,928
TOTAL	3,71,92,222	6,79,76,570

8.1 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.

9. TRADE PAYABLES

Micro, Small and Medium Enterprises	-	-
Others	12,71,70,485	8,89,89,156
TOTAL	12,71,70,485	8,89,89,156

9.1 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 31st MARCH, 2015

10. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Current Maturities of Long Term Debt (Refer Note No : 5.3)	1,62,00,000	1,62,31,590
Current Maturities Vehicle Loans	5,14,733	5,14,733
Unpaid Dividends #	1,12,478	1,12,478
Others Payables Statutory remittances	13,96,446	31,86,697
Security Deposit Received	4,07,99,751	6,92,551
Advances from customers	18,978	1,58,026
Expenses payable	34,46,961	56,64,178
Creditors for Capital Expenditure	98,650	7,23,060
TOTAL	6,25,87,997	2,72,83,313

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

11. SHORT TERM PROVISIONS

Provision for employee benefits		
Provision for leave encashment	3,15,713	15,63,421
Provision others		
Excise duty on closing stock of finished goods	22,92,444	23,19,331
TOTAL	26,08,157	38,82,752



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

12. FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at 1st April, 2014 ₹	Addition during the year ₹	Adjustment/ Deduction during the year ₹	As at 1st April, 2014 ₹	For the year ₹	Adjustment/(Deduction) during the year ₹	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Tangible Assets								
Free Hold Land	79,57,772	-	-	-	-	-	79,57,772	79,57,772
Building	10,92,105	9,49,526	-	23,66,107	10,53,538	-	2,86,21,986	2,87,25,998
Plant & Equipment	20,27,06,700	20,16,757	-	8,61,76,871	1,11,02,293	(5,85,896)	10,80,30,189	11,65,29,829
Furniture & Fixtures	1,50,867	-	-	1,164	14,392	-	1,35,311	1,49,703
Vehicles	1,06,85,866	-	-	40,75,846	15,38,736	(3,070)	50,74,354	66,10,020
Office Equipment	3,72,771	1,12,771	-	88,035	99,024	72,754	2,25,729	2,84,736
Computers	27,67,326	89,750	-	24,79,651	1,52,865	(18,161)	2,42,721	2,87,675
Total (A)	25,57,33,407	31,68,804	-	9,51,87,674	1,39,60,848	(5,34,373)	15,02,88,062	16,05,45,730
Intangible Assets								
Computer Software	7,00,000	-	-	85,491	1,15,902	-	4,98,607	6,14,509
Patents	6,76,260	-	-	4,26,448	-	2,15,998	33,814	2,49,812
Total (B)	13,76,260	-	-	5,11,939	1,15,902	2,15,998	5,32,421	8,64,321
Total (A+B)	25,71,09,667	31,68,804	-	9,56,99,613	1,40,76,750	(3,18,375)	15,08,20,483	16,14,10,054
Capital Work in Progress								
Previous Year	33,48,89,343	1,51,95,060	9,29,74,736	25,71,09,667	13,73,75,128	1,62,81,047	9,56,99,613	16,14,10,054
Note 12.1: The adjustment/deduction during the year includes excess depreciation written back ₹ 2,11,234 and ₹ 1,07,140/-due to impact of provisions of Schedule II of the companies, Act 2013. (previous year ₹ 2,42,667/- and ₹ Nil)								
Note 12.2: The depreciation/amortisation has been computed as per Schedule II of the Companies Act, 2013 which has become effective from 1st April 2014. As a result the charge of Depreciation on the basis of remaining useful life of the fixed assets for the year is lower by ₹ 24,68,380 as compared to chargeable under the Companies Act, 1956.								

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015****13. OTHER NON CURRENT ASSETS**

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Long term trade receivables Unsecured, considered good	90,68,510	82,45,987
TOTAL	90,68,510	82,45,987

14. INVENTORIES**(At Lower of cost and net realisable value)**

Raw materials	2,79,54,430	1,81,90,692
Work-in-progress	51,26,573	29,22,288
Finished goods	2,26,32,252	2,13,30,060
Consumables stores	13,38,876	2,15,440
Packing materials	24,53,951	32,87,677
TOTAL	5,95,06,082	4,59,46,157

15. TRADE RECEIVABLES

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

Unsecured, considered good	43,45,516	32,48,260
Other trade receivables Unsecured, considered good	11,33,13,533	10,88,80,696
TOTAL	11,76,59,049	11,21,28,956

16. CASH AND CASH EQUIVALENTS

Cash on Hand	2,08,794	14,922
Balance With Banks In Current accounts	46,56,559	7,48,007
In Deposit accounts #	40,22,986	29,93,678
In Unpaid dividend accounts	1,12,478	1,12,478
TOTAL	90,00,817	38,69,085

Fixed Deposits with Banks include deposits of ₹ 4,71,148/- (Previous Year of ₹ 28,93,678/-) with maturity of more than 12 months.

17. SHORT TERM LOANS AND ADVANCES**Unsecured, considered good**

Security deposits	9,49,525	15,68,895
Loans to employees	1,32,000	2,47,500
Prepaid Expenses	12,74,683	3,44,292
Balance with Government Authorities - Balance With Excise Authority	21,31,501	18,30,081
- VAT credit receivable	86,77,708	1,01,02,149
- Service Tax Credit Receivable	1,12,340	7,61,830
Advance Income Tax (net of provision ₹ Nil previous year ₹ 2,25,000)	23,92,545	23,63,197
Advance for capital expenditure	2,11,111	2,11,111
Advances to suppliers	5,23,471	10,37,682
Interest accrued on bank deposits	4,98,778	1,89,853
TOTAL	1,69,03,662	1,86,56,590



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

18. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
Sale of products	50,46,05,280	46,22,08,006
Less: Excise duty	4,88,87,099	4,45,09,161
TOTAL	45,57,18,181	41,76,98,845

18.1 PARTICULARS OF SALE OF PRODUCTS

Manufactured goods

Printing Ink	41,18,46,609	37,46,80,473
Coatings	2,25,35,761	2,26,98,077
Auxiliaries	2,13,35,811	2,03,20,295
TOTAL	45,57,18,181	41,76,98,845

19. OTHER INCOME

Interest income

Interest on bank deposits	3,28,407	2,98,839
Interest on income tax/sales tax refund	7,33,047	-
Insurance Claim Received	17,67,220	-
Bad Debts Recovered	41,59,455	-
Other Income	15,83,279	-
Electricity Duty Subsidy	35,11,496	-
Net Profit on foreign currency transactions and translation (Net)	5,34,670	-

Other non operation income

Profit on sale of the assets (net)	-	12,00,51,250
Sundry balances written back	11,27,804	22,711
TOTAL	1,37,45,378	12,03,72,800

19.1 The company has realized profit/(loss) ₹ Nil (previous year ₹ 12,00,51,250) 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.

20. COST OF MATERIALS CONSUMED

Raw material consumed

Opening stock	1,81,90,692	2,64,89,547
Add : Purchases	34,99,71,857	27,42,48,328
	36,81,62,549	30,07,37,875
Less : Closing stock	2,79,54,430	1,81,90,692
Cost of raw material consumed	34,02,08,119	28,25,47,183

Packing material consumed

Opening stock	29,86,822	24,84,831
Add : Purchases	2,65,09,305	2,53,37,245
	2,94,96,127	2,78,22,076
Less : Closing Stock	24,53,950	29,86,822
Cost of packing material consumed	2,70,42,177	2,48,35,254
TOTAL	36,72,50,296	30,73,82,437



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

20.1 PARTICULARS OF RAW MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
Chemicals	3,12,39,616	3,13,16,254
Pigment	8,44,50,185	6,68,80,264
Resins	9,40,15,552	7,73,56,811
Oil and miscellaneous	13,05,02,766	10,69,93,854
TOTAL	34,02,08,119	28,25,47,183

20.2 PARTICULARS OF IMPORTS AND INDIGINIOUS CONSUMPTION AND PERCENTAGE OF CONSUMPTION

Raw material consumed Imported	3,79,06,653	3,00,13,114
Indigenous	30,23,01,446	25,25,34,069
TOTAL	34,02,08,119	28,25,47,183
Percentage raw material consumed		
Imported	11.14%	10.62%
Indigenous	88.86%	89.38%
TOTAL	100.00%	100.00%

21. CHANGES IN INVENTORIES OF FINISHED GOODS

Inventories at the end of the year		
Finished Goods	2,26,32,252	2,13,30,060
Inventories at the beginning of the year		
Finished goods	2,13,30,060	3,26,24,574
TOTAL	(13,02,192)	1,12,94,514

22. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Inventories at the end of the year		
Work-in-Progress	51,26,573	29,22,288
Inventories at the beginning of the year		
Work-in-Progress	29,22,288	49,28,161
TOTAL	(22,04,285)	20,05,873

23. EMPLOYEES BENEFIT EXPENSE

Salary	2,21,53,951	2,13,98,333
Contribution to provident and other funds	18,59,780	15,77,343
Staff welfare expenses	4,67,215	6,98,822
TOTAL	2,44,80,946	2,36,74,498

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015****Defined Contribution Plan**

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

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
Employer's contribution to provident fund	13,23,298	9,75,216
TOTAL	13,23,298	9,75,216

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

Defined benefit obligation at the beginning of the Year	29,41,735	77,43,290
Current service cost	1,16,761	1,71,086
Interest cost	2,56,009	4,39,665
Actuarial losses/(gain)	1,02,461	(28,433)
Past service cost	-	-
Benefit paid	(6,83,426)	(53,83,873)
Defined Benefit obligation at the end of the year	27,33,540	29,41,735
Fair value of the plan assets at the beginning of the year	7,69,737	59,63,177
Expected return of the plan assets	75,687	3,00,786
Actuarial gain /(losses)	54,577	(1,92,866)
Employer contribution	13,86,014	82,513
Benefit paid	(6,83,426)	(53,83,873)
Fair value of the plan assets at the end of the Year	16,02,589	7,69,737
Actual return on plan assets	1,30,264	1,07,920

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

Fair value of the plan assets	16,02,589	7,69,737
Present value of the obligation	27,33,540	29,41,735
Amount recognised in the balance sheet	11,30,951	21,71,998

(III) Expenses Recognised During the year

Current service cost	1,16,761	1,71,086
Interest cost	2,56,009	4,39,665
Expected return of the plan assets	(75,687)	(3,00,786)
Net actuarial losses/(gain)	47,884	1,64,433
Past service cost	-	-
TOTAL	3,44,967	4,74,398

(IV) Investment Details

Insured managed funds	100	100
TOTAL	100	100

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015****(IV) Actuarial Assumptions of Gratuity**

Mortality tables (LIC)	2006-08	2006-08
Discount rate (per annum)	7.95%	9.15%
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 bases on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
24. FINANCE COSTS		
Interest expense on Borrowings	1,90,27,123	2,39,35,583
Other borrowing costs	3,93,402	17,10,725
TOTAL	1,94,20,525	2,56,46,308
25. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation	1,40,76,750	1,62,81,047
Less: Transferred from revaluation reserve- (Refer Note No 12.1)	23,775	
TOTAL	1,40,76,750	1,62,57,272
26. OTHER EXPENSES		
Manufacturing Expenses		
Consumable stores	9,64,581	13,31,521
Power and fuel	1,41,04,947	1,47,50,535
Factory expenses	4,12,966	4,56,531
Wages and labour charges	1,04,14,497	1,34,41,696
Repairs to machinery	22,82,749	30,17,746
	2,81,79,740	3,29,98,029
Establishment Expenses		
Rent	29,59,018	31,70,887
Repairs to building	96,451	1,48,099
Insurance	8,16,146	9,16,253
Rates and taxes	88,018	46,420
Communication expenses	11,99,925	13,87,006
Travelling and conveyance	25,13,410	29,40,349
Printing and stationary	3,80,264	8,30,442
Legal and professional charges	27,49,842	43,89,524
Payment to auditors (refer note no. 26.2)	3,32,820	3,01,500
Net loss on foreign currency transactions and translation (net)	-	5,67,597
Prior period items (refer note no. 26.3)	-	10,723
Motor car expenses	32,32,896	41,15,812
Miscellaneous Expenses	55,55,279	73,24,233
	1,99,24,069	2,61,48,845



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
Selling and Distribution Expenses		
Increase/(decrease) of excise duty on inventory	(26,887)	(9,34,915)
Freight and forwarding	60,66,304	1,51,53,232
Sales commission	43,00,709	60,98,442
Sales discount	5,98,909	5,87,191
Business promotion	1,43,792	1,35,534
Bad debts	-	91,69,856
	1,10,82,827	3,02,09,340
TOTAL	5,91,86,636	8,93,56,214
26.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		
Raw materials	3,35,61,555	2,12,40,144
Packing materials	-	16,10,240
Components and spare parts	28,12,943	93,397
Capital goods	16,590	4,25,455
26.2 PAYMENT TO AUDITORS (Excluding service tax)		
Statutory audit fees	1,95,000	1,95,000
Tax audit fees	25,000	25,000
VAT audit fees	25,000	25,000
Certification charges	52,820	21,500
Income tax matters	35,000	35,000
TOTAL	3,32,820	3,01,500
26.3 PRIOR PERIOD EXPENSES (NET)		
Freight and forwarding	-	10,723
TOTAL	-	10,723
27. EXCEPTIONAL ITEMS		
Voluntary retirement expenses*	-	1,28,73,314
Factory shifting expenses*	-	78,88,317
TOTAL	-	2,07,61,631

*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 31st MARCH, 2015

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
28. EARNINGS PER SHARE		
(I) Basic Earnings Per Share		
Net Profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	(1,12,40,163)	4,19,28,381
Weighted average numbers of equity shares used as denominator for calculating EPS	76,74,600	76,74,600
Basic earnings per share	(1.46)	5.46
Face value per equity shares	10	10
(II) Diluted Earnings Per Share		
Net Profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	(1,12,40,163)	4,19,28,381
Weighted average numbers of equity shares used as denominator for calculating EPS	76,74,600	76,74,600
Basic and diluted earnings per share	(1.46)	5.46
Face value per equity shares	10	10
29. EXPENDITURE IN FOREIGN CURRENCY		
Travelling expenses	1,30,134	1,78,895
Purchases of raw material	3,64,36,771	2,40,48,352
30. EARNINGS IN FOREIGN EXCHANGE		
FOB value of the exports	1,20,16,490	1,19,55,852
31. 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		
Name of the Related Parties	Relationship	
Organic Sales and Services Private Limited	Associate Company	
Mr Rajnikant K Shah	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	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
(II) Transactions during the year with related parties		
Nature of the transaction		
(a) Sales		
Organic sales and services pvt limited	Nil	Nil
(b) Payment to key management personnel		
(Excluding Reimbursement)		
Mr Rajnikant K Shah	29,53,811	18,63,016
Mr. Abhay R Shah	25,25,640	17,41,420
Mr. Ajay R Shah	14,09,862	10,77,353
Mr. Manoj V Mehta	14,12,960	10,69,853
(c) Interest to Unsecured Loans		
Mr Rajnikant K Shah	4,07,895	1,37,385
Mr. Abhay R Shah	78,219	-
Mr. Ajay R Shah	76,704	-
Mr. Manoj V Mehta	30,024	-
	<u>5,92,842</u>	<u>1,37,385</u>
(d) Rent		
Mr. R K Shah (HUF)	-	53,240

Particulars	As At 31st March, 2015 ₹	As At 31st March, 2014 ₹
(III) Balances outstanding		
Unsecured Loans	60,17,872	23,06,928
Remuneration to Key Management Personal Payable	2,90,645	2,19,587

32. 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.

33. DEFERRED TAX LIABILITIES / ASSETS (NET)**Deferred tax liability**

Related to Depreciation difference of fixed assets	2,11,30,157	2,08,51,952
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Deferred tax asset

Disallowances and Unabsorbed Business Loss and Depreciation under the Income Tax 1961	(4,56,62,002)	(5,55,27,342)
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Deferred tax asset (net)

	<u>(2,45,31,846)</u>	<u>(3,46,75,390)</u>
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**

- 33.1.** 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 2015. 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.
- 34.** In the opinion of the management, current and non current assets are recoverable in normal course of the Business.
- 35.** The provisions of the section 135 in respect of corporate social responsibility is not applicable to the company as company is not falling under any criteria of the said provisions.

36. CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As At 31st March, 2015 ₹	As At 31st March, 2014 ₹
(I) Contingent Liabilities		
- Bank Guarantee	2,13,96,500	38,96,500
(II) Commitments		
(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

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

In terms of our report attached
For Soman Uday & Co.

Chartered Accountants

Firm Reg No: 110352W

Uday Soman

Proprietor

Membership No: 38870

Vadodara, Gujarat

May 16,2015

For and on behalf of the Board of Directors

R K Shah

(Vice Chairman & Managing Director)

Ajay R Shah

(Executive Director)

Parvej G Mansuri

(Chief Financial Officer)

Vadodara, Gujarat

May 16,2015

Abhay R Shah

(Joint Managing Director)

Manoj V Mehta

(Executive Director)

Sudhir R Shah

(Company Secretary)



ORGANIC COATINGS LIMITED

2014-2015
50th ANNUAL REPORT

Registered Office:

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

Email: organiccoatingsltd@organiccoatingsltd.com

Website: www.organiccoatingsltd.com

Phone: 022-29276921/29272114

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 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 50th Annual General Meeting of the company to be held on Tuesday, the 15th September, 2015 at 4.00 p.m. at Hotel Parle International, Near Parle Railway 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
Ordinary Business			
1	Adoption of audited Financial Statements for the financial year ended March 31, 2015 and reports of the Board of Directors and the Auditors thereon		
2.	Re-appointment of Mr. Ajay Shah who retires by rotation		
3.	Appointment of Soman Uday & Co., Chartered Accountants, as Auditors and fixing their remuneration for the year 2015-16		
Special Business			
4	Appointment of Mr. Sudhir Sathe as an Independent Director.		

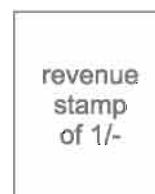
* This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" columns blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes 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 _____ 2015.

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.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.



ORGANIC COATINGS LIMITED

2014-2015
50th ANNUAL REPORT

ATTENDANCE SLIP

ORGANIC COATINGS LIMITED
CIN : L24220MH1965PLC013187

Registered Office:

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id* _____ Master Folio No. _____

Client ID* _____

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held:

I hereby record my presence at the 50th ANNUAL GENERAL MEETING of the Company held at Hotel Parle International, Near Vile Parle Station, Vile Parle (East), Mumbai – 400 057 on Tuesday, the 15th September, 2015 at 4.00 p.m.

Signature of the shareholder or proxy

* Applicable for investors holding shares in electronic form



ORGANIC COATINGS LIMITED

MANUFACTURERS OF : PRINTING INKS & ALLIED PRODUCTS

CIN No. L24220MH1965PLC013187

REGISTERED OFFICE: UNIT No. 405, ATLANTA ESTATE PREMISES CO-OP. SOC. LTD., NEAR VIRWANI INDL. ESTATE, VITTH BHATTI, GOREGAON (EAST), MUMBAI - 400 063. TEL.: 022-29276921 / 29272114

FACTORY: Block No. : 395, 437, 450, Umraya Village, Taluka Padra, Dist. Vadodara, Gujarat - 391 440 (INDIA)
E-mail: organiccoatingsltd@organiccoatingsltd.com, Web Site : www.organiccoatingsltd.com