



Organic Coatings Ltd.

54th ANNUAL REPORT
2018-19





Corporate Information

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54th Annual General Meeting will be held on Friday, the 27th September, 2019 at 3.00 p.m. at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.

REGISTERED OFFICE

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

EMAIL FOR INVESTORS' GRIEVANCES :

organiccoatingsltd@organiccoatingsltd.com

FACTORY

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

BANKERS

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

LEGAL ADVISORS

R.V.J. Associates
Advocates & Solicitors

STATUTORY AUDITOR

Praneti Yadav & Co.
Chartered Accountants

REGISTRAR & TRANSFER AGENT

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

BOARD OF DIRECTORS

MR. SUDHIR A. SATHE

Chairman (Independent Director)

MR. R. K. SHAH

Vice Chairman & Managing Director

MR. CHANDRAKUMAR Z. SHAH

Independent Director (appointed w.e.f.26/03/19)

MS. ASHWINI LAD (CA)

Independent Director

MR. ABHAY R. SHAH

Joint Managing Director

MR. AJAY R. SHAH

Whole Time Director

MR. VINAY S. JOG

Independent Director (resigned w.e.f. 08/02/19)

MR. MANOJ V. MEHTA

Whole Time Director (resigned w.e.f. 08/02/19)

AUDIT COMMITTEE

MS. ASHWINI LAD (CHAIRPERSON)

MR. SUDHIR A. SATHE

MR. CHANDRAKUMAR Z. SHAH

(APPOINTED w.e.f. 26/03/2019)

MR. VINAY S. JOG

(CHAIRMAN UPTO 08/02/2019)

STAKEHOLDERS RELATIONSHIP COMMITTEE

MR. SUDHIR A. SATHE (CHAIRMAN)

MS. ASHWINI LAD

MR. ABHAY R. SHAH

MR. CHANDRAKUMAR Z. SHAH

(APPOINTED w.e.f. 26/03/2019)

MR. VINAY S. JOG (UPTO 08/02/2019)

MR. MANOJ V. MEHTA (RESIGNED W.E.F 08/02/2019)

NOMINATION & REMUNERATION COMMITTEE

MR. CHANDRAKUMAR Z. SHAH

(CHAIRMAN - APPOINTED w.e.f. 26/03/2019)

MS. ASHWINI LAD

MR. SUDHIR A. SATHE

MR. VINAY S. JOG (CHAIRMAN UPTO 08/02/2019)

MR. SUDHIR R. SHAH

COMPANY SECRETARY & COMPLIANCE OFFICER

MR. SHIVSHYAM MAURYA CFO (w.e.f. 01/08/2019)

MR. PARVEJ G. MANSURI

CFO (Resign w.e.f. 15/07/2019)

Notice

Notice is hereby given that the 54th Annual General Meeting of Organic Coatings Limited will be held on Friday, the 27th September, 2019 at 3.00 p.m. at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400058 to transact the following businesses:

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors' thereon and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors' thereon laid before this meeting, be and are hereby considered and adapted".

2. To appoint Mr. Abhay R. Shah (DIN 00016497) who retires by rotation as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Abhay R. Shah (DIN 00016497) who retires by rotation at this meeting be and is hereby appointed as a Director of the company, liable to retire by rotation".

Special Business:

3. To re-appoint Mr. Rajnikant Kodarlal Shah (DIN 00011746) as Vice Chairman & Managing Director and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Rajnikant Kodarlal Shah (DIN 00011746) as a Vice Chairman & Managing Director of the Company for a period of 1 year from 1st October, 2019 to 30th September, 2020 for a remuneration and perquisites up to an amount of Rs. 3,50,000/- p.m. as set out in the explanatory statement and as per the terms and conditions including remuneration laid down in the draft agreement, placed before this meeting, initialed by the Chairman, to be entered into between the company and Mr. Rajnikant K. Shah, a draft whereof is hereby specifically sanctioned, with liberty, power to Board of Directors (hereinafter refer to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Rajnikant K. Shah within the overall limits laid down in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof".

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

4. To re-appoint Mr. Abhay R. Shah (DIN 00016497) as Joint Managing Director and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time

Notice

being in force), the approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Abhay R. Shah (DIN 00016497) as a Joint Managing Director of the Company for a period of 5 years from 1st October, 2019 to 30th September, 2024 for a remuneration and perquisites up to an amount of Rs. 3,50,000/- p.m. as set out in the explanatory statement and as per the terms and conditions including remuneration laid down in the draft agreement, placed before this meeting, initialed by the Chairman, to be entered into between the company and Mr. Abhay R. Shah, the draft whereof is hereby specifically sanctioned with liberty, power to Board of Directors (hereinafter refer to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Abhay R. Shah within the overall limits laid down in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof”.

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

5. To re-appoint Mr. Ajay R. Shah (DIN 00011763) as Whole Time Director and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. Ajay R. Shah (DIN 00011763) as a Whole Time Director of the Company for a period of 5 years from 1st October, 2019 to 30th September, 2024 for a remuneration and perquisites up to an amount of Rs. 3,50,000/- p.m. as set out in the explanatory statement and as per the terms and conditions including remuneration laid down in the draft agreement, placed before this meeting, initialed by the Chairman, to be entered into between the company and Mr. Ajay R. Shah, the draft whereof is hereby specifically sanctioned with liberty, power to Board of Directors (hereinafter refer to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to vary, modify, alter the terms including the remuneration as may be agreed by the Board and Mr. Ajay R. Shah within the overall limits laid down in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof”.

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

6. To re-appoint Ms. Ashwini Lad (DIN 06885346) as an Independent Director for second term and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Ashwini Lad (DIN 06885346) who was appointed as an Independent Director of the Company for a period of 5 years at the Annual General Meeting held on 30th September, 2014 and whose term expires at this Annual General Meeting and who is eligible for being re-appointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director be re-appointed as an Independent Director of the Company not liable to retire by rotation, to hold the office for the second term commencing from 28th September, 2019 to 27th September, 2024”.

Notice

7. To appoint Mr. Chandrakumar Z. Shah (DIN 03596808) as Non-Executive Independent Director and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Chandrakumar Z. Shah (DIN 03596808) who was appointed as an Additional Director of the Company by the Board of Directors on 26th March, 2019, who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of 5 consecutive years commencing from 28th September, 2019 to 27th September, 2024”.

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

Place: Mumbai
Date : August 12, 2019

Registered Office :

Unit No. 405, Atlanta Estate Premises Co-op. Soc. Ltd.,
Vitth Bhatti, Goregaon (East),
Mumbai – 400 063.
Email ID: organiccoatingsltd@organiccoatingsltd.com
CIN : L24220MH1965PLC013187
Website : www.organiccoatingsltd.com
Tel: +91 22 29276921 / 2114



Notice

NOTES :

1. 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 SEBI (LODR) Regulations, 2015 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 along with their copy of Annual Report to the Meeting.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who are holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to the depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or to the registrar.
8. The Register of Members and the Share Transfer Books of the Company will be closed from 21/09/19 to 27/09/19, both days inclusive.
9. 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.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
11. 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.
12. The Company has transferred the unpaid or unclaimed dividends declared for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company and the same can be accessed through the link:
<http://www.organiccoatingsltd.com/InvestorRelations/ShareholdersInformation.aspx>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link:
www.iepf.gov.in.

Notice

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13. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. December 01, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link:
<http://www.organiccoatingsltd.com/InvestorRelations/ShareholdersInformation.aspx>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
- (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact Link Intime India Pvt. Ltd. for lodging claim for refund or shares and/or dividend from the IEPF Authority.
14. SEBI has decided that securities of listed companies can be transferred only in dematerialized form i.e. from 5th December, 2018 onwards. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
15. Members holding shares in physical mode:
- (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Link Intime India Pvt. Ltd., if not registered with the Company as mandated by SEBI.
- (b) are advised to register the nomination in respect of their shareholding in the Company.
- (c) are requested to register / update their e-mail address with the Company / Link Intime India Pvt. Ltd. for receiving all communications from the Company electronically.
16. Members holding shares in electronic mode:
- (a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
- (b) are advised to contact their respective DPs for registering the nomination.
- (c) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
17. Voting through electronic means
- a) In terms of Regulation 44 of the Listing Regulations and pursuant to the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice), the Company is pleased to provide its members the facility to exercise right to vote at the 54th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd. (CDSL);
- b) The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.
- c) The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to caste their votes again.

The instructions for shareholders voting electronically are as under:



Notice

- i) The voting period begins on 24/9/19 (9.00 a.m.) and ends on 26/9/19 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20/9/19, 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.

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 Company has appointed Ms. Dhanraj Kothari of D.Kothari & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer to the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.
- (2) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least (2) witnesses, not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Notice

- (3) The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- (4) Subject to the receipt of sufficient votes, the resolutions shall be deemed to be passed at the 54th Annual General Meeting of the Company scheduled on Friday, the 27th September 2019. 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.

By Order of the Board of Directors

Sudhir R. Shah

Company Secretary & Compliance Officer

Place: Mumbai

Date : August 12, 2019

Registered Office :

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

Vitth Bhatti, Goregaon (East),

Mumbai – 400 063.

Email ID: organiccoatingsltd@organiccoatingsltd.com

CIN : L24220MH1965PLC013187

Website : www.organiccoatingsltd.com

Tel: +91 22 29276921 / 2114

Notice

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 3, 4 & 5

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee, at its meeting held on 12th August, 2019 re-appointed Mr. R.K.Shah as Vice Chairman & Managing Director for a period of 1 year from 1st October, 2019 to 30th September, 2020 and Mr. Abhay R. Shah as Joint Managing Director, and Mr. Ajay R. Shah as Whole Time Director both for a period of 5 years from 1st October, 2019 to 30th September, 2024 subject to approval of the shareholders of the Company at the Annual General Meeting on the following remuneration and other terms and conditions :

Particulars	Mr. R. K. Shah (Rs. p.m.)	Mr. Abhay R. Shah (Rs. p.m.)	Mr. Ajay R. Shah (Rs. p.m.)
Basic	1,12,336	1,01,568	63,220
HRA	58,130	54,457	30,749
Medical Allowance	9,361	8,464	5,268
Bonus	2,083	2,083	2,083

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

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

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

Notice

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

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

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

MEMORANDUM OF INTEREST

Mr. R.K.Shah is the father of Mr. Abhay R. Shah and Mr. Ajay R. Shah. Accordingly, each of them may be deemed to be interested or concerned in the resolutions at Item No. 3, 4 & 5.

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

Item 6

Ms. Ashwini Lad was appointed as an Independent Director by the shareholders of the Company at the Annual General Meeting held on 30th September, 2014 for a consecutive period of 5 years.

The Board of Directors on the recommendation of Remuneration & Nomination Committee appointed Ms. Ashwini Lad as an Independent Director of the Company for a term of second consecutive 5 years up to the conclusion of 59th Annual General Meeting to be held in the calendar year 2024 by passing a Special Resolution. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member alongwith requisite deposit proposing the candidature of Ms. Ashwini Lad for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Ashwini Lad:

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

Notice

The Resolution seeks that the approval of members for the appointment of Ms. Ashwini Lad as an Independent Director of the Company for a second term of the period of 5 consecutive years from 28th September, 2019 to 27th September, 2024 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder. She is not liable to retire by rotation.

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

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

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

The Board recommends the resolution set forth in Item No. 6 and for the approval of the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item 7

Mr. Chandrakumar Z. Shah was appointed as an Additional Director by the Board w.e.f. 26th March, 2019 pursuant to Section 161 of the Companies Act, 2013.

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

The Company has received from Mr. Chandrakumar Z. Shah:

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

The Resolution seeks that the approval of members for the appointment of Mr. Chandrakumar Z. Shah as an Independent Director of the Company for a period of 5 consecutive years from 28th September, 2019 to 27th September, 2024 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Chandrakumar Z. Shah, the Non-Executive Independent Director proposed to be appointed fulfils the conditions specified in the act and the rules made thereunder and he is independent of the Management.

A copy of the draft letter for the appointment of Mr. Chandrakumar Z. Shah as Non-Executive Independent Director setting out the terms and conditions is available for inspection at the company's registered office during normal working hours on the working days up to the date of Annual General Meeting.

Notice

No Director, key managerial personnel or their relatives, except Mr. Chandrakumar Z. Shah, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 7 and for the approval of the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in Ordinary Resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

By order of the Board of Directors

Sudhir R. Shah

Company Secretary & Compliance Officer

Place: Mumbai

Date : August 12, 2019

Registered Office :

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

Vitth Bhatti, Goregaon (East),

Mumbai – 400 063.

Email ID: organiccoatingsltd@organiccoatingsltd.com

CIN : L24220MH1965PLC013187

Website : www.organiccoatingsltd.com

Tel: +91 22 29276921 / 2114

Notice

Additional information with respect to Item No. 3, 4 & 5

Disclosure Pursuant to Schedule V of the Companies Act, 2013

I] General Information :

1)	Nature of Industry	The Company is engaged in the manufacturing and marketing of printing inks.		
2)	Date or expected date of commencement of commercial production	The Company commenced the commercial production in April 1965.		
3)	Financial performance based on given indicators during the two financial year		2018-19 (Rs. in Lacs)	2017-18 (Rs. in Lacs)
	Total Sales		3558.70	3808.05
	Other Income		23.71	54.96
	Total Income		3582.41	3863.01
	Expenses		3687.43	3860.10
	(Loss)/Profit after tax		(105.02)	2.91
	EPS		(1.37)	(0.04)
	P/E Ratio		(5.51)	11.07
	Total Assets		3115.71	2919.36
	Accumulated(Loss)/Profit		(1063.67)	(958.65)
4)	Export performance and net foreign exchange earning and outgo	The company has made export of Rs. 217.89 Lacs for the year ended 31st March, 2019. The company had foreign exchange outgo of Rs. 224.60 Lacs for the financial year ended 31st March, 2019.		
5)	Foreign investments or collaborators, if any	Nil		

II] Information about the appointees

Sr. No.	Particulars	(1) Mr. R. K. Shah	(2) Mr. Abhay R. Shah	(3) Mr. Ajay R. Shah
1)	Background details	As per attached Annexure 1	As per attached Annexure 1	As per attached Annexure 1
2)	Past remuneration	Mr. R. K. Shah continues to be a Vice Chairman & Managing Director of Organic Coatings Ltd. and his remuneration for the year 2018-19 was approximately Rs. 26.73 Lacs.	Mr. Abhay R Shah continues to be a Joint Managing Director of Organic Coatings Ltd. and his remuneration for the year 2018-19 was approximately Rs. 25.00 Lacs	Mr. Ajay R. Shah continues to be a Whole Time Director of Organic Coatings Ltd. and his remuneration for 2018-19 was approximately Rs. 15.22 Lacs.

Notice

3)	Recognition or awards	He was conferred upon Life Time Achievement Award by All India Federation Master Printers (AIFMP). The award comprised of a commemorative gold medal and Plaque, presented to him by the Hon'ble Mr. Arun Gujarathi, then the Speaker, Maharashtra Legislative Assembly on 26th September, 2003. He is also the Committee Member of All India Printing Ink Manufacturers Association Ltd.	-	-
4)	Job Profile and its suitability	Refer Annexure 1	Refer Annexure 1	Refer Annexure 1
5)	Remuneration proposed	Upto Rs. 3.50 . Lacs p.m. plus terminal benefits like Gratuity, Provident Fund, Leave Encashment.	Upto Rs. 3.50 Lacs p.m. plus terminal benefits like Gratuity, Provident Fund, Leave Encashment.	Upto Rs. 3.50 Lacs p.m. plus terminal benefits like Gratuity, Provident Fund, Leave Encashment.
6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Information about remuneration of Managing Directors / Executive Director / Wholetime Director of ink industries of comparable size and business profile is not available in public domain. The proposed remuneration is commensurate with his qualifications, experience and challenge confronting the printing ink sector in general and the company in particular.	Information about remuneration of Managing Directors / Executive Director / Wholetime Director of ink industries of comparable size and business profile is not available in public domain. The proposed remuneration is commensurate with his qualifications, experience and challenge confronting the printing ink sector in general and the company in particular.	Information about remuneration of Managing Directors / Executive Director / Wholetime Director of ink industries of comparable size and business profile is not available in public domain. The proposed remuneration is commensurate with his qualifications, experience and challenge confronting the printing ink sector in general and the company in particular.
7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Apart from holding the offices of Director and Vice Chairman & Managing Director of the company, Mr. R.K.Shah is father of Mr. Abhay R. Shah, Joint Managing Director and Mr. Ajay R. Shah, Wholetime Director of the company.	Apart from holding the offices of Director & Joint Managing Director of the company, Mr. Abhay R. Shah is son of Mr. R. K. Shah, Vice Chairman & Managing Director and brother of Mr. Ajay R. Shah, Wholetime Director of the company.	Apart from holding the offices of Whole Time Director of the company Mr. Ajay R. Shah is son of Mr. R. K. Shah, Vice Chairman & Managing Director and brother of Mr. Abhay R. Shah, Joint Managing Director of the company.

Notice

III] Other Information :

1) Reasons for loss or inadequate profits

Growth in global economic expansion and trade decelerated in the year 2018-19. Increased trade tensions and tariff tensions and tariff hikes between United States & China and the subsequent impact on other partners, took a toll on sentiment. More over economic turmoil in Argentina and Turkey and associated tightening in financial conditions across emerging markets. Continued deceleration in China's growth and geopolitical tension led to a softening in global activity.

Domestic economic activity also slow down through the year and weakened notably in the second half of the financial year 2018-19.

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.

The newspaper and magazine circulations fall, advertising revenues are increasingly diverted from print to other channels, especially internet channels, facebook etc. These trends will result in a global decline in consumption of inks.

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

2) Steps taken or proposed to be taken for improvement

The Company is making all efforts through its new plant at Vadodara to streamline the operations as well as explore new markets, within as well as outside India.

3) Expected increase in productivity and profits in measurable terms

The company expects to achieve sales for the year ending 31st March, 2020 to Rs. 35 Crores to 40 Crores and estimated nett profit of about Rs. 25 Lacs.



Annexure 1

Name of the Director	Mr. R. K. Shah	Mr. Abhay R. Shah	Mr. Ajay R. Shah
Date of Birth	26/06/1935	13/07/1966	21/04/1968
Date of Appointment	22/04/1965	01/10/1994	01/08/1998
Expertise in specific functional areas	He is associated with the Company for last 45 years as a promoter Director. He has to his credit wide experience in the field of Marketing and much of the competence that OCL has achieved during all these years could be attributed to his untiring zeal, efforts and constant search for new innovations in the field of marketing. He has extensive experience in all areas of practice of the company and at present he is the Vice Chairman & Managing Director of OCL.	Marketing and production planning.	Accounts & Finance functions of the Company
Qualifications	Industrialist	B.Sc	Diploma in Computer Engnn.
No. of shares held in Organic Coatings Ltd.	8,04,894 (10.49%)	8,01,632 (10.45%)	6,38,352 (8.32%)
Directorship in other Companies	NIL	Director in All India Printing ink Manufactures Association Limited	NIL
No. of board meetings attended during the Financial Year 2018-19	During the year 5 board meetings were held and all the board meetings were attended by him.	During the year 5 board meetings were held and he attended 3 board meetings.	During the year 5 board meetings were held and all the board meetings were attended by him.

Membership of Committees in other Public Limited Companies:

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

Notice

Additional information with respect to Item No. 6 & 7.

Name of the Director	Ms. Ashwini Lad	Mr. Chandrakumar Z. Shah
Date of Birth	04/07/1991	26/05/1943
Date of Appointment	30/05/2014	26/03/2019
Expertise in specific functional areas	Accounting, Auditing & Taxation	Accounting, Auditing & Taxation.
Qualifications	B.Com, ACA	B.Com, FCA
No. of shares held in Organic Coatings Ltd.	NIL	NIL
Directorship in other Companies	NIL	NIL
No. of board meetings attended during the Financial Year. 2018-19	During the year 5 board meetings were held and all the board meetings were attended by her.	He was appointed on 26th March, 2019 and thereafter no board meeting was held

Membership of Committees in other Public Limited Companies:

Name of the Director	Ms. Ashwini Lad	Mr. Chandrakumar Z. Shah
Audit Committee	NIL	NIL
Shareholders' / Investors' Grievance	NIL	NIL

Financial Highlights

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Sales (Gross)*	355,869,987	380,804,973	330,287,568	450,948,304	504,605,280
Other Income	2,371,380	5,495,935	3,132,241	3,148,737	13,745,378
Profit / (Loss) before Finance costs, Depreciation and amortisation expense, exceptional items and tax	14,321,459	24,431,084	26,218,512	16,063,456	22,052,158
Finance costs	11,239,517	10,555,259	11,718,879	14,196,566	19,420,525
Profit / (Loss) before Depreciation and amortisation expense, exceptional items and tax	3,081,942	13,875,825	14,499,633	1,866,890	2,631,633
Depreciation and amortisation expense	13,352,868	13,491,156	13,082,768	13,985,744	14,076,750
Profit / (Loss) before exceptional items and tax	(10,270,926)	384,669	1,416,865	(12,118,854)	(11,445,117)
Exceptional items	-	-	94,566	-	(211,234)
Profit / (Loss) before tax	(10,270,926)	384,669	1,322,299	(12,118,854)	(11,233,883)
Tax Expense	231,160	93,394	8,900	-	6,281
Profit for the year	(10,502,086)	291,275	1,313,399	(12,118,854)	(11,240,164)
Other Comprehensive Income	12,863	(125,672)	19,053	-	-
Total comprehensive income for the year	(10,514,949)	416,947	1,294,346	(12,118,854)	(11,240,164)
Equity Share Capital	76,746,000	76,746,000	76,746,000	76,746,000	76,746,000
Reserve and Surplus	(4,335,977)	6,178,972	5,762,025	(14,222,627)	(2,103,773)
Net Worth (Excluding Revaluation Surplus)	53,719,717	64,234,666	63,817,719	62,523,373	74,642,227

* In GST regime, the sales is net of GST effective from 1st July 2017

Board's Report

Dear members,

The Board of Directors is pleased to present the Company's 54th annual report and the Company's Audited Financial Statements for the financial year ended March 31, 2019.

1. Financial results

The Company's financial performance for the year ended March 31, 2019 is summarized below:

	2018 – 19 (Rs. in Lacs)	2017 – 18 (Rs. in Lacs)
Revenue from operations	3582.41	3863.01
Operating expenditure	3439.18	3618.66
Profit before Interest, Depreciation, Tax	143.23	244.35
Less: Finance Cost	112.41	105.59
Profit after Finance Cost	30.82	138.76
Less: Depreciation	133.53	134.91
(Loss)/Profit for the year before tax	(102.71)	3.85
Add: Exceptional Items	NIL	NIL
Profit for the year after exceptional items and before tax	(102.71)	3.85
Less: Income Tax	2.31	0.94
Profit after tax	(105.02)	2.91
Add/(Less): Other Comprehensive Income	(0.13)	1.26
Total Comprehensive Income for the year	(105.15)	4.17

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

* Revenue from operations (net) decreased by 7.26% to Rs 3582.41 Lacs from Rs. 3863.01 Lacs in the previous year.

* PBDIT decreased by 41.38% to Rs. 143.23 Lacs for the year ended 31st March, 2019 compared to previous year Rs. 244.35 Lacs.

* Total comprehensive (loss) /income decreased by 2681.89% to Rs (105.15) Lacs for the year ended 31st March, 2019 compared to previous year Rs. 4.17 Lacs.

3. Dividend and transfer to reserves

In view of the losses, the Board of Directors is unable to recommend any dividend for the financial year 2018-19 and no amount is transferred to Reserves for the financial year 2018-19.

4. Material changes affecting the company

There have been no material changes and commitments affecting the financial position of the company between end of the financial year and date of this report. There has been no change in the nature of business of the company.

5. Management Discussion and Analysis Statement and Corporate Governance Report

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

Board's Report

Regulation 15(2) of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 is not applicable to the Company, since the Company's paid-up capital is less than Rupees Ten Crores and net worth is also less than Rupees Twenty Five Crores as prescribed under the said regulation and hence the provisions relating to the Corporate Governance is not applicable to the Company, hence no Corporate Governance Report is given by the Company as a part of the Director's Report.

6. Secretarial Standards

The Directors state that the applicable Secretarial Standards i.e. SS-1 and SS-2 relating to the 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

7. Director's Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2019, 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, 2019 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care 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 Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating; and
- f) the Directors have revised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

8. Contracts and arrangements with related parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in 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.

The Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be access on the Company's website at: www.organiccoatingsltd.com

Members may refer to Note No. 33 to the financial statement which sets out related party disclosures pursuant to Ind AS.

9. 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.

10. Risk Management

The Risk Management Policy has been framed, implemented and monitored. Major risk identified by the businesses and functions are systematically monitored through mitigating actions on continuing basis.

The development and implementation of Risk Management Policy has been covered in Management Discussion & Analysis which forms part of this report.



Board's Report

11. 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.

12. Directors and Key Managerial Personnel

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Abhay R. Shah retires by rotation and being eligible offers himself for re-appointment at the ensuing annual general meeting. The Board of Directors on recommendation of Nomination & Remuneration Committee has recommended his re-appointment.

The special resolution for re-appointment and payment of remuneration to Mr. R. K. Shah, Vice Chairman & Managing Director for a period of 1 year is proposed for the approval of the members at the ensuing Annual General Meeting and the ordinary resolutions for the appointments and payment of remunerations to Mr. Abhay R. Shah, Joint Managing Director and Mr. Ajay R. Shah as a Whole Time Director for a period of 5 years are proposed for the approval of the members at the ensuing Annual General Meeting.

Special resolution for re-appointment of Ms. Ashwini Lad as Non-Executive Independent Director not liable to retire by rotation for second term of consecutive 5 years is proposed for the approval of the members at the ensuing Annual General Meeting.

Ordinary resolution for appointment of Mr. Chandrakumar Z. Shah as Non-Executive Independent Director not liable to retire by rotation for a term of consecutive 5 years is proposed for the approval of the members at the ensuing Annual General Meeting.

During the year under review, Mr. Vinay S. Jog, Non-Executive Independent Director resigned. The directors placed on record appreciation of the services rendered by him during his association with the Company.

As per the provisions of the Companies Act, 2013, Independent Directors have been appointed for a period of 5 years and shall not be liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the act and the listing regulations.

The following are the remuneration policies for the Director's, Key Managerial Personnel and other employees:

- a. introduction - Organic Coatings Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The company has therefore formulated the remuneration policy for its directors, key personnel and other employees keeping in view the following objectives.
 - i. ensuring that the level and compensation of remuneration is reasonable and sufficient to attract, retain and motivate to run the company successfully.
 - ii. ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- b. Policy -
 - i. The Board on the recommendation of Nomination & Remuneration Committee (NRC) shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
 - ii. The Board on the recommendation of NRC shall also review and approve the remuneration payable to the Key Managerial Personnel
 - iii. The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following:

Board's Report

- a) Basic pay
- b) Perquisites and allowance
- c) Retiral benefits
- d) Bonus

iv. Remuneration to Non-Executive Directors

The Board on the recommendation of NRC shall review and approve the remuneration payable to the Non-Executive Directors of the Company.

The Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

v. Remuneration to other employees

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skills sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Mr. Parvej Mansuri, Chief Financial Officer has resigned subsequent to the Financial Year w.e.f. 15th July, 2019.

13. Meetings of the Board and last Annual General Meeting

Five meetings of the Board of Directors were held during the financial year 2018-2019 on 15/05/2018, 21/07/2018, 10/08/2018, 01/11/2018 and 08/02/2019.

The 53rd Annual General Meeting of the Company was held on 27th September, 2018.

14. Performance Evaluation

The Company has devised a policy for performance evaluation of the Board, Committees and other individual directors (including Independent Directors) which include criteria for performance evaluation of the Non-Executive and Executive Directors. The evaluation process inter-alia considers attendance of the Directors at Board and Committee Meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, reason and strategy.

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 being shared and discussed.

15. Meeting of Independent Directors

In a separate meeting of Independent Directors', performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the view of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors at which the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board excluding the independent directors being evaluated.

One meeting of Independent Director was held during the year and all the Independent Directors attended the same.

16. Policy on directors' appointment and remuneration and other details

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors,



Board's Report

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.

17. Internal financial control systems and adequacy

The details in respect of internal financial control systems and their adequacy are included in the management discussion and analysis which forms part of this report.

18. Audit Committee

The Audit Committee consists of all the Independent Directors consisting of the following members of the board of directors:

Ms. Ashwini Lad, Chairperson

Mr. Sudhir A. Sathe

Mr. Chandrakumar Z. Shah (appointed w.e.f. 26/03/2019)

Mr. Vinay S. Jog resigned as the Chairman & Member of the Audit Committee on his resignation as a Director w.e.f. 08/02/2019

During the financial year four Audit Committee meetings were held on 15/05/2018, 10/08/2018, 01/11/2018 and 08/02/2019.

19. Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of all the Independent Directors consisting of the following members of the board of directors:

Mr. Chandrakumar Z. Shah, Chairman (appointed w.e.f. 26/03/2019)

Mr. Sudhir A. Sathe

Ms. Ashwini Lad

Mr. Vinay S. Jog resigned as Member of the Nomination & Remuneration Committee on his resignation as a Director w.e.f. 08/02/2019

During the financial year four Nomination & Remuneration Committee meetings were held on 15/05/2018, 10/08/2018, 01/11/2018 and 08/02/2019.

20. Stakeholders Relation Committee

The Stakeholders Relation Committee consists of the following Directors :

Mr. Sudhir A. Sathe, Chairman

Ms. Ashwini Lad

Mr. Chandrakumar Z. Shah (appointed w.e.f. 26/03/2019)

Mr. Vinay S. Jog resigned as Member of the Stakeholders Relationship Committee on his resignation as a Director w.e.f. 08/02/2019

Mr. Abhay R. Shah

Mr. Manoj V. Mehta (resigned w.e.f. 08/02/2019)

During the financial year four Stakeholders Relationship Committee meetings were held on 15/05/2018, 10/08/2018, 01/11/2018 and 08/02/2019.

Board's Report

21. Auditors and auditors' report

Statutory Auditors

M/s. Praneti Yadav & Co, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29th September, 2017 for a term of five consecutive years. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by the members at every Annual General Meeting.

In accordance with Companies Amendment Act, 2017 enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the financial statement of the Company is part of this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

The Board has appointed D.Kothari & Associates, Practicing Company Secretaries to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith and marked as Annexure II to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

22. Vigil mechanism

The Vigil Mechanism of the Company, which also includes Whistle Blower Policy, 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.

23. 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.

24. Conservation of energy, technology absorption and foreign exchange earnings 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.

25. Annual return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules, 2014, an extract of Annual Return as on 31st March, 2019 in Form MGT-9 is attached as Annexure IV and forms part of this report.

The annual return of the Company has been placed on the website of the Company and can be accessed at www.organiccoatingsltd.com.

26. 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,



Board's Report

Having regard to the provisions of the first proviso to Section 136(1) of the act, the annual report excluding the information regarding the top ten employees is being sent to the members of the Company. The said information is available for inspection on all working days during the business hours at the registered office of the Company. Any member interested in obtaining such information, may write to the Company Secretary and the same shall be furnished on request.

27. 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.
- 6) No fraud has been reported by the auditors to the Audit Committee or the Board.

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.

28. 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)

Abhay R. Shah

Joint Managing Director
(DIN 0016497)

Place: Mumbai
Date : August 12, 2019

Annexure I To Directors' Report

Management's Discussion and Analysis

Industry Structure and Developments

Growth in global economic expansion and trade decelerated in the year 2018-19. Increased trade tensions and tariff tensions and tariff hikes between United States & China and the subsequent impact on other partners, took a toll on sentiment. More over economic turmoil in Argentina and Turkey and associated tightening in financial conditions across emerging markets. Continued deceleration in China's growth and geopolitical tension led to a softening in global activity.

Domestic economic activity also slow down through the year and weakened notably in the second half of the financial year 2018-19.

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

The newspaper and magazine circulations fall, advertising revenues are increasingly diverted from print to other channels, especially internet channels, facebook etc. These trends will result in a global decline in consumption of inks.

Company is visualizing facing major threat from Multinational Companies existing as well as new ones 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 and Financial reporting and increasing compliances. Competition from multinational companies is a major factor to be looked into. Geo-political scenario like situation in China, Saudi Arabia, 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.

Discussion on Financial Performance with respect to Operational Performance

* PBDIT decreased by 41.38% to Rs. 143.23 Lacs for the year ended 31st March, 2019 compared to previous year Rs. 244.35 Lacs.

* Total comprehensive (loss) /income decreased by 2681.89% to Rs (105.15). Lacs for the year ended 31st March, 2019 compared to previous year Rs. 4.17 Lacs.

Annexure I To Directors' Report

* Revenue from operations (net) decreased by 7.26% to Rs 3582.41 Lacs from Rs. 3863.01 Lacs in the previous year.

Material consumption has been increased to 76.24% as compared to 76.06% in the previous year.

Employee benefits expenses have been increased to 5.18% as compared to 4.82% in the previous year.

Finance cost for the year increased to Rs. 112.41 Lacs from Rs. 105.59 Lacs in the previous year.

Depreciation charged at Rs. 133.53 Lacs as against Rs. 134.91 Lacs in the previous year.

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

Due to impact of globalization, the role of Human Resource (HR) is having more relevance. There is shortage of talented and committed people across industries. Your Company is trying best 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 59 permanent employees as on 31st March, 2019.

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 II To The Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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, CIN: L24220MH1965PLC013187 (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, 2019 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, 2019 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') to the extent applicable to the Company:
 - (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.



Annexure II To The Director's Report

- (ii) The Listing Agreement entered into by the Company with BSE Limited read with SEBI (LODR) Regulations, 2015.

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. Information Technology Act, 2000; and
7. 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 and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions 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.
- All decisions at Board meetings and committee meetings are carried out unanimously as recorded in the minutes of the meetings of the board of Directors or committees of the Board, as the case may be.

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 : August 12, 2019

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 – 400 063.

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 : 12th August, 2019

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. Wherever 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 revenue expenditure incurred on Research and Development is NIL.

C. Foreign Exchange earnings and Outgo

The company has earned Rs. 217.89 Lacs in Foreign Exchange & used Rs. 224.60 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, 2019

[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
vi)	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-101, 247 PARK, L.B.S.MARG, VIKHROLI (WEST), MUMBAI - 400 083. TEL: 91-22-49186000 FAX: 91-22-49186060

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%

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
NOT APPLICABLE					

Annexure IV To The Directors Report

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 01/04/2018)				No. of Shares held at the end of the year (as on 31/03/2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual/HUF	4160686	0	4160686	54.21	4285068	0	4285068	55.83	1.62
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)		4160686	0	4160686	54.21	4285068	0	4285068	55.83	1.62
(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)		4160686	0	4160686	54.21	4285068	0	4285068	55.83	1.62
B. Public										
Shareholding										
1 Institutions										
a)	Mutual Funds	0	0	0	0	0	0	0	0	
b)	Banks / FI	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	0	0	0	0	0	0	0	0	
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	Investor Education & Protection Fund	182607	0	182607	2.38	182607	0	182607	2.38	0
h)	FIIs	0	0	0	0	0	0	0	0	0
i)	Foreign	0	0	0	0	0	0	0	0	

Annexure IV To The Directors Report

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2018)				No. of Shares held at the end of the year (as on 31/03/2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	232607	0	232607	3.03	232607	0	232607	3.03	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	36447	0	36447	0.47	23630	0	23630	0.31	-0.16
ii) Overseas	0	0	0	0.00	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1420149	167600	1587749	20.69	1400807	156410	1557217	20.29	-0.40
ii) Individual holding nominal share capital in excess of Rs. 2 lakh	1543832	0	1543832	20.12	1471938	0	1471938	19.18	-0.94
c) Others (specify)									
NRIs	22947	24500	47447	0.62	23347	24000	47347	0.62	0.00
Clearing Member	12745	0	12745	0.17	3701	0	3701	0.05	-0.12
HUF	52987	0	52987	0.69	52992	0	52992	0.69	0
Independent Director	0	100	100	0	0	100	100	0	0
Sub-total (B)(2):-	3089107	192200	3281307	42.76	2976415	180510	3156925	41.14	-6.64
Total Public Shareholding									
(B) = (B)(1) + (B)(2)	3321714	192200	3513914	45.79	3209022	180510	3389532	44.17	-4.26
C. Shares held by Custodian for GDRs & ADRs	0	0	.	0	0	0	0	0	0
Grand Total (A+B+C)	7482400	192200	7674600	100	7494090	180510	7674600	100	--

Annexure IV To The Directors Report

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/18)			Shareholding at the end of the year (31/03/2019)			
		No. of Shares	% of 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	% change Share holding during the year
1	Rajanikant Kodarlal Shah Padmaja Rajanikant Shah	804894	10.49	0	804894	10.49	0	0
2	Rajanikant Kodarlal Shah (HUF)	803310	10.47	0	803310	10.47	0	0.00
3	Ajay Rajanikant Shah Aparna Ajay Shah	563970	7.35	0	638352	8.32	0	0.97
4	Abhay Rajnikant Shah Rajanikant Kodarlal Shah	801632	10.44	0	801632	10.44	0	0.00
5	Manoj Vasantlal Mehta Dimple Manoj Mehta	81500	1.06	0	230500	3.00	0	1.94
6	Padmaja Rajanikant Shah Rajanikant Kodarlal Shah	232600	3.03	0	232600	3.03	0	0
7	Aparna Ajay Shah	241915	3.15	0	291915	3.80	0	0.65
8	Minal Abhay Shah Abhay R. Shah	161865	2.11	0	161865	2.11	0	0
9	Kanchanben V. Mehta Manoj Vasantlal Mehta	298000	3.88	0	0	0.00	0	0
10	Jagruti Jawahar Mehta Jawahar Vasantlal Mehta	66000	0.86	0	66000	0.86	0	0
11	Jawahar Vasantlal Mehta Jagruti Jawahar Mehta	56000	0.73	0	205000	2.67	0	1.94
12	Dimple Manoj Mehta Manoj Vasantlal Mehta	49000	0.64	0	49000	0.64	0	0
		4160686	54.21	0	4285068	55.83	0	1.62

Annexure IV To The Directors Report

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

Sl. No.	Particulars	Cumulative Shareholding during the year			
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ajay R. Shah				
	At the beginning of the year	563970	7.35		
	Market Purchase on				
	29-08-2018	30000			
	03-10-2018	40000			
	04-10-2018	4382			
		74382	0.97	638352	8.32
2	Aparna A. Shah				
	At the beginning of the year	241915	3.15		
	Market Purchase on				
	12-06-2018	50000	0.65	291915	3.80
3	Manoj V. Mehta				
	At the beginning of the year	81500	1.06		
	Interse transfer from mother	149000	1.94	230500	3.00
	Smt. Kanchanben V. Mehta				
4	Jawahar V. Mehta				
	At the beginning of the year	56000	0.73		
	Interse transfer from mother	149000	1.94	205000	2.67
	Smt. Kanchanben V. Mehta				

(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 (01/04/18)		Cumulative Shareholding during the year (31/03/19)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DIPAK KANAYALAL SHAH	381000	4.96	381484	4.97
2	RHEA SHAH	158090	2.05	159791	2.08
3	SHARAD KANAYALAL SHAH	100080	1.30	100080	1.30
4	DHAVAL J. NANAVATI	99250	1.29	99250	1.29
5	SARAIYA BHAVIN RAMAKANT	80905	1.05	80905	1.05
6	POONAM BANKIM DESAI	78568	1.02	78568	1.02
7	DARSHANA SARAIYA	70767	0.92	70767	0.92
8	MANOJ J. BAGADIA	0	0.00	66640	0.86
9	SHASHIKANT G. BADANI	67294	0.87	58974	0.77
10	KALPANA PRAKASH PANDEY	0	0.00	42325	0.55

Annexure IV To The Directors Report

(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 (01/04/18)		Cumulative Shareholding during the year (31/03/19)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RAJNIKANT K. SHAH	804894	10.49	804894	10.49
2	ABHAY R. SHAH	675422	8.80	801632	10.44
3	AJAY R. SHAH	413970	5.40	638352	8.32
4	MANOJ V. MEHTA	81500	1.06	230500	3.00
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	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	68,444,197	3,020,500	Nil	71,464,697
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	68,444,197	3,020,500	Nil	71,464,697
Change in Indebtedness during the financial year				
* Addition	18,418,686	31,442,247	Nil	49,860,933
* Reduction	25,104,153	16,777,072	Nil	41,881,226
Net Change	(6,685,467)	14,665,175	Nil	7,979,707
Indebtedness at the end of the financial year				
i) Principal Amount	61,758,729	17,685,675	Nil	79,444,404
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	61,758,729	17,685,675	Nil	79,444,404

Annexure IV To The Directors Report

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. Manoj Mehta	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,673,460	2,500,243	1,522,472	1,300,505	7,996,680
	(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	Commision					
	- as % of profit	Nil	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil	Nil
5	Interest on Unsecured Loan					
	Total (A)	2,673,460	2,500,243	1,522,472	1,300,505	7,996,680
	Ceiling as per the Act	Rs. 84 Lacs p.a.	Rs. 42 Lacs p.a.	Rs. 42 Lacs p.a.	Rs. 42 Lacs p.a.	

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sudhir Sathe	Mr. Vinay Jog	Ms. Ashwini Lad	
3.	Independent Directors				
	* Fee for attending board / committee meetings	360,000	360,000	360,000	1,080,000
	* Commission	Nil	Nil	Nil	Nil
	* Professional Fees	Nil	Nil		-
	Total (1)	360,000	360,000	360,000	1,080,000
4.	Other Non-Executive Directors				
	* Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	* Commission	Nil	Nil	Nil	Nil
	* Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B) = (1 + 2)	360,000	360,000	360,000	1,080,000
	Total Managerial Remuneration				8,682,259
	Overall Ceiling as per the Act	Rs. 1 Lac per meeting	Rs. 1 Lac per meeting	Rs. 1 Lac per meeting	

Annexure IV To The Directors Report

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

Sl.No.	Particular of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,259,629	419,954	1,679,583
	(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	Nil	Nil	Nil
	Total	1,259,629	419,954	1,679,583

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

1. 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 2018-19	1,93,872
The percentage increase in the median remuneration of employees in the Financial Year	23.29 %
The number of permanent employees on the rolls of Company as on 31st March, 2019	53

Name of Director	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2018-19
Non-Executive Directors		
Mr. Sudhir Sathe	185.69%	NA
Mr. Vinay Jog	185.69%	NA
Ms. Ashwini Lad	185.69%	NA
Executive Directors		
Mr. R. K. Shah	1404.43%	Nil
Mr. Abhay R. Shah	1315.39%	Nil
Mr. Ajay R. Shah	801.44%	Nil
Mr. Manoj V. Mehta	801.44%	Nil
Key Managerial Personnel		
Mr. Pravej G. Mansuri	652.60%	Nil
Mr. Sudhir Shah	216.61%	Nil

Notes:

- The ratio of remuneration to median remuneration is based on remuneration paid during the period 1st April, 2018 to 31st March, 2019.
- 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 percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The company has not given any increment to directors during the year 2018-19.

3. 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 of Organic Coatings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Organic Coatings Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Trade Receivables –The company is in the supply of printing inks and auxiliaries to printers all over India. In the printing press industry the preference of payments for supplier of inks is the lowest. Some trade receivables are slow in recovery and take time for recovery beyond the limitation period. In some cases suits have been filed for recovery and the court judgments are yet to be received. There is therefore a risk for realisation of the trade receivables (refer note no 37).

How our audit address the key audit matter-

Our audit procedure included among others examining the pattern of subsequent receipts, the status of various legal cases and management's method to determine the recoverability of the amount considering the feedback

Independent Auditor's Report

from the market. We validated the appropriateness of the related disclosures in note no of 37 of the financial statements.

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, changes in equity 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.

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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

Annexure To The Auditor's Report

- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) 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 Praneti Yadav & Co.

Chartered Accountants

ICAI Firm Registration No. 137534W

Praneti Yadav

Proprietor

Membership No. 156403

Mumbai

May 28, 2019

Annexure To The Auditor's Report

Referred to in paragraph 1 under 'Report Report on Other Legal and Regulatory Requirements' section of our report the members of Organic Coatings Limited of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company;
- (ii) As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management during the year and 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) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013;
- (iv) The Company has not given loans, or made investments, or given guarantees and provided security in terms of provisions of section 185 and 186 of The Companies Act, 2013.
- (v) The Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of the sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not required to be complied with by the Company.
- (vi) The Maintenance of cost records has not been specified by the Central Government under sub-section 1 of the section 148 of the Act for any of the products manufactured by the Company. Accordingly, paragraph 3(vi) of the order is not applicable.
- (vii) (a) According to the information and explanations 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, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities and no undisputed amounts payable were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues outstanding of income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise and value added tax on account of dispute which have not been deposited with the concerned authorities;
- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to a bank and financial institutions. The Company has not taken loan either from the Government and has not issued any debentures;
- (ix) The company has raised monies by way of term loans from bank and the same were applied for the purposes for which they were raised.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

Annexure To The Auditor's Report

- (xi) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

For Praneti Yadav & Co.

Chartered Accountants

ICAI Firm Registration No. 137534W

Praneti Yadav

Proprietor

Membership No. 156403

Mumbai

May 28, 2019

Balance Sheet as at 31st March, 2019

Particulars	Note No.	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	140,552,123	152,281,345
Intangible assets	4	173,461	314,222
Financial assets			
- Other financial assets	5	5,689,816	5,892,278
Other non current assets	6	8,750,541	9,212,765
Total non-current assets		155,165,941	167,700,610
Current assets			
Inventories	7	49,293,151	42,746,777
Financial assets			
- Trade receivables	8	84,346,768	67,552,875
- Cash and cash equivalents	9	8,433,647	7,223,151
- Other financial assets	10	1,378,045	2,036,317
Other current assets	11	12,953,682	4,676,476
Total current assets		156,405,293	124,235,596
Total Assets		311,571,234	291,936,206
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	76,746,000	76,746,000
Other equity	13	(4,335,977)	6,178,972
Total equity		72,410,023	82,924,972
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	14	34,144,302	19,410,065
Other Financials liabilities	15	40,242,623	40,238,124
Provisions	16	4,307,724	4,464,482
Total non-current liabilities		78,694,649	64,112,671
Current liabilities			

Balance Sheet as at 31st March, 2019

Particulars	Note No.	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Financial liabilities			
- Borrowings	17	48,872,106	55,525,583
- Trade payables	18	105,497,650	84,067,492
Other current liabilities	19	3,207,362	3,149,683
Provisions	20	2,889,444	2,155,805
Total current liabilities		160,466,562	144,898,563
Total liabilities		239,161,211	209,011,234
Total equity and liabilities		311,571,234	291,936,206

The accompanying notes (1 to 41) are an integral part of the financial statements.

As per our Report of even date
For Praneti Yadav & Co.
Chartered Accountants
ICAI Firm Registration No. 137534W

Praneti Yadav
Proprietor
Membership No: 156403

Mumbai
May 28, 2019

For and on behalf of the Board of Directors

R K Shah
Vice Chairman & Managing Director
DIN: 00011746

Abhay R Shah
Joint Managing Director
DIN: 00016497

Parvej G Mansuri
Chief Financial Officer

Mumbai
May 28, 2019

Ajay R Shah
Executive Director
DIN: 00011763

Sudhir R Shah
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No.	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
INCOME			
Revenue from operations			
Sale of products	21	355,869,987	380,804,973
Other Income	22	2,371,380	5,495,935
Total income		358,241,367	386,300,908
EXPENSES			
Cost of materials consumed	23	276,498,173	280,309,595
Changes in inventories of finished goods and work-in-progress	24	(5,176,696)	(486,962)
Excise duty		-	9,803,299
Employee benefits expense	25	18,432,010	18,349,258
Finance costs	26	11,241,227	10,558,977
Depreciation and amortisation expense	27	13,352,868	13,491,156
Other expenses	28	54,164,711	53,890,916
Total Expenses		368,512,293	385,916,239
Profit / (Loss) before tax		(10,270,926)	384,669
Tax Expense:			
Less: Current Tax		-	75,000
Less: Tax expense relating to prior years		231,160	91,694
Add: MAT Credit for the year		-	(73,300)
Profit / (Loss) for the Year		(10,502,086)	291,275
Other Comprehensive Income			
Add/(Less): Remeasurement of defined benefit obligation		(12,863)	169,255
Add/(Less): Income tax relating to items that will not be reclassified to statement of profit and loss		-	(43,583)
Total comprehensive income for the year		(10,514,949)	416,947
Earnings per equity share of face value of ₹10 each			
Basic (in ₹)	29	-1.37	0.04
Diluted (in ₹)		-1.37	0.04

The accompanying notes (1 to 41) are an integral part of the financial statements.

As per our Report of even date

For Praneti Yadav & Co.

Chartered Accountants

ICAI Firm Registration No. 137534W

Praneti Yadav

Proprietor

Membership No: 156403

For and on behalf of the Board of Directors

R K Shah

Vice Chairman & Managing Director

DIN: 00011746

Abhay R Shah

Joint Managing Director

DIN: 00016497

Parvej G Mansuri

Chief Financial Officer

Mumbai

May 28, 2019

Ajay R Shah

Executive Director

DIN: 00011763

Sudhir R Shah

Company Secretary

Mumbai

May 28, 2019

Statement of Changes in Equity for the year ended 31st March, 2019

Equity Share Capital	b) Other Equity								
	Reserves and Surplus			Other Comprehensive Income			Total of Other Equity	Total Equity	
Equity Share Capital	General Reserves	Capital Reserves	Securities Premium	Retained Earnings	Revaluation Surplus	Other Comprehensive Income			
	a	b	c	d	e	f	g	h	(a+h)
Balance as at 1st April, 2017	76,746,000	5,282,140	120,000	77,844,711	(96,156,079)	18,690,306	(19,053)	5,762,025	82,508,025
Profit for the year 2017-2018	-	-	-	-	291,275	-	125,672	416,947	416,947
Other Adjustments	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	76,746,000	5,282,140	120,000	77,844,711	(95,864,804)	18,690,306	106,619	6,178,972	82,924,972
Additions during the year	-	-	-	-	-	-	-	-	-
Profit for the year 2018-2019	-	-	-	-	(10,502,086)	-	(12,863)	(10,514,949)	(10,514,949)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
for the year 2018-2019	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-	-	-	-
for the year 2018-2019	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2019	76,746,000	5,282,140	120,000	77,844,711	(106,366,890)	18,690,306	93,756	(4,335,977)	72,410,023

For and on behalf of the Board of Directors

As per our Report of even date

For Praneti Yadav & Co.

Chartered Accountants

ICAI Firm Registration No. 137534W

Praneti Yadav

Proprietor

Membership No: 156403

R K Shah

Vice Chairman & Managing Director

DIN: 00011746

Ajay R Shah

Joint Managing Director

DIN: 00011763

Parvej G Mansuri

Chief Financial Officer

Mumbai

May 28, 2019

Mumbai

May 28, 2019

Cash Flow Statement for the year ended 31st March, 2019

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(10,270,926)	384,669
<i>Adjustments for:</i>		
Depreciation and amortisation (Net of Depreciation Withdrawn)	13,352,868	13,491,156
Actuarial Gain/Loss	(12,863)	125,672
(Profit) / loss on sale / write off of assets	(112,303)	13,540
Finance costs	11,241,227	10,558,977
Interest income	(1,214,267)	(1,000,654)
Sundry balances written back	-	(156,834)
Operating profit / (loss) before working capital changes	12,983,736	23,416,526
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(6,546,374)	(7,232,686)
Trade receivables	(16,793,893)	(14,264,336)
Other current financial assets	658,272	(425,078)
Other current assets	(8,508,365)	3,042,939
Other non current financial assets	202,462	254,580
Other non current assets	462,224	2,551,927
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	21,430,159	21,851,453
Other current financial liabilities	-	(112,478)
Other current liabilities	57,679	(7,883,284)
Current provisions	733,639	597,493
Other non current financial liabilities	4,500	(326,905)
Non current provisions	(156,758)	1,246,193
Cash Generation from Operation	4,527,279	22,716,344
Net cash flow from / (used in) operating activities (A)	4,527,279	22,716,344
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment and intangible assets	(1,586,882)	(3,441,760)
Proceeds from disposal of property, plant and equipment and intangible assets	216,300	1,571,149
Interest Income	1,214,267	1,000,654
Net cash flow from / (used in) investing activities (B)	(156,315)	(869,957)
C. Cash flow from financing activities		
Net increase / (decrease) in current financial liabilities for borrowings	(6,653,477)	(16,750,791)



Cash Flow Statement for the year ended 31st March, 2019

Particulars	Note No.	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Net increase / (decrease) in non current financial liabilities for borrowings		14,734,237	6,577,275
Finance cost		(11,241,227)	(10,558,977)
Net cash flow from / (used in) financing activities (C)		(3,160,468)	(20,732,493)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1,210,496	1,113,894
Cash and cash equivalents at the Beginning of the year		7,223,151	6,109,257
Cash and cash equivalents at the end of the year *		8,433,647	7,223,151
		(1,210,496)	(1,113,894)
* Comprises:			
(a) Cash on hand		66,989	99,589
(b) Balances with banks			
(i) In current accounts		2,346,313	2,378,282
(ii) In EEFC accounts		192	1,201
(iii) In deposit accounts with Banks		6,020,153	4,744,079
		8,433,647	7,223,151

As per our Report of even date

For Praneti Yadav & Co.

Chartered Accountants

ICAI Firm Registration No. 137534W

Praneti Yadav

Proprietor

Membership No: 156403

Mumbai

May 28, 2019

For and on behalf of the Board of Directors

R K Shah

Vice Chairman & Managing Director

DIN: 00011746

Abhay R Shah

Joint Managing Director

DIN: 00016497

Parvej G Mansuri

Chief Financial Officer

Mumbai

May 28, 2019

Ajay R Shah

Executive Director

DIN: 00011763

Sudhir R Shah

Company Secretary

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

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 listed on the Bombay Stock Exchange (BSE). 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.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 28, 2019.

2. Significant accounting policies

The financial statements have been prepared on the following basis:

2.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

These financial statements have been prepared on a historical cost basis, except following assets and liabilities which have been measured at fair value:

- (i) Land and building forming part of Property, plant and equipment
- (ii) Defined Benefit plans-plan assets

Up to the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP) which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

2.2 Use of estimates

The preparation of the financial statements are in conformity with Ind AS requires the Management to make estimates, judgement and assumptions. These estimates, judgement and assumption affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2.3 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. Sale of goods is net of Indirect taxes, returns and discounts.

Interest income from a financial asset is recognised using effective interest rate method. Dividend income is accounted for when the right to receive the payment 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.

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

2.4 Inventories

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. Imported raw materials, stock in transit are valued at cost and customs duty thereon.

2.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition net of recoverable taxes, trade discount and rebates including any cost, directly attributable to bringing the assets to their working condition for its intended use, net charges on foreign exchange arising from exchange rate variations attributable to the assets less accumulated depreciation and impairment losses, if any except for certain property, plant and equipment, which have been revalued.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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

2.6 Depreciation /Amortisation and useful lives of property, plant and equipment/intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2.7 Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

2.8 Foreign Currency Transactions and Translation

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 denominated in the foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

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, if any, 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 Payment of Gratuity Act, 1972. 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.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance sheet date. 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 Fair value Measurement:

Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally



Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A Fair value measurement of a non-financial asset takes in to account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) market prices and active market for identical assets and liabilities.
- Level 2 – Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by the re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognises a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a. Financial assets:

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity and a financial liability or equity instrument of another entity. The Company recognises a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. When transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognised in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial asset measured at amortised cost
- Financial asset at fair value through OCI
- Financial assets at fair value through profit or loss

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

Financial assets measured at amortised cost

Financial assets are measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortised using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to income statements.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortised cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds receivables.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model on the following:

- a) Financial assets that are measured at amortised cost.
- b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

ECL is measured through a loss allowance on a following basis: -

- a) The twelve month expected credit losses (expected credit losses that result from all possible default events on the financial instruments that are possible within twelve months after the reporting date)
- b) Full life time expected credit losses (expected credit losses that result from all possible default events)



Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

over the life of financial instruments)

The company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

b. Financial liabilities and equity instruments:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

Initial Recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permit inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

Subsequent measurement

Subsequent measurement of financial liabilities depends upon the classification as described below: -

Financial Liabilities classified at Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of cost of assets is included as Finance costs in the Statement of Profit and Loss.

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

Financial Liabilities at Fair value through profit and loss (FVTPL)

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged/cancelled/expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and net amount is reported if there is currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise assets and settle the liabilities simultaneously.

2.13 Earnings per share

Basic Earnings per share is computed by dividing the profit from continuing operations and total profits, both attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive.

2.14 Income Tax Expenses

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to the items recognised directly in equity or in other comprehensive income.

Current tax

Current tax includes provision for Income Tax computed under special provision (i.e. Minimum Alternate Tax) or normal provision of Income Tax Act provisions. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the basis of estimated taxable Income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

Deferred Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to the income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

2.15 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.

2.16 Impairment of Assets non-financial assets - property, plant and equipment and intangible 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.

2.17 Provisions and Contingent Liability

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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, 2019

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land Owned	Buildings Owned	Plant & equipment Owned	Office equipment Owned	Furniture & fixtures Owned	Vehicles Owned	Computers Owned	Total
Gross Block								
At cost or fair value as at 01.04.2018	23,226,000	43,286,095	201,176,910	840,414	180,667	9,605,527	2,292,463	280,608,076
Additions	-	-	117,750	-	-	1,385,912	83,220	1,586,882
Revaluation adjustment	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	2,567,080	-	2,567,080
At cost or fair value as at 31.03.2019	23,226,000	43,286,095	201,294,660	840,414	180,667	8,424,359	2,375,683	279,627,878
Depreciation Block								
As at 01.04.2018	-	7,200,689	113,892,190	504,320	66,221	4,558,767	2,104,544	128,326,731
Depreciation for the year	-	1,430,346	10,679,602	89,873	17,262	944,330	50,694	13,212,107
Disposals	-	-	-	-	-	2,463,083	-	2,463,083
Accumulated depreciation as at the 31.03.2019	-	8,631,035	124,571,792	594,193	83,483	3,040,014	2,155,238	139,075,755
Net Block								
As at 31.03.2019	23,226,000	34,655,060	76,722,868	246,221	97,184	5,384,345	220,445	140,552,123

Note: In order to comply with the requirements of IND AS 101, the Company has considered fair market value from 1st April 2016 of its land admeasuring of 8631 Sq Mt situated at Village Umraya, Taluka-Padra, District- Vadodara and Buildings standing thereon. The incremental impact of increase in value of land by ₹ Nil (Previous year ₹ 1,52,68,228/-) and Building by ₹ Nil (Previous year ₹ 35,63,118/-) has been credited to revaluation surplus.

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

4. INTANGIBLE ASSETS

	(in ₹.)		
Particulars	Computer software	Patents	Total
Gross Block			
At cost or fair value as at 01.04.2018	855,000	676,260	1,531,260
Additions	-	-	-
Revaluation adjustment	-	-	-
Disposals	-	-	-
At cost or fair value as at 31.03.2019	855,000	676,260	1,531,260
Depreciation Block			
As at 01.04.2018	574,592	642,446	1,217,038
Depreciation for the year	140,761	-	140,761
Disposals	-	-	-
Accumulated depreciation as at the 31.03.2019	715,353	642,446	1,357,799
Net Block			
As at 31.03.2019	139,647	33,814	173,461

5. OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Unsecured, considered good		
Prepaid Expenses	201,939	384,531
Security Deposits	3,268,618	3,295,618
Loans to Staff	-	177,939
Secured		
Bank deposits with more than 12 months maturity	1,713,613	1,704,335
Interest Accrued on Deposits	505,646	329,855
TOTAL	5,689,816	5,892,278

6. OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Doubtful		
Trade receivable (Refer Note No-37)	8,750,541	9,062,765
Advance for capital expenditure	-	150,000
TOTAL	8,750,541	9,212,765

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

7. INVENTORIES

(At Lower of cost and net realisable value)

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Raw materials	24,395,278	23,902,863
Work-in-progress	7,182,812	6,284,849
Finished goods	13,994,759	9,716,026
Consumables stores	1,180,048	1,205,348
Packing materials	2,540,254	1,637,691
TOTAL	49,293,151	42,746,777

8. TRADE RECEIVABLES

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Unsecured, considered good		
Trade receivable	84,346,768	67,552,875
TOTAL	84,346,768	67,552,875

9. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Cash on Hand	66,989	99,589
Balance With Banks		
- In Current accounts	2,346,313	2,378,282
- In EEFC accounts	192	1,201
- In Deposit accounts	6,020,153	4,744,079
TOTAL	8,433,647	7,223,151

10. OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Unsecured, considered good		
Security Deposits	752,881	1,553,578
Loans to Staff	296,195	163,500
Interest Accrued on Deposits	328,969	319,239
TOTAL	1,378,045	2,036,317



Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

11. OTHER CURRENT ASSET

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Unsecured, considered good		
Prepaid Expenses	1,196,733	202,751
Balance with Government Authorities		
- Balance With GST/Excise Authority	9,540,173	1,568,316
- VAT credit receivable	801,492	1,335,787
Income Tax (net)	796,274	959,087
Advances to suppliers	619,010	610,535
TOTAL	12,953,682	4,676,476

12. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
(a) Authorised		
1,00,00,000 (1,00,00,000) Equity shares of ₹ 10 each	100,000,000	100,000,000
(b) Issued		
77,00,000 (77,00,000) Equity shares of ₹ 10 each	77,000,000	77,000,000
(c) Subscribed and fully paid up		
76,74,600 (76,74,600) Equity shares of ₹ 10 each	76,746,000	76,746,000
TOTAL	76,746,000	76,746,000

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

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Equity Shares at the beginning of the year	7,674,600	7,674,600
Equity Shares at the end of the year	7,674,600	7,674,600

12.2 Terms/Rights attached to Equity Shares

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

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

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

12.3 Details of the Shareholders holding more than 5% of shares

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
	No of Shares % of holding	No of Shares % of holding
Mr Rajnikant K Shah	1,608,204	1,608,204
[Include 8,03,310 (10.47%) Shares of Rajnikant K Shah (HUF) (Previous Year 8,03,310 (10.47%))]	20.95%	20.95%
Ajay R Shah	638,352	563,970
	8.32%	7.35%
Abhay R Shah	801,632	801,632
	10.45%	10.45%

13. OTHER EQUITY

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Capital Reserve		
Balance at the Beginning of the year	120,000	120,000
Balance at the end of the year	120,000	120,000
Securities premium account		
Balance at the Beginning of the year	77,844,711	77,844,711
Balance at the end of the year	77,844,711	77,844,711
General reserve		
Balance at the Beginning of the year	5,282,140	5,282,140
Balance at the end of the year	5,282,140	5,282,140
Surplus / (Deficit) in Statement of Profit and Loss		
Balance at the Beginning of the year	(95,864,804)	(96,156,079)
Add/(Less): Profit/(Loss) for the year	(10,502,086)	291,275
Balance at the end of the year	(106,366,890)	(95,864,804)
Other Comprehensive Income		
Revaluation Surplus		
Balance at the Beginning of the year	18,690,306	18,690,306
Balance at the end of the year	18,690,306	18,690,306
Other comprehensive income		
Balance at the Beginning of the year	106,619	(19,053)
Add: Addition/(Deduction) during the year	(12,863)	125,672
Balance at the end of the year	93,756	106,619
TOTAL	(4,335,977)	6,178,972

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

14. BORROWINGS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Secured		
Term Loans from Banks		
Plant and Equipment	24,993,218	16,666,670
Vehicles	2,378,494	2,743,395
Unsecured		
Intercompany Loans	6,772,590	-
TOTAL	34,144,302	19,410,065

14.1 The Term Loans 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.

14.2 The Vehicles loans are secured by hypothecation of Vehicles.

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

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
0-1 Year	8,812,452	13,151,484
1-2 Years	8,812,452	4,444,440
2-3 Years	8,812,452	4,444,440
Above 3 Years	7,368,314	7,777,790
	24,993,218	16,666,670
TOTAL	33,805,670	29,818,154

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

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
0-1 Year	1,193,511	727,556
1-2 Years	1,295,816	794,053
2-3 Years	578,650	866,663
Above 3 Years	504,028	1,082,679
	2,378,494	2,743,395
TOTAL	3,572,005	3,470,951

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

14.5 Maturity Profile of the Intercompany Loans are set out as under

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
0-1 Year	6,772,590	-
1-2 Years	2,009,536	-
2-3 Years	287,892	-
Above 3 Years	-	-
	2,297,428	-
TOTAL	9,070,018	-

15. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Trade payables	43,739	43,740
Security Deposits Received	40,198,884	40,194,384
TOTAL	40,242,623	40,238,124

16. PROVISIONS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Provision for leave encashment	2,044,050	2,110,039
Provision for gratuity	2,263,674	2,354,443
TOTAL	4,307,724	4,464,482

17. BORROWINGS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
From Banks		
Secured		
Working capital loans - repayable on demand	27,953,059	38,626,043
Current Maturities of Long Term Debt (Refer Note No : 14.3)	8,812,452	13,151,484
Current Maturities Vehicle Loans (Refer Note No : 14.4)	1,193,511	727,556
Loans and advances from related parties		
Unsecured		
From directors (Refer Note 17.1)	8,615,656	3,020,500
Current Maturities of Business Loans (Refer Note No : 14.5)	2,297,428	-
TOTAL	48,872,106	55,525,583



Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

17.1 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.

18. TRADE PAYABLES

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Due to Micro, Small and Medium Enterprises	34,617,109	19,609,074
Due to Others (Refer Note No.36)	70,880,541	64,458,418
TOTAL	105,497,650	84,067,492

19. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Others Payables		
Statutory Dues	1,190,344	993,013
Advance from customers	57,640	84,400
Expenses payable	1,959,378	2,072,270
TOTAL	3,207,362	3,149,683

20. PROVISIONS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Provision for employee benefits		
Provision for leave encashment	1,390,006	1,099,758
Provision others		
GST/Excise duty on closing stock of finished goods	1,499,438	1,056,047
TOTAL	2,889,444	2,155,805

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

21. SALE OF PRODUCTS

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Sale of products	355,869,987	380,804,973
TOTAL	355,869,987	380,804,973

21.1 PARTICULARS OF SALE OF PRODUCTS

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Manufactured goods		
Printing Ink	320,299,261	342,782,430
Coatings	24,025,272	29,920,474
Auxiliaries	11,545,454	8,102,069
TOTAL	355,869,987	380,804,973

22. OTHER INCOME

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Operation income		
Interest received	1,214,267	1,000,654
Bad Debts Recovered	300,000	431,359
Other Income	253,723	3,504,994
Net Profit on foreign currency transactions and translation (Net)	491,087	402,094
Other non operation income		
Profit on sale of assets (net)	112,303	-
Sundry balances written back	-	156,834
TOTAL	2,371,380	5,495,935

23. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Raw material consumed		
Opening stock	23,902,863	17,502,443
Add : Purchases	254,764,367	265,417,319
	278,667,230	282,919,762
Less : Closing stock	24,395,278	23,902,863
Cost of raw material consumed	254,271,952	259,016,899
Packing material consumed		
Opening stock	1,637,691	1,246,010
Add : Purchases	23,128,784	21,684,377
	24,766,475	22,930,387
Less : Closing Stock	2,540,254	1,637,691
Cost of packing material consumed	22,226,221	21,292,696
TOTAL	276,498,173	280,309,595



Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

23.1 PARTICULARS OF RAW MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Chemicals	33,866,831	36,803,886
Pigment	109,876,117	101,747,988
Resins	70,156,338	72,628,564
Oil and miscellaneous	40,372,666	47,836,461
TOTAL	254,271,952	259,016,899

23.2 PARTICULARS OF IMPORTS AND INDIGENIOUS CONSUMPTION AND PERCENTAGE OF CONSUMPTION

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Raw material consumed		
Imported	20,471,372	29,495,887
Indigenous	233,800,580	229,521,012
TOTAL	254,271,952	259,016,899
Percentage raw material consumed		
Imported	8.05%	11.39%
Indigenous	91.95%	88.61%
TOTAL	100.00%	100.00%

24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Inventories (at close)		
Finished Goods	13,994,759	9,716,026
Work-in-Progress	7,182,812	6,284,849
	21,177,571	16,000,875
Inventories (at commencement)		
Finished goods	9,716,026	7,701,558
Work-in-Progress	6,284,849	7,812,355
	16,000,875	15,513,913
TOTAL	(5,176,696)	(486,962)

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

25. EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Salary	15,771,996	15,470,103
Contribution to provident and other funds	2,414,136	2,551,998
Staff welfare expenses	245,878	327,157
TOTAL	18,432,010	18,349,258

25.1 As per Ind Accounting Standard 19 (Revised) " Employee Benefits", the disclosure as defined in the Accounting Standard are given below:

Defined Contribution Plan

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

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Employer's contribution to provident fund	1,118,234	1,110,564
TOTAL	1,118,234	1,110,564

Defined Benefit Plan

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

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Defined benefit obligation at the beginning of the Year	4,675,121	3,356,140
Current service cost 228,829	174,137	
Past service cost	-	1,294,900
Interest on defined benefit obligation	363,148	245,674
Remeasurements due to		
- Actuarial loss/(gain) arising from change in financial assumptions	80,859	(118,587)
- Actuarial loss/(gain) arising from change in demographic assumptions	(1,036)	-
- Actuarial loss/(gain) arising on account of experience changes	(106,602)	(97,339)
Benefit paid	(1,460,441)	(179,804)
Defined Benefit obligation at the end of the year	3,779,878	4,675,121
Fair value of the plan assets at the beginning of the year	3,320,678	3,229,163
Employer contribution	1,399,534	44,713
Interest on plan assets	296,075	273,277
Administration expenses	-	-
Remeasurements due to		
- Actual return on plan assets less interest on plan assets	(39,642)	(46,671)
Benefit paid	(1,460,441)	(179,804)
Fair value of the plan assets at the end of the Year	3,516,204	3,320,678

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

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

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Fair value of the plan assets	3,516,204	3,320,678
Present value of the obligation	3,779,878	4,675,121
Amount recognised in the balance sheet	263,674	1,354,443

(III) Expenses Recognised During the year

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Current service cost	228,829	174,137
Past service cost	-	1,294,900
Administrative expenses	-	-
Interest on net defined benefit liability /(asset)	67,073	(27,603)
TOTAL	295,902	1,441,434

(IV) Investment Details

Particulars	For the year ended 31st March, 2019 %	For the year ended 31st March, 2018 %
Insured managed funds	100	100
TOTAL	100	100

(V) Actuarial Assumptions of Gratuity

Particulars	For the year ended 31st March, 2019 %	For the year ended 31st March, 2018 %
Discount rate (per annum)	7.50%	7.85%
Rate of escalation in salary (per annum)	6.00%	6.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

26. FINANCE COSTS

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Interest expense on		
Borrowings	9,754,321	9,366,704
Other borrowing costs	1,486,906	1,192,273
TOTAL	11,241,227	10,558,977

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

27. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Depreciation and amortisation	13,352,868	13,491,156
TOTAL	13,352,868	13,491,156

28. OTHER EXPENSES

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Manufacturing Expenses		
Consumable stores	373,953	361,284
Power and fuel	9,795,148	10,125,937
Factory expenses	1,625,543	1,674,062
Wages and labour charges	14,664,029	15,075,948
Repairs to machinery	3,304,230	2,000,554
	29,762,903	29,237,785
Establishment Expenses		
Rent	923,600	981,660
Repairs to building	412,460	54,420
Insurance	617,415	1,001,026
Rates and taxes	67,331	57,669
Communication expenses	528,071	653,136
Travelling and conveyance	1,509,674	1,728,392
Printing and stationary	311,444	293,265
Legal and professional charges	2,605,461	2,384,186
Payment to auditors (refer note no. 28.2)	217,377	202,000
Loss on sale of the assets (net)	-	13,540
(Includes assets discarded of ` Nil (previous year ` Nil/-)		
Motor car expenses	1,566,587	1,916,677
Miscellaneous Expenses	2,576,217	2,318,576
	11,335,637	11,604,547
Selling and Distribution Expenses		
Increase/(decrease) of excise duty on inventory	443,391	200,318
Freight and forwarding 8,532,408	7,906,727	
Sales commission and discount	3,844,605	4,375,924
Business promotion	245,767	565,615
	13,066,171	13,048,584
TOTAL	54,164,711	53,890,916

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

28.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Raw materials	22,060,342	30,959,800
Components and spare parts	400,028	-
Capital goods	-	-

28.2 PAYMENT TO AUDITORS

(Excluding service tax/GST)

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Statutory audit fees	195,000	195,000
Certification charges	5,000	7,000
Out of pocket expenses	17,377	-
TOTAL	217,377	202,000

29. EARNINGS PER SHARE

(I) Basic Earnings Per Share

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Net Profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	(10,502,086)	291,275
Weighted average numbers of equity shares used as denominator for calculating EPS	7,674,600	7,674,600
Basic earnings per share	-1.37	0.04
Face value per equity shares	10	10

(II) Diluted Earnings Per Share

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Net Profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders	(10,502,086)	291,275
Weighted average numbers of equity shares used as denominator for calculating EPS	7,674,600	7,674,600
Basic and diluted earnings per share	-1.37	0.04
Face value per equity shares	10	10

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

30. EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Travelling expenses	7,276	114,834
Purchases of raw material	22,674,651	32,339,539

31. EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
FOB value of exports	20,929,974	11,441,179

32. RELATED PARTY DISCLOSURES

As per the Ind Accounting Standard (Ind AS) 24 "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
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

(II) Transactions during the year with related parties

Nature of the transaction	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
(a) Payment to key management personnel		
Mr Rajnikant K Shah	2,580,295	2,650,157
Mr. Abhay R Shah	2,342,133	2,225,010
Mr. Ajay R Shah	1,427,160	1,371,796
Mr. Manoj V Mehta	1,252,671	1,356,143

Nature of the transaction	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
(b) Interest to Unsecured Loans		
Mr Rajnikant K Shah	-	3,905
Mr. Abhay R Shah	-	171,475
Mr. Ajay R Shah	-	183,228
Mr. Manoj V Mehta	23,999	23,998
	23,999	382,606

(III) Balances outstanding

Nature of the transaction	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
Unsecured Loans	8,615,656	3,020,500
Remuneration to Key Management Personal Payable	117,257	306,124

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

33. The Company does not have different segments and hence segment wise reporting in terms of the Ind Accounting standard (Ind AS) 108 "Operating Segment" 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 be disclosed separately.

34. Dues to Micro & Small Enterprises

Under the Micro and Small and Medium Enterprises Development Act 2006 (MSMED) which came into force from 2nd October 2006 certain disclosures in terms of section 22 are required to be made relating to Micro and Small Enterprises the following information is compiled on the basis of the information and records available with the management.

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Principal amount remaining unpaid as at the year end	34,617,109	19,609,074
Interest due thereon	756,862	412,949.60
Amount of interest paid by the company in terms of section 16 of the MSMED along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
Amount of Interest Accrued and remaining unpaid at the end of the Accounting year	756,862	412,950

35. DEFERRED TAX LIABILITIES / ASSETS (NET)

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Deferred tax liability		
Related to Depreciation difference of fixed assets	15,770,913	16,631,712
Deferred tax asset		
Disallowances and Unabsorbed Business Loss and Depreciation under the Income Tax 1961	(45,233,031)	(44,486,991)
Deferred tax asset (net)	(29,462,118)	(27,855,279)

35.1. In terms of Ind Accounting Standard (Ind AS) 12- "Income Taxes", the Company has Deferred Tax Assets as on 31st March 2019. 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.

36. Subject to Note No. 37 on Trade Receivables, in the opinion of the management, current and non current assets are recoverable in normal course of the Business.

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

37. Doubtful Trade receivables include:

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Debts doubtful of recovery		
Trade receivables for which suits have been filed for recovery	6,282,162	6,430,786
Other Trade receivable where suits have not been filed	2,468,379	2,631,979

38. The provisions of the section 135 in respect of corporate social responsibility are not applicable to the company as the company is not falling under any criteria of the said provisions.

39. CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
(I) Contingent Liabilities		
- Bank Guarantee	12,570,796	12,855,009
(Net of fixed deposits and interest accrued thereon of ₹ 50,29,204/- (previous year ₹ 47,44,991/-)		
- Third party guarantee in favour of customer	1,250,000	1,250,000
- Appeal for 2011-12 under Gujarat Value Added Tax Act 2003	440,457	440,457
(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

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

41. Financial risk management

The Company's activities are exposed to a variety of market risk (including foreign currency risk and interest risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

i. Market Risk

Market rate is the risk that arises from changes in market prices, such as commodity prices, foreign exchange rates, interest rates etc. and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising returns.

a. Commodity Price Risk

Commodity price risk arises due to fluctuations in prices of raw materials and other products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.



Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

b. Interest Rate Risk

The company's exposure to the risk of changes in market interest rate relates to the floating the debt obligations.

c. Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit & Loss, where transaction references more than one currency or where assets/liabilities are denominated in currency other than functional currency of the entity. Considering the countries and economic development in which Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risk primarily relates to fluctuations in US Dollar.

"Any movement in the functional currency of operations of the Company against the major foreign currency may impact the Company's revenue in international business. Any weakening of the functional currency may impact Company's cost of imports and consequently the profit or loss.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risk.

ii. **Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Company performs ongoing credit evaluation of its counterparties' financial conditions. The Company's major classes of financial assets are cash and bank balances, trade receivables, Security deposits, Advances to Suppliers and Employees and prepayments.

As at the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

As at the reporting date, substantially all the cash and bank balances as detailed in Note 9 to the financial information are held in major Banks which are regulated and located in the India, which management believes are of high credit quality. The management does not expect any losses arising from non-performance by these counterparties.

As at 31 March 2019, the Company's outstanding trade receivables over-due for a period exceeding 180 days is 14.43% of total trade receivables.

iii. **Liquidity Risk**

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company has obtained fund based and non-fund based working capital credit facility from a bank. Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Company arise in respect of the trade and other payables. Trade and other payables are all payable within 12 months.

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of regularly forecasting cash inflows and outflows and all liquidity requirements are planned.

Forecast for trade and other payables is regularly monitored to ensure timely funding.

All payments are made within due dates subject to availability of funds.

iv. **Capital Risk Management**

The Company manages its capital to ensure that the Company will be able to maintain an optimal capital structure so as to support its businesses.

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2019

The debt-to-equity ratio of the Company at the end of the reporting period was as follows:

Particulars	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Net Debt	239,161,211	209,011,234
Total Equity	72,410,023	82,924,972
Debt to Equity Ratio	3.30	2.52

As per our Report of even date

For Praneti Yadav & Co.
Chartered Accountants

ICAI Firm Registration No. 137534W

Praneti Yadav

Proprietor

Membership No: 156403

Mumbai

May 28, 2019

For and on behalf of the Board of Directors

R K Shah

Vice Chairman & Managing Director

DIN: 00011746

Abhay R Shah

Joint Managing Director

DIN: 00016497

Parvej G Mansuri

Chief Financial Officer

Mumbai

May 28, 2019

Ajay R Shah

Executive Director

DIN: 00011763

Sudhir R Shah

Company Secretary



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

Name of the member (s) :

Registered address :

E-mail ID :

Folio No./Client ID/DP ID :

I/We, _____ of _____ being the member(s) of ORGANIC COATINGS LTD. hereby appoint the following as my/our proxy to attend vote(for me/us) on my/our behalf at the 54th Annual General Meeting of the company to be held on Friday, the 27th September, 2019 at 3.00 p.m. at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058 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

Proxy Form

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

Sl.No.	Resolution	For	Against
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2019 and reports of the Board of Directors and the Auditors thereon.		
2.	Re-appointment of Mr. Abhay R. Shah who retires by rotation.		
3.	Re-appointment and payment of remuneration to Mr. Rajnikant K. Shah, Vice Chairman & Managing Director for 1 year.		
4.	Re-appointment and payment of remuneration to Mr. Abhay R. Shah as Joint Managing Director for a period of 5 years.		
5.	Re-appointment and payment of remuneration to Mr. Ajay R. Shah as Wholetime Director for a period of 5 years.		
6.	Re-appointment of Ms. Ashwini Lad as an Independent Director for second consecutive period of 5 years.		
7.	Re-appointment of Mr. Chandrakumar Z. Shah as an Independent Director for a period of 5 years.		

* 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. _____

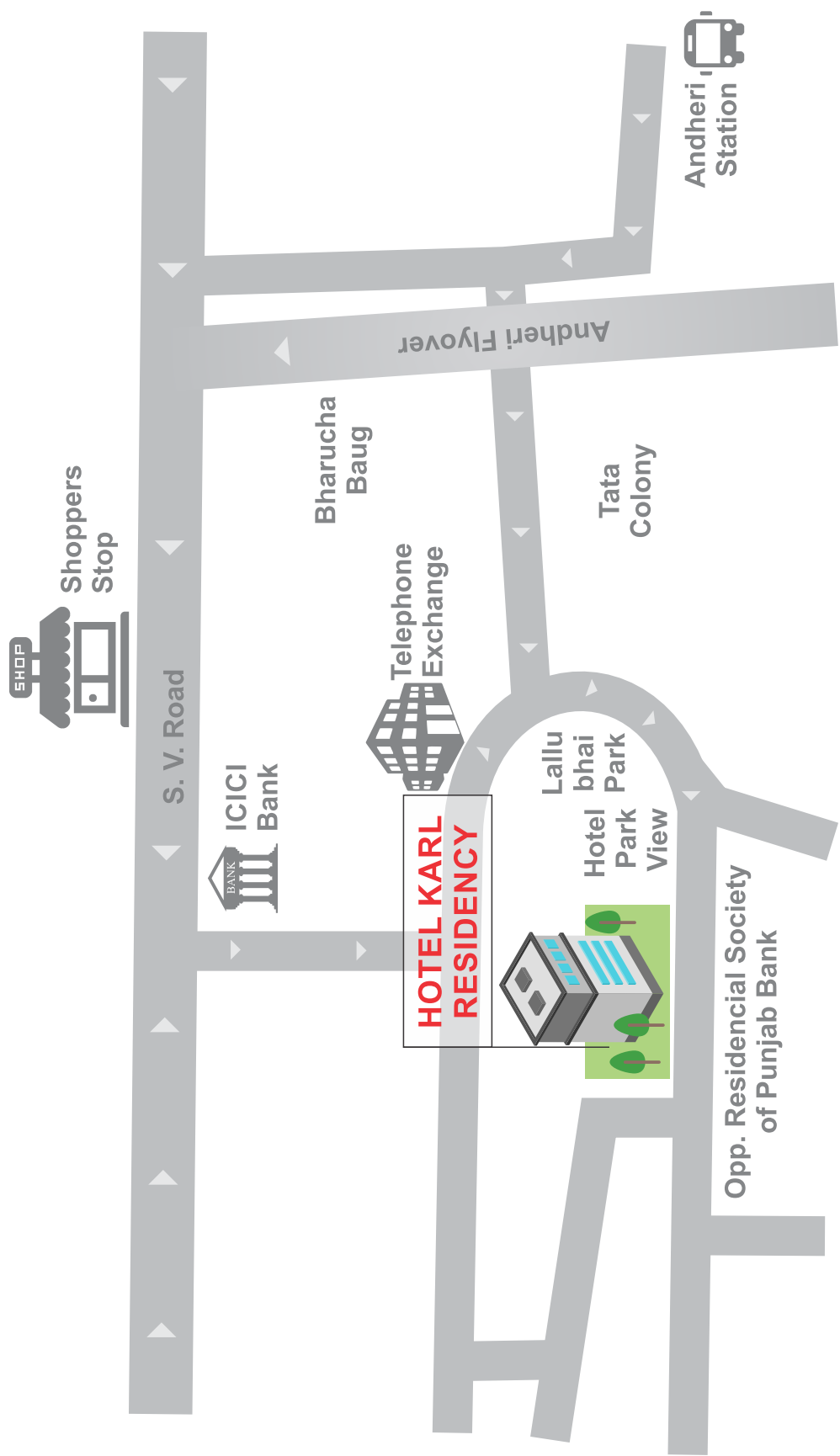
Revenue
Stamp
of Re 1/-

Signed this _____ day of _____ 2019.

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.

Route Map to The AGM Venue





Organic Coatings Ltd.

**Manufacturers of Printing Inks
& Allied Products**

CIN No.L24220MH1965PLC013187

Registered Office :

Unit No. 405, Atlanta Estate,
Near Virwani Indl. Estate,
Goregaon (east), Mumbai – 400 063.
Ph. : 022-29276921 / 29272114

Factory :

Block No. 395, 437, 450,
Village Umraya, Taluka Padra,
Dist. Vadodara – 391 440.
Ph. : 0266-2244080
Email.: organiccoatingsltd@organiccoatingsltd.com
www.organiccoatingsltd.com