



NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of Pentokey Organy (India) Limited, will be held at Unit No RCC/9, 1st Floor, J K Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, on Monday, the 29th September, 2008 at 4.00 p. m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Pragna R Shah, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. Desai Saksena & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. Sampatraj B. Chandalia, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, from a member, signifying and proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation."
5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Devendra J. Shrimanker, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, from a member, signifying and proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Vinay Venkatesh Joshi, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, from a member, signifying and proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Girish M. Kajaria, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, from a member, signifying and proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Shyam Chaitan Balsekar, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, from a member, signifying and proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

For and on behalf of the Board of Directors
Sd/-

RAJENDRA V. SHAH
Managing Director

Unit no RCC/9, 1st Floor, J. K. Indl Estate
Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.

Place : Mumbai
Date : 29th August, 2008



NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER, proxies to be effective must be received by the Company not less than 48 hours before the time for the meeting.
2. The Members are requested to notify any change in their address to the Shares Department Unit No. RCC/9, J K Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai -93.
3. The Register of members and Share Transfer Books of the Company will remain closed from 23rd September, 2008 to 29th September, 2008 (both days inclusive).
4. Members/proxies should bring their copies of the Annual Report and the admission slip duly filled in for attending the meeting.
5. A copy of special Notice is placed at the Registered office at Unit No RCC/9, 1st Floor, J K Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, for inspection.

EXPLANATORY STATEMENT PURSUANT TO SECTION - 173 OF THE COMPANIES ACT, 1956

Item Nos. 4, 5, 6, 7 & 8

The Board of Directors of the Company, at its meeting held on 5th February, 2008 has appointed Dr. Sampatraj B. Chandalia and Shri Devendra J. Shrimanker, at its meeting held on 5th May, 2008 has appointed Shri Vinay Venkatesh Joshi, Shri Girish M. Kajaria and at its meeting held on 29th August, 2008 has appointed Shri Shyam Chaitan Balsekar, pursuant to the provisions of Section 260 of the Companies Act, 1956, as Additional Directors of the Company.

In terms of provision of Section 260 of the Companies Act, 1956, Dr. Sampatraj B. Chandalia, Shri Devendra Shrimanker, Shri Vinay Venkatesh Joshi, Shri Girish M. Kajaria and Shri Shyam Balsekar would hold office up to the date of this Annual General Meeting.

The Company has received notices in writing from the members along with a deposit of Rs.500/- each proposing the candidatures of Dr. Sampatraj B. Chandalia, Shri Devendra J. Shrimanker, Shri Vinay Venkatesh Joshi and Shri Girish M. Kajaria for the office of the Directors of the Company under the provisions of Section 257 of the Companies Act, 1956.

Dr. Sampatraj B. Chandalia has to his credit wide experience especially in the fields of Chemical Engineering. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company to appoint Dr. Sampatraj B. Chandalia as an Independent Director of the Company liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Shri Devendra J. Shrimanker, a senior Chartered Accountant possess excellent knowledge of Taxation, Finance and Accounts and has at his back rich industrial experience which would be helpful in the process of revival of the Company. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company to appoint Shri Devendra J. Shrimanker as an Independent Director of the Company, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Shri Vinay Venkatesh Joshi has rich industrial experience which would be very helpful in achieving the goal for the revival of the Company. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company to appoint Shri Vinay Venkatesh Joshi as a Director of the Company, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Shri Girish M. Kajaria has rich industrial experience. Keeping in view his enriched expertise and knowledge, it would be in the interest of the Company to appoint Shri Girish M. Kajaria as a Director of the Company, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Shri Shyam Chaitan Balsekar is a B.E.(Electronics) and Diploma in Business Management has rich experience especially in the fields of Electronics and Renewable Energy. Keeping in view his qualifications, experience and knowledge, it would be in the interest of the Company to appoint Shri Shyam Chaitan Balsekar as an Independent Director of the Company, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

None of the Directors except Dr. Sampatraj B. Chandalia, Shri Devendra J. Shrimanker, Shri Vinay Venkatesh Joshi, Shri Girish M. Kajaria and Shri Shyam Chaitan Balsekar is interested in the Resolution.

Your Directors commend the Ordinary Resolution for the approval of the Members.

For and on behalf of the Board of Directors

Regd. Office :

Unit no RCC/9, 1st Floor, J. K. Indl Estate
Mahakali Caves Road, Andheri (East),
Mumbai – 400 093.

Place : Mumbai
Date : 29th August, 2008

Sd/-
RAJENDRA V. SHAH
Chairman & Managing Director



DIRECTORS' REPORT

Your Directors present their 21st Annual Report together with the Audited Accounts for the year ended 31st March, 2008

1. FINANCIAL HIGHLIGHTS

The financial results of the company are as under:-

(Rs. In Lacs)

	Financial Year 2007-2008	Financial Year 2006-2007
Gross Income	17.30	552.28
Profit/(Loss) before Interest and Depreciation & Extraordinary item	(83.08)	(174.95)
Less : Interest	63.29	49.12
Profit/(Loss) before Depreciation	(146.37)	(224.07)
Less : Depreciation	100.04	100.91
Profit/(Loss) for the year before		
Extraordinary item	(246.41)	(324.98)
Add/Less: Exceptional item (Provisions/Balances Written Off Back)	117.24	42.00
Add/Less : Extraordinary item (Reliefs as per the BIFR order	279.95	0
Net Profit/(Loss) for the year after		
Extraordinary item	150.78	(366.98)

2. OPERATIONS

The Company was forced to suspend its production of Acetic Acid and Ethyl Acetate due to the non availability of the main raw material SDS at the remunerative price. Due to deteriorating market conditions the Management had been forced to declare a Lockout of the unit from 24th February, 2007. The Company successfully lifted the Lockout with effect from 1st March, 2008.

3. STATUS UNDER BIFR

As per the BIFR Order dated 26th September, 2007 the Company started taking effective steps with the relevant authorities for the various concessions and reliefs granted to the Company. The Company has implemented the BIFR Order and has carried out the following:

- Infusion of Rs. 22.56 Lacs by the promoters by way of Share Capital.
- Infusion of Rs. 280.00 Lacs by Strategic Investors by way of Share Capital.
- Commencement of operation in June, 2008.

4. DIVIDEND

In view of the accumulated losses the Directors are unable to recommend any dividend for the year.

5. FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 from the public.

6. DERATING OF EQUITY

During the year the Company's issued Equity Share

Capital have been derated to the extent of 75% as per the BIFR's Order dated 26th September, 2007. Consequent to the BIFR Order, 1,04,35,132 Issued Equity Shares Capital of Rs.10/- each of the Company have been reduced to the extent of 25% and consequent to that the Company's resulting issued capital has becomes 26,08,783 Equity Shares of Rs.10/- each.

7. DIRECTORS

Smt. Pragna R Shah, Director of the Company will retire by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

During the year Shri P G Karandikar and Shri Shailesh B Shah have resigned with effect from 5th February, 2008 from the Board of Directors of the Company. The Board of Directors wish to place on record its appreciation of the services rendered by them during their association as Directors of the Company.

The Board of Directors appointed Shri Devendra J Shrimanker, Dr. Sampatraj B Chandalia, Shri Vinay Venkatesh Joshi, Shri Girish M. Kajaria and Shri Shyam Chaitan Balsekar as Additional Directors of the Company. They hold office upto the date of this Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Directors.

8. COMMITTEES

Shri Devendra J Shrimanker, Shri Sampatraj B Chandalia and Shri Vinay Venkatesh Joshi, Directors of the Company are the new members of the Audit Committee appointed by the Board as per the provisions of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

9. AUDITORS

The present Auditors S S Jhunjhunwala & Co. Chartered Accountants have expressed their unwillingness to be reappointed as the statutory auditors of the company. The Audit Committee has considered and decided to the appointment of M/s Desai Saksena & Associates, Chartered Accountants as the statutory auditors of the Company. Your Directors have accepted the recommendation and on its part recommend to share-holders for the appointment of M/s Desai Saksena & Associates, Chartered Accountants as Auditors of the company till the conclusion of the next Annual General Meeting.

10. PARTICULARS OF EMPLOYEES

The company has no employees in respect of whom information under sub-section 2A of Section 217 of the Companies Act, 1956 is required to be furnished.

11. AUDITORS' REMARK

The comments in respect of the auditors remark made in the Auditors Report :

- Whole-time Company Secretary (Note no 13)

The Company is unable to recruit whole time Company Secretary in view of current financial position of the Company.



- b) Cost Audit (Note no 8 of Annexure)
The Company has made representation to the Central Government to exempt the Company from Cost audit in view of it being a sick company.
- c) Outstanding Statutory Dues (Note no 9(a) of Annexure)
Due to liquidity crunch the Company was unable to pay statutory dues in time. However the same will be paid in instalments as per the scheme approved by BIFR.
- d) Going Concern (Note no 10 of Annexure)
The Company has prepared accounts on going concern basis and confident of revival as per the scheme submitted to BIFR.

12. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors state that

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith the proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a going concern basis.

13. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure -I which forms part of this report.

14. APPRECIATION

Your Directors wish to place on record their appreciation of whole hearted co-operation and support from Share-holders, Employees, Bankers, Financial Institutions, and various Government Agencies and look forward to the same extent of co-operation and cordial support.

For and on behalf of the Board of Directors
Sd/-
RAJENDRA V. SHAH
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI
DATE : 29th August, 2008

ANNEXURE - I

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 attached to and forming part of the Directors' Report for the year.

I. CONSERVATION OF ENERGY :

Energy conservation measure taken :

Constant efforts are being made to improve power factor and to effect savings in power and fuel consumption.

Total energy consumption and energy consumption per unit of production (Form 'A')

A. POWER AND FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
1. Electricity :		
(a) Purchased :		
Units (in thousand)	508.464	
Total Amounts (Rs. in Lacs)	87.70	
Rate per Unit (Rs.)	7.41	
(b) Own Generation	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil :		
Quantity (Ltr.)	222244	
Total Cost (Rs. in Lacs)	41.29	
Average Rate (Rs.)	18.58	
4. Light Diesel Oil	NIL	NIL
5. Other/ Internal generation	NIL	NIL

B. CONSUMPTION PER UNIT PRODUCTION

1. Electricity (Unit)	NIL	0.425
2. Furnace Oil (Ltr)	NIL	0.186

II. TECHNOLOGY ABSORPTION ADAPTATION, INNOVATION AND RESEARCH & DEVELOPMENT :

No Technology has been imported by the Company. Technology innovation and changes wherever possible are being absorbed and adopted.

III. FOREIGN EXCHANGE EARNING AND OUTGO:

There were no earning or outgo in Foreign Exchange either during the Current Year or Previous Year.

For and on behalf of the Board of Directors

Sd/-
RAJENDRA V. SHAH
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI
DATE : 29th August, 2008



CORPORATE GOVERNANCE.

Company's Philosophy on Code of Governance

Pentokey Organy (India) Limited has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth. The Company continuously endeavours to improve on these aspects on ongoing basis. Pentokey Organy (India) Limited recognizes "values and commitments" policy, we are committed to an ethical treatment of all our employees, our customers, our share-holders, our lenders, our suppliers and the Government. Your Company has been constantly devising measures to improve upon to adopt effective Corporate Governance by creating an environment based on professionalism, entrepreneurship and pursuit for excellence. Corporate Governance policies and practices in accordance with the provisions of Clause 49 of the Listing Agreement are:

Board of Directors

Composition.

The Board of Pentokey Organy (India) Limited consists of five Directors, out of which two are Promoter Directors (of which one is an Executive Director) and three are non-Executive Independent Directors. Shri Ajai O Bhambi is a Special Director of BIFR. The Chairman and Managing Director is an Executive Director.

Board Procedures

During the financial year 2007-2008 the Board of Directors have met five times on the following dates : 29th May, 2007, 14th September , 2007, 10th October 2007, 7th January, 2008 and 5th February, 2008. The meetings were held as per the mandatory requirements and the dates of the meetings were generally decided well in advance.

Attendance Record Directorships and Membership of Directors.

Table 1 gives the composition of the Board and the attendance record of all the Directors at the five Board meetings held during the financial year 2007-08, as well as at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other Companies.

Name of Directors	Category	Attendance particulars		Directorships in Companies		Memberships/ Chairmanships In Committees	
		Board Meeting	Last AGM Held on 16.11.2007	In Listed Company	In Unlisted Public Ltd Companies	Chairman	Member
Rajendra V Shah	Promoter- Executive	5	Yes	-	1	-	-
Pragna R Shah	Promoter Non-Executive	5	Yes	-	1	-	-
P. G. Karandikar (upto 05.02.2008)	Independent Non-Executive	5	Yes	-	-	1	1
Shailesh B Shah (upto 05.02.2008)	Independent Non-Executive	4	Yes	-	1	-	1
Ajai O Bhambi	Independent Non-Executive (Special Director BIFR)	3	-	1	-	-	-
Dr. Sampatraj B. Chandalia (Additional Director w.e.f. 05.02.2008)		-	-	-	-	-	-
Devendra J. Shrimanker (Additional Director w.e.f. 05.02.2008)		-	-	-	2	-	-

- Notes (1) Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act,1956 are excluded for the above purpose.
- (2) Only Audit Committee, Share-holders Grievance Committee and Remuneration Committee are considered for the purpose of Committee positions as per Listing Agreement.

Information supplied to the Board

The Board of Pentokey Organy (India) Limited is presented with all the relevant information on various vital matters affecting the working of the Company, as well as those that require deliberation at the highest level. Extensive information is provided on various critical items such as : (a) Production, Sales and Capital Expenditure Budget, (b) Financial performance. c) Share transfer compliance (d) Quarterly financial results (e) Significant labour and human relation matters (f) statutory compliance reporting system and any other matters.



Audit Committee :

Constitution and Composition

Pentokey Organy (India) Limited has constituted an audit committee comprising of two Non-Executive Directors. The Audit Committee consists of the following Directors :-

1. Shri P.G. Karandikar- Non-Executive Independent Chairman (upto 05.02.2008)
2. Shri Shailesh B. Shah- Non-Executive Independent Member (upto 05.02.2008)
3. Dr. Sampatraj B. Chandalia (w.e.f. 05.02.2008)
4. Shri Devendra J. Shrimanker (w.e.f. 05.02.2008)

The terms of reference specified by the Board to the Audit Committee are as contained in Clause 49 of the Listing Agreement and under Section 292A of the Companies Act,1956 and it also undertakes such other matters as may be delegated by the Board from time to time. The primary function of the Audit Committee is :

1. To periodically interact with the Internal Auditors to review their reports and discuss adequacy of internal control system and internal Audit functions.
2. Appointment of Statutory Auditors and meeting with them to discuss the scope of Audit, their observations and suggestions on accounts and accounting policies.
3. The Audit Committee also reviews with the management the Company's financial reporting process and the disclosure of its financial information.

The minutes of the Audit Committee meetings are circulated to the Board, discussed and taken note of.

Meetings, attendance and topics discussed

The Audit Committee met four times during the Financial Year 2007-08, 22nd August, 2007, 15th October, 2007, 30th November, 2007 and 20th January, 2008. The meetings were scheduled well in advance. In addition to the members of the Audit Committee these meetings were attended by the executives of the Company who were considered necessary for providing inputs to the Committee.

Names of the Directors	No. of Meetings attended
Shri P. G. Karandikar	4
Shri Shailesh B. Shah	4
Dr. Sampatraj B. Chandalia	-
Shri Devendra J. Shrimanker	-

Remuneration Committee

The remuneration committee has not been constituted.

Remuneration of Directors

- a. Details of the remuneration paid to the Managing Director and Executive Director for the financial year ended 31st March, 2008 is given below :-

Name of the Director	Category	Salary	Service Years	Contract Period
Rajendra V. Shah	Chairman and Managing Director	Rs. 6,65,093 /-	5	14th July, 2005 13th July, 2010
Shailesh B. Shah	Executive Director	Rs. 60,613/-	1	20th Oct, 2006 19th Oct, 2007

- b. Details of Sitting Fees paid to the Non-Executive Directors for the financial year ended 31st March, 2008 is given below :-

Non Executive Director	Sitting Fees (Rs)
1. Shri P. G. Karandikar	17,500/-
2. Shri Shailesh B. Shah	7,000/-
3. Smt. Pragna R. Shah	17,500/-
4. Shri Ajai O. Bhambi	10,500/-



Share Holders Grievances Committee

The company has constituted a Share Grievances Committee in compliance with the Clause 49 of the Listing Agreement. The Committee comprises of two Directors viz. Shri Rajendra V Shah and Shri P.G. Karandikar. The Committee looks into the matter of share-transfers, issue of duplicate certificates and other related matters.

No Transfers /Transmission are pending as on 31st March, 2008.

SHAREHOLDERS

Communications to Share-holders

Pentokay Organy (India) Limited recognizes communication as a key element of the overall Corporate Governance framework. The Company responds the share-holders queries regularly and no such queries are pending.

Share-Holders Information General Body Meetings:

For the period ended

31st March, 2006

Date, Time and Locations

16th November, 2007 at 3.00 p.m.
Unit No RCC 9, 1st Floor, J K Industrial Estate,
Off Mahakali Caves Road,
Andheri (East) Mumbai – 400 093

31st March, 2007

16th November, 2007 at 3.00 p.m.
Unit No RCC 9, 1st Floor, J K Industrial Estate,
Off Mahakali Caves Road,
Andheri (East) Mumbai – 400 093

General Shareholders Information

Annual General Meeting

Day, Date, Time & Venue

16th November, 2007 at 11.00 a.m
Unit No RCC 9, 1st Floor, J K Industrial Estate,
Off Mahakali Caves Road,
Andheri (East) Mumbai – 400 093

Dividend Payment Date

Not Applicable since no dividend has been declared

Listing on Stock Exchanges.

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

The Stock Exchange, Ahmedabad Kamdhenu
Complex, Opp. Sahjanand College, Panjrapole
Ahmedabad – 380 015

Stock Code :

The Stock Exchange, Mumbai

24210

The Stock Exchange, Ahmedabad

44750

Market Price Data :

No rates are quoted during the Financial
Year 2007-2008.

Registrar & Transfer Agents:

Datamatics Financial Services Ltd
Plot No. B-5, MIDC, Part B
Cross Lane, Andheri (East),
Mumbai – 400 093.



Distribution of Shareholdings

Table 2 gives details about the pattern of Share-holdings among various categories as on 31st March, 2008, while table 3 gives the data according to size classes:-

Table 2 : Distribution of shareholdings across categories

	As on 31st March 2008		As on 31st March 2007	
	No. of Shares	% to Total Capital	No. of Shares	% to Total Capital
Promoters and persons acting in concert (Including Directors and Relatives)	1885223	66.51	5488500	52.59
Foreign Institutional investors	-	-	-	-
Public Financial Institutions	202459	7.14	1965032	18.83
Mutual funds	3900	0.14	15600	0.15
Nationalized and Other banks	-	-	-	-
Private Corporate Bodies	23375	0.83	22800	0.22
NRIs and OCBs	-	-	-	-
Others (Public)	719376	25.38	2943200	28.21
Total 2834333	100.00	10435132	100.00	

Table 3 : Distribution of shareholdings according to size class as on 31st March, 2008

No. of Shares	Number of shareholders		Shares held (Amount)	
	Number	%	Number	%
Share Holding of Nominal Value				
Up to 500	18464	99.3970	625676	22.0750
501 to 1000	46	0.2476	31350	1.1061
1001 to 2000	24	0.1292	33650	1.1872
2001 to 3000	7	0.0377	16275	0.5742
3001 to 4000	8	0.0431	27325	0.9641
4001 to 5000	2	0.0108	9125	0.3219
5001 to 10000	11	0.0592	82010	2.8934
10001 to 999999999	14	0.0754	2008922	70.8781
Total 18576	100.0000	2834333	100.0000	

Dematerialisation of Shares

As on date the shares of the company are not dematerialised.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversions date and likely impact on equity

The Company has not issued GDRs/ADRs Warrants or any convertible instruments.

Plant Location

D-1/1 , MIDC, Lote
Parshuram, Tal Khed,
Dist Ratnagiri,
Pin -415 722

Address for Correspondence

Unit No RCC 9, 1st Floor
J K Industrial Estate,
Off Mahakali Caves Road,
Andheri (East)
Mumbai – 400 093
Tel Fax :6695 1096



Auditor's Report on Corporate Governance

To the Members

Pentokey Organy (India) Limited

We have reviewed the records concerning the Company's compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company with the Stock Exchanges for the year ended on 31st March, 2008.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review, and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement subject to the followings:

1. The Audit Committee consist of 2 Non Executive Directors, however, the same should consist of minimum 3 Non Executive Directors, which has since been complied with.
2. The Remuneration Committee has not been constituted.

On the basis of the records maintained by the Company, we state that there are no Investor Grievances pending against the Company for a period exceeding one month.

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

Place : Mumbai

Date : 29th August, 2008

For and on behalf of
S S Jhunjunwala & Co
Chartered Accountants

Sd/-
Sunil S. Jhunjunwala
Partner
M.No. F-34718



AUDITOR'S REPORT

The Shareholders of
Pentokey Organy (India) Limited
Mumbai

1. We have audited the attached Balance Sheet of **Pentokey Organy (India) Limited** as at March 31, 2008, Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit.
4. As mentioned in note no. 9 of Schedule 'R', the Company has not appointed a whole time Company Secretary as required under the provisions of Section 383A of the Companies Act, 1956.
5. Subject to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of the Books of Account.
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the Books of Account.
 - d) In our opinion, the Profit & Loss Account and the Balance Sheet of the Company comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956,
 - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2008 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
 - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. S. Jhunjunwala & Co.
Chartered Accountants
Sd/-
Sunil S. Jhunjunwala
Partner
M. No.F- 34718

Place : Mumbai
Date : 29th August, 2008

ANNEXURE TO THE AUDITORS' REPORT*

(*Referred to our Report of even date on the accounts of PENTOKEY ORGANY (INDIA) LIMITED for the year ended March 31, 2008)

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets
 - (b) As explained to us, fixed assets have been physically verified by the management during the year. However, no evidence in respect of physical verification has been produced to us. Therefore we are unable to comment whether physical verification by the management was at reasonable interval and whether material discrepancies noticed on such verification were properly dealt within the books of account.
 - (c) During the year, the company has not disposed off a substantial part of the fixed assets.
2. (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable
 - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As per the information and explanations given to us and in our opinion, no material discrepancies were noticed on physical verification of stocks as compared to book records and the same have been properly dealt with in the books of account.



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3. (a) The Company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956. However, the Company had taken interest free unsecured loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The balances of two parties as on 31.03.2008 were Rs.27,53,973/- and the maximum balance outstanding during the year were Rs.31,44,876/-.
- (b) In our opinion, the rate of interest and other terms and conditions of the unsecured loan taken by the Company were prima facie not prejudicial to the interest of the Company.
- (c) As informed to us that the principal amount of the unsecured loans are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) According to the information and explanation given to us, there were no transaction of sale & purchase during the year with the parties covered under section 301 of the Companies Act, 1956.
- (b) Since there was no transaction with the parties covered under section 301 of the Companies Act, 1956 the provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order,2003 are not applicable to the Company.
6. According to the information and explanations given to us, the company has not accepted any deposit from the public as defined under the provisions of section 58A and 58AA of the Companies Act, 1956.
7. The Company did not have internal audit system during the year.
8. As per the information and explanations given to us, the Central Government has vide its order dated August 10, 2000 directed the Company to maintain and get audited the cost accounting records as prescribed under section 209(1)(d) of the Companies Act, 1956. However, the Company is yet to comply with the aforesaid requirement
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, and any other statutory dues have not been deposited on time during the year with the appropriate authorities. The BIFR vide its Order dated 26th September, 2007 has granted various reliefs & concessions including rescheduling of the payment of the statutory dues. As per such reschedule, there were arrears of the Sales Tax, Prof. Tax, TDS and Service Tax outstanding formore than six months amounting to Rs. 12.13 lakhs, as on 31st March, 2008,out of which the amount of TDS of Rs. 9.33 Lacs has been paid subsequently in May, 2008.
- (b) According to the records of the Company, and according to information and explanations given to us, there were no dues of Income-tax/Sales-tax/Wealth-tax/Service-tax/ Custom-duty/ Excise-duty/Cess which have not been deposited on account of disputes.
10. Accumulated losses of the Company at the end of the current financial year are exceeding its entire net worth. The Company had incurred cash losses during the current as well as in the previous financial year.
11. According to the records of the company and as per the information and explanations given to us there was no default in repayment of dues to the bank or financial institution.
12. According to the records of the company and as per the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a Chit Fund Company or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. According to the records of the Company, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the records of the company, and as per the information and explanations given to us the Company has not given guarantee for loans taken by others from banks and financial Institutions.
16. During the year, the Company has not taken term loan from bank or financial institution. However, the Company has taken secured intercorporate deposit and car loan which have been utilized for the purpose for which the same were taken.
17. According to the records of the Company, and as per the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no fund raised on short-term basis have been used for long term investments.
18. According to the records of the Company, and as per the information and explanations given to us, the Company has made preferential allotment of shares amounting to Rs.22,55,500/- during the year to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 in accordance with the Scheme approved by BIFR vide its Order dated 26th September,2007.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the records of the Company, and as per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S.S.Jhunjunwala & Co.
Chartered Accountants
Sd/-
Sunil S. Jhunjunwala
Partner
M.No. F-34718

Place: Mumbai
Date: 29th August, 2008

PENTOKEY ORGANY (INDIA) LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	Rupees	As at 31st Mar, 2008 Rupees	As at 31st Mar, 2007 Rupees
SOURCES OF FUNDS				
Share Capital	A		28,343,330	104,351,320
Share Application Money			-	2,255,500
Reserves & Surplus	B		3,000,000	115,249,185
Secured Loans	C		32,845,997	29,503,968
Unsecured Loans	D		13,968,440	3,757,377
Deferred Tax Liability (Ref. Note No. 13)			-	-
TOTAL			78,157,767	255,117,350
APPLICATION OF FUNDS				
Fixed Assets	E			
Gross Block		199,323,319		199,323,319
Less: Depreciation		142,583,311		132,579,447
Net Block		56,740,008		66,743,872
Capital Work-in-progress		24,653,174		24,703,174
			81,393,182	91,447,046
Investments	F		5,500	5,500
Current Assets Loans & Advances				
Closing Stock	G	5,798,464		5,713,129
Sundry Debtors	H	1,539,340		691,637
Cash & Bank Balance	I	1,128,147		3,878,137
Loans & Advances	J	6,061,018		3,379,947
		14,526,969		13,662,850
Less: Current Liabilities and Provisions	K	62,091,350		99,912,298
Net Current Assets			(47,564,381)	(86,249,448)
Profit & Loss A/c			44,323,466	249,914,252
TOTAL			78,157,767	255,117,350
Notes to Accounts	R			

As per our report of even date attached

For S. S. Jhunjunwala & Co.

Chartered Accountants

Sd/-

Sunil S. Jhunjunwala

Partner

M.No. F-34718

Place : Mumbai

Dated : 29th August, 2008

For and on behalf of the Board

Sd/-

RAJENDRA V SHAH

Chairman & Managing Director

Place : Mumbai

Dated : 29th August, 2008

Sd/-

DEVENDRA J. SHRIMAKER

Director



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PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

Particulars	Schedule	Rupees	2007-08 Rupees	2006-07 Rupees
INCOME				
Sales				
- Gross Sales		-		48,913,771
Less: Excise Duty		-		5,539,744
				<hr/>
			-	43,374,027
Other Income	L		1,729,991	6,313,819
			<hr/>	<hr/>
TOTAL			1,729,991	49,687,846
EXPENDITURE				
(Increase)/Decrease in Stocks	M		(93,734)	5,789,616
Direct & Manufacturing Expenses	N		1,146,380	40,554,145
Employees Emoluments	O		2,824,919	13,774,551
Administrative & Selling Expenses	P		6,025,874	7,182,380
Financial Cost	Q		6,328,480	4,911,633
Depreciation & Amortisation	E		10,003,864	10,091,747
			<hr/>	<hr/>
TOTAL			26,235,783	82,304,072
Balance Loss			(24,505,792)	(32,616,226)
Sundry Balances W/ back(Off) - (Net)			11,723,814	(4,200,123)
Prior Period (Expenses) / Income				280,710
Extra Ordinary Item				
Reliefs & Concessions as per BIFR Order (Refer Note No. 2)			27,995,089	
			<hr/>	<hr/>
Net Profit (Loss) Before Tax			15,213,111	(36,535,639)
Taxation - Fringe Benefit Tax			(135,000)	(162,000)
			<hr/>	<hr/>
Profit/(Loss) for the Year			15,078,111	(36,697,639)
Less/Add: Balance brought forward			(249,914,252)	(213,216,613)
			<hr/>	<hr/>
			(234,836,141)	(249,914,252)
Add: Reduction in Share Capital as per BIFR Order			78,263,490	
Add: Transfer from Capital Reserve as per BIFR Order (Refer Note No. 3)			112,249,185	-
			<hr/>	<hr/>
Loss Carried to Balance Sheet			(44,323,466)	(249,914,252)
			<hr/>	<hr/>
Notes to Accounts	R			

As per our report of even date attached

For S. S. Jhunjunwala & Co.
Chartered Accountants

Sd/-

Sunil S. Jhunjunwala
Partner
M.No. F-34718

Place : Mumbai
Dated : 29th August, 2008

For and on behalf of the Board

Sd/-

RAJENDRA V SHAH
Chairman & Managing Director

Place : Mumbai
Dated : 29th August, 2008

Sd/-

DEVENDRA J. SHRIMAKER
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	2007-08 Rupees	2006-07 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax and Prior Period Adjustments	15,078,111	(36,697,639)
Adjusted for:		
Depreciation	10,003,864	10,091,747
Profit on Sale of fixed assets	-	(5,337,754)
Interest Income	(135,887)	(120,074)
Dividend Income	-	(775)
Interest & Finance Charges	6,328,480	4,911,633
Provisions/Balances Written Off / (Back)	(11,723,814)	4,200,123
Relief's & Concessions as per BIFR Order	(27,995,089)	
	(8,444,335)	(22,952,739)
Operating Profit before Working Capital Changes		
Adjusted for:		
Inventories	(85,335)	6,309,022
Sundry Debtors	(847,703)	919,336
Loans & Advances	(2,681,071)	8,869,775
Trade Payables	(37,820,947)	9,066,964
	(49,879,391)	2,212,358
Cash generated from/(used in) Operations		
Relief's & Concessions as per BIFR Order	27,995,089	
Provisions/Balances Written back	11,723,814	(4,200,123)
	(10,160,488)	(1,987,765)
Net Cash Used in Operating Activities		
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	-	(236,442)
Decrease in Capital WIP	50,000	225,000
Sale of Fixed Assets	-	7,355,674
Interest Income	135,887	120,074
Dividend Income	-	775
	185,887	7,465,081
Cash generated from/(used in) Investing Activity		
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(6,328,480)	(4,911,633)
Share Application Money Recd.	-	2,255,500
Acceptance/(Repayment) of Borrowings (Net)	13,553,091	(4,414,238)
	7,224,611	(7,070,371)
Cash generated from/(used in) Financing Activity		
Net Increase/(Decrease) in Cash & Cash equivalents	(2,749,990)	(1,593,055)
Cash & Cash equivalents at beginning of the year	3,878,137	5,471,192
Cash & Cash equivalents at end of the year	1,128,147	3,878,137

As per our report of even date attached

For S. S. Jhunjhunwala & Co.
Chartered Accountants

For and on behalf of the Board

Sd/-
Sunil S. Jhunjhunwala
Partner
M.No. F-34718

Sd/-
RAJENDRA V SHAH
Chairman & Managing Director

Sd/-
DEVENDRA J. SHRIMAKER
Director

Place : Mumbai
Dated : 29th August, 2008

Place : Mumbai
Dated : 29th August, 2008



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SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	Rupees	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
SCHEDULE 'A':			
SHARE CAPITAL			
Authorised			
4,00,00,000 Equity Shares of Rs. 10/- each		400,000,000	400,000,000
Issued, Subscribed & Paid-up			
10435132 Equity Shares of Rs. 10 each fully paid up		104,351,320	104,351,320
Less: Reduction in Share Capital as per BIFR Order (7826349 Equity Shares of Rs. 10 each fully paid up)		78,263,490	
Add: Share allotted during the year (225550 Equity Shares of Rs. 10 each fully paid up)		2,255,500	
		28,343,330	104,351,320
2834333 Equity Shares of Rs. 10 each fully paid up			
SCHEDULE 'B':			
RESERVES & SURPLUS			
Capital Reserve :			
Capital Subsidy (SICOM)		3,000,000	3,000,000
Capital Reserve	112,249,185		112,249,185
Less: Transferred to Profit & Loss A/c	112,249,185		-
		-	112,249,185
		3,000,000	115,249,185
SCHEDULE 'C':			
SECURED LOANS			
a) Term Loans			
1) From Company Comfort Intech Ltd.	26,500,000		26,500,000
		-	-
		26,500,000	26,500,000
Add: Interest Accrued on loan from above Company		5910046	1,255,822
		32,410,046	27,755,822
(Fully secured against first mortgage and charge of all movable & immovable properties both present and future and personally guaranteed by two Directors)			
b) Bank Overdraft (Secured against Fixed Deposit Receipts)		-	1,250,701
c) Car Loans (Secured against hypothecation of Motor Car)		435,951	497,445
Total		32,845,997	29,503,968
SCHEDULE 'D':			
UNSECURED LOANS			
From Director		2,753,973	-
From Companies	10,314,364		2,433,258
Add: Interest Accrued & Due		-	424,016
		10,314,364	2,857,274
Sales Tax Deferral Liability (Ref. Note No. 3)		900,103	900,103
Total		13,968,440	3,757,377



SCHEDULE 'E':

FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As at 31st		As at 31st		As at 31st	For The	Adjustment	Total Dep.	As at 31st	As at 31st	As at 31st
	March, 2007	Addition	Sales	Mar, 2008	March, 2007	Year	on Sales	for the Year	Mar, 2008	Mar, 2008	March, 2007
Land (Leasehold)	987,872	-	-	987,872	155,993	10,400	-	10,400	166,393	821,479	831,879
Factory Building	28,347,567	-	-	28,347,567	12,445,426	946,809	-	946,809	13,392,235	14,955,332	15,902,141
Office Premises	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	159,435,550	-	-	-	159,435,550	112,641,737	8,418,197	8,418,197	121,059,934	38,375,616	46,793,813
Electrical Installation	93,844	-	-	93,844	39,234	4,458	-	4,458	43,692	50,152	54,610
Office/Factory Equipments	3,854,947	-	-	3,854,947	2,264,548	178,936	-	178,936	2,443,484	1,411,463	1,590,399
Computers	1,856,365	-	-	1,856,365	1,679,190	59,828	-	59,828	1,739,018	117,347	177,175
Furniture & Fixtures	1,842,664	-	-	1,842,664	1,505,225	110,483	-	110,483	1,615,708	226,956	337,439
Patents & Trade Mark	11,600	-	-	11,600	11,600	-	-	-	11,600	-	-
Vehicles	2,892,910	-	-	2,892,910	1,836,494	274,753	-	274,753	2,111,247	781,663	1,056,416
TOTAL	199,323,319	-	-	199,323,319	132,579,447	10,003,864	-	10,003,864	142,583,311	56,740,008	66,743,872
Previous Year	203,299,506	236,442	4,212,629	199,323,319	124,682,408	10,091,747	2,194,708	7,897,039	132,579,447		
Capital Work-in-progress										*24,653,174	*24,703,174
TOTAL										81,393,182	91,447,046

* Includes Advance Against Capital Goods Rs.54,31,603 (Previous Year: Rs.54,81,603)

** Motor car remains to be transferred in the name of the Company Rs.14,80,901/-

SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	Rupees	As at 31st	As at 31st
		March, 2008	Mar, 2007
		Rupees	Rupees
SCHEDULE 'F':			
INVESTMENTS			
Long Term - Quoted Investment			
1) 50 Equity Shares of Rs.100/- each fully paid up of State Bank Of India		5,000	5,000
[Market value of quoted investment Rs. 79,943/-(Previous Year Rs.1,08,113)]			
Long Term - Unquoted Investment			
1) 10 Equity Shares of Rs.50/- each fully paid up of The Thane Janata Sahakari bank Ltd.		500	500
Total		5,500	5,500
SCHEDULE 'G':			
CLOSING STOCK			
(As taken, valued and certified by the management)			
Raw Materials		1,962,780	1,962,780
Raw Materials (Stock in Transit)			
Finished Goods		591,436	497,702
Stores & Spares		3,063,073	3,071,472
Fuel		181,175	181,175
Total		5,798,464	5,713,129



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SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	Rupees	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
SCHEDULE 'H':			
SUNDRY DEBTORS (Unsecured considered good)			
Debts outstanding for a period			
a) More Than Six Months	691,637		691,637
Less: Provision for Doubtful Debts	-		24,341,300
Less: Written off during the year	-		24,341,300
		691,637	691,637
b) Less Than Six Months		847,703	-
Total		1,539,340	691,637
SCHEDULE 'I':			
CASH & BANK			
Cash On Hand		625,581	2,310,926
Balance with Scheduled Banks :			
Current Accounts	443,227		385,172
Fixed Deposits Account	59,339		1,182,039
		502,566	1,567,211
(Including interest accrued Rs. NIL/- P.Y. Rs.8,32,039/-).			
Total		1,128,147	3,878,137
SCHEDULE 'J':			
LOANS & ADVANCES (Unsecured considered good)			
Advances recoverable in cash or in kind or for value to be received			
		5,375,051	2,566,904
Balance with Excise Dept.		141,507	141,507
Income Tax Deducted at Source		200,971	255,684
Prepaid Expenses		343,489	415,852
Total		6,061,018	3,379,947
SCHEDULE 'K':			
CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors		20,329,724	41,679,618
Other Liabilities		41,761,626	58,232,680
Total		62,091,350	99,912,298



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	2007-08	2006-07
	Rupees	Rupees
SCHEDULE 'L':		
OTHER INCOME		
Interest Received [Includes Tax Deducted at Source Rs. NIL (Previous Year: Rs.15,576)]	135,887	120,074
Interest Received on Income Tax	4,103	-
Dividend Received	-	775
Miscellaneous Income	1,486,843	522,348
Excise Duty on Opening/Closing Stock of Finised Goods	-	332,868
Profit on Sales of Fixed Assets	-	5,337,754
Sales Tax Refund	103,158	-
Total	1,729,991	6,313,819
SCHEDULE 'M':		
INCREASE DECREASE IN STOCK		
Closing Stock		
Finished Goods	591,436	497,702
	591,436	497,702
Less: Opening Stock		
Finished Goods	497,702	3,679,128
Work in process	-	2,608,190
	497,702	6,287,318
	(93,734)	5,789,616
SCHEDULE 'N':		
DIRECT & MANUFACTURING COST		
Raw Materials Consumed		
Opening Stock	1,962,780	751,788
Purchases (Net)	-	28,627,392
	1,962,780	29,379,180
Less : Closing Stock	1,962,780	1,962,780
	-	27,416,400
Freight Inward	8,154	1,142,876
Stores Consumed	588,814	2,551,873
Packing Material	-	911,926
Fuel & Power	89,816	7,899,326
Water Charges	397,086	504,736
Excise Duty on Opening/Closing Stock of Finised Goods	5,156	-
Other Direct Exp.	57,354	127,008
Total	1,146,380	40,554,145



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SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	2007-08	2006-07
	Rupees	Rupees
SCHEDULE 'O':		
EMPLOYEES EMOLUMENTS		
Salary, Wages & Bonus	1,926,774	8,392,879
Gratuity & Leave Encashment	552,260	4,246,025
Contribution to PF & ESIC	219,293	706,367
Staff Welfare Expenses	126,592	429,280
Total	2,824,919	13,774,551
SCHEDULE 'P':		
ADMINISTRATIVE & SELLING EXPENSES		
Electricity Charges	271,249	68,037
Rent, Rates & Taxes	611,310	401,386
Insurance	418,770	697,167
Repairs & Maintenance		
1) Plant	12,447	32,827
2) Building	17,440	48,435
3) Others	55,719	160,635
	85,606	241,897
Legal & Professional Charges	1,242,304	1,054,565
Motor Car Expenses	219,251	474,567
Travelling & Conveyance Expenses	1,117,920	1,024,420
Postage & Telephone	319,772	398,798
Printing & Stationery	128,100	136,684
Bank Charges	48,739	39,876
Security Service Charges	259,355	291,483
Service Tax	21,512	57,653
Donation	2,000	-
Bad debts written off	-	25,263,090
Less: Provision for Bad debts reversed		(24,341,300)
Directors Remuneration		
1) Salaries to Directors	671,294	685,946
2) Contribution to P.F.	54,412	52,643
3) Sitting Fees	52,500	24,000
	778,206	762,589
Auditors Remuneration	112,360	140,450
Other Expenses	389,420	471,018
Total	6,025,874	7,182,380
SCHEDULE 'Q':		
FINANCIAL COST		
Bank & Financial Institutions	23,833	1,629,842
Interest - Others	6,304,647	3,281,791
Total	6,328,480	4,911,633



SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 'R'

1. Significant Accounting Policies:

- a. Basis of Accounting: The Company maintains its books of accounts on accrual basis. The Accounts are prepared on historical cost basis and as a going concern.
 - b. Fixed Assets and Depreciation: Fixed assets are stated at original cost. Depreciation is provided on straight line method at rates prescribed in Schedule XIV to the Companies Act, 1956 as amended. The value of leasehold land is being amortised over the lease period of 95 years.
 - c. Investments: Long Term Investments of the Company are stated at cost.
 - d. Inventories: The stocks of raw materials, fuel are valued at lower of cost or net realizable value on FIFO Basis. Finished goods and work-in-process are valued at lower of cost or net realisable value. Cost for this purpose is calculated based on absorption costing. By-product is valued at the estimated selling price. The stores & spares are valued at cost.
 - e. Sales: The figure of sales are including Excise duty & net of VAT, sales returns & trade discount.
 - f. Cenvat: The Company follows exclusive method of accounting of Excise duty & service tax cenvat & the respective purchase cost/expenses are accounted net of eligible cenvat.
 - g. Taxation: Income-tax expenses comprises current tax and deferred tax charge/credit. Deferred tax is calculated using current tax rates.
2. BIFR Vide its Order dated 26th September, 2007 sanctioned the Rehabilitation Scheme to the Company taking cut-off date as 31st March, 2007. The scheme envisages various relief's & concessions such as reduction of share capital by 75%, to waive & write back 40% of the amount payable to unsecured creditors, waiver of DPC, interest, penal interest, minimum demand charges by MSEDCL (formerly MSEB) & MIDC and other relief's & concessions by government authorities as detailed in the scheme sanctioned by BIFR Order. During the year the Company has implemented the scheme and the effect of the scheme is given in the books of accounts. Equity amount of Rs.280 Lacs to be brought in by the strategic investors was received subsequently in May, 2008.
 3. The Company has opted for Sales-tax Deferral under the Special Incentive Package Scheme, 1988 offered by the Government of Maharashtra, for the year 1994-95 and accordingly the Company had availed an amount of Rs.15,89,528/- as the deferred sales-tax liability. As per the BIFR Order, the sales tax deferral liability as on the cut off date on 31st March, 2007 amounting to Rs.9,00,103/- is repayable in five equal annual installments on interest free basis from financial year 2007-08. The balance deferred Sales-tax liability which was already due for payment upto 31st March,2007 amounting to Rs.6,89,425/- is repayable in four equal annual installments on interest free basis from financial year 2008-09. The amount of installment due upto 31st March, 2008 was Rs.1,80,021/-
 4. The cost related to the new Expansion-cum-Diversification Project which have not been completed so far, is carried forward under capital work-in-progress.
 5. Estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31st March, 2008 was Rs. 81 Lacs (Previous Year Rs. 119 Lacs).
 6. Contingent Liabilities :
 - a) Dues which may be payable to the workers during the lockout period Rs. 75 Lacs
 - b) Transportation fees / administration charges for the period April, 2002 to March, 2007 payable to the State Excise Govt. of Maharashtra for purchase of S.D.S in case the Bombay High Court upholds the State Govt. stands for recovery of the same. The amount is undermined.
 7. The debit and the credit balances of the parties are subject to confirmation and reconciliation, if any.
 8. No information is available with the Company, as regards to the status of the Suppliers under the Micro Small and Medium Enterprises Development Act, 2006 and hence the details of the principal amounts and interest, if any, payable to the suppliers as on 31st March, 2008 have not been furnished.



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9. The Company does not have whole time Company Secretary as required under the provisions of Section 383A of the Companies Act, 1956.

10. Disclosure of Segment Reporting:

The business segment has been considered as the primary segment. The only segment of the Company is manufacture of Organic Chemicals namely Acetic Acid, Ethyl Acetate & Butyl Acetate. Hence the disclosure of segmental reporting is not applicable to the Company.

11. Disclosure of Related Party:

a. List of Related Parties:

Subsidiary Companies	None
Associate Concerns	1. Vikasini Leasing & Finance Pvt. Ltd. 2. Herbika Laboratories Ltd. 3. Seagro Shipyard Engineers Ltd.
Key Management Personnel	Shri R. V. Shah. – Managing Director
Relatives of Key Management Personnel	Smt. P. R. Shah – Wife of Managing Director

b. Transactions with Related Parties:

Relation	Transaction	Current Year (Rupees)	Previous Year (Rupees)
Associate Concerns	Share Application Money/(Unsecured Loan)		
	Opening Balance	18,63,000	10,000
	Received During the Year	10,80,000	18,53,000
	Refunded During the Year	10,80,000	-
	Shares Allotted During the Year	18,63,000	-
	Closing Balance	-	18,63,000
Directors	Unsecured Loans/Share Application Money		
	Opening Balance	3,92,500	2,02,374
	Received During the Year	34,88,000	2,10,000
	Refunded During the Year	7,34,027	19,874
	Shares Allotted During the Year	3,92,500	
	Closing Balance	27,53,973	3,92,500
Key Management Personnel	Remuneration	6,65,093	7,38,589
Relatives of Key Management Personnel	Sitting Fees	17,500	11,000

12. Disclosure of Earning Per Share:

	Current Year (Rupees)	Previous Year (Rupees)
Net Profit for the year before Extra Ordinary / Exceptional Items	-2,46,40,792	(3,24,97,516)
Net Profit for the year	1,50,78,111	(3,66,97,639)
No. of Equity Shares of Rs.10/- each.	28,34,333	1,04,35,132
No. of Diluted Equity Shares	92,97,571	1,04,35,132
Earning Per Share Before Extra Ordinary / Exceptional Items		
– Basic	(8.69)	(3.11)
– Diluted	(2.65)	(3.11)
Earning Per Share After Extra Ordinary / Exceptional Items		
– Basic	5.32	(3.52)
– Diluted	1.62	(3.52)



13. Deferred Tax:

	As At 31st March, 2008 Rupees	As At 31st March, 2007 Rupees
Deferred Tax Liability (DTL)		
On account of difference in depreciation	1,34,71,420	1,59,71,019
Deferred Tax Asset (DTA)		
On Account of Section 43B, 40(ia) of Income Tax Act, 1961	97,33,044	1,25,80,196
Balance DTL	37,38,376	33,90,823
On Account of Carried forward unabsorbed depreciation to the extent of balance deferred tax liability.	37,38,376	33,90,823
Net Deferred Tax Liability	Nil	Nil

No recognition of Deferred Tax Asset, on account of the balance carried forward losses and unabsorbed depreciation available for set off under the provisions of Income Tax Act, 1961 amounting to around Rs. 27 Crores have been made in the accounts in view non existence of supporting evidence for availability of future taxable income.

14. Disclosure of additional information pursuant of the provisions of paragraph 3,4C and 4D of part II Schedule VI to the Companies Act, 1956, to the extent applicable.

PARTICULARS	Unit	Current Year		Previous Year	
		Quantity	Value(Rs)	Quantity	Value(Rs)
A. Installed Capacity :					
(As certified by Management)					
(Licensed Cap-not Applicable)					
Acetic Acid	MT	7000.000		7000.000	
Ethyl Acetate	MT	3000.000		3000.000	
Butyl Acetate	MT	1700.000		1700.000	
B. Actual Production (Qty):					
Acetic Acid *	MT	-	@	1020.607	@
Butyl Acetate	MT	-	-		
Ethyl Acetate	MT	-		175.582	
Total :		-		1196.189	
* @ Includes Captive Consumption:	MT	-		119.423	
C. Turnover : (Manufactured)					
Acetic Acid	MT	-	-	990.995	36239844
Ethyl Acetate	MT	-	-	177.675	8658410
Misc sales	-	-	-	0.000	4015517
Total :	-	-			48913771
D. Closing Stock :					
Acetic Acid	MT	-	-	-	-
Ethyl Acetate	MT	9.545	560049	9.545	466315
Weak acid	MT	14.600	31387	14.600	31387
Total :			591436		497702
E. Opening Stock :					
Acetic Acid	MT	-	-	89.811	3109953
Ethyl Acetate	MT	9.545	466315	11.638	538688
Weak acid	MT	14.600	31387	14.600	31387
Total :			497702		3679128



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F. Consumption of Raw Materials:

Ethyl Alcohol	KL	-	-	1282090.000	26991164
Crotonaldehyde	MT	-	-	2.292	295723
Denatonium Saccharide	MT	-	-	0.042	26663
Other Chemicals	-	-	-	-	102850
Total :				-	27416400

G. Consumption of Imported / Indigeneous Raw Materials and Stores & Spares :

	Current Year		Previous Year	
	Value (Rs)	% age	Value (Rs)	% age
Imported	-	0%	0	0%
Indigeneous - Raw Materials	-	0%	27416400	100.00%
Total Raw Material Consumption	-	0%	27416400	100.00%
- Stores & Spares	588814	100.00%	2551873	100.00%
		As At		As At
		31st March, 2008		31st March, 2007
		Rupees		Rupees

H. Auditors Remuneration

Audit Fees	84,270	84,270
Tax Audit Fees	-	28,090
Other Matters	28,090	28,090
Total 1,12,360	1,40,450	

I. Directors Remuneration

Salaries and Perquisites	6,71,294	6,85,946
Company's Contribution to PF	54,412	52,643
Board Sitting Fees	52,500	24,000
Total 7,78,206	7,62,589	

15. The figures of the previous year have been re-grouped and rearranged wherever necessary so as to make them comparable with those of the current financial year.

Signature to Schedule 'A' to 'R'

For S.S Jhunjunwala & Co.
Chartered Accountants

Sd/-
Sunil S. Jhunjunwala
Partner

Place : Mumbai
Dated : 29th August, 2008

For and on Behalf of Board of Directors

Sd/-
RAJENDRA V. SHAH
Chairman &
Managing Director

Place : Mumbai
Dated : 29th August, 2008

Sd/-
DEVENDRA J. SHRIMANKER
Director

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and company's general business profile

I Registration details

	Registration No 11 - 41681 - 198611	State Code
Balance Sheet Date	31 - 03 - 2008	

II Capital Raised during the year (Amount Rs.in thousands)

Public Issue NIL	Rights Issue NIL
Bonus Issue NIL	Private Placement 2256

III Position of Mobilisation & Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities 140249	Total Assets 140249
-----------------------------	------------------------

Sources of Funds

Paid up Capital (Including Application Money) 28343	Reserves & Surplus 3000
Secured Loans 32846	Unsecured Loans 13968

Application of Funds

Net Fixed Assets 81393	Investments 006
Net Current Assets -47564	Misc Expenditure 0000
Accumulated Losses 44323	

IV Performance of the company (Amount Rs.in thousands)

Turnover 1730	Total Expenditure 26236
Profit/Loss before Tax 15213	Profit/Loss after Tax 15078
Earning per Share Rs.(Basic) 5.32	Dividend NIL

V Generic Names of Three Principal Products (as per monetary terms)

Item Code No (ITC code)	2 9 1 5 1 0 0
Product Description	ACETICACID
Item Code No (ITC code)	2 9 1 5 3 1 0 0
Product Description	ETHYLACETATE
Item Code No (ITC code)	NIL
Product Description	NIL

For and on behalf of the Board

Sd/-
RAJENDRA V SHAH
Chairman & Managing Director

Sd/-
DEVENDRA J. SHRIMANKER
Director

Place : Mumbai
Dated : 29th August, 2008

PENTOKEY ORGANY (INDIA) LIMITED

Regd. Off : Unit No RCC/9, 1st Floor, J K Industrial Estate, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093

Attendance Slip

I/We hereby record my/our presence at the 21st Annual General Meeting held at Unit No RCC/9, 1st Floor, J K Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, on Monday, the 29th September, 2008 at 4.00 p. m.

Shareholder/Proxy :

(Surname)

(First Name)

(Second Name)

Reg. Folio No. :No. of Shares held

Signature of Shareholder/Proxy :

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

----- (Tear Here) -----

PENTOKEY ORGANY (INDIA) LIMITED

Regd. Off : Unit No RCC/9, 1st Floor, J K Industrial Estate, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093

Form of Proxy

I/We _____ of _____

_____ Being Member/Members of Pentokey Organy (India) Limited

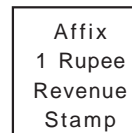
hereby appoint _____

_____ of _____

or failing him _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held at Unit No RCC/9, 1st Floor, J K Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, on Monday, the 29th September, 2008 at 4.00 p. m. or at any adjournment thereof.

Signed this the _____ day of _____ 2008.



Signature of the shareholder(s).

Note : The Proxy Form duly completed must be deposited at the Company's Registered Office not less than 48 hours before the time of holding the aforesaid meeting.

BOOK-POST

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. .
. .
. .

To.

If undelivered, please return to :

PENTOKEY ORGANY (INDIA) LIMITED

Unit No RCC/9, 1st Floor,
J K Industrial Estate, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093

**21st Annual
Report
2007-2008**

PENTOKEY ORGANY (INDIA) LIMITED

BOARD OF DIRECTORS	Shri Rajendra V. Shah	-Chairman & Managing Director
	Shri Ajai O. Bhambi	-Special Director - BIFR
	Dr. Sampatraj B. Chandalia	-Director
	Shri Devendra J. Shrimanker	-Director
	Smt. Pragna R. Shah	-Director
AUDITORS	M/s. S. S. Jhunjhunwala & Co. Chartered Accountants	
BANKERS	Bank of India HDFC Bank Limited	
SOLICITORS & ADVOCATES	Gagrats Dhru & Company	
REGISTERED OFFICE	Unit No RCC/9, 1st Floor, J K Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Maharashtra.	
FACTORY	D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri.	

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