

PENTOKEY ORGANY (INDIA) LIMITED

CIN: L24116MH1986PLC041681

Regd. Office: Somaiya Bhavan, 45/47, M. G. Road, Fort, Mumbai- 400 001

Tel. No. (91-22) 61702100 Fax: (91-22) 22047297 email: investors@pentokey.com website:www.pentokey.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (hereinafter referred to as "the Act"), read together with the Companies (Management and Administration) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof for the time being in force) to the Members of Pentokey Organy (India) Limited (hereinafter referred to as "the Company") that the resolution appended below is proposed to be passed by way of postal ballot / e-voting as the case may be.

The explanatory statement pertaining to the said resolution setting out the material facts concerning each item and the reasons thereof are annexed hereto alongwith a postal ballot form (hereinafter referred to as "the Postal Ballot Form") for your consideration

The Board of Directors of the Company has appointed Mr. Narayan Parekh, (ACS 8059) Partner of M/s PRS Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer, for conducting the postal ballot and e-voting process, in a fair and transparent manner.

The business of the postal ballot shall, in addition to physical voting, also be transacted through electronic voting system. Accordingly, the Company in compliance with, Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, is pleased to provide to the Members (whether holding shares in physical or in dematerialized form) the facility to exercise their right to vote on the matter included in the notice of the postal ballot by electronic means i.e. through e-voting services provided by Central Depository Services (I) Limited (CDSL).

The e-voting period commences on Thursday, the 25th August, 2016 at 9.00 a.m. and ends on Friday, the 23rd September, 2016, at 5.00 p.m. Please read carefully and follow the instructions as printed in this Notice for e-voting.

Those Members, who do not have access to e-voting facility can send their assent or dissent in writing on the Postal Ballot Form attached herewith. Members are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the attached self-addressed, postage pre-paid business reply envelope, so as to reach the Scrutinizer before the close of the working hours 5.00 p.m. on Friday, the 23rd September, 2016 at the Company's Registrar and Share Transfer Agent namely Datamatics Financial Services Limited, Unit:- Pentokey Organy (India) Limited, Plot No. B 5, Part B, Cross Lane, MIDC, Andheri (East) Mumbai – 400 093. Please note that any Postal Ballot Form(s) received after 5.00 p.m. on Friday, the 23rd September, 2016 will be treated as not received.

The Scrutinizer will submit his report to the Chairman or in his absence, any Director authorised by the Board, after the completion of the scrutiny of the postal ballots (physical and e-voting). The results of the voting by postal ballot will be announced by the Chairman of the Company or in his absence; any person authorized by him, on Monday, 26th September, 2016 at 5.00 p.m. at the Registered Office of the Company and will be displayed on the notice board at the registered office of the Company. The results of the postal ballot will also be posted on the Company's website www.pentokey.com and on the website of Central Depository Services (I) Limited, besides communicating to the stock exchange i.e. BSE Limited.

SPECIAL BUSINESS

ITEM NO. 1: APPROVAL FOR SALE OF UNDERTAKING(S) OF THE COMPANY SITUATED AT D1/1, MIDC, LOTE PARSHURAM, TAL. KHED, DIST. RATNAGIRI, MAHARASHTRA.

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT in pursuance of Section 180 (1) (a) and Section 110 of the Companies Act, 2013 (hereinafter referred to as Act) read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions if any of the Act and Rules made thereunder as amended or restated from time to time and subject to requisite approvals including the approval of all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary and such other approvals, permissions and sanctions as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board which term shall include a committee thereof authorised for the purpose) to sell, lease or otherwise dispose of the immovable /movable assets of the Company by way of assignment of its lease hold land and sell its machinery including utilities, structures / building in the manufacturing unit whether such assets constitute whole or substantially the whole of the its undertaking of the Company located at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra at a price which is not less than ₹ 15 Crores (Rupees Fifteen Crores only) and on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the sale proceeds of the aforesaid assets may be applied for discharging the respective liabilities attributable thereto and in discharging the overall liabilities of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, including to determine the manner and method of sale, transfer, disposal and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiating, finalizing and executing necessary agreements (including such representations, warranties indemnities and covenants as may be customary in such transactions), deed of conveyance, deed of assignment, schemes, and subsequent modifications thereto and such other documents as may be necessary or expedient in its own discretion and in the

interest of the Company, including without limitation, to settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, to any committee of the Board or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.”

**For and on Behalf of the Board of Directors
For Pentokey Organy (India) Limited**

Sd/-

Place : Mumbai
Dated : 8th August, 2016

**Swarna Gunware
Company Secretary**

Notes:

1. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company offers e-voting option to the Members as an alternative to enable them to cast their votes.
2. The Company has engaged the services of M/s. Central Depository Services (I) Limited (CDSL) for the purpose of e-voting facility to all its members. Members desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions in the notes under section “voting through electronic means” in the notice.
3. Explanatory Statement for the proposed resolutions mentioned above, pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out material facts is appended herewith.
4. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company during office hours on all working days, except Saturday and Sunday and other holidays, between 11:00 a.m. and 1:00 p.m. up to the last date of receipt of postal ballot i.e. Friday, 23rd September, 2016.
5. The notice, together with the documents accompanying the same, is being sent to all the members, by permitted mode (and electronically by e-mail to those members who have registered their e-mail ids with the Company’s Registrar and share Transfer agents / CDSL/NSDL) whose names appear in the Register of Members/ list of beneficial owners as received from CDSL and NSDL as on the close of working hours on Thursday, the 18th August, 2016 i.e. “the cut-off date”. Any person who acquires shares of the Company and becomes a member of the company after the dispatch of the notice and holding shares may cast their vote by e-voting. The notice will be displayed on the website of the Company www.pentokey.com and on the website of CDSL
6. The date of dispatch of the notice and the Explanatory Statement will be announced through advertisement in the following newspapers: - (i) Free Press Journal in English language and (ii) Nav Shakti in Marathi language having wide circulation in the district where the Registered Office of the Company is situated.
7. The Company has appointed Mr. Narayan Parekh, (ACS 8059) Partner of M/s PRS Associates, Practicing Company Secretaries as the Scrutinizer for conducting the E-voting/ Postal Ballot in a fair and transparent manner.
8. The Postal Ballot form together with the self-addressed business reply envelope is enclosed for the use of the members. Members voting in physical form are requested to carefully read the instructions printed on the enclosed Postal Ballot form. Members who have received the postal ballot notice by e-mail and who wish to vote through the postal ballot form can download the postal ballot form from the following url on the Company’s corporate website www.pentokey.com or seek duplicate postal ballot form from M/s. Datamatics Financial Services Limited, the Registrar and Share Transfer Agent or Registered Office of the Company. Members shall fill in the requisite details and send the duly completed, and signed postal ballot form in the enclosed self addressed postage pre-paid envelope to the Scrutinizer before the close of working hours i.e. 5.00 p.m. on Friday, the 23rd September, 2016. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. Assent / Dissent received after 5.00 p.m. on Friday, the 23rd September, 2016, would be strictly treated as if reply from the Members has not been received.
9. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio / client ID irrespective of the members of joint Members.
10. The postal ballot form should be completed and signed by the member as per specimen signature registered with the Company and/or furnished by the Depositories. In case, shares are jointly held, this form should be completed and signed by the first named Member and, in his/her absence, by the next named Member. Holder(s) of Power of Attorney (“POA”) on behalf of a Member may vote on the postal ballot mentioning the registration number of the POA with the Company or enclosing a copy of the POA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the postal ballots including e-votes submitted. The Scrutinizer’s decision on the validity of the votes (including e-votes) shall be final. The results of the postal ballot including e-voting will be announced on Monday, the 26th September, 2016 at the Registered office of the company situated at Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai – 400 001. The results, together with the Scrutinizer’s Report, will be displayed at the registered Office of the Company and on the website of Company (<https://www.pentokey.com>), besides being communicated to BSE Limited and the Central Depository Services (I) Limited. The result of the Postal Ballot shall also be announced through newspaper advertisement. In the event, the resolutions are assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolutions.

11. Kindly note that the Members can opt only one mode for voting i.e. either by physical ballot or e-voting. If you are opting for e-voting, then do not vote by physical and vice versa. However, in case Member(s) cast their vote both via physical ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.
12. The vote on postal ballot cannot be exercised through proxy.
13. Voting through electronic means:
 - (i) The voting period begins on Thursday, the 25th August, 2016 at 9.00 a.m. and ends on Friday, the 23th September, 2016, at 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 18th August, 2016 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Pentokkey Organy (India) Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- 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.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

(xx) 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.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 1

Shareholders of the Company are aware that the Company is engaged in the business of manufacturing Ethyl Acetate and Acetaldehyde. The prices of raw material namely Acetic Acid & Alcohol were volatile. The price fluctuation in Acetic Acid was further aggravated due to foreign exchange fluctuations. The increase in the cost of raw material was not fully absorbed in the price of our finished product namely Ethyl Acetate due to slowdown in demand in the user industry in domestic & international market and also because of surplus production capacity of Ethyl Acetate within India. The Company was continuously incurring losses from Financial Year 2013-14 onwards and the net of the Company is fully eroded. Further the Company is facing the liquidity crunch. Several initiatives such as launching of new products, substantial improvements in quality and service, cost reduction etc. were taken in the past. However, the performance of the Unit did not improve.

The Board in its meeting held on 6th February, 2016 based on the Technical Economic Viability (TEV) report on the feasibility of the operations decided to close the operations of the plant located at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra.

These factors are adversely affecting the performance of the business of the Company and with a view to focus and improve the efficiency of business and to reduce the overall debt burden, the Company's Board of Directors, after evaluating the feasibility of various options, have decided to recommend for your approval to assign its lease hold land and sell / dispose off its machinery including utilities, structures / building in the manufacturing unit situated at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra.

New avenues of chemical business and any other business in manufacturing activities including trading activities in accordance with the object clause of Memorandum of Association of the Company are also being explored.

The Board of Directors at its meeting held on Monday, 8th August, 2016 has, subject to the approval of Members of the Company and compliance of all applicable laws and regulations and subject to such approvals, consents, permissions and sanctions, as may be necessary, accorded its consent to lease, sub lease, sell, transfer, convey, assign or otherwise dispose of the property/ies, immovable and movable, located in Lote Parshuram, Tal. Khed as aforesaid, on “as is where is” and “as it is” basis to any person(s) and/or entity(ies) as may be determined by the Board, for such consideration and on such terms and conditions as the Board of Directors may deem fit in the best interest of the Company.

Based on the options available in the current real estate/realty market it is proposed to lease, sub-lease, sale, transfer, convey, assign or otherwise dispose of the said property /ies, immovable and movable, and continue factory operations at some other place, in the best interest of the Company. The Company proposes to buy new place or take the new place on lease / hire / rent basis.

The proposed buyer(s), for the disposal of the identified Assets, would be finalized by the management depending on the prevailing market conditions.

It is imperative for the Company to reduce its borrowings to achieve its profitability and sustain in the long run. The Company endeavours to attain this objective by selling / leasing or disposing of assets of the Company and reducing the borrowings.

The consideration from this action is proposed to be utilised for the reduction of debts of the Company and for general corporate purposes.

The Company has initiated the above process for the disposal of the identified assets. The Board is of the opinion that in order to be fair and transparent in the affairs of the Company and in keeping with good corporate practices the approval of the members be taken, by way of abundant caution, to the proposed lease, sub lease, sale, transfer, conveyance, assignment or otherwise disposal of the property/ies, immovable and movable, under Section 180(1)(a) of the Companies Act, 2013.

With the objective of reducing the borrowings and for centralisation of Business of the Company, your directors, recommends the Special Resolution set out at item no.1 in the accompanying Notice, for the approval of the Members by way of Postal Ballot.

None of the Directors, Manager or Key Managerial Personnel or their Relatives is concerned or interested, financially or otherwise in the Resolution

**For and on Behalf of the Board of Directors
For Pentokey Organy (India) Limited**

Sd/-

**Swarna Gunware
Company Secretary**

Place : Mumbai
Dated : 8th August, 2016