

PENTOKEY ORGANY (INDIA) LIMITED



BOARD OF DIRECTORS	Shri Devendra J. Shrimanker - Non - Executive Independent Director Shri S. Mohan - Whole-time Director Dr. Sampatraj B. Chandalia - Non - Executive Director (upto 13.02.2015) Shri Rajendra V. Shah - Chairman (upto 29.05.2014) Shri Girish M. Kajaria - Non - Executive Director Shri Shyam C. Balsekar - Non - Executive Independent Director Shri Aziza Khatri - Additional Director (from 13.02.2015)
CHIEF FINANCIAL OFFICER	Shri Sunil Y. Raghav
COMPANY SECRETARY	Ms. Swarna S. Gunware
AUDITORS	M/s. Desai Saksena & Associates, Chartered Accountants
COST AUDITORS	B. J. D. Nanabhoy & Co., Cost Accountants
BANKER	Indian Overseas Bank
REGISTERED OFFICE	Somaiya Bhavan, 45/47, M. G. Road, Fort, Mumbai - 400 001. Tel. (022) 6170 2100 / 165 E-mail : investors@pentokey.com www.pentokey.com
FACTORY	D-1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra
REGISTRAR & TRANSFER AGENTS	Datamatics Financial Services Ltd., Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai - 400 093. Tel. No. (022) 6671 2188 E-mail : anand_bhilare@dfssl.com / pradeep_mokale@dfssl.com

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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

E-mail: investors@pentokey.com www.pentokey.com

28TH ANNUAL REPORT 2014-2015

NOTICE

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the members of Pentokey Organy (India) Limited, will be held on Friday, the 25th September, 2015, 11.30 a.m. at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai-400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. Mohan (DIN: 03184356) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment of M/s. Desai Saksena & Associates, Chartered Accountants (Registration No. 102358W), as Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration for the financial year ending 31st March, 2016 and in this regard to consider and if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof and pursuant to the ordinary resolution passed in the Annual General Meeting held on 13th August, 2014, the appointment of M/s. Desai Saksena & Associates, Chartered Accountants (Registration No. 102358W), be and is hereby ratified by members as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company at such remuneration as shall be mutually decided by the Board of Directors of the Company and the Auditor for the purpose of audit for the financial year ending on 31st March, 2016."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to give your assent or dissent to the following Resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provision of Section 14 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to such approvals, permissions and sanctions from the appropriate authority, if any, the Articles of Association contained in the printed document submitted to the meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of all the existing Articles of Association thereof."
"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary."
5. To consider and, if thought fit, to give your assent or dissent to the following Resolution as a **Special Resolution**:
"RESOLVED THAT the term of appointment of Mr. S. Mohan (DIN: 03184356), appointed as whole time director in the 26th General Meeting held on 13th August, 2013, be modified and during the period of his current contract, his office is liable to determination by retirement of directors by rotation as per Section 152(6) of the Companies Act, 2013."
6. To consider and, if thought fit, to give your assent or dissent to the following Resolution as a **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Ms. Aziza Khatri (DIN: 03470976) who was appointed as an Additional Director in the meeting of the Board of Directors held on 13th February, 2015 and whose term expires at the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director be and is hereby appointed as a Director of the Company."
"RESOLVED FURTHER 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 Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Aziza Khatri who was appointed as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, be and is hereby appointed as an Independent Non Executive Woman Director of the Company to hold office for a term upto five consecutive years, with effect from 25th September, 2015 up to 24th September, 2020 and whose period of office will not be liable to determination by retirement of directors by rotation."



"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

7. To consider and, if thought fit, to give your assent or dissent to the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transaction by the Company upto the maximum amounts p.a. as mentioned below:

(₹ in Lacs)

Maximum Amount of Contract/Transaction (per annum)		
Transaction as mention u/s 188 (1) of Companies Act, 2013		
Name of Related Parties	Sale, purchase or supply of goods or materials	
	Sale	Purchase
Godavari Biorefineries Ltd.	1,000.00	2,500.00

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take such steps and do and perform all such acts, deeds, matters and things as may be necessary, in its absolute discretion deem necessary, proper or desirable or as may be incidental or ancillary and to settle any question, difficulty or doubt that may arise in regard to give effect to this resolution."

8. To consider and, if thought fit, to give your assent or dissent to the following Resolution as a **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 (3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. B. J. D. Nanabhoy & Co., (Firm Registration No. 000011), the Cost Auditors appointed by the Board of Directors of the Company, to audit cost accounting records maintained by the Company in respect of its product Chemical for the financial year ending March 31, 2016, be paid the remuneration of ₹ 50,000/- and reimbursement of travelling and other out of pocket expenses plus service tax as applicable, subject to the approval of the Central Government."

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

Registered Office:

Somaiya Bhavan,
45/47, M. G. Road, Fort,
Mumbai - 400001

By Order of the Board
For Pentokey Organy (India) Limited

Swarna Gunware
Company Secretary

Place : Mumbai
Date : 19th May, 2015



NOTES:

1. A member entitled to attend and vote at the meeting, is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Proxies to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
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 authorising their representative to attend and vote on their behalf at the Meeting.
3. The Members are requested to notify any change in their address, email id, nominations under the signature of the registered holder(s) to the Company's Registrar and Share Transfer Agent 'Datamatics Financial Services Limited', Plot No. B 5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai- 400 093 and to the Depository Participants in respect of shares held in electronic form.
4. The Register of members and Share Transfer Books of the Company will remain closed from 19th September, 2015 to 25th September, 2015 (both days inclusive) for annual closing.
5. Members/proxies should bring their copies of the Annual Report and the admission slip duly filled in for attending the meeting.
6. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. 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 details to the Company.
8. Members seeking any information on the Accounts at the Annual General Meeting should write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
9. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, electronic copy of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may note that the Notice of the 28th Annual General Meeting and the Annual Report will also be available on the Company's website www.pentokay.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during from 10 a.m. to 1 p.m. on working days except Saturdays, Sundays and other public holidays upto the date of Annual General Meeting (AGM) . For any communication, the shareholders may also send requests to the Company's investor email id: investors@pentokay.com
11. Voting through electronic means
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
 - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.



- iv. The remote e-voting period commences on Tuesday, 22nd September, 2015 (9:00 am) and ends on Thursday, 24th September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. The process and manner for remote e-voting are as under:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders.
 - (iii) 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.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) 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.
 - (vi) 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) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number as communicated. If 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)	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. <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 (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you



wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) 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.
- (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.
- vi. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th September, 2015.
- vii. Mr. Narayan Parekh, partner of M/s. PRS Associates, Company Secretaries (Membership No. A8059) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- viii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- ix. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- x. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.pentoket.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
13. This Notice has been updated with the instructions for voting through electronic means as per the Amended Rules 2015.

PENTOKEY ORGANY (INDIA) LIMITED



14. Particulars of the Directors seeking appointment/ re- appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement are furnished below:

Name of Director & Qualification	Date of Appointment	Expertise	List of Other Companies in which Directorship held	Shareholding in the Company
Shri S. Mohan, (DIN: 03184356) B.Sc.	05.08.2013	Shri S. Mohan is Science Graduate. He has more than 30 years of experience in the major Alcohol based industries. He is currently working as Director (Works). He is an occupier under Factories Act.	Godavari Biorefineries Limited	Nil
Ms. Aziza Khatri (DIN: 03470976) B.A. LL.B. Solicitors	13.02.2015	She is an advocate and solicitor having rich experience of more than 20 years.	Nil	Nil

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4:

The existing Articles of Association (AoA) is based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific section of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. Hence, several provisions of the AoA which have turned redundant either under the Companies Act, 1956 or with the coming into force of the Companies Act, 2013 ("the Act") or to reflect the factual position need to be deleted/ altered.

Section 6 of the Act explicitly provides that in case of any conflict between the provisions of the Act, and the Articles of the Company, the provisions of the Act will prevail. In light, of the same, existing articles have been streamlined and aligned so as to comply with the requirements of the Act and no substantial changes have been carried out. Provisions of the act and / or rules framed under the Act are subject to change which may require frequent alterations of the AoA. Hence we propose to alter only significant provisions of the AoA so as to comply with the provisions of the Act and the rules framed thereunder.

The Board of Directors at its meeting held on 19th May, 2015 subject to approval of members has approved the draft AoA.

The draft AoA is available for inspection at the registered office of the Company from 10 a.m. to 1 p.m. on working days except Saturdays, Sundays and other public holidays upto the date of Annual General Meeting (AGM).

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned in the said resolution.

Item No. 5:

Under the provisions of the erstwhile Companies Act, 1956, two third of the Board of Directors should have been liable for retirement by rotation.

As per the Companies Act, 2013 (the Act), Independent Directors are to be appointed for a fixed term not exceeding five consecutive years and they shall not be liable for retirement by rotation. After excluding such independent directors at least two third of the remaining directors shall be liable to retire by rotation. In your company, the Board strength is of independent directors and Whole time Director whose office will be there for fixed term and not liable for retirement by rotation. Atleast one Director should be liable to determination for retirement by rotation.

In compliance with the provision of Section 152(6) of the Act, it is necessary to elect Shri S Mohan, Whole time Director liable to retire by rotation. The Board has in its meeting held on 19th May, 2015, decided that Shri S Mohan, Director liable to retire by rotation during the period of their contract.

The approval of Members is sought accordingly to amend the terms of appointment of Shri S Mohan, Whole time Director. There is no other change in term and conditions including remuneration except as mentioned herein above.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Shri S Mohan is in any way, concerned or interested, financially or otherwise, in the resolution.



Item No. 6:

The Board of Directors of the Company, at its meeting held on 13th February, 2015 has appointed Ms. Aziza Khatri pursuant to the provisions of Section 161 of the Companies Act, 2013, as Additional Director of the Company.

In terms of provision of Section 161 of the Companies Act, 2013, Ms. Aziza Khatri would hold office up to the date of this Annual General Meeting and is eligible to be appointed as an Independent Non Executive Woman Director for a term upto five years.

Ms. Aziza Khatri is an Advocate and Solicitor having rich experience of more than 20 years. She is a partner in M/s Hariani & Co. Advocates and Solicitors. Her main area of practice is in Corporate, Real Estate, Litigation and Dispute Resolution.

The Company has received a Declaration of Independence under Section 149(7) of the Companies Act, 2013. In the opinion of the Board, Ms. Aziza Khatri fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Aziza Khatri as an Independent Non Executive Woman Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company from 10 a.m. to 1 p.m. on working days except Saturdays, Sundays and other public holidays upto the date of Annual General Meeting (AGM).

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her guidance and expertise. Accordingly, the Board recommends the resolution for appointment of Ms. Aziza Khatri as an Independent Non Executive Woman Director, for the approval of the shareholders of the Company.

Ms. Aziza Khatri does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The Company has received a notice in writing from the members along with requisite deposit proposing Ms. Aziza Khatri as a candidate for the office of the Independent Director of the Company under the provisions of Section 160 (1) of the Companies Act, 2013.

Your Directors recommend the Resolution for the approval of the members.

Except Ms. Aziza Khatri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

Item No. 7:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties and the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, require that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of transaction value to be entered into with related party exceeds the limits as mentioned in the Companies (Meetings of Board and its Powers) Rules, 2014, the prior approval of Shareholders by way of special resolution is required:

- a) Sale, purchase or supply of any goods or materials.
- b) Selling or otherwise disposing of, or buying, property of any kind,
- c) Leasing of property of any kind
- d) Availing or rendering of any services
- e) Appointment of any agent for purchase or sale of goods, materials, services or property
- f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company

Further, third proviso to Section 188 (1) provides that nothing shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

In light of above provisions the Board of Directors has approved the proposed transaction alongwith the annual limit that the Company may enter into with the Related Party.

PENTOKEY ORGANY (INDIA) LIMITED



Below mentioned are the details required u/s 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 for members' perusal:

(₹ in Lacs)

Particulars Of Transactions For The Purpose Of Approval U/S 188 Of The Companies Act, 2013		
Maximum Amount of Contract/Transaction (per annum)		
Transaction as mention u/s 188 (1) of Companies Act, 2013		
Name and Nature of Relationship with Related Parties	Sale, purchase or supply of goods or materials	
	Sale	Purchase
Godavari Biorefineries Ltd. - One of the Promoter Company (holding 0.40% of the total shareholding) common director	1,000.00	2,500.00

1. Name of the related party and Nature of relationship: As provided in the table above.
2. Nature, duration, particulars of the contract or arrangement: The Company has been purchasing chemicals and supplying chemicals to Godavari Biorefineries Limited. The Company's policy is to obtain the quotations from various suppliers and then choosing out of them, the most suitable one. The Company will purchase as and when the need arises. The members' consent is to be obtained for the above purpose.
3. Material terms of the contract or arrangement including the value, if any: As referred in point (2) above.
4. Any advance paid or received for the contract or arrangement, if any: Nil
5. Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract: All proposed transactions would be carried on as a part of the business requirements of the Company and are ensured to be on arm's length basis.
6. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All the factors have been considered.
7. Any other information relevant or important for the Board to take decision on the proposed transaction : Nil

Members are hereby informed that no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors at its meeting held on 19th May, 2015 has approved the item and recommends this Resolution for approval of members of the Company as special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in this resolution.

Item No. 8:

Section 148(2) of the Companies Act, 2013 provides that if the Central Government is of the opinion that it is necessary to do so, it may, by Order, direct that the audit of cost records of class of companies, which are covered under sub-section (1) of Section 148 of the Companies Act, 2013 and which has a net worth of such amount as may be prescribed, shall be conducted in the manner specified in the Order.

Based on the recommendation of the Audit Committee, the Board of Directors thought it expedient to appoint M/s. B. J. D. Nanabhoy & Co., as Cost Auditor for Cost Audit of its product Chemical for the financial year 1st April, 2015 to 31st March, 2016 on a remuneration of ₹ 50,000/- and reimbursement of travelling and other out of pocket expenses incurred for the purpose of audit plus service tax as applicable subject to approval of remuneration by the Members. Section 148(3) read with The Companies (Audit and Auditors) Rules 2014 prescribes that the remuneration of the Cost Auditor shall be ratified by the Shareholders.



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The Board of Directors of your company accordingly recommends the resolution for your approval as Ordinary Resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in this resolution.

Registered Office:

Somaiya Bhavan,
45/47, M. G. Road, Fort,
Mumbai - 400001

By order of the Board of Directors
For Pentokey Organy (India) Limited

Swarna Gunware
Company Secretary

Place : Mumbai

Date : 19th May, 2015

**DIRECTORS' REPORT**

Dear Members,

Your Directors present the Twenty-Eighth Annual Report on the business and operations of the Company together with the Financial Statements for the year ended 31st March, 2015.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended 31st March, 2015 is summarized below: -

(₹ in Lacs)

Particulars	Financial Year	Financial Year
	2014-15	2013-14
Gross Income	12,209.81	12,389.14
Profit/(Loss) before Interest and Depreciation	(62.23)	181.93
Less: Interest	318.83	314.95
Profit/(Loss) before Depreciation	(381.06)	(133.02)
Less: Depreciation	58.75	79.39
Profit/(Loss) for the year	(439.81)	(212.41)
Less : Taxes / (Benefits)	-	-
Net Profit/(Loss) for the year after Tax	(439.81)	(212.41)

Financial performance:

Your Company's Gross income has decreased by ₹ 179.33 lacs to ₹ 12,209.81 lacs as against the Gross income of ₹ 12,389.14 lacs in the corresponding previous year. The Company has posted a loss of ₹ 62.23 lacs before Interest and Depreciation as compared to a profit of ₹ 181.93 lacs in the corresponding previous year. The Company incurred Net Loss of ₹ 439.81 Lacs during the year as against a loss of ₹ 212.41 Lacs in the corresponding previous year. The reason for the loss is mainly the increase in raw material cost and poor realisation of the finished Product Ethyl Acetate. The Company is looking out for avenues to obtain the raw material at cheaper rates and explore new products with a view to reduce the dependence on one product.

2. DIVIDEND

Your Directors do not recommend any Dividend for the year.

3. FIXED DEPOSITS

Your Company has not accepted any Public Deposits under Chapter V of Companies Act, 2013.

4. DIRECTORS

Mr. S. Mohan retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors recommends his re-appointment. Shri Rajendra V. Shah and Dr. S. B. Chandalia resigned as Directors during the year. The Board has placed on record its appreciation for the contributions made by Shri Rajendra V. Shah and Dr. S. B. Chandalia during their respective tenures on the Board.

Shri Devendra J. Shrimanker and Shri Shyam C. Balsekar continue to be Non- Executive Independent Directors. They were appointed for a term of five consecutive years and shall not be liable to retire by rotation. Their appointment was considered by the shareholders for a term upto five consecutive years at the previous Annual General Meeting held on 13th August,



2014. Declaration of independence as per section 149(7) was received from the said directors.

Further as per section 149(1) read along with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company is required to appoint a Woman Director on the board of the Company. Ms. Aziza Khatri has been appointed as Additional Director w.e.f 13th February 2015, to hold office up to the date of forthcoming Annual General Meeting. Being eligible, Ms. Khatri offered herself to be appointed as the Independent Director of your Company.

The details of training and familiarization programmes and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees forms part of Corporate Governance Report of this Annual Report.

Ms. Aziza Khatri, Non- Executive Independent Director, in accordance with above said provisions, is required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Her appointment be considered by the shareholders for a term upto five consecutive years.

The Company has received consent from the director to be appointed as independent director for a consecutive term of five years. Declaration of independence as per section 149(7) is also received from Ms. Khatri. Notice under Section 160 of the Companies Act, 2013 have been received from Member proposing her candidatures as an Independent Director of the Company.

Your directors recommend appointment of Ms. Aziza Khatri as Independent directors of the Company.

5. Particulars of Loans, Guarantees or Investments Under Section 186

The Company has not made any loan, given any guarantee or made any investment as per Section 186 of the Companies Act 2013.

6. Extract of Annual Return

The extract of the Annual Return in the prescribed Form MGT 9 is annexed.

7. Details of Directors or Key Managerial Personnel Appointed / Resigned During The Year

The following table shows the Directors and Key Managerial Personnel appointed / resigned during the year.

Name	Designation	Appointment / reappointment/resigned	Effective from
Shri Rajendra V. Shah	Non- Executive Director	Resigned	29.05.2014
Ms. Swarna Gunware	Company Secretary	Appointment	29.05.2014
Ms. Aziza Khatri	Additional Director	Appointment	13.02.2015
Dr. Sampatraj B. Chandalia	Non-Executive Director	Resigned	13.02.2015
Shri Sunil Y. Raghav	Chief Financial Officer	Appointment	13.02.2015

8. Material changes & commitments between end of financial year and this report.

There have been no material changes & commitments between end of financial year and this report.

9. Number of Meetings

During the year, four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.



10. Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company, as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

11. Significant & Material Orders Passed By Regulator Or Courts Or Tribunals Impacting Going Concern Status And Companies Operations In Future

There have been no significant & material orders passed by regulator / courts / tribunals impacting going concern status and companies operations in future.

12. AUDITORS

M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai have been appointed as Statutory Auditors of the Company at previous Annual General Meeting held on 13th August, 2014 for a term of four consecutive years from the financial year 2014-15 to the financial year 2017-2018. However according to section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) rules, 2014 requires the Company to ratify the auditors appointment every year at every Annual General Meeting. The Company seeks the same at the ensuing Annual General Meeting.

The Company has received a written consent to such ratification, certificate that ratification if made shall be in accordance with the conditions as prescribed and that they satisfy the criteria as provided in section 141 of the Companies Act, 2013.

13. COST RECORDS

M/s. B.J.D. Nanabhoy & Co. as Cost Auditors, Cost Accountants, carried out the cost audit for applicable business during the year. The Board of Directors has appointed M/s. B.J.D. Nanabhoy & Co., Cost Accountants for the financial year 2015-16.

The Company has received a written consent from M/s. B.J.D. Nanabhoy & Co., Cost accountants to such appointment, certificate that appointment if made shall be in accordance with the conditions as prescribed and that they satisfy the criteria as provided in section 141 of the Companies Act, 2013. For the year 2014-15, the Cost Audit Report will be filed in due course, before the due date.

14. SECRETARIAL AUDITOR

Pursuant to section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 the Company appointed M/s KS and Associates (Membership No. 5732), Company Secretaries a firm of Company secretary in practice to undertake the Secretarial Audit of the Company.

During the year, Secretarial Audit was carried out for the financial year 2014-15. The detailed report on the Secretarial Audit are appended as an Annexure to this Report.

15. INSURANCE

Your Company's assets continue to be adequately insured against the risk of fire, riot and earthquake among other things. In addition to the above, adequate coverage has been taken to cover the public liability and product liability claims.

16. FOREIGN EXCHANGE MANAGEMENT

The Company's exposure to foreign exchange risk comprises the risk of foreign currency versus the local currency. As the Company's Export Sales are more than its Imports of Raw Material, the foreign exchange risk is naturally hedged. However, the Company takes forward contract for export or import on selective basis.

17. Corporate Social Responsibility

According to section 135 of the Companies Act, 2013 read with rules of Companies (Corporate Social Responsibility Policy) rules, 2014 the Company is not required to frame Corporate Social Responsibility Committee and Corporate Social responsibility Policy.



18. Risk Management

Pursuant to Clause 49 of the listing Agreement, the Company has formed Risk Management Policy u/s 134(3)(n) of Companies Act, 2013 r/w clause 49 (vi) of listing agreement. The copy of Risk Management Policy is uploaded in the website of the Company www.pentokey.com. The Company has also constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

19. Vigil Mechanism / Whistle Blowing Policy

As per Clause 49 (II) (F) of the Listing Agreement, the Board has established a Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud and violation of the company's code of conduct or ethics policy.

This mechanism also provide for adequate safeguards against victimization of director(s) /employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

The copy of Whistle Blower Policy is uploaded on the website of the Company www.pentokey.com

20. INDUSTRIAL RELATIONS

The Company maintains harmonious and cordial relations with its workers and staff, which enabled it to achieve this performance level on all fronts.

21. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they 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 at the end of the financial year and of the loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a Going Concern Basis; and
- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. CORPORATE GOVERNANCE

Your Company believes in transparency and has always maintained a very high level of corporate governance.

Your Company is in compliance with the governance requirements provided under the new law. In line with the requirements of new law, your Company has constituted new Board Committees. Your Company has in place all the statutory Committees required under the law. Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

During the year, your Company has adopted new policies in line with new governance requirements. These policies are available on the website of the Company.

The extract of Annual Return in Form MGT 9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Report.



A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Equity Listing Agreement with the Stock Exchange(s). A Certificate of the Whole-time Director and CFO of the Company in terms of sub-clause IX of Clause 49 of Equity Listing Agreement, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

23. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Equity Listing Agreement.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis and forms part to the Notes to Accounts in Note No. 31. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

24. Prevention of Sexual Harassment at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). There has been no complaint received on Sexual Harassment, during the year under review.

25. Conservation of Energy & Technology Absorption And Foreign Exchange Earnings And Outgo

Information pursuant to Section 134 the Companies Act, 2014 read with Companies (Accounts) rules, 2014 forms part of this report.

26. MANAGEMENT DISCUSSION AND ANALYSIS

The year witnessed a marked slowdown in global growth. Emerging markets were characterised by a sharp fall in growth rates, especially in China. Europe and Japan continued to be under pressure all through the year, while US showed tepid signs of improvement.

During the year under review, 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. With consistent quality and wider customer base across the user industries, your company has been able to maintain production level inspite of the industry slowdown and other various challenges posed in the market.

Opportunities and Threats

The expanded capacities coupled with consistent production quality, sustained and aggressive marketing would help the Company to increase the exports in the next few years. Your Company is focused to increase the geographic reach of the products and expects to show substantially higher growth.

The flexibility in the plant to either "make" or "buy" intermediates helps in optimization of resources. Hence, the focus will be to ensure that the present advantage and flexibility in usage of feedstock perpetuates in our long-term vision.



With a view to reduce our dependence on one product namely Ethyl Acetate, we are exploring possibilities of producing other chemical derivatives using Acetaldehyde as feedstock as well as entering into new product.

Since the availability and price of Ethanol, which is by-product of Sugar, largely depends upon the performance of Sugar Industry, any fluctuation in the agro-climatic conditions would affect the availability and price of Ethanol. The increased demand by Oil Marketing Companies (OMCs) will further tighten the supply and pricing of Ethanol.

Segment wise and Product wise performance

The Company operates only in one Business segment i.e. Chemicals. During the year under review, the production of intermediate product namely Acetic Acid was not competitive due to the market prices. Your Company therefore purchased the Acetic Acid from market instead of producing the same from Ethanol or Acetaldehyde. As a result of this, production of Acetaldehyde, which is an intermediate product for Acetic Acid, was also low. Acetaldehyde was produced only to the extent of demand from customers. Your Company could source Ethanol from various distilleries at market prices due to improved production of Sugar and Ethanol within the State of Maharashtra.

Your Company maintained its production capacity to 24000 TPA. Ethyl Acetate production was marginally lower at 18,640 MT for 2014-15 as against 22,008 MT in FY 2013-14 due to adverse market scenario as well as Ethyl Acetate plant could not run for one & half month (Oct 14 & half of Nov 14) due to non availability of SDS at reasonable price. The Company has sustained the production equivalent to last year even in sluggish markets, economic slowdown and political uncertainties.

Risks and Concerns

In view of the Government of India's mandatory policy for Ethanol Blending Programme, price of Ethanol which is an important feedstock for the chemicals manufactured by the Company, has increased sharply. Rising input prices amidst inflationary market condition coupled with the weakening of Rupee against US Dollar has pushed up the feedstock prices.

Internal Control System

Your Company has adequate internal control system including suitable procedures commensurate with its size and the nature of the business. The internal control system provides for all documented policies, guidelines, authorization and approval procedures. Internal Audit is being carried out throughout the year in areas such as Income, Expenditure, Financial Accounting and Statutory Compliances. The primary objective of such audit is to test the adequacy and effectiveness of all internal controls laid down by the Management and to suggest improvements.

Human Resources

The employees of the Company including officers and workers contributed greatly to the improved performance of the Company. Your company expects same commitment and contribution from the employees during the years to come to enable it to achieve the targeted growth.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure to this Report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during from 10 a.m. to 1 p.m. on working days except Saturdays, Sundays and other public holidays upto the date of Annual General Meeting (AGM).

Cautionary Statement

Certain statement in the management discussion and analysis may be forward looking within the meaning of applicable securities laws and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realization, changes in government policies and regulations, tax regimes, economic development and other incidental factors.

24. APPRECIATION

Your Directors wish to place on record their sincere appreciation to the devoted employees at all levels for their hard work,

PENTOKEY ORGANY (INDIA) LIMITED



dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders, Banks, Central and State Government authorities, Customers and other business associates, who have extended their valuable sustained support and encouragement during the year under review. It will be the Company's endeavour to build and nurture the strong links with its stakeholders.

For and on behalf of the Board of Directors

For Pentokey Organy (India) Limited

S. Mohan

Whole-time Director

Devendra J. Shrimanker

Director

Place : Mumbai

Date : 19th May, 2015

**Disclosure under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014****A. CONSERVATION OF ENERGY:**

i. the steps taken or impact on conservation of energy

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.

	CURRENT YEAR 2014-15	PREVIOUS YEAR 2013-14
A. POWER AND FUEL CONSUMPTION		
1. Electricity:		
(a) Purchased		
Units (KWH) (in Thousands)	965	2,254
Total Amounts (₹ in Lacs)	80.08	168.11
Rate/ Unit (₹)	8.30	7.46
(b) Own Generation		
Through Turbine		
Units (KWH) (in Thousands)	1140	-
2. Coal:		
Quantity (MT)	11,989	12,239
Total Cost (₹ in Lacs)	583.05	556.29
Average Rate (₹ per kg)	4.86	4.55
3. Furnace Oil:		
Quantity (MT)	12.500	0.300
Total Cost (₹ in Lacs)	4.45	0.11
Average Rate (₹ per kg)	35.59	36.95

PENTOKEY ORGANY (INDIA) LIMITED



	CURRENT YEAR 2014-15	PREVIOUS YEAR 2013-14
B. CONSUMPTION PER UNIT PRODUCTION		
1. Electricity (Unit)		
Acetaldehyde	55	231
Ethyl Acetate	49	98
2. Furnace Oil (Kgs.)		
Acetaldehyde	-	-
Ethyl Acetate	1	-
3. Coal (Kgs.)		
Acetaldehyde	621	567
Ethyl Acetate	610	545

ii. the steps taken by the company for utilising alternate sources of energy : Company has installed Back Pressure Steam Turbine for saving the electricity and uninterrupted power supply. With this Back Pressure Steam Turbine cost of production will be reduced by ₹ 500/- Per MT of Ethyl Acetate.

iii. the capital investment on energy conservation equipments : ₹ 72.20 lacs

B. TECHNOLOGY ABSORPTION

i. the efforts made towards technology absorption : Technology innovation and changes wherever possible will be absorbed and adopted.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution : Nil

iii. Imported Technology: No Technology has been imported by the Company.

iv. the expenditure incurred on Research and Development : Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in Lacs)

Particulars	2014-15	2013-14
Earning	3778.57	5229.45
Outgo	2252.10	1418.89

For and on behalf of the Board of Directors

For Pentokey Organy (India) Limited

S. Mohan
Whole-time Director

Devendra J. Shrimanker
Director

Place : Mumbai

Date : 19th May, 2015



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To

The Members,

Pentokey Organy (India) Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pentokey Organy (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and based on Internal Audit Reports, returns filed, Statutory Auditor's Report, draft Director's Report for the financial year ended March 31, 2015 and other records maintained by the Company and also the information provided by the Company, its Company Secretary, Compliance Officer, Board of Directors, its officers, agents and authorized representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, I hereby report that in my opinion & as per my understanding, the company has, during the audit period covering the financial year ended on March 31, 2015 generally complied with the statutory provisions as mentioned 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:

I have examined the books, papers, minute books, forms / returns filed and other records maintained available to me for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company as the Company has not availed the same during the reporting period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(Not applicable to the Company during the period under consideration);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the period under consideration);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable to the Company during the period under consideration);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable to the Company during the period under consideration); and



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable to the Company during the period under consideration);
- (vi) I have relied on the representation made by the Company, its Company Secretary, Compliance Officer, Board of Directors, its officers, agents & authorized representatives and based on Internal Audit Reports, returns filed, Statutory Auditor's Report, draft Director's Report for the financial year ended March 31, 2015, for systems and mechanism put in place by the Company for Compliances under various other applicable Act, Laws and Regulations to the Company.

Secretarial Standards with respect to Board and General meetings issued by the Institute of Company Secretaries of India were not in force for the financial year in review.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited.

During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the delay in compliance for submission to the stock exchange for which the Company received a notice from the Stock Exchange and for which charges been paid and thus regularized.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the 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 directors to schedule the Board Meetings, Agenda and detailed notes on agenda were 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.

Decisions at the Board Meetings, as represented by the Management, were taken unanimously.

I further report that as per explanations given to us and the representations made by the Management and relied upon by us 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.

I further report that during the audit period there were no major events / actions had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For KS & Associates

(Company Secretaries)

Kartik Shah

C.P. No. 5163

Membership No. F5732

Place : Mumbai

Date : 19th May, 2015

Note : This report is to be read with our letter which is annexed as 'Annexure A' and forms an integral part of this report.



Annexure 'A'

To

The Members,

Pentokey Organy (India) Limited

Our report of is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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. My examination was limited to the verification of procedure on test basis and Management Representations received for applicability of relevant acts as well as viewing of the following registrations:
 - Registration under Bombay Shop and Commercial Establishment Act, 1958
 - Registration & payments under Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Registration and Payments made under the Professional Tax Act, 1975.
 - Registration and License issued under Factories Act, 1948.
 - Registration cum Membership certificate from the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL)
 - Registration and Payments made to the Employees State Insurance Corporation (ESIC) under the Employees State Insurance Act, 1948
 - Registrations Certificate of Import Export Code (IEC) obtained from the Director General of Foreign Trade
 - Certificate obtained from the Maharashtra Pollution Control Board
 - Payments made under the Payment of Gratuity Act, 1972
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 KS & Associates

(Company Secretaries)

Kartik Shah

C.P. No. 5163

Membership No. F5732

Place : Mumbai

Date : 19th May, 2015



CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

Pentokey Organy (India) Limited ("Company") is committed to maintain the highest standards of corporate governance and adhere to the corporate governance under Clause 49 of the Listing Agreement with the Stock Exchanges and requirements set out by SEBI. The Company's Governance philosophy is based on trusteeship, transparency, accountability and ethical corporate citizenship. Company has always focused on good Corporate Governance, which is a key driver in improving efficiency and growth as well as enhancing investor confidence. Company continuously endeavours to improve on these aspects on an ongoing basis and recognizes "values and commitments" policy. Company is committed to an ethical treatment to all Employees, Customers, Shareholders, Lenders, Suppliers and the Government.

SEBI vide its circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 and as subsequently amended by circular dated 15th September, 2014 notified the revised clause 49 of the Listing Agreement to be applicable with effect from 1st October, 2014. This report, therefore states compliance as per requirements of Companies Act, 2013 and revised clause 49.

BOARD OF DIRECTORS

Composition

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive Directors and Independent Directors as required under applicable legislation. As on date of this report, the Board comprises of five Directors, out of which three are Independent Non-Executive Directors. Dr. Sampatraj B, Chandalia has resigned from the Board w.e.f 13th February, 2015. Further as per section 149(1) read along with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company has appointed Ms. Aziza Khatri as a Woman Director w.e.f 13th February, 2015.

All Directors are individuals of integrity and courage, with relevant skills and are experienced professionals in their respective fields. Active participation of the Independent Directors does add value in the decision making process of the Board.

Board Training and Induction

The Directors of the Company are appointed by Members at the General Meetings. At the time of appointing a Director, a formal letter of appointment is given which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation taken with respect to the same.

As regards the appointment and tenure of Independent Directors, the Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Agreement. The terms and conditions of appointment of Independent Directors can be accessed on the Company's website www.pentokey.com

Non- Executive Directors' compensation and disclosures

The Non- Executive Directors are paid sitting fees within the limits prescribed under the Companies Act, 2013 and rules prescribed thereunder. The Non- Executive Directors did not have any material pecuniary relationship or transaction with the Company.

Shri Devendra J. Shrimanker, Shri Shyam C. Balsekar and Ms. Aziza Khatri, Independent Non-Executive Directors of the Company were appointed for a term of five consecutive years and shall not be liable to retire by rotation. The maximum tenure of Independent directors is in accordance with the Companies Act, 2013 and clause 49 of the Listing Agreement. None of them have material pecuniary relationship with the Company other than the sitting fees payable to them. Ms. Aziza Khatri, is a Partner of M/s Hariani & Co., Advocates and Solicitors. Ms. Aziza Khatri has confirmed that the transactions with the Company do not exceed 10% of the gross turnover of M/s Hariani & Co. None of the Directors of the Company are inter-related to each other. The Company currently does not have a stock option programme for any of its directors.

Board Procedures

During the financial year 2014-15 the Board of Directors has met four times on the following dates: 29th May, 2014; 13th August, 2014; 12th November, 2014 and 13th February, 2015. The gap between two meetings has been less than one



hundred and twenty days. The meetings were held as per the mandatory requirements and the dates of the meetings were decided well in advance. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and discharge their responsibility effectively.

Attendance Record, Directorships and Membership of Directors

Below table gives the composition of the Board and the attendance record of all the Directors at four Board meetings held during the financial year 2014-15 as well as at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them.

Name of Directors	Category	Attendance particulars		Directorships in Companies		Memberships/ Chairmanships in Committees	
		Board Meeting	Last AGM Held on 13.08.2014	In Listed Companies	In Unlisted Public Ltd Companies	Chairman	Member
Shri Rajendra V. Shah	Promoter, Chairman (upto 29.05.2014)	1	No	1	-	-	-
Dr. Sampatraj B. Chandalia	Non-Executive	4	Yes	-	-	-	-
Shri Devendra J. Shrimanker	Non-Executive, Independent	4	Yes	-	-	3	1
Shri Girish M. Kajaria	Non-Executive	3	Yes	-	-	-	1
Shri Shyam C. Balsekar	Non-Executive, Independent	3	Yes	-	-	1	3
Shri S. Mohan	Whole-time Director	4	Yes	-	-	-	2
Ms. Aziza Khatri	Women, Non-Executive, Independent	1	No	-	-	-	-

- Notes
1. None of the directors holds office as a director, including as alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 public companies. For reckoning the limit of public companies, directorship of private companies that are either holding or subsidiary of a public company is included.
 2. As per declarations received, none of the directors serves as an independent director in more than 7 listed companies. Further, the whole-time director in the Company does not serve as an independent director in more than 3 listed companies.
 3. None of the directors was a member in more than 10 committees, nor a chairman in more than 5 committees across all companies, in which he was a director.
 4. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded.
 5. Shri R. V. Shah and Dr. Sampatraj B. Chandalia ceased to be Directors of the Company in the Board w.e.f 29th May, 2014 and 13th February, 2015 respectively.
 6. Ms. Aziza Khatri has been appointed as director w.e.f. 13th February, 2015.

Code of Conduct

In Compliance with the requirement of Clause 49 of the Listing Agreement, the Company has adopted Code of Conduct for Directors and Senior Management. All Board members and Senior Management personnel have affirmed compliance with the applicable code of conduct.



Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

Review of legal compliance reports

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board had carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors. The Nomination and Remuneration Committee of the Company approved an Evaluation Policy during the year, which was adopted by the Board of Directors.

During the year, the first Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors and agreed to improve on the laid down parameters.

Corporate Social Responsibility Committee

The Company is not required to constitute Corporate Social Responsibility Committee as the Company does not meet the thresholds as mentioned in Section 135 of the Companies Act, 2013.

Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has formulated a Remuneration Policy, in accordance with the provisions of the Companies Act, 2013, determining the criteria for appointment and removal of Directors, Key Managerial Personnel and Senior Management and to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

Board Diversity Policy

In compliance with provisions of clause 49 of Listing Agreement, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The Objective of the Policy is to ensure that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.

Independent Directors' meeting

In compliance with Schedule IV to the Companies Act, 2013 and revised clause 49 of Listing Agreement, the Independent Directors held their separate meeting on 27th March, 2015, without the attendance of non-independent directors and members of management, inter alia, to discuss the following:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Whole time director of the Company, taking into account the views of non-executive directors; and
- iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

AUDIT COMMITTEE

Composition

The Company had set up its Audit Committee under erstwhile Companies Act, 1956 and clause 49. To meet the additional



requirement of Companies Act, 2013 and revised clause 49, the terms of reference of Committee were amended by the Board at its meeting held on 29th May, 2014. The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and revised clause 49 of the Listing Agreement.

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

The composition, quorum, powers, role, scope, etc. are in accordance with Section 177 of the Companies Act, 2013, read with the provisions of Clause 49 of the Listing Agreement(s) with the Stock Exchange(s). The Audit Committee of the Company comprises of four Directors as members out of which three are Independent Directors. All the members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Shri Devendra J. Shrimanker, Chartered Accountant is the Chairman of the Audit Committee. The Members of the Audit Committee are Shri S. Mohan and Shri Shyam C. Balsekar and Ms. Aziza Khatri.

The Company Secretary, Ms. Swarna Gunware acts as the Secretary to the Audit Committee.

Terms of reference

The scope of the activities of the Audit Committee is as set out in the Companies Act, 2013 (and erstwhile Companies Act, 1956) and the Listing Agreement.

The terms of reference are broadly as under:

1. Oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit Fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Compliance with Listing and other legal requirements relating to financial statements.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of Internal Control Systems and recommending improvements to the management.
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,



staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. Discussion with Internal Auditor on any significant findings and follow-up thereon.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. To review the financial statements of the subsidiary companies including the investments made by the unlisted subsidiary companies;
22. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

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

Meetings and attendance

The Audit Committee met four times during the financial year 2014-15, i.e. on 29th May 2014; 13th August 2014; 12th November 2014 and 13th February 2015. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 13th August 2014. The meetings were scheduled well in advance.

In addition to the members of the Audit Committee these meetings were attended by Internal Auditors, Statutory Auditors and those Executives of the Company who were considered necessary for providing inputs to the Committee.

Meeting and Attendance during the year

Names of Members	No. of Meetings attended
Shri Devendra J. Shimanker	4
Shri S. Mohan	4
Dr. Sampatraj B. Chandalia	1
Shri Shyam C. Balsekar	4

Nomination and Remuneration Committee

Pursuant to provisions of the Companies Act, 2013, the Remuneration Committee has been renamed as Nomination and Remuneration Committee in compliance with section 178 of the Companies Act, 2013 and new clause 49 of the listing Agreement. Shri Shyam C. Balsekar, Non- Executive Independent Director is the Chairman of the Committee. Shri Devendra J. Shrimanker, Non- Executive Independent Director, Shri Girish M. Kajaria, Non - Executive Director and Ms. Aziza Khatri, Non- Executive Independent Director are the other Members of the Committee. The Company Secretary, Ms. Swarna S. Gunware acts as the Secretary to the Nomination and Remuneration Committee.

Terms of Reference:

1. Identify the persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
2. To carry out evaluation of every director's performance including independent directors and formulate the criteria for overall evaluation of Independent Directors & the Board of Directors.
3. Devise a policy on Board diversity.
4. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

While formulating the policy, it should ensure that:



- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Meeting of this committee are held only when required. The details of attendance of the members of Nomination and Remuneration Committee are as follows:

Sr. No.	Date of Meeting	Attendance of Directors		
		Shri Shyam C. Balsekar	Shri Devendra J. Shrimanker	Shri Girish M. Kajaria
1.	29th May, 2014	Yes	Yes	Yes
2.	12th November, 2014	Yes	Yes	Yes
3.	13th February, 2015	Yes	Yes	Yes

Remuneration of Directors

The remuneration paid to the Whole-time Director is within the ceiling as per resolution approved by the shareholders.

- a. Details of the remuneration paid to the Whole-time Director for the Financial Year ended 31st March, 2015 is given below:-

Name of the Director	Category	Salary (Amount in ₹)
Shri S. Mohan	Whole-time Director	2,521,224

The details of remuneration paid to Shri S. Mohan, Whole-time Director of the Company is provided in detail in an Annexure to the Directors; Report in Form MGT-9.

- b. Details of Sitting Fees paid to the Non - Executive Directors for the Financial Year ended 31st March, 2015 is given below: -

	Non - Executive Directors	Sitting Fees (Amount in ₹)
1.	Shri Rajendra V. Shah	5,000
2.	Dr. Sampatraj B. Chandalia	25,000
3.	Shri Devendra J. Shrimanker	80,000
4.	Shri Girish M. Kajaria	25,000
5.	Shri Shyam C. Balsekar	52,500
6.	Ms. Aziza Khatri	5,000

During the year under review, there were no material pecuniary relationships and transactions of any non-executive directors with the Company.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company.

As stated earlier, the Remuneration Policy, inter alia, disclosing criteria of making payments to directors, key managerial personnel and employees is placed on the Company's website www.penttokey.com



The Company has no stock option plans for the directors and hence, it does not form a part of the remuneration package payable to any executive and/or non-executive director.

The Non-executive directors do not hold any shares or convertible instruments of the Company.

In 2014-15, the Company did not advance any loans to any of the Non-Executive directors and/or Managing Director. Details of remuneration paid/payable to directors during 2014-15 are provided in an annexure to the Directors' Report in Form MGT-9.

Shri Shyam C. Balsekar, Chairman of Nomination and Remuneration Committee was present at the annual general meeting of the Company held on 13th August, 2014, to answer shareholders' queries.

Stakeholders Relationship Committee

Pursuant to the provisions of the Companies Act, 2013, the Shareholders' Grievances Committee has been renamed as Stakeholders Relationship Committee.

The Committee comprises of three Directors viz. Shri Devendra J. Shrimanker, Chairman of the Committee, Shri Shyam C. Balsekar, Shri S. Mohan. The Company Secretary, Ms. Swarna Gunware acts as the Secretary to the Nomination and Remuneration Committee and Shri Naresh S. Khetan acts as Authorised Signatory.

During the year the Committee met 12 times i.e. on 18th April, 2014, 29th May, 2014, 16th June, 2014, 7th July, 2014, 20th August, 2014, 6th September, 2014, 10th November, 2014, 5th December, 2014, 5th January, 2015, 30th January, 2015, 13th February, 2015, and 13th March, 2015.

The role of Stakeholders' Relationship Committee is as follows:

- consider and resolve the grievances of shareholders of the Company with respect to transfer/ transmission of shares, issue of duplicate certificates, non-receipt of annual report, non-receipt of declared dividend, etc;
- ensure expeditious share transfer process.
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors.

No. of shareholders complaints received so far: 24

No. of compliants solved to the satisfaction of shareholders: 24

No. of pending complaints: Nil

No Transfers /Transmission are pending as on 31st March, 2015

Shri Devendra J. Shrimanker, Chairman of Stakeholders Relationship Committee was present at the Annual General Meeting of the Company held on 13th August, 2014, to answer shareholders' queries.

Risk Management Committee

Risk Management is an ongoing process within the Organization. The objectives and scope of the Risk Management Committee broadly comprises:-

- Oversight of risk management performed by the executive management;
- Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluates treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, and potential impact analysis and mitigation plan.

The Committee comprises of three Directors viz. Shri Devendra J. Shrimanker, Chairman of the Committee, Shri Shyam C. Balsekar and Shri S. Mohan. The Company Secretary, Ms. Swarna Gunware acts as the Secretary to the Risk Management



Committee.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company. Accordingly, the disclosure in Form AOC 1 is not applicable.

DISCLOSURES

Basis of Related Party transactions (RPTs)

The details of all transactions with related parties, as required under section 188 of the Companies Act, 2013 and clause 49 of the Listing Agreement, were placed before the Audit Committee pursuant to section 177 periodically, with justification wherever required, for approval.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in this Annual Report.

A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board during the year under review and the same is placed on the Company's website.

Disclosure of material transactions

Under clause 49, Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

Compliances regarding insider trading

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. These regulations have been substituted by SEBI with a new set of Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015

Regulation 8 of the newly introduced Regulations, required the Company to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), which the Company needs to follow in order to adhere to each of the principles set out in Schedule A to the said Regulations.

Further, regulation 9(1) of these Regulations required a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, the Board at its meeting, approved and adopted:

- a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

Internal Controls and Risk Management

The Company has systems for internal audit and risk assessment and mitigation. The Internal Audit covers the factory, too and functions, as per the plan agreed with the Audit Committee. Every quarter, the Audit Committee of the Board is presented with key control issues and actions taken on the issues highlighted in previous report.

During the year, on the recommendation of the Audit Committee, the Board of Directors appointed M/s N. V. Parmar & Co., Chartered Accountants as the Internal Auditor of the Company.

Code of Conduct

In Compliance with the requirement of Clause 49 of the Listing Agreement, the Company has adopted Code of Conduct for Directors and Senior Management. All Board members and Senior Management personnel have affirmed compliance with the applicable code of conduct.

Whistle Blower Policy

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.



The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

Details of capital market non-compliance, if any

There was no non-compliance by the Company of any legal requirements; nor has there been any penalty imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

CEO CERTIFICATION

The Whole- time Director and CFO have certified to the Board with regard to the financial statements and other matters as required by clause 49 of the Listing Agreement. The certificate is contained in this Annual Report.

DETAILS OF GENERAL BODY MEETINGS

Year	Location	AGM/EGM	Day and Date	Time	No. of Special Resolution(s) Passed
2013-14	Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020	AGM	Wednesday, the 13th August, 2014	5.00 p.m.	4
2012-13	Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020	AGM	Tuesday, the 13th August, 2013	5.00 p.m.	-
2011-12	Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020	EGM	Wednesday, 5th December, 2012	11.00 a.m.	1
2011-12	Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020	AGM	Tuesday, the 14th August, 2012	4.45 p.m.	-

Passing of Special Resolution through Postal Ballot

The Company sought approval of its members through postal ballot in regards to Creation of the Charge on Company's property under Section 180 (1)(a) of the Companies Act, 2013. Mr. Kartik Shah, proprietor of M/s. KS and Associates, Company Secretaries (Membership No. 5732) was appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Company announced the results of the postal ballot on 15.09.2014.

Brief description of the manner put to vote	In favour	% of votes cast with assent	Against	% of votes cast with dissent
Creation of Charge on Company's property	45,94,524	99.99	420	0.01

MEANS OF COMMUNICATION

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

Quarterly Result/Annual Results: The results of the Company are published in the newspapers such as Free Press Journal and Nav Shakti.

Section 20 and 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 permit companies to



service delivery of documents electronically on the registered members'/ shareholders' email addresses. The Company, during the year under review sent documents in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

All financial and other vital official news releases are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

The Quarterly Financial Results, Shareholding Pattern, Reports on Corporate Governance, Annual Reports, etc are regularly uploaded on the Company's website: www.pentokay.com in a user friendly and downloadable manner.

Report on Corporate Governance

This chapter, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on corporate governance during 2014-15. The Company has been regularly forwarding the quarterly compliance report to the stock exchanges as required under clause 49 of the Listing Agreement.

Compliance of mandatory and non-mandatory requirements under clause 49**Mandatory**

The Company has complied with all the mandatory requirements of clause 49 of the revised Listing Agreement.

Non-mandatory

The Company has also complied with all of the non-mandatory requirements as under:

- Shareholders rights: The quarterly results alongwith the press release are uploaded on the website of the Company.
- Audit qualifications: Company's financial statements are unqualified
- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Day, Date and Time	:	Friday, the 25th September, 2015 at 11.30 a.m.
Venue	:	Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020
Financial Year	:	1st April, 2014 to 31st March, 2015
Date of Book Closure	:	19th September, 2015 to 25th September, 2015
Listing on Stock Exchanges	:	BSE Limited The Ahmedabad Stock Exchange The Company has paid the Annual Listing fees for BSE Ltd.
Stock Code	:	
BSE Ltd.	:	524210
The Ahmedabad Stock Exchange	:	44750
ISIN	:	INE702E01015
CIN	:	L24116MH1986PLC041681

PENTOKEY ORGANY (INDIA) LIMITED



Market Price Data:

The Monthly high and low Quotation and the volume of shares traded on BSE Ltd. are as under.

Month	Bombay Stock Exchange		
	High Price	Low price	No of trade
April, 2014	11.80	8.11	67
May, 2014	11.69	10.00	104
June, 2014	11.13	9.58	84
July, 2014	11.62	9.59	74
August, 2014	16.06	11.12	100
September, 2014	20.66	13.02	98
October, 2014	24.70	21.65	109
November, 2014	22.25	14.25	129
December, 2014	15.95	12.84	119
January, 2015	14.80	12.83	65
February, 2015	14.65	11.88	93
March, 2015	11.90	9.93	36

(Source: BSE website)

Registrar and Transfer Agents: Datamatics Financial Services Ltd
Plot No. B 5, Part B Cross Lane,
MIDC, Andheri (East) Mumbai-400093
Contact No. : 022-6712188
Email id: anand_bhilare@dfssl.com
pradeep_mokale@dfssl.com

Share Transfer System

The share transfers which are received in physical form are processed and share certificates are returned within a period 15 days from the date of receipt, subject to the document being valid and complete in all respects.

Dematerialization of shares

The Company's equity shares are held in dematerialized form by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) under ISIN INE702E01015. As on 31st March, 2015, 5235942 equity shares, representing 83.48% of the voting capital of the Company have been dematerialized.

Pending Investor's Grievances

Any Member / Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by a practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.



Distribution of Shareholding

No. of Equity Shares held From - To	Shares		Shareholders	
	No.	%	No.	%
1- 500	980,626	15.63	17966	98.96
501-1000	65,257	1.04	88	0.49
1001-2000	70,396	1.12	50	0.28
2001-3000	33,150	0.53	14	0.08
3001-4000	41,678	0.66	12	0.07
4001-5000	12,918	0.21	3	0.02
5001-10000	56,119	0.90	7	0.04
10001 and above	5,012,485	79.91	14	0.08
TOTAL	6,272,629	100.00	18,154	100.00
Physical Mode	1,036,687	16.53	16,373	90.19
Electronic Mode:				
NSDL	5,105,329	81.39	1,227	6.76
CDSL	130,613	2.08	554	3.05
TOTAL	6,272,629	100.00	18,154	100.00

Shareholding pattern

Categories of Shareholders	As on 31st March, 2015		As on 31st March, 2014	
	No. of Shares	% to Total Capital	No. of Shares	% to Total Capital
Promoters and persons acting in concert (Including Directors and Relatives)	4,686,290	74.71	4,686,248	74.71
Foreign Institutional Investors	-	-	-	-
Public Financial Institutions	140,817	2.25	140,817	2.25
Mutual funds	4,000	0.06	4,000	0.06
Nationalized and Other Banks	-	-	-	-
Private Corporate Bodies	23,989	0.38	26,909	0.43
NRIs and OCBs	225	0.00	-	-
Individual holding nominal capital upto ₹ 1 Lacs	1,193,513	19.03	1,187,245	18.92
Others (Public)	223,795	3.57	227,410	3.63
Total	6,272,629	100.00	6,272,629	100.00

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.

PENTOKEY ORGANY (INDIA) LIMITED



Plant Location

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

Address for Correspondence

Somaiya Bhavan,
45/47, M. G. Road, Fort,
Mumbai-400 001
Tel No.: (022)-61702100/165
Email ID : investors@pentokey.com
Website: www.pentokey.com

Declaration by the Whole-time Director under Clause 49 of the Listing Agreement regarding Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2015. The Code of Conduct for the Board Members and Senior management personnel can be accessed on the Company's website.

For and on behalf of the Board of Directors

For Pentokey Organy (India) Limited

S. Mohan

Whole-time Director

Devendra J. Shrimanker

Director

Place : Mumbai

Date : 19th May, 2015



Certification by the Chief Executive Officer (CEO)/Chief Financial Officer (CFO) under Clause 49 of the Listing Agreement

The Board of Directors

Pentokey Organy (India) Limited

We certify that:

1. We have reviewed the financial statement, read with the cash flow statement of Pentokey Organy (India) Limited (the Company) for the year ended 31st March, 2015 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements and other financial information included in this report present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
4. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes in the Company's internal control over financial reporting during the year.
 - b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - c) instances of significant fraud of which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting.

S Mohan

Whole time Director

Sunil Y. Raghav

Chief Financial Officer

Place : Mumbai

Date : 19th May, 2015

Auditors' Certificate Regarding Compliance Of Conditions Of Corporate Governance

Auditor's Certificate on Corporate Governance

To the Members

Pentokey Organy (India) Limited

We have examined the compliance of conditions of Corporate Governance by Pentokey Organy (India) Limited ('the Company') for the year ended 31 March, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **Desai Saksena & Associates**

Chartered Accountants

(Firm's Registration No: 102358W)

S. N. Desai

Partner

M. No. 32546

Place : Mumbai

Date : 19th May, 2015



Annual Return Extracts in MGT 9

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN : L24116MH1986PLC041681
- ii. Registration Date : 26th November, 1986
- iii. Name of the Company : Pentokey Organy (India) Limited
- iv. Category / Sub-Category of the Company : Public Company limited by shares
- v. Address of the Registered office and contact details : Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai- 400001
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any: : Datamatics Financial Services Ltd
Plot No. B 5, Part B Cross Lane,
MIDC, Andheri (East), Mumbai-400093
Contact No. : 022-6712188
Email id: anand_bhilare@dfssl.com
pradeep_mokale@dfssl.com

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.	Ethyl Acetate	20116	94.72

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Nil



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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	83,200	32,475	115,675	1.84	83,200	32,517	115,717	1.84	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,570,573	-	4,570,573	72.87	4,570,573	-	4,570,573	72.87	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	4,653,773	32,475	4,686,248	74.71	4,653,773	32,517	4,686,290	74.71	0.00
2. Foreign	-	-	-	-	-	-	-	-	-
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	4,653,773	32,475	4,686,248	74.71	4,653,773	32,517	4,686,290	74.71	0.00
B. Public Shareholding									
1. Institutions.									
a) Mutual Funds	4,000	-	4,000	0.06	4,000	-	4,000	0.06	-
b) Banks/FI	140,817	-	140,817	2.25	140,817	-	140,817	2.25	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	144,817	-	144,817	2.31	144,817	-	144,817	2.31	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	8,454	18,455	26,909	0.43	5,776	18,213	23,989	0.38	(0.05)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	200528	986,717	1187245	18.93	224,225	969,288	1,193,513	19.03	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	210,741	16,669	227,410	3.63	207,126	16,669	223,795	3.57	(0.06)
c) Others (specify)	-	-	-	-	225	-	225	0.00	0.00
Sub-total (B)(2):-	419,723	1,021,841	1,441,564	22.98	437,352	1,004,170	1,441,522	22.98	(0.11)
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	564,540	1,021,841	1,586,381	25.29	582,169	1,004,170	1,586,339	25.29	(0.11)
C. Shares held by									
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,218,313	1,054,316	6,272,629	100	5,235,942	1,036,687	6,272,629	100	(0.11)

PENTOKEY ORGANY (INDIA) LIMITED



(ii) Shareholding of Promoters & Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Deepa K Shah	27,625	0.44	-	27,625	0.44	-	-
2	Kumar V Shah	26,375	0.42	-	26,375	0.42	-	-
3	Jayvadan Shantilal Shah	13,050	0.21	-	13,050	0.21	-	-
4	Vasantlal R. Shah	10,250	0.16	-	10,250	0.16	-	-
5	Deepa Kumar Shah	9,325	0.15	-	9,325	0.15	-	-
6	Kiritkumar Chinubhai Shah	3,925	0.06	-	3,925	0.06	-	-
7	Jayantilal C. Shah	3,300	0.05	-	3,300	0.05	-	-
8	Dixit J.Shah	3,300	0.05	-	3,300	0.05	-	-
9	Vastupal J.Shah	3,300	0.05	-	3,300	0.05	-	-
10	Vijaykumar J.Shah	3,300	0.05	-	3,300	0.05	-	-
11	Shaileshkumar J.Shah	3,300	0.05	-	3,300	0.05	-	-
12	Pravina Jayvadan Shah	1,675	0.03	-	1,675	0.03	-	-
13	Dixit Jayantilal Shah	1,450	0.02	-	1,450	0.02	-	-
14	Jayantilal Chandulal Shah	1,450	0.02	-	1,450	0.02	-	-
15	Vijaykumar Jayantilal Shah	1,450	0.02	-	1,450	0.02	-	-
16	Rameshchandra Purshottamdas Kamdar	1,225	0.02	-	1,225	0.02	-	-
17	Kanchanben V. Shah	625	0.01	-	625	0.01	-	-
18	Dharmit R Shah	275	0.00	-	275	0.00	-	-
19	Kanchanben Vasantilal Shah	175	0.00	-	175	0.00	-	-
20	Vairali Vicky Shah	100	0.00	-	100	0.00	-	-
21	Pradip P. Kamdar	100	0.00	-	100	0.00	-	-
22	Pradip P. Kamdar	50	0.00	-	50	0.00	-	-
23	Pankaj P. Kamdar	50	0.00	-	50	0.00	-	-
24	Darshna Shah	0	0.00	-	42	0.00	-	0.00
25	Sakarwadi Trading Company Pvt. Ltd.	2945573	46.96	-	2945573	46.96	-	-
26	Somaiya Agencies Pvt. Ltd.	1000000	15.94	-	1000000	15.94	-	-
27	Jasmine Trading Company Pvt. Ltd.	600000	9.57	-	600000	9.57	-	-
28	Godavari Biorefineries Limited.	25000	0.40	-	25000	0.40	-	-
	Total	4,686,248	74.71	-	4,686,290	74.71	-	0.00

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

As per point ii above



(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		Shareholding at the end of the year		Increase / (Decrease) During the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anuj Atul Bhagwati	162,365	2.588	158,750	2.530	(3,615)	(0.058)
2	ICICI Bank Limited	140,817	2.245	140,817	2.245	-	-
3	Rajendra Kumar B. Gupta	17,917	0.286	17,917	0.286	-	-
4	Miten Kantilal Bhai	16,669	0.266	16,669	0.266	-	-
5	Shikha K Shah	15,875	0.253	15,875	0.253	-	-
6	Radhe Shyam Tulsian	14,584	0.233	14,584	0.233	-	-
7	Ameet Pratapsinh Hariani	10,050	0.160	10,050	0.160	-	-
8	A R Sudhakara Sheno	10,000	0.159	10,000	0.159	-	-
9	Saroj Navnit Parekh	9,292	0.148	9,292	0.148	-	-
10	Sushil C Choksey	7,585	0.121	7,585	0.121	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors or Key Managerial Personnel hold any shares of the Company in the financial year 2014-15.

V. INDEBTEDNESS

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

(₹ in lacs)

Particulars	Secured Loan	Unsecured Loan
Indebtedness at the beginning of the financial year		
i) Principal Amount	1,337.21	1,140.00
ii) Interest due but not paid	1.84	-
iii) Interest accrued but not due	-	-
Total (i+ii+iii)	1,339.05	1,140.00
Change in Indebtedness during the financial year		
· Addition	4,943.32	410.00
· Reduction	4,704.35	400.00
Net Change	238.97	10.00
Indebtedness at the end of the financial year		
i) Principal Amount	1,578.02	1,150.00
ii) Interest due but not paid	-	-
iii) Interest accrued but not due	-	-
Total (i+ii+iii)	1,578.02	1,150.00



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL

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

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of WTD	Total Amount
		S. Mohan	
1	Gross salary *(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 **(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	23.30 - -	23.30 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	- -	- -
5	Contribution to PF	1.91	1.91
	Total (A)	25.21	25.21
	Ceiling as per the Act	₹ 42 lakhs (as provided in section II of Part II of schedule V of Companies Act, 2013)	

* Includes LTA availed during this year and provided for in the books.

** Includes contribution to Provident Fund

(Amt. in ₹)

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Independent Directors			Non- Executive Directors			
		Devendra Shrimankar	Shyam Balsekar	Aziza Khatri	Rajendra V. Shah	Girish Kajaria	Sampatraj Chandalia	
	· Fee for attending board/ committee meetings	80,000	52,500	5,000	5,000	25,000	25,000	192,500
	· Commission	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-
	Total	80,000	52,500	5,000	5,000	25,000	25,000	192,500
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors. The Board has fixed ₹ 5000/- as sitting fees for Board/ Committee meetings and ₹ 2500/- as sitting fees for Stakeholders Committee meeting						



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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Sunil Raghav	Ms. Swarna Gunware	
		CFO	Company Secretary	Total
1	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.54	3.46	4.00
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profits - others, specify	-	-	-
5	Contribution to PF	0.03	0.22	0.25
	Total	0.57	3.68	4.25

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Statement under Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014-15

S. No.	Name of Director / KMP	Ratio	% increase
1.	Shri S Mohan, Whole - time director	13.81:1	13%
2.	Shri Sunil Y. Raghav, Chief Financial Officer	NA	Nil
3.	Ms. Swarna S. Gunware, Company Secretary	NA	Nil

Shri Sunil Y. Raghav, Chief Financial Officer and Ms. Swarna S. Gunware, Company Secretary were appointed w.e.f 13th February, 2015 and 29th May, 2014, therefore there is no % increase in the financial year 2014-15.

2) The percentage increase/decrease in the median remuneration of employees in the financial year : (2.45%)

3) The number of permanent employees on the rolls of the Company as on 31st March, 2015 : 120

4) The explanation on the relationship between average increase in remuneration and company performance: Nominal increase in remuneration was given as per the remuneration policy. Average increase in the remuneration was 11% in the Financial Year 2014-15 which was in line with the industry trend.

5) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

(₹ in Lacs)

Name	Designation	Remuneration	% Increase	Company's Performance
Shri S Mohan	Whole-time Director	25.21	13%	Loss for financial year was ₹ 439.81 Lacs against Loss of ₹ 212.41 Lacs in the previous year
Shri Sunil Y. Raghav	Chief Financial Officer	0.57	Nil	
Ms. Swarna S. Gunware	Company Secretary	3.68	Nil	



Based on performance rating of the Key Managerial Personnel appropriate reward by way of merit increase or variable pay have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company.

6) The Market Capitalisation of the Company as on 31st March, 2015 was ₹ 62,287,205 as compared to ₹ 54,571,872 as on 31st March, 2014. The price earnings ratio of the Company (1.41) as at 31st March, 2015 and was (2.57) as at 31st March, 2014. The closing share price of the Company at BSE Limited on 31st March, 2015 being ₹ 9.93/- per equity share of face value of ₹ 10/- and price of last offer for sale made in the year 1991 was ₹ 10/- (Offer price was ₹ 10/- per share of face value of ₹ 10/- each)

7) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 11% whereas the increase in the managerial remuneration was 13%. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.

8) The key parameters for any variable component of remuneration availed by the directors;

No directors have been paid any remuneration as only Sitting Fees are paid to them. Shri S Mohan, Shri Sunil Y. Raghav and Ms. Swarna S. Gunware are not paid any variable remuneration.

9) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

10) If remuneration is as per the remuneration policy of the Company: Yes

11) Particulars of Employees

a) Details of employees, employed throughout the financial year, was in receipt of remuneration for that financial year, in the aggregate, was not less than ₹ 60 lakhs: **Nil**

b) Details of employees, employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month : **Nil**

c) Details of employees, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **Nil**



Independent Auditors' Report

To the Members of

Pentokey Organy (India) Limited

Report on the Financial Statements

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

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:



- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements - Refer Note 27 and Note 28;
 - ii. there are no material foreseeable losses arising out of any long-term contracts for which provision is required to be made under any law or accounting standards. The Company has not entered into any long term derivative contracts.; and
 - iii. the Company do not have any outstanding amount to be transferred to the Investor Protection and Education Fund.

For **Desai Saksena & Associates**
Chartered Accountants
(Firm's Registration No: 102358W)

Place: Mumbai
Date: 19th May, 2015

S. N. Desai
Partner
Membership No: 32546

Annexure to Independent Auditors' Report

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

- i. In respect of its fixed assets:
 - (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.



-
- ii. In respect of its inventories:
- (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in aforesaid internal control systems.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Companies (Cost Records and audit) Rules, 2014 prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The content of these accounts and records have not been examined by us.
- vii. In respect of statutory dues :
- (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, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at March 31, 2015 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 of Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Value added tax, Customs duty, Excise duty, Professional tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. The particulars of dues of sales tax, service tax, as at March 31, 2015 which have not been deposited on account of dispute are as under:
-

PENTOKEY ORGANY (INDIA) LIMITED



Sr. No.	Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Financial Year to which it Pertains	Forum where Dispute is pending
1	Bombay Rectified Spirit (Transport in Bond) Rules, 1957	Transport Fees	103.24	2002-2007	High Court
2	Bombay Sales Tax Act, 1959	Sales Tax dues	7.81	1994-1995	Joint Commissioner of Sales Tax Appeal)
3	Bombay Sales Tax Act, 1959 and Central Sales Tax Act, 1956	Sales Tax and Central Sales Tax	193.96	2003-2004	Maharashtra Sales Tax Tribunal
4	Bombay Sales Tax Act, 1959 and Central Sales Tax Act, 1956	Sales Tax and Central Sales Tax dues	85.48	2004-2005	Joint Commissioner of Sales Tax (Appeal)
5	Central Excise Act, 1944	Penalty	13.90	2008-09 to 2014-15	Commissioner of Central Excise - Pune

(c) The Company does not have any outstanding amount to be transferred to the Investor Protection and Education Fund.

- viii. The Company does have accumulated losses as at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year. The Company does not have any borrowings from any financial institution and it has not issued any debentures.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised new term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Desai Saksena & Associates**
Chartered Accountants
(Firm's Registration No: 102358W)

Place: Mumbai
Date: 19th May, 2015

S.N.Desai
Partner
Membership No: 32546



BALANCE SHEET AS AT 31ST MARCH, 2015

₹ in Lacs

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
A EQUITY AND LIABILITIES			
1 Shareholder's Fund			
a) Share Capital	2	627.26	627.26
b) Reserves and Surplus	3	(124.61)	322.67
		502.65	949.93
2 Non-current Liabilities			
a) Long-term Borrowings	4	1,150.00	1,001.82
b) Long-term Provisions	5	50.89	35.75
		1,200.89	1,037.57
3 Current Liabilities			
a) Short-term Borrowings	6	1,516.20	1,383.82
b) Trade Payables	7	1,521.37	1,310.37
c) Other Current Liabilities	8	289.81	442.50
d) Short-term Provisions	9	1.52	4.44
		3,328.90	3,141.13
TOTAL		5,032.44	5,128.63
B ASSETS			
1 Non-current Assets			
a) Fixed Assets	10		
(i) Tangible Assets		936.85	992.58
(ii) Intangible Assets		3.87	0.08
(iii) Capital Work-in-progress		54.86	8.51
		995.58	1,001.17
b) Non-current Investments	11	0.05	0.06
c) Deferred Tax Assets (Net)	12	163.85	163.85
d) Long-term Loans and Advances	13	225.41	729.21
		1,384.89	1,894.29
2 Current Assets			
a) Inventories	14	1,428.61	1,296.29
b) Trade Receivables	15	886.38	1,005.04
c) Cash and Bank Balances	16	171.91	270.45
d) Short-term Loans and Advances	17	1,148.38	661.04
e) Other Current Assets	18	12.27	1.52
		3,647.55	3,234.34
TOTAL		5,032.44	5,128.63
Significant Accounting Policies and Notes to Accounts	1 to 39		

As per our report of even date attached

For Desai Saksena & Associates
Chartered Accountants

Dr. S.N. Desai
Partner
M.N. 32546

Place : Mumbai
Date : 19th May, 2015

For and on behalf of the Board of Directors

S. Mohan
Whole-time Director

Place : Mumbai
Date : 19th May, 2015

Devendra J. Shrimanker
Director

Swarna S. Gunware
Company Secretary

Shyam C. Balsekar
Director

Sunil Y. Raghav
Chief Financial Officer

PENTOKEY ORGANY (INDIA) LIMITED



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

₹ in Lacs

Particulars	Note No.	Year Ended 31st March, 2015	Year Ended 31st March, 2014
1 Revenue From Operations (Gross)	19	13,078.56	13,127.32
Less: Excise Duty		909.07	768.51
		<u>12,169.49</u>	<u>12,358.81</u>
2 Other Income	20	40.32	30.33
3 Total Revenue (1+2)		<u>12,209.81</u>	<u>12,389.14</u>
4 Expenses			
a) Cost of Materials Consumed	21	9,910.13	10,186.73
b) Changes in Inventories of Finished Goods, Work-in-process	22	349.35	(244.20)
c) Employee Benefits Expense	23	296.27	264.18
d) Finance Costs	24	318.83	314.95
e) Depreciation and Amortisation Expense	10	58.75	79.39
f) Other Expenses	25	1,716.29	2,000.50
Total Expenses		<u>12,649.62</u>	<u>12,601.55</u>
5 Profit / (Loss) before Tax		(439.81)	(212.41)
6 Tax Expense:			
Current Tax Expense		-	-
7 Profit / (Loss) for the Year		<u>(439.81)</u>	<u>(212.41)</u>
8 Earnings Per Equity Share of face value ₹ 10/-			
Basic		(7.01)	(3.39)
Diluted		(7.01)	(3.39)

Significant Accounting Policies and Notes to Accounts 1 to 39

As per our report of even date attached

For Desai Saksena & Associates

Chartered Accountants

Dr. S.N. Desai

Partner

M.N. 32546

Place : Mumbai

Date : 19th May, 2015

For and on behalf of the Board of Directors

S. Mohan

Whole-time Director

Place : Mumbai

Date : 19th May, 2015

Devendra J. Shrimanker

Director

Swarna S. Gunware

Company Secretary

Shyam C. Balsekar

Director

Sunil Y. Raghav

Chief Financial Officer



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

₹ in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax after Exceptional items	(439.81)	(212.41)
Adjustment for:		
Depreciation	58.75	79.39
Interest Income	(36.34)	(17.99)
Provision for Bad and Doubtful Debts	148.59	130.00
Dividend Income	(0.02)	(0.02)
Unrealised Foreign Currency (Gains) / Losses	(23.13)	24.51
Interest and Finance Charges	318.83	314.95
Operating Profit before Working Capital Changes	26.87	318.43
Adjusted for:		
Inventories	(132.33)	(109.03)
Trade Receivable	119.72	(239.33)
Loans and Advances	(45.15)	401.91
Trade Payable and Other Liabilities	124.04	(209.78)
Net Cash from/(used in) Operating Activities	93.15	162.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(60.48)	(27.90)
Interest Income	24.07	16.47
Dividend Income	0.02	0.02
Non-current Investments	0.01	-
Cash generated from/(used in) Investing Activity	(36.38)	(11.41)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Finance Charges	(320.67)	(316.03)
Repayment of Long Term Borrowings	(87.50)	(87.50)
Acceptance/(Repayment) of Other Borrowings (Net)	338.31	239.64
Dividend Paid	-	56.94
Cash generated from/(used in) Financing Activity	(69.86)	(106.95)
Net Increase/(Decrease) in Cash and Cash Equivalents	(13.09)	43.84
Cash and Cash Equivalents at beginning of the year	63.74	19.90
Cash and Cash Equivalents at end of the year	50.65	63.74

As per our report of even date attached**For Desai Saksena & Associates**

Chartered Accountants

Dr. S.N. Desai

Partner

M.N. 32546

Place : Mumbai

Date : 19th May, 2015

For and on behalf of the Board of Directors**S. Mohan**

Whole-time Director

Place : Mumbai

Date : 19th May, 2015

Devendra J. Shrimanker

Director

Swarna S. Gunware

Company Secretary

Shyam C. Balsekar

Director

Sunil Y. Raghav

Chief Financial Officer



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Preparation of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable.

B) Use of Estimates:

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

C) Fixed Assets and Depreciation:

Fixed Assets are stated at cost net of Cenvat and Value added tax less accumulated depreciation including impairment loss. All cost relating to installation up to the commencement of commercial production are capitalised.

Depreciation on Fixed Assets has been provided on Straight Line Method over the remaining useful life of the assets as specified in Schedule II to the Companies Act, 2013.

Intangible assets are stated at cost of acquisition less accumulated amortisation.

D) Investments:

The Investments being non-current in nature are carried at Cost or Fair realisable value where the diminution in fair value is of permanent in nature.

E) Inventories:

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any.

- i. Raw Materials, Stores and Spares are valued at cost.
- ii. Finished stock and process stock are valued at cost or net realisable value whichever is lower.
- iii. The valuation of inventories includes taxes, duties of non refundable nature and direct expenses, and other direct cost attributable to the cost of inventory, net of excise duty / counter-vailing duty / education cess and value added tax.

F) Provision for Current Tax and Deferred Tax:

- i. Tax on Income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of earlier year assessments/appeals.
- ii. Deferred Tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted and substantively enacted as on the Balance Sheet date.
- iii. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty or virtual certainty as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

G) Provisions, Contingent Liabilities and Contingent Assets:

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

H) Revenue Recognition:

- i. Sales revenue are recognised when goods are invoiced and dispatched to the customers are recorded net off Excise Duty, Sales Tax, Sales returns and Trade discounts.
- ii. Dividends are recognised when the right to receive them is established.

I) Employee Benefits:

- i. Short Term employee benefits are recognised as expenses at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii. Post employment employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation technique.

J) Impairment of Assets:

As asset is treated as impaired when the carrying cost of assets exceeds recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

K) Borrowing Cost:

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost is charged to Statement of Profit and Loss.

L) Foreign Currency Transaction:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. Transaction gain or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. All monetary items denominated in foreign currencies at the year end are converted at the year end rates.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 2 : SHARE CAPITAL		
Share Capital consist of the following:		
i Authorised		
4,00,00,000 (Previous Year 4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
ii Issued		
62,72,629 (Previous Year 62,72,629) Equity Shares of ₹ 10/- each	627.26	627.26
iii Subscribed and Paid-up		
62,72,629 (Previous Year 62,72,629) Equity Shares of ₹ 10/- each	627.26	627.26
Including Bonus Shares Issued on 19.12.2012 6,38,296) Equity Shares of ₹ 10/- each		
Total Share Capital	627.26	627.26

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

₹ in Lacs

Particulars	2014-15		2013-14	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10/- each fully paid up :				
Shares outstanding at the beginning of the year	62,72,629	627.26	62,72,629	627.26
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	62,72,629	627.26	62,72,629	627.26

iv Terms / Rights attached to Equity Shares :

The Company has only one class of shares referred to as Equity Shares having a par value of ₹10/-. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.

The distribution will be in proportion to the number of Equity Shares held by the shareholders.

v Shareholders holding more than 5% of Equity Shares in the Company

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% Holding	No. of Shares	% Holding
Sakarwadi Trading Co. Pvt. Ltd.	29,45,573	46.96	29,45,573	46.96
Somaiya Agencies Pvt. Ltd.	10,00,000	15.94	10,00,000	15.94
Jasmine Trading Co. Pvt. Ltd.	6,00,000	9.57	6,00,000	9.57

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders, regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 3 : RESERVES AND SURPLUS		
i Capital Reserve		
Capital Subsidy (SICOM)	30.00	30.00
	30.00	30.00
ii General Reserves		
Opening Balance	17.20	17.20
Add : Transfer during the year	-	-
	17.20	17.20
iii Statement of Profit and Loss		
Opening Balance	275.47	487.88
Add : Profit / (Loss) for the year	(439.81)	(212.41)
Less : Depreciation adjustment on account of Schedule II	7.47	-
	(171.81)	275.47
TOTAL	(124.61)	322.67
Note 4 : LONG TERM BORROWINGS		
SECURED LOANS		
Term Loans		
Term Loan From Bank	-	61.82
Total	-	61.82
UNSECURED LOANS		
From Related Party	800.00	790.00
From Other Parties	350.00	150.00
	1,150.00	940.00
TOTAL	1,150.00	1,001.82

(a) Nature of Security and Terms of Repayment for Long Term Secured Borrowings

Nature of Security

Term Loan Amounting to ₹ 61.82 Lacs (P.Y. ₹ 149.32 Lacs) Secured Against First Charge of Hypothecation of Assets acquired out of the Term Loan and collaterally secured by first charge on the company's fixed assets at D-1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra

Terms

Repayable in 16 quarterly installments commencing from June, 2012. Rate of Interest Base Rate + 3.75% (P.Y. Base Rate + 3.75%)

PENTOKEY ORGANY (INDIA) LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 5 : LONG TERM PROVISIONS		
Provision For Gratuity	38.83	26.69
Provision For Leave Encashment	12.06	9.06
TOTAL	50.89	35.75
Note 6 : SHORT TERM BORROWINGS		
SECURED LOANS		
Working Capital Loans from Bank	1,156.42	860.10
Bill Discounting with bank	175.41	-
Packing Credit	184.37	323.72
UNSECURED LOANS		
From Other Party	-	200.00
TOTAL	1,516.20	1,383.82
Nature of Security		Terms
Working Capital Loan Fully Secured Against Hypothecation of Stocks and Book Debts		Rate of Interest Base rate + 3.75% (P.Y. Base Rate + 3.00%)
Packing Credit Fully Secured Against Hypothecation of Stocks		Rate of Interest Base rate + 0.75% (P.Y. Base Rate + 0.75 %)
Note 7 : TRADE PAYABLES		
Trade Payable	1,521.37	1,310.37
TOTAL	1,521.37	1,310.37
Note 8 : OTHER CURRENT LIABILITIES		
Current Maturities of Term Loan - Indian Overseas Bank (Refer to Note 4 a)	61.82	87.50
Current Maturities of Car Loan - ICICI Bank Ltd.	-	4.08
Interest Accrued and Due on Loans	-	1.84
Unclaimed Dividend	8.51	8.57
Advances from Customers	65.45	26.07
Security Deposit from Dealers	88.87	191.20
Duties and Taxes	36.43	88.39
Liability for Capital Expenditure	-	5.62
Other Current Liabilities	28.73	29.23
TOTAL	289.81	442.50
Note 9 : SHORT TERM PROVISIONS		
i Provisions for Employee Benefits		
Gratuity	1.15	3.65
Leave Encashment	0.37	0.79
TOTAL	1.52	4.44

Note 10 : Fixed Assets, Depreciation and Amortisation Expense

₹ in Lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April, 2014	Addition	Deletion/ Adjustments	As at 31st March, 2015	As at 1st April, 2014	For the Year	Transfer to Reserves	Deletion/ Adjustments	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
A) Tangible Assets											
Land (Leasehold)	9.88	-	-	9.88	2.28	0.10	-	-	2.38	7.50	7.60
Factory Building	366.50	-	-	366.50	196.70	12.75	-	-	209.45	157.05	169.80
Plant and Machinery	2,553.93	-	17.02	2,536.91	1,786.53	36.28	1.71	17.02	1,807.50	729.41	767.40
Electrical Installation	0.94	-	-	0.94	0.68	-	0.25	-	0.93	0.01	0.26
Office Equipments	65.48	0.90	26.32	40.06	37.33	4.60	5.12	26.32	20.73	19.33	28.15
Computers	23.71	0.27	2.00	21.98	21.86	1.15	0.21	2.00	21.22	0.76	1.85
Furniture and Fixtures	24.01	5.11	2.92	26.20	21.95	1.15	0.12	2.92	20.30	5.90	2.06
Vehicles	19.68	4.06	-	23.74	4.22	2.63	-	-	6.85	16.89	15.46
Subtotal (A)	3,064.13	10.34	48.26	3,026.21	2,071.55	58.66	7.41	48.26	2,089.36	936.85	992.58
B) Intangible Assets											
Computer Software	0.45	3.94	-	4.39	0.37	0.09	0.06	-	0.52	3.87	0.08
Patents and Trade Mark	0.12	-	-	0.12	0.12	-	-	-	0.12	-	-
Subtotal (B)	0.57	3.94	-	4.51	0.49	0.09	0.06	-	0.64	3.87	0.08
TOTAL (A) + (B)	3,064.70	14.28	48.26	3,030.72	2,072.04	58.75	7.47	48.26	2,090.00	940.72	992.66
Previous Year	3,039.52	25.18	-	3,064.70	1,992.65	79.39	-	-	2,072.04	992.66	1,046.87
Capital Work-in-progress										54.86	8.51
TOTAL										995.58	1,001.17

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS



28TH ANNUAL REPORT 2014-2015

PENTOKEY ORGANY (INDIA) LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 11 : NON CURRENT INVESTMENT (For mode of Valuation refer Note 1 (D))		
Non Trade Investment		
Investment in Equity Instrument		
Quoted Investment		
500 (Previous Year 50) Equity Shares of ₹ 1/- (Previous Year ₹ 10/-) each fully paid up of State Bank of India	0.05	0.05
[Market value of quoted investment ₹ 1.34 Lacs (Previous Year ₹ 0.96 Lacs)]		
Unquoted Investment		
NIL(Previous Year 10) Equity Shares of ₹ 50/- each fully paid up of The Thane Janata Sahakari Bank Ltd.	-	0.01
TOTAL	0.05	0.06
Note 12 : DEFERRED TAX ASSETS (NET)		
Deferred Tax Liability		
On account of difference in Depreciation	104.82	104.82
Deferred Tax Asset		
On Account of Section 43B of Income Tax Act, 1961, and b/f Losses	268.67	268.67
TOTAL	163.85	163.85
Note 13 : LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
i Security Deposits and Other Deposits		
Unsecured, Considered good	19.61	19.91
Unsecured, Considered doubtful	10.57	10.57
Less : Provisions	10.57	10.57
	<u>19.61</u>	<u>19.91</u>
ii Advance Payment of Taxes	2.53	1.72
iii VAT Refund Receivable	173.00	537.31
iv Other Advances		
Unsecured, Considered good	30.27	170.27
Unsecured, Considered doubtful	315.57	166.98
Less : Provisions	315.57	166.98
	<u>30.27</u>	<u>170.27</u>
TOTAL	225.41	729.21



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 14 : INVENTORIES (Mode of Valuation refer Note 1 (E))		
Raw Materials	881.07	330.88
Work-in-process	26.99	24.98
Finished Goods	223.20	713.28
Finished Goods in Transit	107.58	22.77
Stores and Spares	189.77	204.38
TOTAL	1,428.61	1,296.29
Details of Raw Material Inventory		
Special Denatured Spirit	617.69	263.63
Acetic Acid	260.66	64.85
Other Chemicals	2.72	2.40
Total	881.07	330.88
Details of Work-in-process Inventory		
Acetaldehyde	5.96	5.57
Ethyl Acetate	21.03	19.41
Total	26.99	24.98
Details of Finished Goods Inventory		
Acetaldehyde	8.30	33.76
Ethyl Acetate	214.90	679.52
Total	223.20	713.28
Details of Finished Goods in Transit Inventory		
Ethyl Acetate	107.58	22.77
Total	107.58	22.77
Note 15 : TRADE RECEIVABLE		
i More than six months		
Unsecured, Considered good	-	2.70
ii Less than six months		
Unsecured, Considered good	886.38	1,002.34
TOTAL	886.38	1,005.04
Note 16 : CASH AND BANK BALANCE		
i Cash and Cash Equivalent		
Balance with Banks in Current Accounts	48.31	61.90
Cash on Hand	2.34	1.84
ii Other Bank Balances		
Margin Money with Bank	112.75	198.14
Earmarked Bank Accounts for Dividend	8.51	8.57
TOTAL	171.91	270.45

PENTOKEY ORGANY (INDIA) LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 17 : SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good)		
Advances for Capital Goods	38.89	30.00
Balance with Excise Department	486.48	391.59
VAT Refund Receivable	532.16	204.87
Security Deposit	0.03	0.03
Prepaid Expenses	24.43	11.37
Other Short-term advances	66.39	23.18
TOTAL	1,148.38	661.04
Note 18 : OTHER CURRENT ASSETS		
(Unsecured considered good)		
Interest Receivable	12.27	1.52
TOTAL	12.27	1.52

₹ in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Note 19 : REVENUE FROM OPERATIONS (GROSS)		
a) Particulars of Sales of Products		
Ethyl Acetate	12,330.67	12,822.82
Acetaldehyde	718.65	282.81
TOTAL	13,049.32	13,105.63
Earnings in Foreign Currency		
Exports of Goods on Free on Board (FOB) basis	3,778.57	5,229.45
b) Other Operating Income		
Exchange Fluctuation - Net	23.13	-
Export Incentives	6.11	21.69
TOTAL	29.24	21.69
Total Revenue from Operation	13,078.56	13,127.32
Note 20 : OTHER INCOME		
Interest Received	36.34	17.99
Dividend Received from Long-term Investment	0.02	0.02
Miscellaneous Income	3.96	12.32
TOTAL	40.32	30.33



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014		
Note 21 : COST OF MATERIAL CONSUMED				
Raw Materials				
Opening Inventories	330.88	514.14		
Purchases	10,460.32	10,003.47		
	10,791.20	10,517.61		
Less : Closing Inventories	881.07	330.88		
TOTAL	9,910.13	10,186.73		
Details of Raw Material Consumed				
Special Denatured Spirit	5,197.07	5,319.52		
Acetic Acid	4,702.30	4,853.15		
Others	10.76	14.06		
Total	9,910.13	10,186.73		
Imported and Indigenous Raw Material Consumed				
	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Amount	%	Amount	%
Imported	1,965.65	19.83	1,537.22	15.09
Indigenous	7,944.48	80.17	8,649.51	84.91
Total	9,910.13	100.00	10,186.73	100.00
Expenditure in Foreign Currency				
Import of Goods on Carriage Insurance Freight(CIF) basis	2,249.34		1,414.18	
Note 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS				
Closing Inventories				
Finished Goods	330.78		736.05	
Work-in-process	26.99		24.98	
	357.77		761.03	
Less: Opening Inventories				
Finished Goods	736.05		468.90	
Work-in-process	24.98		21.05	
	761.03		489.95	
Excise Duty on Opening and Closing Stock of F.G.	(53.91)		26.88	
TOTAL	349.35		(244.20)	
Note 23 : EMPLOYEE BENEFITS EXPENSE				
Salary, Wages and Bonus	207.35		185.02	
Gratuity and Leave Encashment	21.65		17.72	
Contribution to PF and ESIC	14.43		11.77	
Staff Welfare Expenses	25.70		25.59	
Directors Remuneration	27.14		24.08	
TOTAL	296.27		264.18	
Note 24 : FINANCE COST				
Interest - Bank	141.09		148.81	
Interest - Others	144.41		140.03	
Other Borrowing Cost	33.33		26.11	
TOTAL	318.83		314.95	

PENTOKEY ORGANY (INDIA) LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
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Note 25 : OTHER EXPENSES

a) Manufacturing Expenses

Packing Material Consumed	410.79	537.72
Stores Consumed	79.80	74.97
Fuel and Power	667.58	724.51
Water Charges	15.71	15.44
Other Manufacturing Expenses	18.19	24.11

Imported and Indigenous Stores Consumed	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Amount	%	Amount	%
Imported	-	-	-	-
Indigenous	79.80	100.00	74.97	100.00
Total	79.80	100.00	74.97	100.00

b) Administrative and Selling Expenses

Rent, Rates and Taxes	8.90	9.28
Insurance	18.88	15.62
Repairs and Maintenance		
i) Plant	13.15	13.32
ii) Building	4.92	6.31
iii) Others	1.95	2.38
Legal and Professional Charges	38.07	25.06
Motor Car Expenses	1.32	1.54
Travelling and Conveyance Expenses	16.21	14.94
Postage and Telephone	8.21	6.14
Printing and Stationery	6.17	5.75
Security Service Charges	17.57	16.38
Donation	0.13	0.08
Provision for Doubtful Debts / Advances	148.59	130.00
Auditors Remuneration	3.54	2.36
Other Expenses	53.83	53.28
Clearing and Forwarding Charges Export	129.65	207.96
Exchange Fluctuation - Net	-	24.51
Bank Charges	27.48	38.37
Listing Fees Paid	1.89	0.55
Commission on Sales	23.76	49.92
TOTAL	1,716.29	2,000.50
Expenditure in Foreign Currency		
Commission	0.21	2.55
Travelling	2.55	2.16

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note 26: The Company has no dues to Micro and Small Enterprises as at 31st March 2015. This information is required to be disclose under Micro, Small and Medium Enterprises Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 27: Contingent Liabilities

- i. The State Excise Department, Government of Maharashtra has demanded ₹ 103.24 Lacs (Previous Year ₹ 103.24 Lacs) for Transportation fess / administration charges for purchase of Special Denatured Spirit (S.D.S.) for the period 1st April, 2002 to 31st March, 2007. The Company has along with other manufacturers using industrial alcohol jointly contested the said demand in Hon'ble Bombay High Court.
- ii. Custom Duty Payable under advance License pending fulfillment of export obligation as on 31st March, 2015 ₹ 104.91 Lacs (Previous Year ₹ 137.44 Lacs)
- iii. Sales Tax Demand of ₹ 39.37 Lacs (Previous Year ₹ 39.37 Lacs) under BST Act and ₹ 154.59 Lacs (Previous Year ₹ 154.59 Lacs) under CST Act for the year 2003-04 against which the Company has preferred appeals before Maharashtra Sales Tax Tribunal.
- iv. Sales Tax Demand of ₹ 7.81 Lacs (Previous Year ₹ 7.81 Lacs) under BST Act for the year 1994-95, ₹ 33.84 Lacs (Previous Year ₹ 33.84 Lacs) under BST Act and ₹ 51.64 Lacs (Previous Year ₹ 51.64 Lacs) under CST Act for the year 2004-05 against which the Company has preferred appeals before Joint Commissioner of Sales Tax (Appeals) Kolhapur.
- v. Disputed amount of Cenvat Disallowance, Interest and Penalty U/S 11AC of Central Excise Act,1944 for the period 2008-09 to 2014-15 ₹ 13.90 Lacs (Previous Year ₹ 4.25 Lacs)

Note 28: Loans and Advances including ₹ 51.54 Lacs (Previous Year ₹ 51.54 Lacs) towards amount paid to Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL), formerly known as Maharashtra State Electricity Board (MSEB), which has been appropriated by MSEDCL, details as under:

Sr.	Particulars	₹ in Lacs
1.	Minimum Demand Charges, Interest and late payment charges	29.06
2.	Deposits	22.48
	Total	51.54

The Company has contested the aforesaid appropriation, based on the concession given by Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 26th September, 2007, and a Writ has been filed at Hon'ble High Court, Bombay. The Company has been legally advised that the aforesaid appropriation by MSEDCL is not tenable and the Company is entitled for the refund. Accordingly this amount is shown under Loans and Advances. However on a conservative basis a provision of ₹ 39.63 Lacs (Previous Year ₹ 39.63 Lacs) has been made in books of accounts.

Note 29: The values of Current Assets and Loans and Advances are stated at realisable value in ordinary course of the business in Balance Sheet, as per the opinion of the Management of the Company.

Note 30: Disclosure of Segment Reporting:

- i) The business segment has been considered as the primary segment. The only segment in which the Company is engaged in manufacture of Organic Chemicals namely Acetic Acid, Ethyl Acetate, Acetaldehyde and Butyl Acetate. Hence disclosure of business segment (primary disclosure) is not applicable to the Company.
- ii) The Secondary disclosure as required by Accounting Standard "Segment Reporting" AS-17 is as follows:

₹ in Lacs

Sr.	Particulars	2014-15	2013-14
1	Domestic Sales	8,361.68	7,107.67
2	Export Sales	3,778.57	5,229.45
	Total	12,140.25	12,337.12

- iii) The Company does not have any fixed assets outside India.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 31: Disclosure of Related Parties

a. List of Related Parties:

Associate Concerns	Sakarwadi Trading Co. Pvt. Ltd. Lakshmiwadi Mines and Minerals Pvt. Ltd Somaiya Agencies Pvt. Ltd. Jasmine Trading Co. Pvt. Ltd Godavari Biorefineries Ltd. K. J. Somaiya and Sons Pvt. Ltd Somaiya Properties and Investments Pvt. Ltd. (Formerly The Godavari Sugar Mills Pvt. Ltd.) The Book Centre Ltd.
Key Management Personnel	Shri Rajendra V. Shah - Director (upto 29.05.2014) Shri S. Mohan - Whole-time Director

b. Transactions with Related Parties:

Particulars	₹ in Lacs	
	2014-15	2013-14
Associate Concerns		
Loan Fund Received / (Repayment)		
Sakarwadi Trading Co. Pvt. Ltd.	-	(200.00)
The Book Centre Ltd.	10.00	90.00
Interest		
Sakarwadi Trading Co. Pvt. Ltd	84.00	93.40
The Book Centre Ltd.	13.03	11.88
Rent		
Somaiya Properties and Investments Pvt. Ltd. (Formerly The Godavari Sugar Mills Pvt. Ltd.)	4.85	4.85
Purchase		
Godavari Biorefineries Ltd.	966.42	1,181.98
Printing and Stationery		
The Book Centre Ltd.	3.17	2.81
Sales		
Godavari Biorefineries Ltd.	109.27	59.05
Logo License Fees		
K. J. Somaiya & Sons Pvt. Ltd.	12.82	14.56
Key Management Personnel		
Remuneration		
Shri S. Mohan	25.51	22.51

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

c. Year end Balances:

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Loan Fund		
Sakarwadi Trading Co. Pvt. Ltd.	700.00	700.00
The Book Centre Ltd.	100.00	90.00
Trade Receivable		
Godavari Biorefineries Ltd.	9.75	-
Trade Payables		
Godavari Biorefineries Ltd.	633.42	334.75
The Book Centre Ltd.	-	0.21

Note 32: Disclosure of Earning Per Share:

₹ in Lacs

Particulars	2014 - 15	2013 - 14
Net Profit / (Loss) for the year after Tax	(439.81)	(212.41)
No. of Equity Shares of ₹ 10/- each	62,72,629	62,72,629
No. of Diluted Equity Shares of ₹ 10/- each.	62,72,629	62,72,629
Earning Per Share		
- Basic	(7.01)	(3.39)
- Diluted	(7.01)	(3.39)
Face value of Equity Shares	10	10

Note 33: Retirement Benefits

a) Defined Benefit Plan: The Company Provides for Gratuity and Leave Encashment on the basis of Actuarial valuation. The Company does not have any fund for Gratuity and Leave Encashment Liability.

The following table summarised the net benefit / Expenses recognised in Statement of Profit and Loss and Balance Sheet.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2015 (Unfunded)	As at 31st March, 2014 (Unfunded)	As at 31st March, 2015 (Unfunded)	As at 31st March, 2014 (Unfunded)
I. Reconciliation of Opening & Closing balances of Present Value of Defined Benefit obligations (PVDBO)				
(PVDBO) at beginning of period	30.34	21.36	9.84	9.55
Interest Cost	2.56	1.63	0.69	0.52
Current Service Cost	4.52	3.58	4.56	3.65
Benefits Paid	(4.73)	(2.33)	(4.71)	(6.12)
Actuarial (gain)/loss on obligation	7.29	6.10	2.04	2.24
(PVDBO) at end of period	39.98	30.34	12.42	9.84
II. Reconciliation of Opening & Closing balances of fair value of plan assets				
Fair Value of Plan Assets at beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Employer Contributions	4.73	2.33	4.71	6.12
Benefit Paid	(4.73)	(2.33)	(4.71)	(6.12)
Actuarial gain/(loss) on plan assets	-	-	-	-
Fair Value of Plan Assets at end of period	-	-	-	-
III. Fair Value of Plan Assets				
Fair Value of Plan Assets at beginning of period	-	-	-	-
Actual Return on Plan Asset	-	-	-	-
Contributions	4.73	2.33	4.71	6.12
Benefit Paid	(4.73)	(2.33)	(4.71)	(6.12)
Fair Value of Plan Assets at end of period	-	-	-	-
Present Value of Defined Benefit obligations	(39.98)	(30.34)	(12.42)	(9.84)
Excess of actual over estimated return on Plan Assets	-	-	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	Gratuity		Leave Encashment	
	Year Ended March, 2015 (Unfunded)	Year Ended March, 2014 (Unfunded)	Year Ended March, 2015 (Unfunded)	Year Ended March, 2014 (Unfunded)
IV. Amounts to be recognised in the Balance Sheet				
(PVDBO) at end of period	39.98	30.34	12.42	9.84
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	(39.98)	(30.34)	(12.42)	(9.84)
Unrecognised Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognised in the balance sheet	(39.98)	(30.34)	(12.42)	(9.84)
V. Expense recognised in the statement of Profit and Loss				
Current Service Cost	4.52	3.58	4.56	3.65
Interest cost	2.56	1.63	0.69	0.52
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss recognised for the period	7.29	6.10	2.04	2.24
Expense recognised in the statement of Profit and Loss	14.37	11.31	7.29	6.41
VI. Movements in the Liability recognised in Balance Sheet	As at 31st March, 2015 (Unfunded)	As at 31st March, 2014 (Unfunded)	As at 31st March, 2015 (Unfunded)	As at 31st March, 2014 (Unfunded)
Opening Net Liability	30.34	21.36	9.84	9.55
Expenses as above	14.37	11.31	7.29	6.41
Contribution paid	(4.73)	(2.33)	(4.71)	(6.12)
Closing Net Liability	39.98	30.34	12.42	9.84
VII. Assumptions as at				
Mortality Table	IALM(2006-08) Ultimate	IALM(2006-08) Ultimate	IALM(2006-08) Ultimate	IALM(2006-08) Ultimate
Discount Rate	7.80%	9.15%	7.80%	9.15%
Rate of increase in compensation	4.00%	4.00%	4.00%	4.00%
Rate of return (expected) on plan assets	-	-	-	-

The above information is certified by Actuary.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Defined Contribution Plan

Contribution to defined contribution plans recognised as expense for the year as under:

₹ in Lacs

Particulars	2014-15	2013-14
Employers Contribution to Provident Fund and Pension Fund	16.19	13.30
Employers Contribution to ESIC	0.08	0.09

Note 34: Estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31st March, 2015 was ₹ 60.17 Lacs (Previous year ₹ 79.92 Lacs)

Note 35: Remuneration to Auditors

₹ in Lacs

Particulars	2014-15	2013-14
Audit Fees	2.00	1.40
Tax Audit Fees	1.00	0.84
Other Matter	0.54	0.12
Total	3.54	2.36

Note 36: Foreign Currency Exposures

a) Details of unhedged foreign currency exposures as at the year-end were as under.

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Debtors	-	473.68
Creditors	248.78	341.47

b) Forward contracts entered into by the Company and outstanding as on 31st March, 2015 for hedging currency related risks:

₹ in Lacs

Forward Contracts	As at 31st March, 2015	As at 31st March, 2014
Sell (Export Sales)	474.05	-

Note 37: Reconciliation of Cash and Cash Equivalents:

₹ in Lacs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash and Bank Balance as per Note No. 16	171.91	270.45
Less: Fixed deposit earmarked for letter of credit purpose and Unclaimed Dividend Accounts	121.26	206.71
Cash and Cash equivalents as per cash flow statement	50.65	63.74



Note 38: Details of operating lease are as under:

₹ in Lacs

Particulars	2014 - 15	2013 - 14
Future minimum lease payments are under :		
a. Operating leases for each of the following periods :		
Not later than one year	4.32	4.32
Later than one year but not later than five year	-	4.32

Note 39: The figures of the previous year have been regrouped and rearranged so as to make them comparable with those of the current financial year.

As per our report of even date attached

For Desai Saksena & Associates

Chartered Accountants

Dr. S.N. Desai

Partner

M.N. 32546

Place : Mumbai

Date : 19th May, 2015

For and on behalf of the Board of Directors

S. Mohan

Whole-time Director

Place : Mumbai

Date : 19th May, 2015

Devendra J. Shrimanker

Director

Swarna S. Gunware

Company Secretary

Shyam C. Balsekar

Director

Sunil Y. Raghav

Chief Financial Officer

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Form No. MGT-11
PROXY FORM

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

CIN: L24116MH1986PLC041681

Name of the company: **PENTOKEY ORGANY (INDIA) LIMITED**

Registered office: Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort Mumbai - 400001

Email: investors@pentokey.com Website: www.pentokey.com

Tel. No. (91-22) 61702100 Fax: (91-22) 22047297

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id :	
DP ID :	

I/We, being the member (s) of Shares of the above named company, hereby appoint

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on Friday, the 25th September, 2015, at 11.30 a.m.at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai-400 020 and at any adjournment thereof in respect of such resolutions as are indicated below :

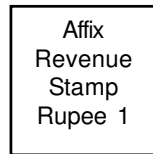
Resolution No:

ORDINARY BUSINESS:

1. Ordinary resolution for Adoption of Audited Financial Statements for the year ended 31st March, 2015 with Reports of the Directors and Auditors thereon.
2. Ordinary resolution for re-appointment of Shri S Mohan, who retires by rotation.
3. Ordinary resolution for Ratification of the appointment of M/s. Desai Saksena & Associates, Statutory Auditors and to fix their remuneration for the financial year ending 31st March, 2016.

SPECIAL BUSINESS:

- 4. Special resolution for Adoption of new Articles of Association of the Company.
- 5. Special resolution for variation in terms of appointment of Mr. S. Mohan, Whole time Director (DIN: 03184356) so as to make his office liable to retire by rotation
- 6. Ordinary resolution for appointment of Ms. Aziza Khatri as an Independent Director of the Company for a term upto five years.
- 7. Special Resolution under Section 188 of the Companies Act, 2013 for approval of related party transactions along with annual limits.
- 8. Ordinary Resolution under Section 148 (3) of the Companies Act, 2013 for approval of remuneration of Cost Auditor.



Signed this day of 2015

Signature of Shareholder.....

Signature of Proxy holder(s).....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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PENTOKEY ORGANY (INDIA) LIMITED

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

Email: investors@pentokey.com Website: www.pentokey.com

Tel. No. (91-22) 61702100 Fax: (91-22) 22047297

Attendance Slip

I/We hereby record my/our presence at the 28th Annual General Meeting held at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020 on Friday, the 25th September, 2015 at 11.30 a.m.

Shareholder/Proxy :

(Surname)

(First Name)

(Middle 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.

