

Somaiya

GROUP



29th

ANNUAL REPORT 2015-2016



Pentokey Organy (India) Limited



| | |
|--|---|
| BOARD OF DIRECTORS | Shri Devendra J. Shrimanker - Non - Executive Independent Director Shri S. Mohan - Director Shri Girish M. Kajaria - Non - Executive Director (up to 13.08.2015) Shri Shyam C. Balsekar - Non - Executive Independent Director Ms. Aziza Khatri - Additional Director (up to 07.03.2016) Ms. Prajakta Shidhore - Additional Director (from 30.05.2016) |
| 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 |

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NOTICE

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the members of Pentokey Organy (India) Limited, will be held on Thursday, the 29th September, 2016 at 2.30 p.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, 2016 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 retire by rotation and being eligible, seeks 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, 2017 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 recommendations of the audit committee of Board of Directors, 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 are 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, 2017.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any modification or re-enactment thereof), if any, Mrs. Prajakta Shidhore (DIN: 02608077) who was appointed as an Additional Director in the meeting of the Board of Directors held on 30th May, 2016 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), Mrs. Prajakta Shidhore 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 29th September, 2016 up to 28th September, 2021 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 is hereby severally authorized to do all the acts, deeds and things which are necessary, proper and expedient to give effect to the above said resolution.”

5. To consider and, if thought fit, to pass 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 (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 of the Company be and are hereby altered in the manner set out herein below:

The following sub article (2) be inserted in Article No. 85 after sub article No. (1)

(2) Each director shall be paid a sitting fee for attending the meeting of the Board of Directors or committee thereof



as may be from time to time determined by the board in accordance with provisions of the Act.

“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.”

6. To consider and, if thought fit, to pass 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 transactions by the Company upto the maximum amounts per annum as mentioned below:

(₹ in lacs)

| Maximum Amount of Contract/Transaction (per annum) | | | |
|--|---|-----------------|--|
| Transaction as mention u/s 188 (1) of Companies Act, 2013 | | | |
| | Sale, purchase or supply of goods or materials including Capital Equipments Assets | | Leasing of property of any kind |
| Name of Related Parties | Sale | Purchase | |
| Godavari Biorefineries Ltd. | 1500.00 | 1500.00 | - |
| Somaiya Properties and Investments Pvt. Ltd. | - | - | 5.00 |

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.”

7. To consider and, if thought fit, to pass the following Resolution as an **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- Organic and Inorganic Chemicals for the financial year ending March 31, 2017, be paid the remuneration of ₹ 50,000/- (Rupees Fifty Thousand only) and reimbursement of travel 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
Tel. No. (91-22) 61702100
Fax: (91-22) 22047297
Website: www.pentokey.com

email: investors@pentokey.com
CIN: L24116MH1986PLC041681

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

**Swarna Gunware
Company Secretary**

Place: Mumbai
Date: 8th August, 2016



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 Registrars 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 22nd September, 2016 to 29th September, 2016 (both days inclusive) for annual closing.
5. Members/proxies should bring their copies of the Annual Report, admission slip duly filled in along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license for attending the meeting.
6. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
7. Members wishing to claim dividends, which have remained unclaimed, are requested to correspond with Registrar and Share Transfer Agent, Company Secretary, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
8. 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 Registrars and Share Transfer Agent.
9. 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.
10. 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 29th 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 29th 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.
11. Members may note that the Notice of the 29th Annual General Meeting and the Annual Report will also be available on the Company's website www.pentoket.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@pentoket.com.

12. 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 29th 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 (India) 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.

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period commences on 26th September, 2016 (9:00 am) and ends on 28th September, 2016 (5.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|--|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | 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 (iv). |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Pentokey Organy (India) Limited> on which you choose to vote.
 - (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- iv. 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 22nd September, 2016.
 - v. 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.
 - vi. 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.
 - vii. 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.

- viii. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.pentokey.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.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open 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).
14. This Notice has been updated with the instructions for voting through electronic means as per the Amended Rules 2015.
15. Particulars of the Directors seeking appointment/ re- appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished below:

| Name of Director & Qualification | Date of Appointment | Expertise | Disclosure of relationships between directors inter-se | List of Other Companies in which Directorship and memberships held | Shareholding in the Company |
|---|----------------------------|--|---|---|------------------------------------|
| Shri S Mohan, (DIN: 03184356) B.Sc. | 05-08-2013 | Shri S. Mohan, 58, is Bachelor of Science. He has more than 37 years of experience in the major Alcohol based industries. He is an occupier under Factories Act. | Nil | Directorships: 1 Godavari Biorefineries Limited | Nil |
| | | | | 2. S o m a i y a Properties and Investments Private Limited | Nil |
| | | | | Memberships: Nil | |
| Mrs. Prajakta Shidhore (DIN 02608077) Chartered Accountant, Cost Accountant and Company Secretary | 30.05.2016 | Mrs. Prajakta Shidhore, 44, is having an experience of handling distressed assets of Asset Reconstruction companies, Banks and Special Situation Funds. | Nil | Directorships: 1. Arnav Assets Solutions Private Limited | Nil |
| | | | | 2. Accretus Solutions India LLP | |
| | | | | Memberships: Nil | Nil |
| | | | | | |

The Directors have furnished consent/declaration for their appointment/re-appointment as required under Companies Act, 2013 and Rules made thereunder.

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

Item No. 4:

The Board of Directors of the Company, at its meeting held on 30th May, 2016 has appointed Mrs. Prajakta Shidhore pursuant to the provisions of Section 161 of the Companies Act, 2013, as an Additional Director of the Company.

In terms of provision of Section 161 of the Companies Act, 2013, Mrs. Prajakta Shidhore would hold office up to the date of this Annual General Meeting and is eligible to be appointed as an Independent Non Executive



Women Director for a term upto five years.

Mrs. Prajakta Shidhore is a Chartered Accountant, Cost Accountant as well as Company Secretary having rich experience of more than 24 years. She is a CEO of Arnav Assets Solutions Pvt. Ltd, which is an Asset Resolution Agency, focused on resolution of distressed assets of Asset Reconstruction companies, Banks and Special Situation Funds. She is handling the corporate sector advances/investments, providing end to end solutions for the distressed assets right from the pre-acquisition due diligence, valuation and pricing of distressed assets, deal structuring to post deal monitoring and resolution. She has also handled financial and legal due diligence of more than 1000 accounts.

The Company has received a Declaration of Independence under Section 149(7) of the Companies Act, 2013. In the opinion of the Board, Mrs. Prajakta Shidhore fulfills 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 Mrs. Prajakta Shidhore as an Independent Non Executive Women 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 Mrs. Prajakta Shidhore as an Independent Non Executive Women Director, for the approval of the shareholders of the Company.

Mrs. Prajakta Shidhore 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 a member along with requisite deposit proposing Mrs. Prajakta Shidhore 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.

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

The Board recommends passing of the resolution as set out at item no. 4 of the Notice.

Item No. 5:

Pursuant to the provisions of Companies Act, 2013 a Company can pay sitting fees to director including Managing Director (MD) or Whole-time/Executive Director for attending meetings of Board or Committees thereof. In order to provide the same, the new article 85 (2) is proposed to be inserted in Articles of Association. This amendment is subject to the approval of shareholders.

The Board of Directors of your company accordingly recommends resolution no. 5 for your approval as Special Resolution.

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

Item No. 6:

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 transaction 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 transactions alongwith the annual limits that the Company may enter into the Related Party Transactions.

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)

| 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 including Capital Equipments Assets | | Leasing of property of any kind |
| | Sale | Purchase | |
| Godavari Biorefineries Ltd. | 1500.00 | 1500.00 | - |
| Somaiya Properties and Investments Pvt. Ltd. | - | - | 5.00 |

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:
 - a) 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/sale as and when the need arises. The members' consent is to be obtained for the above purpose.
 - b) The Company has obtained the consent of Board of Directors vide its meeting held on 30th May, 2016 for occupying the premises for business purpose and executed a Leave and License agreement with Somaiya Properties and Investments Private Limited for a period of one year from 1st April 2016 to 31st March, 2017. Licensee fee is ₹ 120 per sq. ft. p.m. plus applicable Service Tax for 300 sq ft.
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 30th May, 2016 has approved the item and recommends Resolution no. 6 for approval of members of the Company as special resolution.

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



Item No. 7:

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. Nanabhoj & Co., as Cost Auditor for Cost Audit of its product- Organic and Inorganic Chemicals for the financial year 1st April, 2016 to 31st March, 2017 on a remuneration of ₹ 50,000/- (Rupees Fifty Thousand only) 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. Accordingly, this Ordinary Resolution is proposed for approval of the Members.

The Board of Directors of your Company accordingly recommends the resolution no. 7 for your approval as Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is 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: 8th August, 2016

Route Map to the AGM Venue

Venue: Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai-400020



**DIRECTORS' REPORT**

Dear Members,

Your Directors present the Twenty-Ninth Annual Report on the business and operations of the Company together with the Financial Statements for the year ended 31st March, 2016.

1. Financial Highlights

The financial performance of the Company for the financial year ended 31st March, 2016 is summarized below: -

(₹ in Lacs)

| Particulars | Financial Year 2015-2016 | Financial Year 2014-2015 |
|--|-------------------------------------|-------------------------------------|
| Income from Operations | 8,543.92 | 12,169.49 |
| Profit/(Loss) before Interest and Depreciation | (319.15) | (62.23) |
| Less: Interest | 348.31 | 318.83 |
| Profit/(Loss) before Depreciation | (667.46) | (381.06) |
| Less: Depreciation | 62.43 | 58.75 |
| Profit/(Loss) for the year | (729.89) | (439.81) |
| Less : Current Tax (Expense) | 163.85 | - |
| Net Profit/(Loss) for the year after Tax | (893.74) | (439.81) |

Financial performance:

Your Company's Income from Operations has been decreased by ₹ 3625.57 lacs to ₹ 8,543.92 lacs as against the Income from Operations of ₹ 12,169.49 lacs in the corresponding previous year. The Company has posted a loss of ₹ 319.15 lacs before Interest and Depreciation as compared to a loss of ₹ 62.23 lacs in the corresponding previous year. The Company incurred Net Loss of ₹ 893.74 lacs during the year as against a loss of ₹ 439.81 lacs in the corresponding previous year. The reason for the loss is mainly dependence on single product i.e. Ethyl Acetate (E/A). International and Domestic market for E/A is weakened due to fall in crude oil prices. Further, manufacturing of E/A using alcohol as a feed stock has also become non-viable due to rising alcohol prices in view of implementation of Ethanol Blending Programme by Government of India.

Several initiatives such as launching of new products, substantial improvements in quality and service, cost reduction etc. were taken in the past. However, the performance of the Unit did not improve and the net worth of the Company has been fully eroded. The Board in its meeting held on 6th February, 2016 based on the Technical Economic Viability (TEV) report on the feasibility of the operations decided to close the operations of the plant located at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra. These factors are adversely affecting the performance of the business of the Company and with a view to focus and improve the efficiency of business and to reduce the overall debt burden, the Company's Board of Directors at its meeting held on Monday, 8th August, 2016, after evaluating the feasibility of various options, have initiated a process of postal ballot for your approval to assign its leasehold land and sell / dispose off its machinery including utilities structures / building in the manufacturing unit situated at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra.

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

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 and Key Managerial Personnel

Shri 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 Girish M. Kajaria and Ms. Aziza Khatri resigned as Directors during the year. The Board has placed on record its appreciation for the contributions made by



Shri Girish M. Kajaria and Ms. Aziza Khatri during their respective tenures on the Board.

The term of Shri S. Mohan, Whole- time Director was for a period of 3 years beginning from 5th August, 2013 to 4th August, 2016. Shri S Mohan has been re-designated as a Non- Executive Director of Company in the Board Meeting held on 8th August, 2016.

Shri Sunil Raghav is the Chief Financial Officer and Ms. Swarna Gunware is the Company Secretary of the Company.

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 independency as per Section 149 (7) of the Act 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 Women Director on the board of the Company. Mrs. Prajakta Shidhore has been appointed as Additional Director w.e.f. 30th May, 2016, to hold office up to the date of forthcoming Annual General Meeting. Being eligible, Mrs. Shidhore offered herself to be appointed as the Independent Director of your Company.

Mrs. Prajakta Shidhore, 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 Mrs. Prajakta Shidhore. Notice under Section 160 of the Companies Act, 2013 have been received from Member proposing her candidature as an Independent Director of the Company.

Your directors recommend appointment of Mrs. Prajakta Shidhore as Independent director of the 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.

5. Remuneration to Directors

The disclosure on the details of remuneration to director and other employees pursuant to Section 197 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the 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).

6. 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.

7. Extract of Annual Return

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.

8. 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 Girish M. Kajaria | Non- Executive Director | Resignation | 13.08.2015 |
| Ms. Aziza Khatri | Independent Non- Executive Director | Resignation | 07.03.2016 |

9. 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.

10. Number of Meetings

During the year, four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. Details of the meetings and the attendance record of the Directors are in the Corporate Governance section of the Annual Report.

11. 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.

12. Listing Agreement

The Securities and Exchange Board of India (SEBI) has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1st December, 2015. All the listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited.

13. 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.

14. Statutory Auditors

M/s. Desai Saksena & Associates, Chartered Accountants (Registration No. 102358W), Mumbai have been appointed as Statutory Auditors of the Company at an 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 2017-18. 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 notes on Financial Statements referred to in the Auditor's Report are self explanatory and do not call for any other comments. The Auditor's Report does not contain any qualifications, reservations or adverse remarks.

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 satisfies the criteria as provided in section 141 of the Companies Act, 2013.

15. 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 2016-17.

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 satisfies the criteria as provided in section 141 of the Companies Act, 2013. For the year 2015-16, the Cost Audit Report will be filed in due course, before the due date.

16. 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 Mr. A.M. Bhat, Practicing Company Secretary (Membership No. 1560) to undertake the Secretarial Audit Report of the Company.



During the year, Secretarial Audit has been carried out for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is attached herewith. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

17. 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.

18. 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.

19. 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.

20. Risk Management

The Board has formed a risk management policy in compliance with the provisions of the Companies Act, 2013. The copy of Risk Management Policy is uploaded on the website of the Company www.pentokey.com. It has 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. Elements of risks to the Company are given in the Management Discussion & Analysis section of the Annual Report under the heading 'Risks & Concerns'.

21. Vigil Mechanism / Whistle Blowing Policy

Your Company has adopted 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 provides for adequate safeguards against victimization of director(s) /employee(s) who avail of the mechanism and also provide 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.

22. Industrial Relationships

The Company maintains harmonious and cordial relations with its workers and staff.

23. Directors Responsibility Statement

The Board has laid down Internal Financial Controls within the meaning of the explanation to Section 134(5)(e) ("IFC") of the Act. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. IFC are not static and evolve over time as the business, technology and environment changes in response to competition, industry practices, legislation, regulation and current economic conditions.

Pursuant to the provisions contained in Section 134(5) of the Companies Act, 2013 your Directors confirm that:

- in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors had 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.

24. Listing

The shares of your Company are listed at the BSE Limited and the Ahmedabad Stock Exchange (ASE). The applicable annual listing fees have been paid to the BSE Ltd. before the due date. The Company has initiated the process to delist its shares from ASE.

25. Corporate Governance

Your Company believes in transparency and has always maintained a very high level of corporate governance. Pursuant to the Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), Report on Corporate Governance is included in the Annual Report. The Auditors' Certificate certifying the Company's compliance with the requirements of Corporate Governance in terms of the Listing Regulations is attached and forms a part of the Annual Report.

Your Company is in compliance with the governance requirements provided under the new Regulations. Your Company has in place all the statutory Committees required under the Regulations. 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.

A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, 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.

26. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and Listing Regulations, 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 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 Listing Regulations.

All related party transactions entered into by your Company during the financial year were on an arm's length basis and were in the ordinary course of business. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report.

27. Subsidiaries and Associates

The Company does not have any Subsidiaries and Associates, therefore details under Form AOC 1 is not applicable.

28. 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 Committee (ICC). No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



29. 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 is given in Annexure -I which forms part of this report.

30. Management Discussions 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 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. It is difficult for the company to maintain production level due to industry slowdown and other various challenges posed in the market.

Opportunities and Threats

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

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.

Ethyl Acetate production capacity is 24000 TPA. Ethyl Acetate production was lower at 14,373 MT for 2015-16 as against 18,640 MT in FY 2014-15 due to adverse market scenario as well as Ethyl Acetate plant could not run due to non availability of SDS at reasonable price.

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. The Company is exposed to risks that have adversely impacted the Company's operating performance, cash flows, financial performance, management performance and overall sustainability.

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 Company.

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.

31. Appreciation

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

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

Director

DIN: 03184356

Date: 8th August, 2016

Place: Mumbai

Devendra J. Shrimanker

Director

DIN: 00385083



Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

- i. steps taken or impact on conservation of energy

Constant efforts are being made to improve power factor and to affect savings in power and fuel consumption. Back Pressure Steam Turbine has been installed for saving the electricity.

Total energy consumption and energy consumption per unit of production.

| Sr. No. | Particulars | CURRENT YEAR | CURRENT YEAR |
|-----------|--|--------------|--------------|
| | | 2015-16 | 2014-15 |
| A. | POWER AND FUEL CONSUMPTION | | |
| 1. | Electricity: | | |
| | (a) Purchased | 225 | 965 |
| | Units (KWH) (in Thousand) | | |
| | Total Amounts (₹ in Lacs) | 27.50 | 77.28 |
| | Rate/ Unit (₹) | 12.25 | 8.01 |
| | (b) Own Generation | | |
| | Through Turbine | | - |
| | Units (KWH) (in Thousand) | 1,562 | 1140 |
| 2. | Coal: | | |
| | Quantity (M.Ts.) | 8,881 | 11,989 |
| | Total Cost (₹ in Lacs) | 443.64 | 583.05 |
| | Average Rate (₹ per kg) | 5.00 | 4.86 |
| 3. | Furnace Oil: | | |
| | Quantity (M.Ts.) | - | 12.50 |
| | Total Cost (₹ in Lacs) | 10.06 | 4.45 |
| | Average Rate (₹ per kg) | - | 35.59 |
| | | | |
| B. | CONSUMPTION PER UNIT PRODUCTION | | |
| 1. | Electricity (Unit) | | |
| | Acetaldehyde | 37 | 55 |
| | Ethyl Acetate | 13 | 49 |
| | | | |
| 2. | Furnace Oil (Kgs.) | | |
| | Acetaldehyde | - | - |
| | Ethyl Acetate | - | 1 |
| | | | |
| 3. | Coal (Kgs.) | | |
| | Acetaldehyde | 676 | 621 |
| | Ethyl Acetate | 573 | 610 |

- 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 in the last year. It has utilized the available supply to the best possible extend. Installation has resulted in cost reduction.

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: ₹ 38 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 | 2015-16 | 2014-15 |
|--------------------|----------------|----------------|
| Earning | 3,517.34 | 3,778.57 |
| Outgo | 1,523.31 | 2,252.10 |

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

Place : Mumbai
Date : 8th August, 2016

S. Mohan
Director

Devendra J. Shrimanker
Director



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

PENTOKEY ORGANY (INDIA) LIMITED
MUMBAI 400001

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 us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, generally complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment, Overseas Direct Investment and External Borrowings are not applicable to the Company as the Company has not availed the same during the period under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(NotApplicable)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)



PENTOKEY ORGANY (INDIA) LIMITED

I have also examined compliance with the applicable clause of the following;

- i) Secretarial Standards issued by the Institute of Company Secretaries of India as are applicable to the Company with effect from 1st July, 2015.
- ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has initiated a process of de-listing of its shares from Ahmedabad Stock Exchange.

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, as applicable to the Company with effect from 1st July, 2015, and as explained to us, a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors and the Committees of the Board, and as such there were no dissenting views appearing in the minutes of the meetings.

I further report that as per explanations, given to me and the representations made by the Management and relied upon by me, 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 period of audit as per the information provided and to the best of my knowledge, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and the Secretarial Standards.

A. M. BHAT

(Practicing Company Secretary)

FCS No.1560 CP No.7567

Place: Mumbai

Date: 8th August, 2016

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.



ANNEXURE A

To
The Members,
PENTOKEY ORGANY (INDIA) LIMITED

My report of even date provided in Form No. MR-3 to PENTOKEY ORGANY (INDIA) LIMITED for the year ended 31st March, 2016 is to be read along with this letter.

1. Maintenance of Secretarial records and complying with the provisions of various laws as applicable including the laws specifically applicable to the Company is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records and legal compliances based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records and the records of legal compliances. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records and other relevant records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I am not required to verify the correctness and appropriateness of financial records and books of accounts of the Company as it is part of Financial Audit as per the provisions of the Companies Act, 2013.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, secretarial standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

A. M. BHAT
(Practicing Company Secretary)
FCS No.1560 CP No.7567

Place: Mumbai
Date: 8th August, 2016



PENTOKEY ORGANY (INDIA) LIMITED

CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

Corporate governance refers to the framework of rules and practices by which the board of directors ensures accountability, fairness, and transparency in a company's relationship with all its stakeholders.

Pentokey Organy (India) Limited's ("Company") is committed to maintain the highest standards of corporate governance and adhere to the corporate governance. 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.

BOARD OF DIRECTORS

Corporate governance practices are shaped by its Board of Directors. The Board is committed to protecting the long-term interests of all our stakeholders, and considering this, it provides objective and prudent guidance to the management. The information relating to procedures, composition, committees, etc. of the Board is provided below:

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. At the outset of the financial year the Company had five directors, as on date of this report, the Board comprises of four Directors, out of which three are Independent Non-Executive Directors. Shri Girish M. Kajaria and Ms. Aziza Khatri have resigned from the Board w.e.f 13th August, 2015 and 7th March, 2016 respectively. 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. Prajakta Shirdhore as a Woman Director w.e.f 30th May, 2016.

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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") 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 Regulations. 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. Prajakta Shirdhore, 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 Listing Regulations. None of them have material pecuniary relationship with the Company other than the sitting fees payable to them. The Company currently does not have a stock option programme for any of its directors.

Board Procedures

During the financial year 2015-16 the Board of Directors has met four times on the following dates: 19th May, 2015; 13th August, 2015; 6th November, 2015 and 27th January, 2016. 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 2015-16 as well as at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other Companies.

| Name of Directors | Category | Attendance particulars | | Directorships in Companies | | Memberships/ Chairmanships in Committees | |
|-----------------------------|-----------------------------------|------------------------|-----------------------------|----------------------------|----------------------------------|--|--------|
| | | Board Meeting | Last AGM Held on 25.09.2015 | In Listed Companies | In Unlisted Public Ltd Companies | Chairman | Member |
| Shri Devendra J. Shrimanker | Non-Executive, Independent | 4 | Yes | - | - | - | - |
| Shri Girish M. Kajaria * | Non-Executive | 1 | No | - | - | - | - |
| Shri Shyam C. Balsekar | Non-Executive, Independent | 3 | Yes | - | - | - | - |
| Shri S. Mohan | Whole-time Director | 4 | Yes | - | 1 | - | - |
| Ms. Aziza Khatri ** | Women, Non-Executive, Independent | 2 | No | - | - | - | - |

* Resigned on 13th August, 2015

** Resigned on 7th March, 2016

Code of Conduct

The Board of Directors has laid down a code of conduct for all Board and senior management of the Company. The code of conduct is available on the website of the Company at www.pentokey.com. All Board members and senior management personnel have affirmed compliance with the code of conduct. The Code of Conduct has incorporated the duties of independent directors as laid down under the Companies Act, 2013.

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 Listing Regulations, 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, which was adopted by the Board of Directors.

During the year, the 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. The said policy is placed on the Company's website www.pentokey.com

Board Diversity Policy

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. Board appointments will be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders. The Board will regularly review this policy to ensure its effectiveness. The said policy is placed on the Company's website www.pentokey.com

Independent Directors' meeting

In compliance with Clause VII of Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) 2015, the Independent Directors held their separate meeting on 30th March, 2016, 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 executive directors and 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

Your Company has an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and the Listing Regulations. Its composition, quorum, powers, role, scope, etc. are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. ('Listing Regulations'). 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 Listing Regulations.

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 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, 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 terms of reference for the Audit Committee includes the matters specified in Section 177 of the Companies Act, 2013 as well as Part C of Schedule II of Listing Regulations such as:

The terms of reference are broadly as under:

- 1) oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- 2) recommendation for appointment, remuneration, and terms of appointment of auditors of the Company;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) 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) modified opinion(s) in the draft audit report;
- 5) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue, such as public, rights, or preferential issues, the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to initiate steps in this matter;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the Company with related parties;
- 9) scrutiny of intercorporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) 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;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) 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;
- 16) 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;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in



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case of non-payment of declared dividends), and creditors;

- 18) to review the functioning of the Whistle Blower mechanism;
- 19) approval of the appointment of Chief Financial Officer after assessing the qualifications, experience, and background of the candidate;
- 20) performing any other function as is 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 2015-16, i.e. on: 19th May, 2015; 13th August, 2015; 6th November, 2015 and 27th January, 2016. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 25th September, 2015. 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 |
| Shri Shyam C. Balsekar | 3 |
| Ms. Aziza Khatri | 2 |

Nomination and Remuneration Committee

The Company has also formed a Nomination & Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which looks after the appointment, remuneration, and performance evaluation of Directors. Shri Shyam C. Balsekar, Non- Executive Independent Director is the Chairman of the Committee. Shri Devendra J. Shrimanker and Ms. Aziza Khatri are the other Members of the Committee. The Company Secretary, Ms. Swarna Gunware acts as the Secretary to the Nomination and Remuneration Committee.

Terms of Reference:

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel, and other employees;
- 2) formulation of criteria for the evaluation of performance of Independent Directors and the Board of Directors;
- 3) devising a policy on the diversity of Board of Directors;
- 4) identifying individuals who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- 5) Deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors. The criteria for the evaluation of Independent Directors includes skills, experience and level of preparedness of the directors, attendance and extent

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 | Ms. Aziza Khatri |
| 1. | 13th August, 2015 | Yes | Yes | No |

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, 2016 is given below:-

(₹ in lacs)

| Name of the Director | Category | Salary |
|----------------------|---------------------|--------|
| Shri S. Mohan | Whole-time Director | 26.18 |

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, 2016 is given below: -

| | Non - Executive Directors | Sitting Fees (Amount in ₹) |
|----|-----------------------------|----------------------------|
| 1. | Shri Devendra J. Shrimanker | 82,500 |
| 2. | Shri Girish M. Kajaria | 5,000 |
| 3. | Shri Shyam C. Balsekar | 50,000 |
| 4. | Ms. Aziza Khatri | 30,000 |

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.pentokey.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 2015-16, 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 2015-16 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 25th September, 2015, to answer shareholders' queries.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee formed in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 inter alia looks into the investor grievances.

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 Stakeholders Relationship Committee.

During the year the Committee met 14 times i.e. on 19th May, 2015, 5th June, 2015, 10th June, 2015, 27th July, 2015, 13th August, 2015, 10th September, 2015, 18th September, 2015, 8th October, 2015, 6th November, 2015, 8th December, 2015, 22nd January, 2016, 12th February, 2016, 29th February, 2016 and 21st March, 2016.

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;



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- provide guidance and make recommendations to improve investor service levels for the investors.

Details of stakeholder complaints

| Sr. No. | Nature of Complaint/Query | Total complaints pending at the beginning of the year | Total received during the year | Total complaints replied during the year | Total complaints pending at the end of the year |
|---------|--|---|--------------------------------|--|---|
| 1) | Non-receipt of Dividend | - | 24 | 24 | - |
| 2) | Non-receipt of shares lodged for transfer / exchange | - | 24 | 24 | - |
| 3) | Non-receipt of Annual Report | - | 4 | 4 | - |
| 4) | Others | - | - | - | - |
| | Total | - | 52 | 52 | - |

Shri Devendra J. Shrimanker, Chairman of Stakeholders Relationship Committee was present at the annual general meeting of the Company held on 25th September, 2015, 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.

DISCLOSURES

Basis of Related Party transactions (RPTs)

The details of all transactions with related parties, as required under section 177/188 of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations 2015, were placed before the Audit Committee 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, i.e. www.pentokey.com.

Disclosure of material transactions

There were no materially significant related party transactions made by the Company with its Promoters, Directors or management or relatives etc. that may have potential conflict with interest of the Company at large. All the related party transactions were at arms-length basis and in the ordinary course of business

Compliances regarding insider trading

In Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations 2015 (As amended from time to time) and to preserve the confidentiality and Prevent misuse of unpublished price sensitive information. The Company has adopted a code of conduct for prevention of insider trading.

**Internal Controls and Risk Management**

The Company has systems for internal audit and risk assessment and mitigation. The 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.

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/stricture imposed on the Company by stock exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

Auditor's Certificate on Corporate Governance

As stipulated in Para E of Schedule V of the Listing Regulations, the Auditor's Certificate regarding compliance of conditions of corporate governance is attached with the Directors' Report.

CEO CERTIFICATION

The Whole- time Director and CFO have certified to the Board with regard to the financial statements and other matters pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The certificate is contained in this Annual Report.

DETAILS OF GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are as follows:

| Year | Location | AGM/EGM | Day and Date | Time | No. of Special Resolution(s) Passed |
|---------|--|---------|----------------------------------|------------|-------------------------------------|
| 2014-15 | Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020 | AGM | Friday, the 25th September, 2015 | 11.30 a.m. | 3 |
| 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. | - |

There were no special resolutions passed during the year 2015-16 through postal ballot. As on the date of this report, there is one proposal to pass through Postal Ballot. The Board of Directors in its meeting held on 8th August, 2016 approved the Postal Ballot Notice for seeking members consent pursuant to section 180(1)(a) of the Companies Act, 2013. The Postal Ballot notice is available on the Company's website, i.e. www.pentokey.com.

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.



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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, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. 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, and any other information required by the Listing Regulations are regularly uploaded on the Company's website: www.pentokey.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 2015-16.

Compliance of mandatory and non-mandatory requirements

Mandatory

The Company has complied with all the matters relating to the capital market and the SEBI (LODR) Regulations 2015. The Company has complied with all mandatory requirements.

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 | : | Thursday the 29th September, 2016 at 2.30 p.m. |
| Venue | : | Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020 |
| Financial Year | : | 1st April, 2015 to 31st March, 2016 |
| Date of Book Closure | : | 22nd September, 2016 to 29th September, 2016 |
| Listing on Stock Exchanges | : | BSE Ltd. |
| | | The Ahmedabad Stock Exchange |
| | : | The Company has paid the Annual Listing fees of BSE. |
| Stock Code | | |
| Bombay Stock Exchange Ltd. (BSE) | : | 524210 |
| The Ahmedabad Stock Exchange | : | 44750 |
| ISIN | : | INE702E01015 |
| CIN | : | L24116MH1986PLC041681 |

**Market Price Data:**

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

| Month | Bombay Stock Exchange | | |
|-----------------|-----------------------|---------------|--------------|
| | High Price (₹) | Low price (₹) | No of trades |
| April, 2015 | 13.37 | 9.93 | 20 |
| May, 2015 | 14.05 | 11.53 | 25 |
| June, 2015 | 12.30 | 11.00 | 9 |
| July, 2015 | 16.20 | 11.75 | 50 |
| August, 2015 | 16.50 | 14.00 | 41 |
| September, 2015 | 14.50 | 13.00 | 9 |
| October, 2015 | 14.56 | 10.50 | 75 |
| November, 2015 | 16.84 | 13.73 | 39 |
| December, 2015 | 20.80 | 16.60 | 62 |
| January, 2016 | 26.00 | 21.80 | 39 |
| February, 2016 | 21.70 | 15.35 | 29 |
| March, 2016 | 19.50 | 18.50 | 7 |

(Source: BSE website)

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

Share Transfer System

Presently, 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.

Shares held in Physical and Dematerialised Form

Breakup of physical and dematerialised shares as on 31st March, 2016:

| | Number of shares | % |
|----------|------------------|--------|
| Physical | 10,24,167 | 16.33 |
| Demat | 52,48,462 | 83.67 |
| Total | 62,72,629 | 100.00 |

Shares in Demat mode have more liquidity as compared to shares held in physical mode. Therefore, the Company recommends shareholders holding shares in physical form to convert their shareholdings to demat mode. 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.

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 | 9,74,777 | 15.54 | 17,881 | 98.93 | |
| 501-1000 | 62,693 | 1.00 | 84 | 0.47 | |
| 1001-2000 | 87,341 | 1.39 | 61 | 0.34 | |
| 2001-3000 | 32,642 | 0.52 | 13 | 0.07 | |
| 3001-4000 | 41,718 | 0.67 | 12 | 0.07 | |
| 4001-5000 | 12,918 | 0.21 | 3 | 0.02 | |
| 5001-10000 | 56,119 | 0.90 | 7 | 0.04 | |
| 10001 and above | 50,04,421 | 79.78 | 14 | 0.08 | |
| TOTAL | 62,72,629 | 100.00 | 18,075 | 100.00 | |
| Physical Mode | 10,24,167 | 16.328 | 16,186 | 89.55 | |
| Electronic Mode: | | | | | |
| | NSDL | 51,10,614 | 81.475 | 1,276 | 7.06 |
| | CDSL | 1,37,848 | 2.198 | 613 | 3.39 |
| TOTAL | 62,72,629 | 100 | 18,075 | 100 | |

Shareholding pattern

| Categories of Shareholders | As on 31st March, 2016 | | As on 31st March, 2015 | |
|--|------------------------|--------------------|------------------------|--------------------|
| | No. of Shares | % to Total Capital | No. of Shares | % to Total Capital |
| Promoters and persons acting in concert (Including Directors and Relatives) | 46,86,915 | 74.72 | 46,86,290 | 74.72 |
| Foreign Institutional investors | - | - | - | - |
| Public Financial Institutions | 1,40,817 | 2.24 | 1,40,817 | 2.24 |
| Mutual funds | 4,000 | 0.06 | 4,000 | 0.06 |
| Nationalized and Other banks | - | - | - | - |
| Private Corporate Bodies | 24,670 | 0.39 | 23,989 | 0.38 |
| NRIs and OCBs | 242 | 0.00 | 225 | 0.00 |
| Others (Public) | 14,15,985 | 22.59 | 14,17,308 | 22.60 |
| Total | 62,72,629 | 100.00 | 62,72,629 | 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.

Details of Non- Compliance:

There was no Non compliance by the Company on any matters related to capital markets during the year under review

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
CIN: L24116MH1986PLC041681

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

Place : Mumbai
Date : 8th August, 2016

S. Mohan
Director

Devendra J. Shrimanker
Director

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

[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 : Public Company limited by shares Company
- v. Address of the Registered office : Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort,
and contact details Mumbai- 400001
Email: investors@pentokey.com
Contact No. : 022-61702100
Fax: (91-22) 22047297
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details : Datamatics Financial Services Ltd
of Registrar and Transfer Agent, if any 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 | 92.59 |

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 | 32,517 | 1,15,717 | 1.84 | 83,825 | 32,517 | 1,16,342 | 1.85 | 0.01 |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 45,70,573 | - | 45,70,573 | 72.87 | 45,70,573 | - | 45,70,573 | 72.87 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 46,53,773 | 32,517 | 46,86,290 | 74.71 | 46,54,398 | 32,517 | 46,86,915 | 74.72 | 0.01 |
| 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) | 46,53,773 | 32,517 | 46,86,290 | 74.71 | 46,54,398 | 32,517 | 46,86,915 | 74.72 | 0.01 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions. | | | | | | | | | |
| a) Mutual Funds | 4,000 | - | 4,000 | 0.06 | 4,000 | - | 4,000 | 0.06 | - |
| b) Banks/FI | 1,40,817 | - | 1,40,817 | 2.24 | 1,40,817 | - | 1,40,817 | 2.24 | - |
| 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):- | 1,44,817 | - | 1,44,817 | 2.31 | 1,44,817 | - | 1,44,817 | 2.31 | - |
| 2. Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 5,776 | 18,213 | 23,989 | 0.38 | 6,725 | 17,945 | 24,670 | 0.39 | 0.01 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 2,24,225 | 9,69,288 | 11,93,513 | 19.03 | 291,594 | 973,705 | 1,265,299 | 20.17 | 1.14 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 2,07,126 | 16,669 | 2,23,795 | 3.57 | 150,686 | - | 150,686 | 2.40 | (1.16) |
| c) Others (NRI) | 225 | - | 225 | 0.00 | 242 | - | 242 | 0.00 | 0.00 |
| Sub-total (B)(2):- | 4,37,352 | 10,04,170 | 14,41,522 | 22.98 | 4,38,318 | 10,03,902 | 14,42,220 | 22.97 | (0.01) |
| Total Public Shareholding | | | | | | | | | |
| (B)=(B)(1)+(B)(2) | 5,82,169 | 10,04,170 | 15,86,339 | 25.29 | 5,83,135 | 10,03,902 | 15,87,037 | 25.28 | (0.01) |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 52,35,942 | 10,36,687 | 62,72,629 | 100.00 | 52,37,533 | 10,36,419 | 62,73,952 | 100 | 0.00 |



(ii) Shareholding of Promoters (including Promoter Group)

| 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 | - | 1,850 | 0.03 | - | 0.01 |
| 17 | Kanchanben V. Shah | 625 | 0.01 | - | 625 | 0.01 | - | - |
| 18 | Dharmit R Shah | 275 | 0.00 | - | 275 | 0.00 | - | - |
| 19 | Kanchanben Vasantlal 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 | 42 | 0.00 | - | 42 | 0.00 | - | - |
| 25 | Sakarwadi Trading Company Pvt. Ltd. | 29,45,573 | 46.96 | - | 29,45,573 | 46.96 | - | - |
| 26 | Somaiya Agencies Pvt. Ltd. | 10,00,000 | 15.94 | - | 10,00,000 | 15.94 | - | - |
| 27 | Jasmine Trading Company Pvt. Ltd. | 6,00,000 | 9.57 | - | 6,00,000 | 9.57 | - | - |
| 28 | Godavari Biorefineries Limited. | 25,000 | 0.40 | - | 25,000 | 0.40 | - | - |
| | Total | 46,86,290 | 74.71 | - | 46,86,915 | 74.72 | - | 0.01 |

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

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year as on 01.04.2015 | | Date | Reason | Increase/ Decrease in Shareholding | | Cumulative Shareholding 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 | Rameshchandra Purshottamdas Kamdar | 1,225 | 0.02 | 04.03.16 | Purchase of Shares | 625 | 0.01 | 1,850 | 0.03 |



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

| Sr. 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 | 1,58,750 | 2.40 | 1,50,686 | 2.40 | (8,064) | (0.13) |
| 2 | ICICI Bank Limited | 1,40,817 | 2.25 | 1,40,817 | 2.25 | - | - |
| 3 | Rajendra Kumar B. Gupta | 17,917 | 0.29 | 17,917 | 0.29 | - | - |
| 4 | Miten Kantilal Bhai | 16,669 | 0.27 | 16,669 | 0.27 | - | - |
| 5 | Shikha K Shah | 15,875 | 0.25 | 15,875 | 0.25 | - | - |
| 6 | Radhe Shyam Tulsian | 14,584 | 0.23 | 14,584 | 0.23 | - | - |
| 7 | Hasmukh D. Jhavri | 11,793 | 0.19 | 11,793 | 0.19 | - | - |
| 8 | A R Sudhakara Shenoi | 10,000 | 0.16 | 10,000 | 0.16 | - | - |
| 9 | Saroj Navnit Parekh | 8,667 | 0.14 | 8,667 | 0.14 | - | - |
| 10 | Krishna Ameet Hariani | - | - | 8,334 | 0.13 | 8,334 | 0.13 |

Notes : • The above information is based on the weekly beneficiary position received from Depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors or Key Managerial Personnel holds any shares of the Company during the financial year 2015-16.

V) INDEBTEDNESS

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

(₹ in lacs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,578.02 | 1,350.00 | - | 2,928.02 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1,578.02 | 1,350.00 | - | 2,928.02 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 2,525.29 | 447.19 | - | 2,972.48 |
| • Reduction | 3,464.03 | 601.93 | - | 4,065.96 |
| Net Change | (938.74) | (154.74) | - | 7,038.44 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 639.28 | 1,160.00 | - | 1,799.28 |
| ii) Interest due but not paid | - | 35.26 | - | 35.26 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 639.28 | 1,195.26 | - | 1,834.54 |



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 | 24.19 | 24.19 |
| | (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 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | | |
| | - as % of profit | - | - |
| | - others, specify... | - | - |
| 5 | Contribution to PF | 1.99 | 1.99 |
| | Total (A) | 26.18 | 26.18 |
| | Ceiling as per the Act | ₹ 42 lakhs (as provided in section II of Part II of schedule V of Companies Act, 2013) | |

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

B. Remuneration to other Directors:

(₹ in lacs)

| Particulars of Remuneration | Name of Directors | | | Non-Executive Director | Total Amount |
|---|---|----------------|---------------|------------------------|-----------------|
| | Independent Directors | | | | |
| | Devendra Shrimankar | Shyam Balsekar | Aziza Khatri | Girish Kajaria | |
| • Fee for attending board/ committee meetings | 82,500 | 50,000 | 30,000 | 5,000 | 1,67,500 |
| • Commission | - | - | - | - | - |
| • Others, please specify | - | - | - | - | - |
| Total | 82,500 | 50,000 | 30,000 | 5,000 | 1,67,500 |
| 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 ₹ 5,000/- as sitting fees for Board/ Committee meetings and ₹ 2,500/- as as sitting fees for Stakeholders Committee meeting | | | | |



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

(₹ in lacs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|--|--------------------------|--------------|-------------|
| | | Company Secretary | CFO | Total |
| | | Swarna Gunware | Sunil Raghav | |
| 1 | Gross salary | | | |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4.12 | 4.15 | 8.27 |
| | 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 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profits | - | - | - |
| | - others, specify | - | - | - |
| 5 | Contribution to PF | 0.26 | 0.26 | 0.52 |
| | Total | 4.38 | 4.41 | 8.79 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.



Declaration of Compliance with Code of conduct

The Shareholders of
Pentokey Organy (India) Limited

We certify that:

- The Board of Directors of POIL has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website www.pentokey.com
- All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended 31st March, 2016.

For **Pentokey Organy (India) Ltd.**

S Mohan
Director

Sunil Y. Raghav
Chief Financial Officer

Place: Mumbai
Date: 8th August, 2016

Auditors' Certificate on Corporate Governance

To the Members of
Pentokey Organy (India) Limited,
Mumbai

We have examined the compliance of conditions of Corporate Governance by Pentokey Organy (India) Limited (the Company) for the year ended on 31st March, 2016, as stipulated in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforementioned Listing regulations.

We further state that such compliance is an assurance of neither 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 Registration No.: 102358W)

Dr. S. N. Desai
Partner
Membership No.: 32546

Place: Mumbai
Date: 8th August, 2016



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 2015-16 is 13.69:1
- 2) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16 are as under:

| S. No. | Name of Director / KMP | % Increase in remuneration in the financial year 2015-16 |
|--------|--|--|
| 1. | Shri S Mohan, Whole-time Director | - |
| 2. | Shri Sunil Raghav, Chief Financial Officer | - |
| 3. | Ms. Swarna Gunware, Company Secretary | - |

- 3) Median remuneration of all the employees of the Company for the financial year 2015- 2016: ₹ 1.91 Lakhs
- 4) The percentage increase in the median remuneration of employees in the financial year: 4.74%
- 5) The number of permanent employees on the rolls of the Company as on 31st March, 2016: 79 Employees
- 6) 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 1.23% in the Financial Year 2015-16 which was in line with the industry trend. Income from operations of the Company during the financial year has been decreased from ₹ 12,169.49 lacs to ₹ 8,543.92 Lacs (a decreased of 29.79%) and the Company incurred Net Loss of ₹ 893.74 lacs during the year as against a loss of ₹ 439.81 lacs in the corresponding previous year. The average increase in remuneration given in the Company was to partially offset the average inflation of 6% in the year 2015-16 and also to prevent any significant employee attrition.
- 7) 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 | 26.18 | - | Profit/(Loss) after tax for financial year ₹ (893.74) Lacs against ₹ (439.81) Lacs in the previous year |
| Shri Sunil Raghav | Chief Financial Officer | 4.41 | - | |
| Ms. Swarna Gunware | Company Secretary | 4.38 | - | |

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.

- 7) The Market Capitalisation of the Company as on 31st March, 2016 was ₹ 11,60,43,637 as compared to ₹ 62,287,205 as on 31st March, 2015. The price earnings ratio of the Company (1.30) as at 31st March, 2016 and was (1.41) as at 31st March, 2015. The closing share price of the Company at BSE Limited on 31st March, 2016 being ₹ 18.50 /- 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)
- 8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 0.73% whereas the increase in the managerial remuneration was 4.55%. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
- 9) 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 Raghav and Ms. Swarna Gunware are not paid any variable remuneration.
- 10) 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



- 11) If remuneration is as per the remuneration policy of the Company: Yes
- 13) 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



Form AOC-2- Particulars of Contract /Arrangements made with related parties (Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016, which were not at arm's length basis.

- a) Name(s) of the related party and nature of relationship: Not Applicable
- b) Nature of contracts/arrangements/transactions: Not Applicable
- c) Duration of the contracts/arrangements/transactions: Not Applicable
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f) Date(s) of approval by the Board: Not Applicable
- g) Amount paid as advances, if any: Not Applicable
- h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2016 are as follows:

(₹ in lacs)

| Name of Related Parties | Sale, purchase or supply of goods or materials | | Leasing of property of any kind | Availing or rendering of any services |
|---|--|----------|---------------------------------|---------------------------------------|
| | Sale | Purchase | | |
| Somaiya Properties and Investments Private Limited (Common Director) | - | - | 4.92 | - |
| K.J Somaiya and Sons Private Limited (Associate under accounting standards) | - | - | - | 8.89 |
| Godavari Biorefineries Limited (Common Director) | 65.01 | 261.98 | - | - |
| The Book Centre Ltd. (Associate under accounting standards) | - | 3.10 | - | - |

- a) Name(s) of the related party and nature of relationship: As provided in the table above.
- b) Nature, Duration of contracts/arrangements/transactions:
 - i. The Company has obtained the consent of Board of Directors vide its meeting held on 13th February, 2013 for occupying the premises for business purpose and executed a Leave and License agreement with The Godavari Sugar Mills Private Limited (now Somaiya Properties and Investments Private Limited) for a period of three years from 1st April 2013 to 31st March, 2016. License fees is ₹ 120 per sq. ft. p.m. plus applicable Service Tax for 300 sq ft.
 - ii. The Company has entered into an agreement of License to use Trademark with K. J. Somaiya and Sons Private Limited, who owns a trademark "Somaiya" w.e.f 1st April, 2013 for a period of three years. The license fee is 0.1% of the Company's revenue upto ₹ 1,000 crores.



- iii. 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/sale as and when the need arises.
- iv. The Company has been purchasing stationery and getting the printing and art work done in regards to Annual Report, Letter heads and paper stationery items from The Book Centre Ltd. The Company's policy is to obtain the quotations from various vendors and then choosing out of them, the most suitable one. The Company will purchase as and when the need arises.
- c) Salient terms of the contracts or arrangements or transactions including the value, if any: As referred in point (b) above.
- d) Date(s) of approval by the Board, if any: 19th May, 2015
- e) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

S. Mohan
Director

Devendra J. Shrimanker
Director

Date: 8th August, 2016
Place: Mumbai



Independent Auditor's 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 2016, the statement of profit and loss and the cash flow statement for the year ended on that date, and a summary of 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 ("the Rules"). 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 and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Auditing Standards 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 controls 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone financial statements:

- a) On 8th Feb, 2016 the company has declared closure of its Plant at Lote Parshuram, Ratnagiri and services of the employees were terminated from 12th April, 2016 due to financial condition of the company as well as poor market conditions.



- b) The Company has continuously made losses for past two years and incurred a net loss ₹ 893.74 Lacs, for the year ended 31st March 2016 and its Net Worth is fully eroded.
- c) We draw attention to Note No.26 of the audited financial results, the appropriateness of going concern is based on the Company's ability to manufacture and/or trade in any other product/products and to raise the requisite finance/generate cash flows in future.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure A**', a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid 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 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - (g) with respect to the other matters to be included in the Independent 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 on its financial position in its financial statements – Refer Note 29 i),29 iii) and 29 iv) to the financial statements;
 - 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Desai Saksena & Associates
Chartered Accountants
Firm's registration number: 102358W

Place: Mumbai
Date: 30th May 2016

Dr S. N. Desai
Partner
Membership number: 32546



Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) In respect of Company's fixed assets:
 - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) in respect Company's inventories:

The inventory, except goods-in-transit has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured or provided any guarantees or security to parties covered under section 185 of the Act. The Company has not granted loans, no investments has been made, no guarantees or security are given to parties covered under section 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules 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. However, we have not made a detailed examination of the records.
- (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, income-tax, sales tax, value added tax, duty of excise, duty of customs, service tax, professional tax, cess 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, income tax, sales tax, value added tax, duty of excise, duty of customs, service tax, professional tax, cess and other material statutory dues were in arrears as at 31 March, 2016 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 material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of value added tax and transport fees:

| 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 | 1994-95 | 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 | 2003-04 | 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 | 2004-05 | Joint Commissioner of Sales Tax (Appeal) |



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For Desai Saksena & Associates
Chartered Accountants
Firm's registration number: 102358W

Place: Mumbai
Date: 30th May 2016

Dr S. N. Desai
Partner
Membership number: 32546

Annexure - B to the Independent Auditors' Report for the year ended 31st March 2016 on the Financial Statement:

(Referred to in our report of even date)

Report on the Internal Financial Controls over financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Pentokey Organy (India) Limited** ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by



the Institute of Chartered Accountants of India ('ICAI') (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For Desai Saksena & Associates

Chartered Accountants

Firm's registration number: 102358W

Dr S. N. Desai

Partner

Membership number: 32546

Place: Mumbai

Date: 30th May 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

₹ in Lacs

| Particulars | Note No. | As at 31st March, 2016 | As at 31st March, 2015 |
|---|----------|------------------------|------------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholder's Fund | | | |
| a) Share Capital | 2 | 627.26 | 627.26 |
| b) Reserves and Surplus | 3 | (1,018.35) | (124.61) |
| | | (391.09) | 502.65 |
| 2 Non-current Liabilities | | | |
| a) Long-term Borrowings | 4 | 1,160.00 | 1,150.00 |
| b) Long-term Provisions | 5 | 7.82 | 50.89 |
| | | 1,167.82 | 1,200.89 |
| 3 Current Liabilities | | | |
| a) Short-term Borrowings | 6 | 639.28 | 1,516.20 |
| b) Trade Payables | 7 | 319.78 | 1,521.37 |
| c) Other Current Liabilities | 8 | 85.51 | 289.81 |
| d) Short-term Provisions | 9 | 285.86 | 1.52 |
| | | 1,330.43 | 3,328.90 |
| TOTAL | | 2,107.16 | 5,032.44 |
| B ASSETS | | | |
| 1 Non-current Assets | | | |
| a) Fixed Assets | 10 | | |
| (i) Tangible Assets | | 1,033.20 | 936.86 |
| (ii) Intangible Assets | | 2.54 | 3.86 |
| (iii) Capital Work-in-progress | | - | 54.86 |
| | | 1,035.74 | 995.58 |
| b) Non-current Investments | 11 | 0.05 | 0.05 |
| c) Deferred Tax Assets (Net) | 12 | - | 163.85 |
| d) Long-term Loans and Advances | 13 | 91.27 | 222.88 |
| | | 1,127.06 | 1,382.36 |
| 2 Current Assets | | | |
| a) Inventories | 14 | 43.08 | 1,428.61 |
| b) Trade Receivables | 15 | 19.29 | 886.38 |
| c) Cash and Bank Balance | 16 | 48.41 | 171.91 |
| d) Short-term Loans and Advances | 17 | 865.51 | 1,150.91 |
| e) Other Current Assets | 18 | 3.81 | 12.27 |
| | | 980.10 | 3,650.08 |
| TOTAL | | 2,107.16 | 5,032.44 |
| Significant Accounting Policies and Notes to Accounts | 1 to 40 | | |

As per our report of even date attachedFor **Desai Saksena & Associates**
Chartered AccountantsFor **Pentokey Organy (India) Limited****Dr. S. N. Desai**
Partner
M.N. 32546**S. Mohan**
Whole-time Director
DIN: 03184356**Devendra J. Shrimanker**
Director
DIN: 00385083**Swarna S. Gunware**
Company Secretary
ACS: 32787**Sunil Y. Raghav**
Chief Financial OfficerPlace : Mumbai
Date : 30th May, 2016Place : Mumbai
Date : 30th May, 2016



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lacs

| Particulars | Note No. | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|----------|--------------------------------|--------------------------------|
| 1 Revenue From Operations (Gross) | 19 | 9,133.50 | 13,078.56 |
| Less: Excise Duty | | 589.58 | 909.07 |
| | | 8,543.92 | 12,169.49 |
| 2 Other Income | 20 | 25.00 | 40.32 |
| 3 Total Revenue (1+2) | | 8,568.92 | 12,209.81 |
| 4 Expenses | | | |
| a) Cost of Materials Consumed | 21 | 6,836.64 | 9,910.13 |
| b) Changes in Inventories of Finished Goods, Work-in-Process | 22 | 323.47 | 349.35 |
| c) Employee Benefits Expense | 23 | 525.77 | 296.27 |
| d) Finance Costs | 24 | 348.31 | 318.83 |
| e) Depreciation and Amortisation Expense | 10 | 62.43 | 58.75 |
| f) Other Expenses | 25 | 1,202.19 | 1,716.29 |
| Total Expenses | | 9,298.81 | 12,649.62 |
| 5 Profit / (Loss) before Tax | | (729.89) | (439.81) |
| 6 Tax Expense: | | | |
| Deferred Tax | | 163.85 | - |
| | | 163.85 | - |
| 7 Profit / (Loss) for the Year | | (893.74) | (439.81) |
| 8 Earnings Per Equity Share of face value ₹ 10/- | | | |
| Basic | | (14.25) | (7.01) |
| Diluted | | (14.25) | (7.01) |

Significant Accounting Policies and Notes to Accounts

1 to 40

As per our report of even date attached

For **Desai Saksena & Associates**
Chartered Accountants

For **Pentokey Organy (India) Limited**

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

S. Mohan
Whole-time Director
DIN: 03184356

Devendra J. Shrimanker
Director
DIN: 00385083

Swarna S. Gunware
Company Secretary
ACS: 32787

Sunil Y. Raghav
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2016

Place : Mumbai
Date : 30th May, 2016



29TH ANNUAL REPORT 2015-2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in Lacs

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|--------------------------------|--------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax after Exceptional items | (729.90) | (439.81) |
| Adjustment for: | | |
| Depreciation | 62.43 | 58.75 |
| Profit on Sale of Fixed Assets | (7.75) | - |
| Interest Income | (8.20) | (36.34) |
| Provision for Bad and Doubtful Debts | 19.74 | 148.59 |
| Dividend Income | (0.02) | (0.02) |
| Unrealised Foreign Currency (Gains)/ Losses | (16.34) | (23.13) |
| Interest and Finance Charges | 348.31 | 318.83 |
| Operating Profit before Working Capital Changes | (331.73) | 26.87 |
| Adjusted for: | | |
| Inventories | 1,385.52 | (132.33) |
| Trade Receivable | 893.01 | 119.72 |
| Loans and Advances | 409.55 | (130.60) |
| Trade Payable and Other Liabilities | (1,112.97) | 124.04 |
| Net Cash from/(used in) Operating Activities | 1,243.38 | 7.70 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Additions to Fixed Assets | (98.84) | (60.48) |
| Sale of Fixed Assets | (30.66) | - |
| Interest Income | 4.39 | 24.07 |
| Dividend Income | 0.02 | 0.02 |
| Non-current Investments | - | 0.01 |
| Earmark Fixed deposits and Margin Money | 106.31 | 85.45 |
| Cash generated from/(used in) Investing Activity | (18.78) | 49.07 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest & Finance Charges | (313.05) | (320.67) |
| Repayment of Long Term Borrowing | (61.82) | (87.50) |
| Acceptance/(Repayment) of Other Borrowings (Net) | (866.92) | 338.31 |
| Cash generated from/(used in) Financing Activity | (1,241.79) | (69.86) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (17.19) | (13.09) |
| Cash and Cash Equivalents at beginning of the year | 50.65 | 63.74 |
| Cash and Cash Equivalents at end of the year | 33.46 | 50.65 |

As per our report of even date attached

For **Desai Saksena & Associates**
Chartered Accountants

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

For **Pentokey Organy (India) Limited**

S. Mohan
Whole-time Director
DIN: 03184356

Swarna S. Gunware
Company Secretary
ACS: 32787

Devendra J. Shrimanker
Director
DIN: 00385083

Sunil Y. Raghav
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2016

Place : Mumbai
Date : 30th May, 2016

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 1: SIGNIFICANT ACCOUNTING POLICIES****A) Basis of Preparation of Financial Statements:**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and the provision of the Companies Act 1956 (to the extent of applicable) and other accounting principles generally accepted in India, 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 relevant tax regulations 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.

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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

H) Revenue Recognition:

- i. Revenue from sale of manufactured goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract. Revenue is 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, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Note 2: SHARE CAPITAL | | |
| Share Capital consist of the following: | | |
| i Authorised | | |
| 4,00,00,000 (P. Y. 4,00,00,000)Equity Shares of ₹ 10/- each | 4,000.00 | 4,000.00 |
| ii Issued | | |
| 62,72,629 (P. Y. 62,72,629)Equity Shares of ₹ 10/- each | 627.26 | 627.26 |
| iii Subscribed and Paid-up | | |
| 62,72,629 (P. Y. 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

| Particulars | 2015-16 | | 2014-15 | |
|---|------------------|---------------|------------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares of ₹10/- each fully paid : | | | | |
| 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 Share holders holding more than 5% of Equity Shares in the Company

| Name of Shareholder | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---------------------------------|------------------------|--------------|------------------------|-----------|
| | 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, 2016 | As at 31st March, 2015 | |
| Note 3 : RESERVES AND SURPLUS | | | |
| i Capital Reserve | | | |
| Capital Subsidy (SICOM) | 30.00 | 30.00 | |
| ii General Reserves | | | |
| Opening Balance | 17.20 | 17.20 | |
| Add : Transfer during the year | - | - | |
| | <u>17.20</u> | <u>17.20</u> | |
| ii Statement of Profit and Loss | | | |
| Opening Balance | (171.81) | 275.47 | |
| Add : Profit / (Loss) for the year | (893.74) | (439.81) | |
| Less : Assets whose usefule life expired Written off | - | 7.47 | |
| | <u>(1,065.55)</u> | <u>(171.81)</u> | |
| TOTAL | <u>(1,018.35)</u> | <u>(124.61)</u> | |
| Note 4 : LONG TERM BORROWINGS | | | |
| UNSECURED LOANS | | | |
| From Related Parties | 810.00 | 800.00 | |
| From Other Parties | 350.00 | 350.00 | |
| TOTAL | <u>1,160.00</u> | <u>1,150.00</u> | |
| Note 5 : LONG TERM PROVISIONS | | | |
| Provision For Gratuity | 7.82 | 38.83 | |
| Provision For Leave Encashment | - | 12.06 | |
| TOTAL | <u>7.82</u> | <u>50.89</u> | |
| Note 6 : SHORT TERM BORROWINGS | | | |
| SECURED LOANS | | | |
| Working Capital Loans from Bank | 639.28 | 1,156.42 | |
| Bill Discounting with bank | - | 175.41 | |
| Packing Credit | - | 184.37 | |
| TOTAL | <u>639.28</u> | <u>1,516.20</u> | |
| 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 + 3.75 %) |
| Packing Credit Fully Secured Against Hypothecation of Stocks | | | Rate of Interest Base rate + 0.75% (P.Y. Base Rate + 0.75 %) |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | ₹ in Lacs | |
|---|---------------------------|---------------------------|--|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 | |
| Note 7 : TRADE PAYABLES | | | |
| Trade Payable | 319.78 | 1,521.37 | |
| TOTAL | 319.78 | 1,521.37 | |
| Note 8 : OTHER CURRENT LIABILITIES | | | |
| Current Maturities of Term Loan - Indian Overseas Bank | - | 61.82 | |
| Interest Accrued and Due on Loans | 35.26 | - | |
| Unclaimed Dividend | 8.50 | 8.51 | |
| Advances from Customers | 4.45 | 65.45 | |
| Security Deposit from Dealers | - | 88.87 | |
| Duties and Taxes | 9.26 | 36.43 | |
| Other Current Liabilities | 28.04 | 28.73 | |
| TOTAL | 85.51 | 289.81 | |
| a. Nature of Security for Term Loan under Current Maturities | | | |
| Term Loan Amounting to ₹ NIL (P.Y. ₹ 61.82 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 | | | |
| Note 9 : SHORT TERM PROVISIONS | | | |
| Provisions for Employee Benefits | | | |
| Gratuity | 56.43 | 1.15 | |
| Leave Encashment | 19.43 | 0.37 | |
| Provision for Retrenchment Compensation | 210.00 | - | |
| TOTAL | 285.86 | 1.52 | |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 10 : Fixed Assets, Depreciation and Amortisation Expense

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | | | | |
|-----------------------------|-----------------------|---------------|------------------------|-----------------------------|-----------------------|--------------|----------------------|------------------------|------------------------|------------------------|---------------|
| | As at 1st April, 2015 | Addition | Deletion / Adjustments | As at 31st March, 2016 | As at 1st April, 2015 | For The Year | Transfer to Reserves | Deletion / Adjustments | As at 31st March, 2016 | As at 31st March, 2015 | |
| A) Tangible Assets | | | | | | | | | | | |
| Land (Leasehold) | 9.88 | - | - | 9.88 | 2.38 | 0.10 | - | - | 2.48 | 7.40 | 7.50 |
| Factory Building | 366.50 | 7.86 | - | 374.36 | 209.45 | 12.90 | - | - | 222.35 | 152.01 | 157.05 |
| Plant & Machinery | 2,536.91 | 149.26 | 28.17 | 2,658.00 | 1,807.49 | 39.20 | - | 28.17 | 1,818.52 | 839.48 | 729.42 |
| Electrical Installation | 0.94 | - | - | 0.94 | 0.93 | - | - | - | 0.93 | 0.01 | 0.01 |
| Office Equipments | 40.06 | 0.29 | - | 40.35 | 20.73 | 3.96 | - | - | 24.69 | 15.66 | 19.33 |
| Computers | 21.98 | - | - | 21.98 | 21.22 | 0.48 | - | - | 21.70 | 0.28 | 0.76 |
| Furniture & Fixtures | 26.20 | 0.04 | - | 26.24 | 20.30 | 1.34 | - | - | 21.64 | 4.60 | 5.90 |
| Vehicles | 23.74 | - | - | 23.74 | 6.85 | 3.13 | - | - | 9.98 | 13.76 | 16.89 |
| Subtotal (A) | 3,026.21 | 157.45 | 28.17 | 3,155.49 | 2,089.35 | 61.11 | - | 28.17 | 2,122.29 | 1,033.20 | 936.86 |
| B) Intangible Assets | | | | | | | | | | | |
| Computer Software | 4.39 | - | - | 4.39 | 0.53 | 1.32 | - | - | 1.85 | 2.54 | 3.86 |
| Patents & Trade Mark | 0.12 | - | - | 0.12 | 0.12 | - | - | - | 0.12 | - | - |
| Subtotal (B) | 4.51 | - | - | 4.51 | 0.65 | 1.32 | - | - | 1.97 | 2.54 | 3.86 |
| TOTAL (A) + (B) | 3,030.72 | 157.45 | 28.17 | 3,160.00 | 2,090.00 | 62.43 | - | 28.17 | 2,124.26 | 1,035.74 | 940.72 |
| Previous Year | 3,064.70 | 14.28 | 48.26 | 3,030.72 | 2,072.05 | 58.74 | 7.47 | 48.26 | 2,090.00 | 940.72 | 992.65 |
| Capital Work-in-progress | | | | | | | | | | - | 54.86 |
| TOTAL | | | | | | | | | | 1,035.74 | 995.58 |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | ₹ in Lacs | |
|---|---------------------------|---------------------------|--|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 | |
| 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 500) Equity Shares of Re.1/- (Previous Year Re 1/- each fully paid up of State Bank of India | 0.05 | 0.05 | |
| [Market value of quoted investment ₹ 0.97 Lacs (Previous Year ₹ 1.34 Lacs)] | | | |
| TOTAL | <u>0.05</u> | <u>0.05</u> | |
| Note 12 : DEFERRED TAX ASSETS (NET) | | | |
| Deferred Tax Liability | | | |
| On account of difference in Depreciation | - | 104.82 | |
| Deferred Tax Asset | | | |
| On Account of Section 43B of Income Tax Act, 1961, and b/f Losses | - | 268.67 | |
| TOTAL (NET) | <u>-</u> | <u>163.85</u> | |
| Note 13 : LONG TERM LOANS AND ADVANCES | | | |
| (Unsecured considered good) | | | |
| i Security Deposits & Other Deposits | | | |
| Unsecured, Considered good | 7.69 | 19.61 | |
| Unsecured, Considered doubtful | 22.48 | 10.57 | |
| Less : Provisions | <u>22.48</u> | <u>10.57</u> | |
| | 7.69 | 19.61 | |
| ii VAT Refund Receivable | 81.10 | 173.00 | |
| iii Other Advances | | | |
| Unsecured, Considered good | 2.48 | 30.27 | |
| Unsecured, Considered doubtful | 315.57 | 315.57 | |
| Less : Provisions | <u>315.57</u> | <u>315.57</u> | |
| | 2.48 | 30.27 | |
| TOTAL | <u>91.27</u> | <u>222.88</u> | |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | ₹ in Lacs | |
|--|---------------------------|---------------------------|--|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 | |
| Note 14 : INVENTORIES (Mode of Valuation refer Note 1 (E)) | | | |
| Raw Materials | 2.99 | 881.07 | |
| Work in Process | 7.37 | 26.99 | |
| Finished Goods | 2.68 | 223.20 | |
| Finished Goods in Transit | - | 107.58 | |
| Stores & Spares | 30.04 | 189.77 | |
| TOTAL | 43.08 | 1,428.61 | |
| Details of Raw Material Inventory | | | |
| Special Denatured Spirit | - | 617.69 | |
| Acetic Acid | - | 260.66 | |
| Other Chemicals | 2.99 | 2.72 | |
| Total | 2.99 | 881.07 | |
| Details of Work-in-Process Inventory | | | |
| Acetaldehyde | - | 5.96 | |
| Ethyl Acetate | 7.37 | 21.03 | |
| Total | 7.37 | 26.99 | |
| Details of Finished Goods Inventory | | | |
| Acetaldehyde | - | 8.30 | |
| Ethyl Acetate | 2.68 | 214.90 | |
| Total | 2.68 | 223.20 | |
| Details of Finished Goods in Transit Inventory | | | |
| Ethyl Acetate | - | 107.58 | |
| Total | - | 107.58 | |
| Note 15 : TRADE RECEIVABLE | | | |
| Less than six months | | | |
| Unsecured, Considered good | 19.29 | 886.38 | |
| TOTAL | 19.29 | 886.38 | |
| Note 16 : CASH AND BANK BALANCES | | | |
| i Cash and Cash Equivalants | | | |
| Balance with Banks in Current Accounts | 30.21 | 48.31 | |
| Cash on Hand | 3.25 | 2.34 | |
| ii Other Bank Balances | | | |
| Margin Money with Bank | 6.45 | 112.75 | |
| Earmarked Bank Accounts for Dividend | 8.50 | 8.51 | |
| TOTAL | 48.41 | 171.91 | |
| Note 17 : SHORT TERM LOANS AND ADVANCES | | | |
| (Unsecured considered good) | | | |
| Advances for Capital Goods | - | 38.89 | |
| Balance with Excise Department | 99.39 | 486.48 | |
| VAT Refund Receivable | 604.96 | 532.16 | |
| Advance Payment of Taxes (Net of provision ₹ Nil (P.Y. ₹ Nil) | 0.50 | 2.53 | |
| Security Deposit | 0.03 | 0.03 | |
| Prepaid Expenses | 6.56 | 24.43 | |
| Other Short-term advances | 154.07 | 66.39 | |
| TOTAL | 865.51 | 1,150.91 | |
| Note 18 : OTHER CURRENT ASSETS | | | |
| (Unsecured considered good) | | | |
| Interest Receivable | 3.81 | 12.27 | |
| TOTAL | 3.81 | 12.27 | |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|--|--|
| Note 19 : REVENUE FROM OPERATIONS (GROSS) | | |
| a) Particulars of Sales of Products | | |
| Ethyl Acetate | 8,286.99 | 12,330.67 |
| Acetaldehyde | 675.87 | 718.65 |
| Other | 19.05 | |
| TOTAL | 8981.91 | 13,049.32 |
| Earnings in Foreign Currency | | |
| Exports of Goods on Free on Board (FOB) basis | 3,517.34 | 3,778.57 |
| b) Other Operating Income | | |
| Exchange Fluctuation - Net | 16.34 | 23.13 |
| Export Incentives | 135.25 | 6.11 |
| TOTAL | 151.59 | 29.24 |
| TOTAL REVENUE FROM OPERATIONS | 9,133.50 | 13,078.56 |
| Note 20 : OTHER INCOME | | |
| Interest Received - Bank | 5.64 | 12.22 |
| Interest Received - Sales Tax | - | 24.04 |
| Interest Received - Income Tax | 0.24 | 0.08 |
| Interest Received - Service Tax | 2.32 | - |
| Dividend Received from Long-term Investment | 0.02 | 0.02 |
| Profit on Sale of Fixed Assets | 7.75 | - |
| Miscellaneous Income | 4.13 | 3.96 |
| Sundry Balance W/back | 4.90 | - |
| TOTAL | 25.00 | 40.32 |
| Note 21 : COST OF MATERIAL CONSUMED | | |
| Raw Materials | | |
| Opening Inventories | 881.07 | 330.88 |
| Purchases | 5,958.56 | 10,460.32 |
| | 6,839.63 | 10,791.20 |
| Less : Closing Inventories | 2.99 | 881.07 |
| TOTAL | 6,836.64 | 9,910.13 |
| Details of Raw Material Consumed | | |
| Special Denatured Spirit | 3,745.50 | 5,197.07 |
| Acetic Acid | 3,086.30 | 4,702.30 |
| Others | 4.84 | 10.76 |
| Total | 6,836.64 | 9,910.13 |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

| Particulars | Year Ended 31st March, 2016 | | Year Ended 31st March, 2015 | |
|---|------------------------------------|---------------|------------------------------------|----------------|
| Imported and Indigenous Raw Material Consumed | Year Ended 31st March, 2016 | | Year Ended 31st March, 2015 | |
| | Amount | % | Amount | % |
| Imported | 2,222.43 | 32.51 | 1,965.65 | 19.83 |
| Indigenous | 4,614.21 | 67.49 | 7,944.48 | 80.17 |
| Total | 6,836.64 | 100.00 | 9,910.13 | 100.00 |
| Expenditure in Foreign Currency | | | | |
| Import of Goods on Carriage Insurance Freight (CIF) basis | | | 1,522.98 | 2,249.34 |
| Note 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS | | | | |
| Closing Inventories | | | | |
| Finished Goods | | | 2.68 | 330.78 |
| Work in process | | | 7.37 | 26.99 |
| | | | <u>10.05</u> | <u>357.77</u> |
| Less: Opening Inventories | | | | |
| Finished Goods | | | 330.78 | 736.05 |
| Work in process | | | 26.99 | 24.98 |
| | | | <u>357.77</u> | <u>761.03</u> |
| Excise Duty on Opening and Closing Stock of Finished Goods | | | <u>(24.25)</u> | <u>(53.91)</u> |
| TOTAL | | | <u>323.47</u> | <u>349.35</u> |
| Note 23 : EMPLOYEE BENEFITS EXPENSE | | | | |
| Salary, Wages and Bonus | | | 210.62 | 207.35 |
| Gratuity and Leave Encashment | | | 38.87 | 21.65 |
| Provision for Retrenchment Compensation | | | 210.00 | |
| Contribution to PF and ESIC | | | 15.36 | 14.43 |
| Staff Welfare Expenses | | | 23.07 | 25.70 |
| Directors Remuneration | | | 27.85 | 27.14 |
| TOTAL | | | <u>525.77</u> | <u>296.27</u> |
| Note 24 : FINANCE COST | | | | |
| Interest - Bank | | | 128.57 | 141.09 |
| Interest - Others | | | 161.96 | 144.41 |
| Other Borrowing Cost | | | 57.78 | 33.33 |
| TOTAL | | | <u>348.31</u> | <u>318.83</u> |
| Note 25 : OTHER EXPENSES | | | | |
| a) Manufacturing Expenses | | | | |
| Packing Material Consumed | | | 240.17 | 410.79 |
| Stores Consumed | | | 89.47 | 79.80 |
| Fuel and Power | | | 486.52 | 667.58 |
| Water Charges | | | 12.12 | 15.71 |
| Other Manufacturing Expenses | | | 18.67 | 18.19 |
| Imported and Indigenous Stores Consumed | Year Ended 31st March, 2016 | | Year Ended 31st March, 2015 | |
| | Amount | % | Amount | % |
| Imported | - | - | - | - |
| Indigenous | 89.47 | 100.00 | 79.80 | 100.00 |
| Total | 89.47 | 100.00 | 79.80 | 100.00 |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|---|--|--|
| b) Administrative and Selling Expenses | | |
| Rent, Rates and Taxes | 7.34 | 8.90 |
| Insurance | 14.74 | 18.88 |
| Repairs & Maintenance | | |
| i) Plant | 8.63 | 13.15 |
| ii) Building | 0.63 | 4.92 |
| iii) Others | 1.77 | 1.95 |
| Legal and Professional Charges | 26.35 | 38.07 |
| Motor Car Expenses | 1.30 | 1.32 |
| Travelling and Conveyance Expenses | 9.39 | 16.21 |
| Postage and Telephone | 5.44 | 8.21 |
| Printing and Stationery | 4.52 | 6.17 |
| Security Service Charges | 20.94 | 17.57 |
| Donation | 0.04 | 0.13 |
| Provision for Doubtful Debts / Advances | 19.74 | 148.59 |
| Auditors Remuneration | 3.17 | 3.54 |
| Other Expenses | 48.92 | 53.83 |
| Clearing and Forwarding Charges Export | 152.52 | 129.65 |
| Bank Charges | 21.90 | 27.48 |
| Listing Fees Paid | 2.96 | 1.89 |
| Commission on Sales | 4.94 | 23.76 |
| TOTAL | 1,202.19 | 1,716.29 |
| Expenditure in Foreign Currency | | |
| Commission | 0.33 | 0.21 |
| Travelling | - | 2.55 |

Note 26: W.e.f. 12.04.2016 manufacturing operation at Lote Parshuram, Ratnagiri Plant has been closed. The Company is exploring new avenues of business activities. The management of the Company is confident to turnaround the business activities. In view of this, the accounts are prepared on Going Concern Basis.

Note 27: The Company has no dues to micro and small enterprises as at 31st March 2016. 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 28: 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, 2016 is ₹ NIL (Previous Year ₹ 104.91 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- 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 ₹ NIL (Previous Year ₹ 13.90 Lacs)

Note 29: 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:

| | | ₹ 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 ₹ 51.54 Lacs (Previous Year ₹ 39.63 Lacs) has been made in books of accounts.

Note 30: The values of Current Assets and Loans and Advances are stated at realisable in ordinary course of the business in Balance Sheet, as per the opinion of the Management of the Company.

Note 31: 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 | 2015-16 | 2014-15 |
| 1 | Domestic Sales | 4,875.00 | 8,361.68 |
| 2 | Export Sales – FOB | 3,517.33 | 3,778.57 |
| | Total | 8,392.33 | 12,140.25 |

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

Note 32: Disclosure of Related Party**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 S. Mohan – Whole-time Director |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| b. Transactions with Related Parties: | | ₹ in Lacs | |
|---|----------------|----------------|--|
| Particulars | 2015-16 | 2014-15 | |
| Associates Concern | | | |
| Loan Fund Received /(Repayment) | | | |
| The Book Centre Ltd. | 10.00 | 10.00 | |
| Interest | | | |
| Sakarwadi Trading Co. Pvt. Ltd | 84.23 | 84.00 | |
| The Book Centre Ltd. | 15.35 | 13.03 | |
| Rent | | | |
| Somaiya Properties & Investments Pvt. Ltd. (Formerly The Godavari Sugar Mills Pvt. Ltd.) | 4.92 | 4.85 | |
| Purchase | | | |
| Godavari Biorefineries Ltd. | 261.99 | 966.42 | |
| Printing and Stationery | | | |
| The Book Centre Ltd. | 3.10 | 3.17 | |
| Sales | | | |
| Godavari Biorefineries Ltd. | 65.02 | 109.27 | |
| Godavari Biorefineries B. V. | 392.02 | - | |
| Logo License Fees | | | |
| K. J. Somaiya & Sons Pvt. Ltd. | 8.89 | 12.82 | |
| Key Management Personnel | | | |
| Remuneration | | | |
| S. Mohan | 26.18 | 25.21 | |

c. Year End Balances:

| Particulars | As at | As at |
|---------------------------------|-------------------------|-------------------------|
| | 31st March, 2016 | 31st March, 2015 |
| Loan Fund | | |
| Sakarwadi Trading Co. Pvt. Ltd. | 718.85 | 700.00 |
| The Book Centre Ltd. | 113.46 | 100.00 |
| Trade Receivable | | |
| Godavari Biorefineries Ltd. | - | 9.75 |
| Trade Payable | | |
| Godavari Biorefineries Ltd. | 231.98 | 633.42 |

Note 33: Disclosure of Earning Per Share: ₹ in Lacs

| Particulars | 2015- 2016 | 2014- 2015 |
|--|-------------------|-------------------|
| Net Profit / (Loss) for the year after Tax | (893.75) | (439.81) |
| 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 | (14.25) | (7.01) |
| – Diluted | (14.25) | (7.01) |
| Face value of Equity Shares ₹ | 10 | 10 |

Note 34: Retirement Benefits

- a) Defined Benefit Plan: During the year the Company has provided for Gratuity and Leave Encashment on actual payment basis as the same have been paid subsequently. The Company does not have any fund for Gratuity and Leave Encashment Liability.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

| I. | Particulars | Gratuity | | Leave Encashment | |
|------|---|------------------------------------|---|------------------------------------|---|
| | | As at 31st March, 2016 | As at 31st March, 2015 (Unfunded) | As at 31st March, 2016 | As at 31st March, 2015 (Unfunded) |
| | Reconciliation of Opening & Closing balances of Present Value of Defined Benefit obligations (PVDBO) | | | | |
| | (PVDBO) at beginning of period | - | 30.34 | - | 9.84 |
| | Interest Cost | - | 2.56 | - | 0.69 |
| | Current Service Cost | - | 4.52 | - | 4.56 |
| | Benefits Paid | - | (4.73) | - | (4.71) |
| | Actuarial (gain)/loss on obligation | - | 7.29 | - | 2.04 |
| | (PVDBO) at end of period | - | 39.98 | - | 12.42 |
| 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 | - | 4.71 |
| | Benefit Paid | - | (4.73) | - | (4.71) |
| | 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 | - | 4.71 |
| | Benefit Paid | - | (4.73) | - | (4.71) |
| | Fair Value of Plan Assets at end of period | - | - | - | - |
| | Present Value of Defined Benefit obligations | - | (39.98) | - | (12.42) |
| | Excess of actual over estimated return on Plan Assets | - | - | - | - |
| IV. | Amounts to be recognised in the Balance Sheet | | | | |
| | (PVDBO) at end of period | - | 39.98 | - | 12.42 |
| | Fair Value of Plan Assets at end of period | - | - | - | - |
| | Funded Status | - | (39.98) | - | (12.42) |
| | Unrecognised Actuarial Gain/(Loss) | - | - | - | - |
| | Net Asset/(Liability) recognised in the balance sheet | - | (39.98) | - | (12.42) |
| V. | Expense recognised in the statement of Profit and Loss | Year ended 31st March, 2016 | Year ended 31st March, 2015 (Unfunded) | Year ended 31st March, 2016 | Year ended 31st March, 2015 (Unfunded) |
| | Current Service Cost | - | 4.52 | - | 4.56 |
| | Interest cost | - | 2.56 | - | 0.69 |
| | Expected Return on Plan Assets | - | - | - | - |
| | Net Actuarial (Gain)/Loss recognised for the period | - | 7.29 | - | 2.04 |
| | Expense recognised in the statement of Profit and Loss | - | 14.37 | - | 7.29 |
| VI. | Movements in the Liability recognised in Balance Sheet | As at 31st March, 2016 | As at 31st March, 2015 (Unfunded) | As at 31st March, 2016 | As at 31st March, 2015 (Unfunded) |
| | Opening Net Liability | - | 30.34 | - | 9.84 |
| | Expenses as above | - | 14.37 | - | 7.29 |
| | Contribution paid | - | (4.73) | - | (4.71) |
| | Closing Net Liability | - | 39.98 | - | 12.42 |
| VII. | Assumptions as at | | | | |
| | Mortality Table | - | IALM(2006-08) Ultimate | - | IALM(2006-08) Ultimate |
| | Discount Rate | - | 7.80% | - | 7.80% |
| | Rate of increase in compensation | - | 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 | 2015-16 | 2014-15 |
|---|---------|---------|
| Employers Contribution to Provident Fund and Pension Fund | 17.20 | 16.19 |
| Employers Contribution to ESIC | 0.08 | 0.08 |

Note 35: Estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31st March, 2016 was ₹ NIL (Previous year ₹ 60.17 Lacs)

Note 36: Remuneration to Auditors

₹ in Lacs

| Particulars | 2015-16 | 2014-15 |
|----------------|-------------|-------------|
| Audit Fees | 2.00 | 2.00 |
| Tax Audit Fees | 1.00 | 1.00 |
| Other Matter | 0.17 | 0.54 |
| Total | 3.17 | 3.54 |

Note 37: Foreign Currency Exposures

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

₹ in Lacs

| Sr. No. | Particulars | As at 31st March 2016 | As at 31st March 2015 |
|---------|-------------|-----------------------|-----------------------|
| 1 | Debtors | - | - |
| 2 | Creditors | - | 248.78 |

b) Forward contracts entered into by the Company and outstanding as on 31st March, 2016 for hedging currency related risks:

₹ in Lacs

| | As at 31st March 2016 | As at 31st March 2015 |
|---------------------|-----------------------|-----------------------|
| Forward Contracts | | |
| Sell (Export Sales) | - | 474.05 |

Note 38: Reconciliation of Cash and Cash Equivalents:

₹ in Lacs

| Sr. No. | Particulars | As at 31st March 2016 | As at 31st March 2015 |
|---------|--|-----------------------|-----------------------|
| 1 | Cash and Bank Balance as per Note No. 16 | 48.41 | 171.91 |
| 2 | Less: Fixed deposit earmarked for letter of credit purpose and Unclaimed Dividend Accounts | 14.95 | 121.26 |
| 3 | Cash and Cash equivalents as per cash flow statement | 33.46 | 50.65 |

Note 39: Details of operating lease are as under:

₹ in Lacs

| Particulars | 2015-16 | 2014-15 |
|--|---------|---------|
| Future minimum lease payments are as 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 years. | - | - |

Note 40: The figures of the previous year have been regrouped and rearranged so as to make them comparable with those of the current financial year.

For **Desai Saksena & Associates**
Chartered Accountants

For **Pentokey Organy (India) Limited**

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

S. Mohan
Whole-time Director
DIN: 03184356

Devendra J. Shrimanker
Director
DIN: 00385083

Swarna S. Gunware
Company Secretary
ACS: 32787

Sunil Y. Raghav
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2016

Place : Mumbai
Date : 30th May, 2016



PENTOKEY ORGANY (INDIA) LIMITED

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

29th Annual General Meeting (AGM) – 29th September, 2016

| | |
|------------------------|--|
| 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 29th Annual General Meeting of the company, to be held on Thursday, the 29th September, 2016, at 2.30 p.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, 2016 with Reports of the Directors and Auditors thereon.
2. Ordinary resolution for re-appointment of Shri S Mohan (DIN: 03184356), 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, 2017.



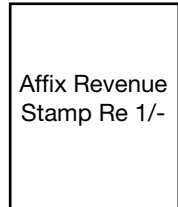
SPECIAL BUSINESS:

4. Ordinary resolution for appointment of Ms. Prajakta Shidhore (DIN: 02608077) as an Independent Director of the Company for a term upto five years.
5. Special Resolution for insertion of Article No. 85 (2) in the Articles of Association of the Company.
6. Special Resolution under Section 188 of the Companies Act, 2013 for approval of related party transactions along with annual limits.
7. Ordinary Resolution under Section 148 (3) of the Companies Act, 2013 for approval of remuneration of Cost Auditor.

Signed this..... day of..... 2016

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.



ATTENDANCE SLIP

PENTOKEY ORGANY (INDIA) LIMITED

CIN: L24116MH1986PLC041681

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

29th Annual General Meeting (AGM) – 29th September, 2016

I/We hereby record my/our presence at the 29th Annual General Meeting held at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020 on Thursday, the 29th September, 2016 at 2.30 p.m.

Shareholder/Proxy:.....
(Surname) (First Name) (Middle Name)

Reg. Folio No../DP ID No./Client ID 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.



If undelivered, please return to

DATAMATICS FINANCIALSERVICES LIMITED

Unit: Pentokey Organy (India) Limited

Plot No B-5, MIDC,
Part B, Cross Lane, Andheri (East),
Mumbai - 400 093

