

PENTOKEY ORGANY (INDIA) LIMITED



BOARD OF DIRECTORS	Shri Devendra J. Shrimanker - Non - Executive Independent Director Shri S. Mohan - Director (redesignated on 08.08.2016) Shri Shyam C. Balsekar - Non - Executive Independent Director Ms. Prajakta Shidhore - Non - Executive Independent Director (from 30.05.2016)
CHIEF EXECUTIVE OFFICER	Shri Balachandran Nair M.N. (from 01.02.2017)
CHIEF FINANCIAL OFFICER	Shri Sunil Y. Raghav
COMPANY SECRETARY	Ms. Swarna S. Gunware
AUDITOR	M/s. Desai Saksena & Associates, Chartered Accountants
BANKERS	Indian Overseas Bank Bank of India
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 CIN: L24116MH1986PLC041681
SOLICITOR & ADVOCATES	Gagrats Satyajit R. Rane
FACTORY	D-1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra
SALES OFFICE	S/03, "Vasuki" 7th Road, Rajawadi, Ghatkopar (E), Mumbai - 400077.
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 30th Annual General Meeting of the members of Pentokey Organy (India) Limited, will be held on Monday, the 25th September, 2017 at 3.00 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 financial statements of the Company for the financial year ended 31st March, 2017 and the 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, offers himself for re-appointment.
3. To ratify appointment of M/s. Desai Saksena & Associates, Chartered Accountants (Firm 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, 2018 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 (Firm 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, 2018.”

SPECIAL BUSINESS:

4. 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 with the related parties upto the maximum amounts, for a period ended 31st March, 2018, the details of which are per annum as mentioned below:

(₹ in Lacs)

Maximum Amount of Contract/Transaction (per annum)							
Transaction as mention u/s 188 of Companies Act, 2013							
Name of Related Parties	Sale, purchase or supply of goods or materials		Selling or otherwise disposing of, or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services	Advance paid/ received for the Contract	Manner of determining the pricing and other commercial terms
	Sale	Purchase					
Somaiya Properties and Investments Private Limited	-	-	-	10	-	Nil	Arm's Length Price
K.J Somaiya and Sons Private Limited	-	-	-	-	25	Nil	Arm's Length Price
Godavari Biorefineries Limited	2,000	2,500	1,000	-	-	Nil	Arm's Length Price
The Book Centre Ltd.	-	20	-	-	-	Nil	Arm's Length Price
Arpit Limited	-	-	-	5	-	Nil	Arm's Length Price



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.”

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**
ACS No. : 32787
Place: Mumbai
Date: 5th June, 2017

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. 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.
3. 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.
4. 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.
5. The Register of members and Share Transfer Books of the Company will remain closed from Tuesday, 19th September, 2017 to Monday, 25th September, 2017 (both days inclusive) for annual closing.
6. 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.
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 30th 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 30th 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 30th Annual General Meeting and the Annual Report will also be available on the Company's website www.pentoksey.com for their download. The physical copies of the Notice and all documents referred to in the accompanying Notice and the Explanatory Statement will also be available and open for inspection 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@pentoksey.com.
12. In response to the Green Environment Initiative taken by the Ministry of Corporate Affairs, we urge the members to support our commitment to environmental protection by choosing to receive any shareholding communication through email. You can do the same by updating your email addresses to the concerned Depository Participant. Members who hold shares in physical form are requested to register their email addresses with Datamatics Financial Services Limited, Registrar and Share Transfer Agents of the Company.
13. **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 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
 - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period commences on Friday, the 22nd September, 2017 (9:00 am) and ends on Sunday, 24th September, 2017 (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 18th September, 2017, 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <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 18th September, 2017.
- 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.

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, 59, is Bachelor of Science. He has more than 38 years of experience in the major Alcohol based industries. He is an Occupier under Factories Act.	Nil	Directorships: 1. Godavari Biorefineries Limited 2. Somaiya Properties and Investments Private Limited 3. Somaiya Chemical Industries Private Limited Memberships:	Nil Nil Nil Nil

The Director 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 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 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



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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.

(₹ in Lacs)

Maximum Amount of Contract/Transaction (per annum)							
Transaction as mention u/s 188 of Companies Act, 2013							
Name of Related Parties	Sale, purchase or supply of goods or materials		Selling or otherwise disposing of, or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services	Advance paid/ received for the Contract	Manner of determining the pricing and other commercial terms
	Sale	Purchase					
Somaiya Properties and Investments Private Limited (Mr. S Mohan is a Common Director)	-	-	-	10	-	Nil	Arm's Length Price
K.J Somaiya and Sons Private Limited (Associate Company as per accounting standard)	-	-	-	-	25	Nil	Arm's Length Price
Godavari Biorefineries Limited (Associate Company as per accounting standard)	2,000	2,500	1,000	-	-	Nil	Arm's Length Price
The Book Centre Ltd. (Associate Company as per accounting standard)	-	20	-	-	-	Nil	Arm's Length Price
Arpit Limited (Associate Company as per accounting standard)	-	-	-	5	-	Nil	Arm's Length Price

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:

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 obtained the consent of Board of Directors vide its meeting held on 30th January, 2017 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 2017 to 31st March, 2018. Licensee fee is ₹130 per sq. ft. p.m. plus applicable Taxes for 300 sq ft.
 - b. 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, 2017. The licensee fee is 0.1% of the Company's revenue upto ₹ 1000 crore.
 - c. The Company has been purchasing chemicals and supplying chemicals, capital equipments and plant and machinery 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.
 - d. The Company has been purchasing 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. The members' consent is to be obtained for the above purpose.
 - e. The Company has started trading activities and for that purpose executed the Leave & Licence Agreement with Arpit Limited, for the period of 25 months from 1st March, 2017 till 31st March, 2019. Rent to be paid is ₹ 21,000/- p.m.
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.

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition "Related Party" shall abstain from voting in respect of the resolution proposed at item no. 4 of the notice, irrespective of whether the entity is a party to the particular transaction or not. Accordingly, the promoters and promoter group will not participate in the voting.

The Board of Directors at its meeting held on 5th June, 2017 has approved the item and recommends Resolution no. 4 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.

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**
ACS No. : 32787

Place: Mumbai
Date: 5th June, 2017

Route Map to the Annual General Meeting Venue

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



**DIRECTORS' REPORT**

Dear Members,

Your Directors present the Thirtieth Annual Report on the business and operations of the Company together with the Financial Statements for the year ended 31st March, 2017.

1. Financial Highlights

The financial performance of the Company for the financial year ended 31st March, 2017 is summarised below: -

(₹ in Lacs)

Particulars	Financial Year 2016-2017	Financial Year 2015-2016
Income from Operations	105.31	8,561.18
Exceptional Item - Profit on Sale of Property, Plant and Equipment	1,449.45	7.74
Profit/(Loss) before Interest and Depreciation	1,296.48	(319.15)
Less: Interest	219.35	348.31
Profit/(Loss) before Depreciation	1,077.13	(667.46)
Less: Depreciation	63.11	62.43
Profit/(Loss) for the year	1,014.02	(729.89)
Less : Current Tax Expense including Deferred Tax	53.00	163.85
Net Profit/(Loss) for the year after Tax	961.02	(893.74)

Financial performance:

Your Company's Income from Operations has been decreased by ₹ 8,455.87 Lacs to ₹ 105.31 Lacs as against the Income from Operations of ₹ 8,561.18 Lacs in the corresponding previous year. The Company has posted a profit of ₹ 1296.48 Lacs before Interest and Depreciation as compared to a loss of ₹ 319.15 Lacs in the corresponding previous year. The Company earned Net profit of ₹ 961.02 Lacs during the year as against a loss of ₹ 893.74 Lacs in the corresponding previous year. The reason for the profit is mainly due to profit on Sale of Part Assets located at Lote Parshuram, Tal. Khed, Dist. Ratnagiri.

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. 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, recommended to Shareholders' for their approval via Postal Ballot, the assignment of its lease hold land and sell / dispose of its part machinery including utilities in the manufacturing unit situated at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra, on "as is where is" and "as it is" basis to any person(s) and/or entity(ies).

The Agreements for sale / Assignment of the Leasehold Land, Factory Building and part of Plant and Machinery were executed on 31st March, 2017 with Gharda Chemicals Limited.

The Company has undertaken trading activities in accordance with the object clause of Memorandum of Association and obtained a separate registration for different premises being used as Sales office.

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. Board of Directors

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 Devendra J. Shrimanker, Shri Shyam C. Balsekar and Ms. Prajakta Shidhore 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 Annual General Meeting. Declaration of independency as per Section 149 (7) of the Act was received from the said directors.

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 Key Managerial Personnel 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.

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
Mr. S Mohan	Whole-time Director changed to Non-Executive Director	Re-designation	08.08.2016
Ms. Prajakta M. Shidhore	Independent Non- Executive Director	Appointment	30.05.2016
Mr. Balachandran Nair M.N.	Chief Executive Officer	Appointment	01.02.2017

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. 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.

13. Statutory Auditors

M/s. Desai Saksena & Associates, Chartered Accountants (Firm's Registration Number: 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 2017-2018. However according to section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) rules, 2014 requires the Company to ratify the auditors appointment every year at every Annual General Meeting. The Company seeks the same at the ensuing Annual General Meeting.

The Company has received a written consent to such ratification, certificate that ratification if made shall be in accordance with the conditions as prescribed and that they satisfies the criteria as provided in section 141 of the Companies Act, 2013. The Audit Report for the financial year ended 31st March, 2017 is attached herewith. The Audit Report does not contain any adverse remark.

14. Cost Records

M/s. B.J.D. Nanabhoy & Co., Cost Accountants were appointed for the financial year 2016-17 to carry out a cost audit. However the Company had shut down its manufacturing operations on 8th February, 2016 and since then no operations were carried out at the Company's manufacturing facility. In view of the same, the Company requested for exemption from Cost Audit and filing of Cost Audit report to the Cost Audit Branch, Ministry of Corporate Affairs. The Appointment has been cancelled.

15. 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 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is attached herewith. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

16. 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.

17. Foreign Exchange Management

There were no foreign exchange transactions taken place in the Company during the year under review, except product registration expenses of ₹ 9.47 Lacs.

18. 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.

19. 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 in 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'.



20. 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.

21. Industrial Relationships

The Company maintains harmonious and cordial relations with its staff.

22. 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, 2017, 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 profit 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.

23. 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 BSE Limited before their due date. The Company has initiated the process to delist its shares from ASE.

24. Corporate Governance

Your Company believes in transparency and has always maintained a very high level of corporate governance. The paid up Equity Share Capital and Net Worth as per last audited Balance Sheet as at 31st March 2016 of our company is ₹ 627.26 Lacs and ₹ (421.09) Lacs respectively. In view of the same and pursuant to clause 15 (2) (a) of SEBI (LODR) Regulations, 2015, the compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D, and E of Schedule V of SEBI (LODR) Regulations, 2015 shall not apply to our company.

However as a matter of good Corporate Governance practice, a detailed report on the Corporate Governance system and practices of the Company forming part of this report is given as a separate section of the Annual report.

The Compliance certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in under part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith.



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

25. 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.

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.

26. Subsidiaries and Associates

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

27. 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). There has been no complaint received on Sexual Harassment, during the year under review.

28. 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.

29. Management Discussions and Analysis

Overall performance of the business of the Company was affected due to volatile prices of raw material namely Acetic Acid & Alcohol. 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 was difficult for the company to maintain production level due to industry slowdown and other various challenges posed in the market.

Based on the Technical Economic Viability (TEV) report on the feasibility of the operations and with a view to focus and improve the efficiency of business and to reduce the overall debt burden the Management has decided to close the operations of the plant located at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra. After the approval of Shareholders' via postal ballot, the Company approved the assignment of its lease hold land and sell / dispose of its machinery including utilities in the manufacturing unit.

Opportunities and Threats

Prices of raw material namely Acetic Acid & Alcohol were volatile. With a view to reduce dependence on one product namely Ethyl Acetate, the Company is exploring possibilities in trading of chemicals and has executed Leave & License Agreement to open sales office. License from Central Excise for trading of various chemicals locally and for import of various chemicals has been received.



Segment wise and Product wise performance

As the manufacturing unit is closed there was no segment wise or product wise performance.

Risks and Concerns

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The main risks inter alia include strategic risk, operational risk, financial risk and compliances & legal risk.

Rising input prices are the major risk of the Company. Since the Company has stopped the production it has to develop from the start.

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 contributed greatly to the Company.

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

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

Cautionary Statement

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

30. 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

Devendra J. Shrimanker
Director
DIN: 00385083

Date: 5th June, 2017
Place: Mumbai



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

A. CONSERVATION OF ENERGY:

- i. the steps taken or impact on conservation of energy: NA, as the Company is not doing any production activity.

Total energy consumption and energy consumption per unit of production.

		CURRENT YEAR	PREVIOUS YEAR
		2016-17	2015-16
A.	POWER AND FUEL CONSUMPTION		
	1. Electricity:		
	(a) Purchased	-	225
	Units (KWH) (in Thousand)		
	Total Amounts (₹ in Lacs)	-	27.50
	Rate/Unit (₹)	-	11.25
	(b) Own Generation		
	Through Turbine	-	-
	Units (KWH) (in Thousand)	-	1,562
	2. Coal:		
	Quantity (M.Ts.)	-	8,881
	Total Cost (₹ in Lacs)	-	443.64
	Average Rate (₹ per kg)	-	5.00
	3. Furnace Oil:		
	Quantity (M.Ts.)	-	-
	Total Cost (₹ in Lacs)	-	10.06
	Average Rate (₹ per kg)	-	-
B.	CONSUMPTION PER UNIT PRODUCTION		
	1. Electricity (Unit)		
	Acetaldehyde	-	37
	Ethyl Acetate	-	13
	2. Furnace Oil (Kgs.)		
	Acetaldehyde	-	-
	Ethyl Acetate	-	-
	3. Coal (Kgs.)		
	Acetaldehyde	-	676
	Ethyl Acetate	-	573

- ii. the steps taken by the company for utilising alternate sources of energy: NA
- iii. the capital investment on energy conservation equipments: Nil

PENTOKEY ORGANY (INDIA) LIMITED



B. TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption: NA
- 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:

Particulars	(₹ in Lacs)	
	2016-17	2015- 16
Earning	-	3,517.34
Outgo	9.47	1,523.31

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

S. Mohan
Director
DIN: 03184356

Devendra J. Shrimanker
Director
DIN: 00385083

Date: 5th June, 2017
Place: Mumbai



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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

Regd. Office: Somaiya Bhavan,
45/47, M. G. Road, Fort,
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 my 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, 2017, 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, 2017 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; 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 (Registrar to an Issue and Share Transfers Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not Applicable)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India as are applicable to the Company.
- ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited. The process of de-listing of the Company's shares from Ahmedabad Stock Exchange is not completed.

During the period under review, the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under review, the Company has declared closure of its plant at LoteParshuram, Tal.Khed in Ratnagiri District of Maharashtra with effect from 12th April, 2016 after following due process of law relating to closure of undertaking and payment of all statutory dues to workmen and the statutory authorities. According to the advertisements in 'Ratnagiri Times' and 'Sagaron' dated 25th August, 2016 and information provided by the Company's officers, the Company has cleared all dues.

The Board at its meeting held on 30th January, 2017 approved the terms and conditions with Gharda Chemicals Ltd for Sale / Assignment of the Leasehold Land, Factory Building and part of Plant and Machinery for a total consideration of ₹ 22.40 Crores and subsequently the Agreements for Sale / Assignment of the Leasehold Land, Factory Building and part of Plant and Machinery was executed on 31st March, 2017.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and as explained to me, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings all decision at Board Meetings and Committee Meetings were taken unanimously 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: 17th May, 2017

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, 2017 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: 17th May, 2017



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 of the Company and as on date of this report, the Board comprises of four Directors, out of which three are Independent Non-Executive Directors.

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.

The Company has an orientation programme upon induction of new Directors, as well as other initiatives to update Directors on a continuous basis.

The Company facilitated the smooth induction of Ms. Prajakta Shidhore, who joined the

Company's Board as Independent Director. She was introduced to the senior leadership of the Company and informed about the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it.

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 2016-17 the Board of Directors has met four times on the following dates: 30th May, 2016; 8th August, 2016; 9th November, 2016 and 30th January, 2017. 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 2016-17 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 the Directors	Category	Attendance particulars		Directorships in Companies		Memberships/ Championships in Committees	
		Board Meetings	Last AGM Held on 19.09.2016	In Listed Companies	In Unlisted Public Ltd Companies	Chairman	Member
Shri Devendra J. Shrimanker	Non-Executive, Independent	4	Yes	-	-	-	-
Shri Shyam C. Balsekar	Non-Executive, Independent	2	Yes	-	-	-	-
*Shri S. Mohan	Director	4	Yes	Godavari Biorefineries Limited (Debt Listed)	-	-	1
Ms. Prajakta Shidhore	Women, Non-Executive, Independent	3	Yes	-	-	-	-

* Shri S. Mohan, Whole- time Director of the Company was re-designated as a Non- Executive Director with effect from 8th August, 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 21st March, 2017, 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 and Shri Shyam C. Balsekar and Ms. Prajakta Shidhore.

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 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 2016-17, i.e. on: 30th May, 2016; 8th August, 2016; 9th November, 2016 and 30th January, 2017. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 29th September, 2016. 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. Prajakta Shidhore	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. Prajakta Shidhore 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. Prajakta Shidhore
1.	30th May, 2016	Yes	Yes	No
2	30th January 2017	No	Yes	Yes

**Remuneration of Directors**

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

- a. Details of the remuneration paid to the Whole-time Director for the Financial Year ended 31st March, 2017 is given below:-

(₹ in Lacs)

Name of the Director	Category	Salary (Amount in ₹)
Shri S. Mohan*	Whole-time Director	12.32

* Shri S Mohan re-designated as a Non- Executive Director with effect from 8th August, 2016

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, 2017 is given below: -

Sr. No.	Non-Executive Directors	Sitting Fees (Amount in ₹)
1.	Shri Devendra J. Shrimanker	77,500
2.	Shri Shyam C. Balsekar	35,000
3.	Shri S Mohan*	22,500
4.	Ms. Prajkta Shidhore	32,500

* Shri S Mohan re-designated as a Non- Executive Director with effect from 8th August, 2016

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 2016-17, 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 2016-17 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 29th September, 2016, 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 11 times i.e. on 16th April, 2016, 15th June, 2016, 15th July, 2016, 8th August, 2016, 14th September, 2016, 15th November, 2016, 5th December, 2016, 30th January, 2017, 15th February, 2017, 28th February, 2017 and 30th March, 2017.

The role of Stakeholders' Relationship Committee is as follows:

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

Details of stakeholder complaints

Sr. No.	Nature of Complaint/Query	Total complaints pending at the beginning of the year	Total complaints received during the year	Total complaints replied during the year	Total complaints pending at the end of the year
1.	Non-receipt of Dividend	0	9	9	0
2.	Non-receipt of shares lodged for transfer / exchange	0	31	31	0
3.	Non-receipt of Annual Report	0	11	11	0
4.	Others	0	43	43	0
	Total	0	94	94	0

Shri Devendra J. Shrimanker, Chairman of Stakeholders Relationship Committee was present at the annual general meeting of the Company held on 29th September, 2016, 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.

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 Chief Executive Officer and Director 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
2015-16	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai-400 020	AGM	Thursday, the 29 th September, 2016	2.30 p.m.	2
2014-15	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020	AGM	Friday, the 25 th September, 2015	11.30 a.m.	3
2013-14	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020	AGM	Wednesday, the 13 th August, 2014	5.00 p.m.	4

Special Resolutions passed through Postal Ballot in Financial Year 2016-17

Details of Special Resolutions passed through Postal Ballot during the Financial Year 2016-17 and the pattern of voting are given below:

Sr. No.	Particulars of Resolutions	Votes in Favour of Resolution	Votes Against Resolution
1	Approval for sale of undertaking(s) of the company situated at D1/1, MIDC, Lote Parshuram, Tal. Khed, Dist. Ratnagiri, Maharashtra.	47,49,482	252

MEANS OF COMMUNICATION

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

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

Section 20 and 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/ shareholders' email addresses. The Company, during the year under review sent documents, 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 2016-17



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	:	Monday, 25th September, 2017 at 3.00 p.m.
Venue	:	Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020
Financial Year	:	1st April, 2016 to 31st March, 2017
Date of Book Closure	:	Tuesday, 19th September 2017 to Monday, 25th September, 2017
Listing on Stock Exchanges	:	BSE Limited The Ahmedabad Stock Exchange
	:	The Company has paid the Annual Listing fees of BSE.
Stock Code	:	
BSE Limited	:	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, 2016	-	-	-
May, 2016	-	-	-
June, 2016	17.60	14.75	9
July, 2016	16.80	15.15	6
August, 2016	15.90	14.00	44
September, 2016	16.00	13.85	25
October, 2016	17.85	15.70	41
November, 2016	18.70	14.75	30
December, 2016	15.00	12.50	11
January, 2017	13.12	11.90	11
February, 2017	12.46	10.80	31
March, 2017	12.49	8.63	52

(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, 2017:

	Number of Shares	%
Physical	1,015,958	16.20
Demat	5,256,671	83.80
TOTAL	6,272,629	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	Shares		Shareholders	
	No.	%	No.	%
From - To				
1- 500	970,674	15.47	17,829	98.93
501-1000	63,282	1.01	85	0.47
1001-2000	82,284	1.31	58	0.32
2001-3000	37,822	0.60	15	0.08
3001-4000	44,925	0.72	13	0.07
4001-5000	12,918	0.21	3	0.02
5001-10000	46,794	0.75	6	0.03
10001 and above	5,013,930	79.93	14	0.08
TOTAL	6,272,629	100.00	18,023	100.00
Physical Mode	1,015,958	16.20	16,049	89.04
Electronic Mode:				
NSDL	5,119,236	81.61	1,324	7.35
CDSL	137,435	2.19	650	3.61
TOTAL	6,272,629	100	18,023	100

Shareholding Pattern

Categories of Shareholders	As on 31st March, 2017		As on 31st March, 2016	
	No. of Shares	% to Total Capital	No. of Shares	% to Total Capital
Promoters and persons acting in concert (Including Directors and Relatives)	4,687,124	74.72	4,686,915	74.72
Foreign Institutional investors	-	-	-	-
Public Financial Institutions	140,817	2.24	140,817	2.24
Mutual funds	4,000	0.06	4,000	0.06
Nationalized and Other banks	-	-	-	-
Private Corporate Bodies	27,720	0.44	24,670	0.38
NRIs and OCBs	84	0.00	242	0.00
Others (Public)	1,412,884	22.54	1,415,985	22.60
TOTAL	6,272,629	100.00	6,272,629	100.00



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

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

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

Sales Office

S/03, "Vasuki" 7th Road, Rajawadi,
Ghatkopar (E), Mumbai - 400077.

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 : 5th June, 2017

S. Mohan
Director
DIN: 03184356

Devendra J. Shrimanker
Director
DIN: 00385083

Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Shareholder of
Pentokey Organy (India) Limited

We certify that:

- The Board of Directors of Pentokey Organy (India) Ltd. 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, 2017.

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

S Mohan
Director

Balachandran Nair M N
Chief Executive Officer

Place: Mumbai
Date : 5th June, 2017



Independent Auditors' Certificate on Corporate Governance

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

- We, Desai Saksena & Associates, Chartered Accountants, the Statutory Auditors of Pentokey Organy (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in paragraph E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility

- The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

- Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated paragraph E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
- We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

- This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Desai Saksena & Associates**
Chartered Accountants
Firm Regn. No. 102358W

Alok K. Saksena
Partner
Membership No.: 35170

Place: Mumbai
Date: 5th June, 2017



Annual Return Extracts in Form MGT 9

ANNEXURE - I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

- i. CIN : L24116MH1986PLC041681
- ii. Registration Date : 26th November, 1986
- iii. Name of the Company : Pentokey Organy (India) Limited
- iv. Category / Sub-Category of the Company : Public Company limited by shares 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	20119	14.18
2.	Trading of Chemicals	46691	38.99

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	83,825	32,517	116,342	1.85	84,034	32,517	116,551	1.86	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,570,573	-	4,570,573	72.87	4,570,573	-	4,570,573	72.87	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	4,654,398	32,517	4,686,915	74.72	4,654,607	32,517	4,687,124	74.72	0.00
2. Foreign	-	-	-	-	-	-	-	-	-
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	4,654,398	32,517	4,686,915	74.72	4,654,607	32,517	4,687,124	74.72	0.00
B. Public Shareholding									
1. Institutions.									
a) Mutual Funds	4,000	-	4,000	0.06	4,000	-	4,000	0.06	-
b) Banks/FI	140,817	-	140,817	2.24	140,817	-	140,817	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):-	144,817	-	144,817	2.31	144,817	-	144,817	2.31	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	6,725	17,945	24,670	0.39	9,817	17,903	27,720	0.44	0.05
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	291,594	973,705	1,265,299	20.17	296,477	965,538	1,262,015	20.12	(0.05)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	150,686	-	150,686	2.40	150,661	-	150,661	2.40	(0.00)
c) Others (specify)	242	-	242	0.00	292	-	292	0.00	0.00
Sub-total (B)(2):-	449,247	991,650	1,440,897	22.97	457,247	983,441	1,440,688	22.97	(0.00)
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	594,064	991,650	1,585,714	25.28	602,064	983,441	1,585,505	25.28	(0.00)
C. Shares held by									
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,248,462	1,024,167	6,272,629	100.00	5,256,671	1,015,958	6,272,629	100.00	-



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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during 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	
1	Deepa K Shah	36,950	0.59	-	36,950	0.59	-	-
2	Kumar V Shah	26,375	0.42	-	26,584	0.42	-	0.003
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	Kiritkumar Chinubhai Shah	3,925	0.06	-	3,925	0.06	-	-
6	Jayantilal C. Shah	3,300	0.05	-	3,300	0.05	-	-
7	Dixit J.Shah	3,300	0.05	-	3,300	0.05	-	-
8	Vastupal J.Shah	3,300	0.05	-	3,300	0.05	-	-
9	Vijaykumar J.Shah	3,300	0.05	-	3,300	0.05	-	-
10	Shaileshkumar J.Shah	3,300	0.05	-	3,300	0.05	-	-
11	Pravina Jayvadan Shah	1,675	0.03	-	1,675	0.03	-	-
12	Dixit Jayantilal Shah	1,450	0.02	-	1,450	0.02	-	-
13	Jayantilal Chandulal Shah	1,450	0.02	-	1,450	0.02	-	-
14	Vijaykumar Jayantilal Shah	1,450	0.02	-	1,450	0.02	-	-
15	Rameshchandra Purshottamdas Kamdar	1,850	0.03	-	1,850	0.03	-	-
16	Kanchanben V. Shah	625	0.01	-	625	0.01	-	-
17	Dharmit R Shah	275	0.00	-	275	0.00	-	-
18	Kanchanben Vasantlal Shah	175	0.00	-	175	0.00	-	-
19	Vairali Vicky Shah	100	0.00	-	100	0.00	-	-
20	Pradip P. Kamdar	100	0.00	-	100	0.00	-	-
21	Pradip P. Kamdar	50	0.00	-	50	0.00	-	-
22	Pankaj P. Kamdar	50	0.00	-	50	0.00	-	-
23	Darshna Shah	42	0.00	-	42	0.00	-	-
24	Sakarwadi Trading Company Pvt. Ltd.	2,945,573	46.96	-	2,945,573	46.96	-	-
25	Somaiya Agencies Pvt. Ltd.	1,000,000	15.94	-	1,000,000	15.94	-	-
26	Jasmine Trading Company Pvt. Ltd.	600,000	9.57	-	600,000	9.57	-	-
27	Godavari Biorefineries Limited.	25,000	0.40	-	25,000	0.40	-	-
	TOTAL	4,686,915	74.72	-	4,687,124	74.72	-	0.003

(iii) Change in Promoters' Shareholding

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		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	Kumar V Shah	26,375	0.420	05.08.2016	Purchase of Shares	26,584	0.424	209	0.003



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	150,686	2.402	-	-	(150,686)	(2.402)
2	Nalini Atul Bhagwati	-	-	150,661	2.402	150,661	2.402
3	ICICI Bank Limited	140,817	2.245	140,817	2.245	-	-
4	Rajendra Kumar B. Gupta	17,917	0.286	17,917	0.286	-	-
5	Miten Kantilal Bhai	16,669	0.266	16,669	0.266	-	-
6	Shikha K Shah	15,875	0.253	15,875	0.253	-	-
7	Radhe Shyam Tulsian	14,584	0.233	14,584	0.233	-	-
8	Hasmukh D Jhaveri	11,793	0.188	11,793	0.188	-	-
9	A R Sudhakara Shenoi	10,000	0.159	10,000	0.159	-	-
10	Saroj Navnit Parekh	8,667	0.138	8,667	0.138	-	-
11	Krishna Ameet Hariani	8,334	0.133	8,334	0.133	-	-

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 2016-17.

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	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
Change in Indebtedness during the financial year				
• Addition	-	849.77	-	849.77
• Reduction	639.28	1,342.10	-	1,981.38
Net Change	(639.28)	(492.33)	-	(1,131.61)
Indebtedness at the end of the financial year				
i) Principal Amount	-	650.00	-	650.00
ii) Interest due but not paid	-	52.93	-	52.93
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	-	702.93	-	702.93



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL

A. Remuneration to Managing Director, Whole-time Director 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	11.38	11.38
	(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	0.94	0.94
	Total (A)	12.32	12.32
	Ceiling as per the Act	₹ 84 lakhs (as provided in section II of Part II of schedule V of Companies Act, 2013)	

* Shri S Mohan, Whole- time Director of the Company was re-designated as a Non- Executive Director with effect from 8th August, 2016.

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

B. Remuneration to other Directors:

Amount in ₹

Particulars of Remuneration	Name of Directors			Non-Executive Director	Total Amount
	Independent Directors				
	Devendra Shrimankar	Shyam Balsekar	Prajakta Shidore	S. Mohan	
• Fee for attending board/ committee meetings	77,500	35,000	32,500	22,500	167,500
• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
Total	77,500	35,000	32,500	22,500	167,500
Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors. The Board has fixed ₹ 5000/- as sitting fees for Board/ Committee meetings and ₹ 2500/- as sitting fees for Stakeholders Relationship Committee meeting.				



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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Swarna Gunware, Company Secretary	Sunil Raghav, CFO	Balachandran Nair M.N. CEO	Total
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.96	5.82	0.70	12.48
	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	0.38	0.37	-	0.75
	Total	6.34	6.19	0.70	13.23

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board of Directors

S. Mohan
Director
 DIN: 03184356

Devendra J. Shrimanker
Director
 DIN: 00385083

Date: 5th August, 2016
 Place: Mumbai



Statement under Section 197 (12) of the Companies Act, 2013, read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- 1) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive director and Company Secretary or Manager is not calculated as some of the managerial personnel* are employed for few months of the financial year 2016-17 and retrenchment had been given to the factory staff.

* Shri S Mohan, Whole- time Director of the Company was re-designated as a Non- Executive Director with effect from 8th August, 2016.

**Shri Balachandran Nair M N was appointed as a Chief Executive Officer with effect from 1st February, 2017.

- 2) The percentage increase in the median remuneration of employees in the financial year is not calculated in view of point 1 above
- 3) The number of permanent employees on the rolls of the Company as on 31st March, 2017: **Three**
- 4) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and the increase in the managerial remuneration is not calculated in view of point 1 above.
- 5) The key parameters for any variable component of remuneration availed by the directors and Key Managerial personnel (KMPs): No directors and KMPs have been paid any variable component of remuneration.
- 6) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.
- 7) **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 ₹ One Crore and Two Lakh: **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 Eight Lakh and Fifty Thousand 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**

For and on behalf of the Board of Directors

S. Mohan
Director
DIN: 03184356

Devendra J. Shrimanker
Director
DIN: 00385083

Date: 5th August, 2016
Place: Mumbai



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, 2017, 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, 2017 are as follows:

(₹ in Lacs)

Maximum Amount of Contract/Transaction (per annum)							
Transaction as mention u/s 188 of Companies Act, 2013							
Name of Related Parties	Sale, purchase or supply of goods or materials		Selling or otherwise disposing of, or buying property of any kind	Leasing of property of any kind	Availing or rendering of any services	Advance paid/ received for the Contract	Manner of determining the pricing and other commercial terms
	Sale	Purchase					
Somaiya Properties and Investments Private Limited (Mr. S Mohan is a Common Director)	-	-	-	4.96	-	Nil	Arm's Length Price
K.J Somaiya and Sons Private Limited (Associate Company as per accounting standard)	-	-	-	-	0.02	Nil	Arm's Length Price
Godavari Biorefineries Limited (Associate Company as per accounting standard)	-	-	56.85	-	-	Nil	Arm's Length Price
The Book Centre Ltd. (Associate Company as per accounting standard)	-	0.09	-	-	-	Nil	Arm's Length Price
Arpit Limited (Associate Company as per accounting standard)	-	-	-	0.24	-	Nil	Arm's Length Price

- 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 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.
 - b) 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, 2016. The licensee fee is 0.1% of the Company's revenue upto ₹ 1000 crore. The Company has obtained the consent of Board of Directors vide its meeting held on 30th May, 2016.
 - c) 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. The Company has obtained the consent of Board of Directors vide its meeting held on 30th May, 2016.
 - d) 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. The Company has obtained the consent of Board of Directors vide its meeting held on 30th May, 2016.
 - e) The Company has started trading activities and for that purpose executed the Leave & Licence Agreement with Arpit Limited, for the period of 25 months from 1st March, 2017 till 31st March, 2019. Rent to be paid is ₹ 21,000/- p.m. The Company has obtained the consent of Board of Directors vide its meeting held on 30th January, 2017.
3. Salient terms of the contracts or arrangements or transactions including the value, if any: As referred in point (2) above.
4. Date(s) of approval by the Board, if any: As mentioned above
5. Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

S. Mohan
Director
DIN: 03184356

Devendra J. Shrimanker
Director
DIN: 00385083

Date: 5th 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 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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") and the Companies (Accounting Standards) Amendment Rules, 2016 ("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 Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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 2017 and its net profit (after exceptional items) 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) The Company has entered into Agreements for Sale /Assignment dated 31/03/2017 with Gharda Chemicals Ltd. for Sale /Assignment of Leasehold Land, Building and Part of Plant and Machinery located at Lote Parshuram, Tal. Khed, Dist. Ratnagiri and accordingly Profit on Sales of the property, plant and equipments have been accounted during the year under Exceptional Items.



- b) We draw attention to Note No.27 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 purpose 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 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - e) on the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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**" to this report; 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 and ii) 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 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.
 - iv. The Company did not hold and transacted in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedures and relying on the management's representation, we report that the disclosures as per the note 43 to the financial statements are in accordance with the Books of accounts maintained by the Company and as produced to us by the Management.

For Desai Saksena & Associates
Chartered Accountants
Firm's Registration Number: 102358W

Place: Mumbai
Date: 5th June 2017

Alok K. Saksena
Partner
Membership number: 35170



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 2017, we report that:

- (i) In respect of Company's property plant and equipment:
- The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a regular programme of physical verification of its property plant and equipment 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 property plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
 - 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 of Company's inventories:
- The inventory 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) The Company is not required to maintain cost accounting records. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) in respect of statutory dues:
- 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 31st March 2017 for a period of more than six months from the date they became payable.
 - 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:

Name of the Statute	Nature of dues	Amount (₹ in Lacs)	Financial Year to which it Pertains	Forum where dispute is pending
Bombay Rectified Spirit (Transport in Bond) Rules, 1957	Transport Fees	103.24	2002-2007	High Court
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

- (viii) In 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: 5th June, 2017

Alok K. Saksena
Partner
Membership number: 35170

Annexure - B to the Independent Auditors' Report for the year ended 31st March 2017 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 2017 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 judgement, 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 2017, 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

Alok K. Saksena

Partner

Membership number: 35170

Place: Mumbai

Date: 5th June, 2017



30TH ANNUAL REPORT 2016-2017

BALANCE SHEET AS AT 31ST MARCH, 2017

		Amount in ₹	
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
A EQUITY AND LIABILITIES			
1 Shareholder's Fund			
a) Share Capital	2	62,726,290	62,726,290
b) Reserves and Surplus	3	(5,732,254)	(101,834,600)
		<u>56,994,036</u>	<u>(39,108,310)</u>
2 Non-current Liabilities			
a) Long-term Borrowings	4	65,000,000	116,000,000
b) Long-term Provisions	5	161,225	781,946
		<u>65,161,225</u>	<u>116,781,946</u>
3 Current Liabilities			
a) Short-term Borrowings	6	-	63,928,041
b) Trade Payables	7	5,825,512	31,978,109
c) Other Current Liabilities	8	25,997,385	8,551,689
d) Short-term Provisions	9	4,518,647	28,586,027
		<u>36,341,544</u>	<u>133,043,866</u>
TOTAL		<u>158,496,805</u>	<u>210,717,502</u>
B ASSETS			
1 Non-current Assets			
a) Property, Plant and Equipment	10		
(i) Tangible Assets		16,215,087	103,319,548
(ii) Intangible Assets		122,845	254,297
		<u>16,337,932</u>	<u>103,573,845</u>
b) Non-current Investments	11	5,000	5,000
c) Long-term Loans and Advances	12	9,079,505	9,127,730
		<u>25,422,437</u>	<u>112,706,575</u>
2 Current Assets			
a) Inventories	13	1,148,706	4,307,962
b) Trade Receivables	14	-	1,929,275
c) Cash and Bank Balance	15	2,580,854	4,840,619
d) Short-term Loans and Advances	16	59,931,594	86,551,800
e) Other Current Assets	17	69,413,214	381,271
		<u>133,074,368</u>	<u>98,010,927</u>
TOTAL		<u>158,496,805</u>	<u>210,717,502</u>

Significant Accounting Policies and Notes to Accounts

1 to 44

As per our report of even date attached

For **Desai Saksena & Associates**
Chartered Accountants
Firm's Registration Number: 102358W

Alok K. Saksena
Partner
M.N. 35170

For and on behalf of the Board of Directors

S. Mohan
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 : 5th June, 2017

Place : Mumbai
Date : 5th June, 2017



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
1 Revenue From Operations (Gross)	18	7,737,040	913,350,368
Less: Excise Duty		121,905	58,957,857
		7,615,135	854,392,511
2 Other Income	19	2,915,513	1,725,152
3 Total Revenue (1+2)		10,530,648	856,117,663
4 Expenses			
a) Cost of Materials Consumed	20	298,869	683,663,771
b) Purchase of Stock-in-trade	21	2,979,200	-
c) Changes in Inventories of Finished Goods, Work-in-Process	22	975,240	32,346,662
d) Employee Benefits Expenses	23	4,626,110	52,577,683
e) Finance Costs	24	21,935,051	34,831,339
f) Depreciation and Amortisation Expense	10	6,310,577	6,243,154
h) Other Expenses	25	16,948,376	120,219,828
Total Expenses		54,073,423	929,882,437
5 Profit / (Loss) before Exceptional Item and Tax		(43,542,775)	(73,764,774)
6 Exceptional Items			
Profit on Sale of Property, Plant and Equipment		144,945,121	774,505
7 Profit / (Loss) before tax (5 + 6)		101,402,346	(72,990,269)
8 Tax Expense:			
a) Current Tax Expense		5,300,000	-
b) Deferred Tax (Refer Note No. 38)		-	16,384,725
9 Profit / (Loss) for the Year (7 - 8)		96,102,346	(89,374,994)
10 Earnings Per Equity Share of face value ₹10/-			
Basic		15.32	(14.25)
Diluted		15.32	(14.25)
Significant Accounting Policies and Notes to Accounts	1 to 44		

As per our report of even date attached

For **Desai Saksena & Associates**
Chartered Accountants
Firm's Registration Number: 102358W

Alok K. Saksena
Partner
M.N. 35170

For and on behalf of the Board of Directors

S. Mohan
Director
DIN: 03184356

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Company Secretary
ACS: 32787

Sunil Y. Raghav
Chief Financial Officer

Place : Mumbai
Date : 5th June, 2017

Place : Mumbai
Date : 5th June, 2017



30TH ANNUAL REPORT 2016-2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax after Exceptional items	101,402,346	(72,990,269)
Adjustment for:		
Depreciation	6,310,577	6,243,154
Profit on Sale of Property, Plant and Equipment	(144,945,121)	(774,505)
Interest Income	(2,777,784)	(820,064)
Provision for Bad and Doubtful Debts	-	1,974,132
Dividend Income	(1,300)	(1,750)
Unrealised Foreign Currency (Gains)/ Losses	-	(1,634,092)
Interest and Finance Charges	21,935,051	34,831,339
Operating Profit before Working Capital Changes	(18,076,231)	(33,172,055)
Adjusted for:		
Inventories	3,159,256	138,552,363
Trade Receivable	1,929,275	89,301,160
Loans and Advances	27,049,702	40,954,772
Trade Payable and Other Liabilities	(42,324,351)	(111,297,540)
Cash Generated From Operation	(28,262,349)	124,338,700
Taxes Paid	(1,663,761)	-
Net Cash from/(used in) Operating Activities	(29,926,110)	124,338,700
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	-	(9,883,986)
Sale of Property, Plant and Equipment	159,208,932	(3,066,333)
Interest Income	26,095	438,793
Dividend Income	1,300	1,750
Earmark Fixed deposits and Margin Money	(43,372)	10,631,403
Cash generated from/(used in) Investing Activity	159,192,955	(1,878,373)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(16,641,941)	(31,305,152)
Repayment of Long Term Borrowing	-	(6,182,184)
Acceptance/(Repayment) of Other Borrowings (Net)	(114,928,041)	(86,691,935)
Cash generated from/(used in) Financing Activity	(131,569,982)	(124,179,271)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,303,137)	(1,718,944)
Cash and Cash Equivalents at beginning of the year	3,346,011	5,064,955
Cash and Cash Equivalents at end of the year	1,042,874	3,346,011

As per our report of even date attached

For **Desai Saksena & Associates**
Chartered Accountants
Firm's Registration Number: 102358W

Alok K. Saksena
Partner
M.N. 35170

For and on behalf of the Board of Directors

S. Mohan
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 : 5th June, 2017

Place : Mumbai
Date : 5th June, 2017



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, Companies (Accounting Standards) Amendment Rules, 2016 and the provision of the Companies Act, 2013 and other accounting principles generally accepted in India..

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) Property, Plant and Equipment:

Property, Plant and Equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

D) Depreciation on Property, Plant and Equipment

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are equal to the life prescribed under the Schedule II to the Companies Act, 2013.

E) Intangible assets

Computer software

Costs relating to software, which are acquired, are capitalized and amortized on a straight-line basis over their useful life of three years.

Investments:

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

F) 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.

G) 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.

H) Provisions:

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

I) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can't be recognised because it can't be measured reliably. The Company does not recognise the contingent liability but disclose its existence in its financial statements.

J) Contingent Assets

Contingent assets are neither recognised nor disclosed in the financial statements.

K) 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, Value Added Tax, Sales returns and Trade discounts.
- ii) Dividends are recognised when the right to receive them is established.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

L) 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.

M) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds recoverable value. An impairment loss is charged to the Statement of Profit and Loss Statement 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.

N) 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.

O) 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.

P) Leases

Where the Company is a lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	As at 31st March, 2017	As at 31st March, 2016
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	400,000,000	400,000,000
ii Issued		
62,72,629 (P. Y. 62,72,629)Equity Shares of ₹ 10/- each	62,726,290	62,726,290
iii Subscribed and Paid-up		
62,72,629 (P. Y. 62,72,629)Equity Shares of ₹ 10/- each Including Bonus Shares Issued on 19.12.2012 6,38,296 Equity Shares of ₹ 10/- each	62,726,290	62,726,290
Total Share Capital	<u>62,726,290</u>	<u>62,726,290</u>

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

Particulars	2016-17		2015-16	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹10/- each fully paid :				
Shares outstanding at the beginning of the year	6,272,629	62,726,290	6,272,629	62,726,290
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,272,629	62,726,290	6,272,629	62,726,290

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, 2017		As at 31st March, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Sakarwadi Trading Co. Pvt. Ltd.	2,945,573	46.96	2,945,573	46.96
Somaiya Agencies Pvt. Ltd.	1,000,000	15.94	1,000,000	15.94
Jasmine Trading Co. Pvt. Ltd.	600,000	9.57	600,000	9.57

As per the 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

Particulars	Amount in ₹	
	As at 31st March, 2017	As at 31st March, 2016
Note 3 : RESERVES AND SURPLUS		
i Capital Reserve		
Capital Subsidy (SICOM)	<u>3,000,000</u>	<u>3,000,000</u>
	3,000,000	3,000,000
ii General Reserves		
Opening Balance	<u>1,720,000</u>	<u>1,720,000</u>
Add : Transfer during the year	<u>-</u>	<u>-</u>
	1,720,000	1,720,000
iii Statement of Profit and Loss		
Opening Balance	<u>(106,554,600)</u>	<u>(17,179,606)</u>
Add : Profit / (Loss) for the year	<u>96,102,346</u>	<u>(89,374,994)</u>
	(10,452,254)	(106,554,600)
TOTAL	<u>(5,732,254)</u>	<u>(101,834,600)</u>
Note 4 : LONG TERM BORROWINGS		
UNSECURED LOANS		
From Related Parties	<u>30,000,000</u>	<u>81,000,000</u>
From Other Parties	<u>35,000,000</u>	<u>35,000,000</u>
TOTAL	<u>65,000,000</u>	<u>116,000,000</u>
Note 5 : LONG TERM PROVISIONS		
Provision For Gratuity	<u>161,225</u>	<u>781,946</u>
TOTAL	<u>161,225</u>	<u>781,946</u>
Note 6 : SHORT TERM BORROWINGS		
SECURED LOANS		
Working Capital Loans from Bank	<u>-</u>	<u>63,928,041</u>
TOTAL	<u>-</u>	<u>63,928,041</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Amount in ₹	
	As at 31st March, 2017	As at 31st March, 2016
Note 7 : TRADE PAYABLES		
Trade Payable	5,825,512	31,978,109
TOTAL	<u>5,825,512</u>	<u>31,978,109</u>
Note 8 : OTHER CURRENT LIABILITIES		
Interest Accrued and Due on Loans	5,293,110	3,526,187
Unclaimed Dividend	849,225	849,577
Advances from Customers	32,000	445,297
Duties and Taxes	9,638,036	926,162
Other Current Liabilities	184,387	2,804,466
Credit Balance in Current Account	10,000,627	-
TOTAL	<u>25,997,385</u>	<u>8,551,689</u>
Note 9 : SHORT TERM PROVISIONS		
Provisions for Employee Benefits		
Gratuity	536,538	5,642,810
Leave Encashment	345,870	1,943,217
Provision for Retrenchment Compensation	-	21,000,000
Provision for Taxation (Net off Income Tax Paid ₹ 1,663,761/-)	3,636,239	-
TOTAL	<u>4,518,647</u>	<u>28,586,027</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 10 : Property, Plant and Equipment, Depreciation and Amortisation Expense

PARTICULARS	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2016	Addition	Deletion / Adjustments	As at 31st March, 2017	As at 1st April, 2016	For The Year	Deletion / Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	
A) Tangible Assets												
Land (Leasehold)	987,872	-	987,872	-	249,593	10,400	259,993	-	-	738,279	-	
Factory Building	37,436,914	-	37,436,914	-	22,235,141	1,296,738	23,531,879	-	-	15,201,773	-	
Plant & Machinery	265,800,084	-	196,603,757	69,196,327	181,851,777	4,185,190	131,951,865	54,085,102	15,111,225	83,948,307	-	
Electrical Installation	93,844	-	93,844	-	92,502	-	92,502	-	-	1,342	-	
Office Equipments	4,035,037	-	4,035,037	-	2,467,802	245,995	2,713,796	-	-	1,567,235	-	
Computers	2,199,067	-	2,131,448	67,619	2,171,310	12,036	2,117,079	66,267	1,352	27,757	-	
Furniture & Fixtures	2,623,568	-	2,560,437	63,132	2,164,359	116,701	2,256,857	24,203	38,929	459,209	-	
Vehicles	2,373,832	-	-	2,373,832	998,186	312,065	-	1,310,251	1,063,581	1,375,646	-	
Subtotal (A)	315,550,218	-	243,849,309	71,700,910	212,230,670	6,179,125	162,923,972	55,485,822	16,215,087	103,319,548	-	
B) Intangible Assets												
Computer Software	439,358	-	-	439,358	185,061	131,452	-	316,513	122,845	254,297	-	
Patents & Trade Mark	11,600	-	11,600	-	11,600	-	11,600	-	-	-	-	
Subtotal (B)	450,958	-	11,600	439,358	196,661	131,452	11,600	316,513	122,845	254,297	-	
TOTAL (A) + (B)	316,001,176	-	243,860,909	72,140,268	212,427,331	6,310,577	162,935,572	55,802,335	16,337,932	103,573,845	-	
Previous Year	303,072,597	15,745,602	2,817,023	316,001,176	209,001,200	6,243,154	2,817,023	212,427,331	103,573,845	94,071,397	-	



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	As at 31st March, 2017	As at 31st March, 2016
Note 11 : NON CURRENT INVESTMENT For mode of Valuation refer Note 1 (E)		
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	5,000	5,000
[Market value of quoted investment ₹ 1.46 Lacs (Previous Year ₹ 0.97 Lacs)]		
TOTAL	5,000	5,000
Note 12 : LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
i Security Deposits & Other Deposits		
Unsecured, Considered good	869,500	769,500
Unsecured, Considered doubtful	-	2,248,497
Less : Provisions	-	2,248,497
	869,500	769,500
ii VAT Refund Receivable		
Unsecured, Considered good	8,110,005	8,110,005
Unsecured, Considered doubtful	-	782,635
Less : Provisions	-	782,635
	8,110,005	8,110,005
iii Other Advances		
Unsecured, Considered good	100,000	248,225
Unsecured, Considered doubtful	-	31,556,954
Less : Provisions	-	31,556,954
	100,000	248,225
TOTAL	9,079,505	9,127,730



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	As at 31st March, 2017	As at 31st March, 2016
Note 13 : INVENTORIES (Mode of Valuation refer Note 1 (F))		
Raw Materials	-	298,869
Work in Process	-	736,596
Finished Goods	-	268,475
Stores & Spares	1,148,706	3,004,022
TOTAL	1,148,706	4,307,962
Details of Raw Material Inventory		
Other Chemicals	-	298,869
TOTAL	-	298,869
Details of Work-in-Process Inventory		
Ethyl Acetate	-	736,596
TOTAL	-	736,596
Details of Finished Goods Inventory		
Ethyl Acetate	-	268,475
TOTAL	-	268,475
Note 14 : TRADE RECEIVABLE		
Less than six months		
Unsecured, Considered good	-	1,929,275
TOTAL	-	1,929,275
Note 15 : CASH AND BANK BALANCES		
i Cash and Cash Equivalants		
Balance with Banks in Current Accounts	942,953	3,020,757
Cash on Hand	99,921	325,254
ii Other Bank Balances		
Margin Money with Bank	688,755	645,031
Earmarked Bank Accounts for Dividend	849,225	849,577
TOTAL	2,580,854	4,840,619
Note 16 : SHORT TERM LOANS AND ADVANCES (Unsecured considered good)		
Balance with Excise Department	348,432	9,938,721
VAT Refund Receivable	59,539,162	60,496,136
Advance Payment of Taxes (Net of provision ₹Nil (P.Y.Nil))	-	50,111
Security Deposit	8,000	3,000
Prepaid Expenses	-	656,126
Other Short-term advances	36,000	15,407,706
TOTAL	59,931,594	86,551,800
Note 17 : OTHER CURRENT ASSETS (Unsecured considered good)		
Interest Receivable	2,751,689	381,271
Receivable for Sale of Property, Plant and Equipment	66,661,525	-
TOTAL	69,413,214	381,271



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹			
	Year Ended 31st March, 2017	Year Ended 31st March, 2016		
Note 18 : REVENUE FROM OPERATIONS (GROSS)				
a) Particulars of Sales of Products				
Ethyl Acetate	1,097,145	828,699,339		
Acetaldehyde	-	67,587,095		
Other	646,626	1,904,774		
Isopropyl Alcohol	2,258,400	-		
Acetone	758,400	-		
TOTAL	4,760,571	898,191,208		
Earnings in Foreign Currency				
Exports of Goods on Free on Board (FOB) basis	-	351,733,508		
b) Other Operating Income				
Exchange Fluctuation - Net	-	1,634,093		
Export Incentives	2,976,469	13,525,067		
TOTAL	2,976,469	15,159,160		
TOTAL REVENUE FROM OPERATIONS	7,737,040	913,350,368		
Note 19 : OTHER INCOME				
Interest Received	2,777,784	820,064		
Dividend Received from Long-term Investment	1,300	1,750		
Miscellaneous Income	136,429	413,351		
Sundry Balance Written/back	-	489,987		
TOTAL	2,915,513	1,725,152		
Note 20 : COST OF MATERIAL CONSUMED				
Raw Materials				
Opening Inventories	298,869	88,106,542		
Purchases	-	595,856,098		
	298,869	683,962,640		
Less : Closing Inventories	-	298,869		
TOTAL	298,869	683,663,771		
Details of Raw Material Consumed				
Special Denatured Spirit	-	374,549,904		
Acetic Acid	-	308,629,570		
Others	298,869	484,297		
Total	298,869	683,663,771		
Imported and Indigenous Raw Material Consumed	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
	Amount	%	Amount	%
Imported	-	-	222,242,521	32.51
Indigenous	298,869	100.00	461,421,250	67.49
Total	298,869	100.00	683,663,771	100.00
Expenditure in Foreign Currency				
Import of Goods on Carriage Insurance Freight (CIF) basis	-	-	-	152,298,381



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Note 21 : PURCHASE OF STOCK-IN-TRADE		
Purchase Trading	2,979,200	-
TOTAL	2,979,200	-
Details of Purchase of Stock-in-trade		
Isopropyl Alcohol	2,230,400	-
Acetone	748,800	-
TOTAL	2,979,200	-
Note 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
Closing Inventories		
Finished Goods	-	268,475
Work in process	-	736,596
	-	1,005,071
Opening Inventories		
Finished Goods	268,475	33,078,606
Work in process	736,596	2,698,599
	1,005,071	35,777,205
Excise Duty on Opening and Closing Stock of Finished Goods	(29,831)	(2,425,472)
TOTAL	975,240	32,346,662
Note 23 : EMPLOYEE BENEFITS EXPENSE		
Salary, Wages and Bonus	2,295,124	21,061,641
Gratuity and Leave Encashment	292,184	3,886,812
Retrenchment Compensation Paid	21,413,409	-
Less : Provision for Retrenchment Compensation W/back	21,000,000	413,409
Provision for Retrenchment Compensation	-	21,000,000
Contribution to PF and ESIC	157,906	1,536,447
Staff Welfare Expenses	42,858	2,307,495
Directors Remuneration	1,424,629	2,785,288
TOTAL	4,626,110	52,577,683
Note 24 : FINANCE COST		
Interest - Bank	4,610,834	12,856,654
Interest - Others	16,658,653	16,196,211
Other Borrowing Cost	665,564	5,778,474
TOTAL	21,935,051	34,831,339



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
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Note 25 : OTHER EXPENSES

Manufacturing Expenses

Packing Material Consumed	-	24,016,714
Stores Consumed	1,700,000	8,946,569
Fuel and Power	1,892,683	48,652,626
Water Charges	904,620	1,212,035
Other Manufacturing Expenses	4,849	1,866,844

Imported and Indigenous Stores Consumed	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
	Amount	%	Amount	%
Imported	-	-	-	-
Indigenous	1,700,000	100.00	8,946,569	100.00
Total	1,700,000	100.00	8,946,569	100.00

Administrative and Selling Expenses

Rent, Rates and Taxes	934,694	733,683
Insurance	797,206	1,474,617
Repairs & Maintenance		
i) Plant	160,952	863,125
ii) Building	-	62,876
iii) Others	12,900	176,587
Legal and Professional Charges	3,198,224	2,634,757
Motor Car Expenses	2,629	129,813
Travelling and Conveyance Expenses	192,813	938,920
Postage and Telephone	636,679	544,235
Printing and Stationery	417,222	452,068
Security Service Charges	1,793,651	2,094,967
Donation	-	4,500
Provision for Doubtful Debts / Advances	-	1,974,132
Bad Debts Written off	27,858,992	-
Add : Advances and Deposits Written off	6,729,094	-
	<u>34,588,086</u>	-
Less : Provision for Doubtful Debts/Advances	34,588,086	-
Auditors Remuneration (Refer Note No. 40)	415,350	317,430
Other Expenses	3,552,302	4,891,522
Clearing and Forwarding Charges Export	-	15,251,822
Bank Charges	6,261	2,190,096
Listing Fees Paid	325,341	296,079
Commission on Sales	-	493,811
TOTAL	16,948,376	120,219,828
Expenditure in Foreign Currency		
Commission	-	32,968
Product Registration Exps.	947,066	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 26: The Company has entered into Agreements for Sale /Assignment dated 31/03/2017 with Gharda Chemicals Ltd. for Sale /Assignment of Leasehold Land, Building and Part of Plant and Machinery located at Lote Parshuram, Tal. Khed, Dist. Ratnagiri and accordingly Profit / Loss on Sales of the Assets have been accounted during the year.

Note 27: The Company is exploring new avenues of business activities and already has started Trading in Chemicals and accordingly, the accounts are prepared on Going Concern Basis.

Note 28: The Company has no dues to Micro and Small Enterprises as at 31st March 2017. 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 29: Contingent Liabilities

- i. The State Excise Department, Government of Maharashtra has demanded ₹ 10,324,000/- (Previous Year ₹ 10,324,000/-) 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. Sales Tax Demand of ₹ 3,936,860/- (Previous Year ₹ 3,936,860/-) under BST Act and ₹ 15,458,929/- (Previous Year ₹ 15,458,929/-) under CST Act for the year 2003-04 against which the Company has preferred appeals before Maharashtra Sales Tax Tribunal.

Note 30: Loans and Advances including ₹ Nil (Previous Year ₹ 5,154,199/-) towards amount paid to Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL), formerly known as Maharashtra State Electricity Board (MSEB), which has been appropriated by MSEDCL, details as under:

Sr. No.	Particulars	Amount in ₹
1.	Minimum Demand Charges, Interest and late payment charges	2,905,702
2.	Deposits	2,248,497
	Total	5,154,199

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. However, due to uncertainty of the amount receivable, the same has been written off during the year in the books of accounts.

Note 31: As tthe Net Worth as at 31st March, 2016 of the Company was negative, the Company has made reference u/s 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 to the Board for Industrial and Financial Reconstruction (BIFR) on 29th November, 2016. However, post application, the Net Worth of the Company has turned positive as at 31st March, 2017.

Note 32: The values of Current Assets and Loans and Advances are stated at realisable in ordinary course of the business in the Balance Sheet, as per the opinion of the Management of the Company.

Note 33: Disclosure of Retirement Benefits (AS-15-Revised):

a) Defined Benefit Plan

During the year the Company has provided for Gratuity and Leave Encashment on actual accrual basis. The Company does not have any fund for Gratuity and Leave Encashment Liability.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****b) Defined Contribution Plan**

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

Particulars	Amount in ₹	
	2016-17	2015-16
Employers Contribution to Provident Fund and Pension Fund	248,747	1,720,455
Employers Contribution to ESIC	1,288	7,728

Note 34: Disclosure of Segment Reporting (AS-17):

- 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:

Sr.	Particulars	Amount in ₹	
		2016-17	2015-16
1	Domestic Sales (Net of Excise Duty)	4,638,666	487,499,843
2	Export Sales – FOB	-	351,733,508
	Total	4,638,666	839,233,351

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

Note 35: Disclosure of Related Party (AS-18)**a. List of Related Parties:**

Associate Concerns	Sakarwadi Trading Co. 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. Godavari Biorefineries B.V. The Book Centre Ltd. Arpit Ltd.
Key Management Personnel	Shri S. Mohan – Whole-time Director (upto 08.08.2016)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b. Transactions with Related Parties:

Amount in ₹

Particulars	2016-17	2015-16
Associates Concern		
Loan Fund Received /(Repayment)		
The Book Centre Ltd.	-	1,000,000
Sakarwadi Trading Co. Pvt. Ltd	50,000,000	-
Sakarwadi Trading Co. Pvt. Ltd	(101,000,000)	-
Jasmine Trading Co. Pvt.. Ltd.	20,000,000	-
Jasmine Trading Co. Pvt.. Ltd.	(20,000,000)	-
Interest		
Sakarwadi Trading Co. Pvt. Ltd	8,926,850	8,423,014
The Book Centre Ltd.	1,539,999	1,535,396
Jasmine Trading Co. Pvt.. Ltd.	399,452	-
Rent		
Somaiya Properties & Investments Pvt. Ltd.	496,440	492,379
Arpit Ltd.	24,150	-
Purchase		
Godavari Biorefineries Ltd.	-	26,198,830
Printing and Stationery		
The Book Centre Ltd.	9,540	310,322
Sales (Product / Machinery)		
Godavari Biorefineries Ltd.	5,684,666	6,501,787
Godavari Biorefineries B.V.	-	39,202,124
Product Registration Expenses		
Godavari Biorefineries B.V.	947,066	-
Logo License Fees		
K. J. Somaiya & Sons Pvt. Ltd.	1,765	889,042
Key Management Personnel		
Remuneration		
S. Mohan	1,232,116	2,617,788

c. Year End Balances:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Loan Fund		
Sakarwadi Trading Co. Pvt. Ltd.	21,701,480	71,884,822
The Book Centre Ltd.	11,000,000	11,345,550
Trade Payable		
Godavari Biorefineries Ltd.	-	2,319,500
Godavari Biorefineries B.V.	947,066	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 36: Disclosure of operating Lease (AS-19):

Amount in ₹

Particulars	2016-17	2015-16
Future minimum lease payments are as under:		
a. Operating leases for each of the following periods:		
Not later than one year	684,000	432,000
Later than one year but not later than five years.	252,000	-

Note 37: Disclosure of Earning Per Share (AS-20):

Amount in ₹

Particulars	2016-17	2015-16
Net Profit / (Loss) for the year after Tax	96,102,346	(89,374,994)
No. of Equity Shares of ₹10/- each	6,272,629	6,272,629
No. of Diluted Equity Shares of ₹10/- each.	6,272,629	6,272,629
Earnings Per Share		
– Basic	15.32	(14.25)
– Diluted	15.32	(14.25)
Face value of Equity Shares	10	10

Note 38: In view of significant brought forward losses the company has not provided net Deferred Tax Asset.

Note 39: Estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31st March, 2017 was ₹ NIL (Previous year ₹ NIL)

Note 40: Remuneration to Auditors

Amount in ₹

Particulars	2016-17	2015-16
Audit Fees	200,000	200,000
Tax Audit Fees	100,000	100,000
Tax Matter	57,350	-
Other Matters	58,000	17,430
Total	415,350	317,430

Note 41: Foreign Currency Exposures

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

Amount in ₹

Particulars	2016-17	2015-16
Creditors	947,066	-

b) The Company did not enter in any forward contract and accordingly did not have any outstanding forward contract.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 42: Reconciliation of Cash and Cash Equivalents:

Amount in ₹

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016
1	Cash and Bank Balance as per Note No. 15	2,580,854	4,840,619
2	Less: Fixed deposit earmarked for Guarantee of MPCB and Balance in Unclaimed Dividend Accounts	1,537,980	1,494,608
3	Cash and Cash equivalents as per Cash Flow Statement	1,042,874	3,346,011

Note 43: Disclosure of Specified Bank Notes

The Company did not hold and transacted in Specified Bank Notes (SBN) during the period from 08.11.2016 to 30.12.2016 and hence, the requisite disclosure as per the amendment in Schedule III to the Companies Act, 2013 is not applicable to the Company. Details of other denominations are as under:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	1,96,004	1,96,004
(+) Permitted receipts	-	52,711	52,711
(-) Permitted payments	-	1,03,928	1,03,928
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	1,44,787	1,44,787

Note 44: 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
Firm's Registration Number: 102358W

Alok K. Saksena

Partner
M.N. 35170

For and on behalf of the Board of Directors

S. Mohan

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 : 5th June, 2017

Place : Mumbai
Date : 5th June, 2017



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

30th Annual General Meeting (AGM) – Monday, 25th September, 2017 at 3.00 p.m.

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 30th Annual General Meeting of the company, to be held on Monday, 25th September, 2017 at 3.00 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 :

ORDINARY BUSINESS:

1. Ordinary resolution for Adoption of Audited Financial Statements for the year ended 31st March, 2017 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, 2018.



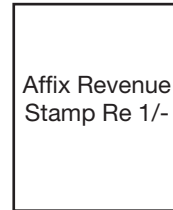
SPECIAL BUSINESS:

4. Special Resolution under Section 188 of the Companies Act, 2013 for approval of related party transactions along with annual limits.

Signed this..... day of..... 2017

Signature of Shareholder.....

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



Note:

1. 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.
2. A proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 30TH ANNUAL GENERAL MEETING of the Company.



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

30th Annual General Meeting (AGM) – 25th September, 2017

I/We hereby record my/our presence at the 30th Annual General Meeting held at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020 on Monday, 25th September, 2017 at 3.00 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.

REMOTE E-VOTING PARTICULARS

EVSN	USER ID	E-VOTING SEQUENCE NO

Note: Please refer to the instructions printed under the Notes of the Notice of the 30th Annual General Meeting. The e-voting period starts from Friday, the 22nd September, 2017 (9:00 am) and ends on Sunday, 24th September, 2017. The voting module shall be disabled by CDSL for voting thereafter.

