



31st
ANNUAL
REPORT

↑
2017 - 2018

Pentokey
Organy
(India) Limited



BOARD OF DIRECTORS

Mr. Devendra Shrimanker	Non - Executive Independent Director
Mr. S Mohan	Non - Executive Director
Ms. Prajakta Shidhore	Non - Executive Independent Director
Mr. Shyam Balsekar	Non - Executive Independent Director
Mr. Shrinivas Mokashi	Additional Director (w.e.f. 6th February, 2018)

KEY MANAGERIAL PERSONNEL

Mr. Balachnadrann Nair M.N.	Chief Executive Officer (w.e.f. 1st February, 2018)
Mr. Sunil Raghav	Chief Financial Officer
Ms. Swarna Gunware	Company Secretary (upto 17th October, 2017)
Ms. Surabhi Vartak	Company Secretary (w.e.f. 1st February, 2018)

CORPORATE IDENTIFICATION NUMBER L24116MH1986PLC041681

REGISTERED OFFICE

Somaiya Bhavan, 45/47, M.G. Road, Fort,
Mumbai – 400 001
Telephone: (91-22) 6170 2100 / 164
Fax: (91-22) 2204 7297 / 3303
Email: investors@pentokey.com
Website: www.pentokey.com

SALES OFFICE

S/03, Vasuki, 7th Road,
Rajawadi, Ghatkopar (East),
Mumbai – 400 077

AUDITORS

M/s Desai Saksena & Associates,
Chartered Accountant,
Laxmi Building, First Floor,
Sir P.M. Road, Fort,
Mumbai - 400 001.

BANKERS

Indian Overseas Bank
Bank of India

SOLICITORS & ADVOCATES

Gagrats
Dhir & Dhir Associates

REGISTRAR & TRANSFER AGENTS (RTA)

Datamatics Business Solutions Limited
Plot No. B-5, Part B Cross Lane,
MIDC, Andheri (East), Mumbai – 400 093.
Contact: (91-22) 6671 2188 / 191
Email: anand_bhilare@datamaticsbpm.com
Website: http://www.datamaticsbpm.com/rta/

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NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Pentokey Organy (India) Limited will be held on **Friday, 21st September, 2018 at 3.00 p.m.** at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chambers Building, IMC Marg, Churchgate, Mumbai – 400 020, to transact the following business:

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2018 and the Reports of the Directors and Auditors thereon.**
- 2. To appoint a Director in place of Mr. S. Mohan (holding Director Identification Number 03184356), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.**
- 3. To consider the appointment of M/s. Verma Mehta & Associates, Chartered Accountants (Firm Registration No. 112118W) as Statutory Auditors in place of retiring Statutory Auditors, M/s. Desai Saksena & Associates, Chartered Accountants, and in this regard, to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, as maybe applicable and pursuant to the recommendation of the Audit Committee, M/s Verma Mehta & Associates, Chartered Accountants, (Firm Registration No. 112118W) be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s Desai Saksena & Associates, Chartered Accountants, to hold office from the conclusion of this meeting until the conclusion of 36th Annual General Meeting of the Company, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

- 4. Appointment of Mr. Shrinivas Mokashi as Director of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Shrinivas Mokashi (holding Director Identification Number 00480618), who was appointed as an Additional Director by the Board of Directors of the Company on 6th February, 2018 pursuant to Article No. 87 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting as per Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice along with the requisite deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

- 5. Approval for material related party transactions for Financial Year 2018- 19:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions Section 188 of the Companies Act, 2013 read with rules made there under; and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the consent of the members be and is hereby accorded to enter into Related Party Transactions for Financial Year 2018-19 as entered by the Company as per details as set out below:



(₹ In Lakh)

Maximum Amount of Contract/Transaction for FY 2018-19 (per annum)							
Transaction as mention u/s 188 of Companies Act, 2013							
Name of Related Parties	Sale, purchase or supply of goods or materials or		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 & Investments Private Limited	-	-	-	10	-	Nil	Arm's Length Price
K. J. Somaiya & Sons Private Limited	-	-	-	-	25	Nil	Arm's Length Price
Godavari Biorefineries Limited	2,500	2,500	1,000	2	-	Nil	Arm's Length Price
The Book Centre Limited	-	30	-	-	-	Nil	Arm's Length Price
Arpit Limited	-	-	-	5	-	Nil	Arm's Length Price

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company.”

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

Date: 2nd August, 2018
Place: Mumbai

Surabhi Vartak
Company Secretary
ICSI M. No: ACS50702

NOTES:

- An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), in respect of Special Business under Item Nos. 4 and 5 of the Notice set out above is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS (48 Hours) BEFORE THE COMMENCEMENT OF THE MEETING.
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.
A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.



- c. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company's Registrar and Transfer Agents.
- d. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 15th September, 2018 to Friday 21st September, 2018 (both days inclusive) for annual closing.
- e. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- f. Members/ Proxies/ Representatives are requested to bring the attendance slip enclosed to the Notice for attending the meeting.
- g. Members should bring valid identity proof i.e PAN Card / AADHAR Card / Driving License etc for the meeting.
- h. Members requiring information on the audited financial statement for the year ended March 31, 2018 are requested to write to the Company at least seven (7) days before the date of the meeting to enable the Company to furnish the information.
- i. The Company has appointed Datamatics Business Solutions Limited, Mumbai as its Registrar and Transfer Agent. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, email id, updation of PAN, dematerialization of shares, payment of dividend, unclaimed dividends etc. will be attended to and processed at the office of the Registrar and Transfer Agent at the following address:-

Datamatics Business Solutions Limited

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

- j. 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 their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Transfer Agent Datamatics Business Solutions Limited.
- k. In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs; we request the shareholders to support our commitment to environmental protection by choosing to receive the shareholding communications through email. You can do the same by updating your email addresses with our Registrar and Transfer Agent.
- l. Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder, Electronic copy of the Annual report along with Notice, Attendance Slip & Proxy Form is being sent to members whose email addresses are registered with the Company, unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report are being sent in permitted mode.
- m. Electronic copy of Annual report along with Notice, Route Map, Attendance Slip, Proxy Form, Ballot Paper will also be available on the Company's website www.pentokey.com for their download. The physical copies of aforesaid documents will also be available at the Company's registered office for inspection without any fee during business hours (9.30 am to 5.30pm) on working days except Saturdays, Sundays and other public holidays upto the date of AGM. For any communication, the shareholders may send their requests to the Company's investor email address: investors@pentokey.com.
- n. Voting through electronic means:
 - l. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting by electronic means and the business may be transacted through e-Voting



Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services Limited (CDSL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, 18th September, 2018 (9:00 am) and ends on Thursday, 20th September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 14th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.

The details of the process and manner for remote e-voting are explained herein below:

1. The Members should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” / “Members”.
3. 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.
4. Next enter the Image Verification as displayed and Click on Login.
5. 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.
6. If you are a first time user follow the steps given below:

	For Members holding shares in Demat (NSDL/CDSL) Form & 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> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</p> <p>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.</p> <p>Eg. If your name is Ramesh Thakur with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details or Date of Birth	<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> <p>If both the details are not recorded with the Depository / Company, please enter the Member’s ID / Folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

7. After entering these details appropriately, click on “SUBMIT” tab.
8. 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 Pentokey Organy (India) Limited 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.



9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for “Penttokey Organy (India) Limited” on which you choose to vote.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. 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.
17. 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.

Note for Non-Individual Shareholders and Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
- 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.

General:

- The voting rights of the Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Friday, 14th September, 2018.
- A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be eligible to vote again at the AGM.
- In case of Joint Shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Mr. Narayan Parekh (Membership No. ACS 8059 CP No. 6448), Partner of M/s PRS Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Chairman shall, at the end of discussion on the resolutions on which voting is to be held at the AGM, call for 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.
- The Scrutinizer shall after the conclusion of voting at the general meeting, 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 Annual General Meeting, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a



person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.

- The result shall be declared by the Company within forty-eight hours (48 Hours) from conclusion of the meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at www.pentokey.com as well as on the website of CDSL immediately after the result is declared by the Chairman or person authorised by him in writing. The results will simultaneously be forwarded to BSE Limited where equity shares of the Company are listed.
- In case of any other queries or grievances regarding e-voting, the Members 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.
- Route map to reach the venue of the AGM is attached to the Notice.

Route Map to the Annual General Meeting Venue

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





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:

Name of Director	Date of Appointment	Expertise / Qualification	Disclosure of relationships between directors inter-se	List of Other Companies in which Directorship and membership of Committees held	Shareholding in the Company
S Mohan (DIN: 03184356)	05-08-2013	Mr. S. Mohan, 60, is Bachelor of Science. He has more than 39 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 Membership of Committees: 1. Stakeholders Relationship Committee of Godavari Biorefineries Limited	Nil Nil Nil
Mr. S.G. Mokashi (DIN: 00480618)	06-02-2018	Mr. Mokashi, 63 is a Chemistry Graduate and Post Graduate in Marketing. He has 40 years of rich experience in Chemical Industry as Marketing professional.	Nil	Directorships: 1. Sakarwadi Trading Company Private Limited 2. Somaiya Agencies Private Limited 3. Godavari Cellulosics Limited 4. Genesis Labs Limited 5. Jasmine Trading Company Private Limited	Nil Nil Nil 2500 Equity Shares Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 4**

The Board of Directors appointed Mr. Shrinivas Mokashi (holding Director Identification Number 00480618) as an Additional Director with effect from 6th February, 2018, under Article 87 of the Articles of Association of the Company. Under Section 161 of the Companies Act, 2013, Mr. Mokashi holds office of the Additional Director till the date of the forthcoming Annual General Meeting. A notice has been received from a Member, as required under Section 160 of the Companies Act, 2013, along with required deposit of ₹100,000 (Rupees One Lac), proposing the candidature of Mr. Mokashi for office of the Director.

Mr. Mokashi is having 40 years of rich experience in Chemical Industry as Marketing professional. He is Proficient in establishing wide contacts and creating marketing network on long term basis. He has graduated in Chemistry and has obtained his Post Graduate in Marketing from Mumbai University. He is associated with CHEMEXCIL (Basic Chemicals, Cosmetics & Dyes Export Promotion Council) since past 6 years as Additional Vice Chairman.

The Company has received the following documents from Mr. Mokashi, in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013:

- (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- (ii) Intimation in Form DIR-8.

Particulars of entities in which Mr. Mokashi holds directorship are furnished below:

Sr. No.	Names of the Companies/bodies corporate/ firms/ association of individuals	Nature of interest or concern/ Change in interest or concern	Shareholding
1.	Sakarwadi Trading Company Private Limited	Director	NIL
2.	Somaiya Agencies Private Limited	Director	NIL
3.	Godavari Cellulosics Limited	Director	NIL
4.	Genesis Labs Limited	Director	2500 Equity Shares
5.	Jasmine Trading Company Private Limited	Director	NIL

Mr. Mokashi, does not hold any chairmanship or membership of Committees of any other Company.

Except Mr. Mokashi, no other Director or Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Members' approval is solicited for the resolution set out at Item No. 4 of the Notice.

Item No. 5

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

- a) Sale, purchase or supply of any goods or materials
- b) Selling or otherwise disposing of, or buying, property of any kind
- c) Leasing of property of any kind
- d) Availing or rendering of any services



- e) Appointment of any agent for purchase or sale of goods, materials, services or property
- f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company

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

In light of above provisions the Board of Directors has approved the proposed transactions alongwith the annual limits that the Company may enter into with the Related Party:

(₹ in Lakh)

Maximum Amount of Contract/Transaction for FY 2018-19 (per annum)							
Transaction as mention u/s188 of Companies Act, 2013							
Name of Related Parties	Sale, purchase or supply of goods or materials or		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 & Investments Private Limited (Mr. S. Mohan is a Common Director)	-	-	-	10	-	Nil	Arm's Length Price
K. J. Somaiya & Sons Private Limited (Associate Company as per accounting standard)	-	-	-	-	25	Nil	Arm's Length Price
Godavari Biorefineries Limited (Associate Company as per accounting standard)	2,500	2,500	1,000	2	-	Nil	Arm's Length Price
The Book Centre Limited (Associate Company as per accounting standard)	-	30	-	-	-	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 18th May, 2018 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 two years from 1st April 2018 to 31st March, 2020. Licensee fee is Rs.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 for a period of three years. The licensee fee is 0.1% of the Company's revenue upto Rs. 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 if required may take land on Short Term Lease basis from Godavari Biorefinerise Limited which will be used for storage purpose.
 - e. 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.
 - f. The Company has started trading activities and for that purpose has executed a Leave & Licence Agreement with Arpit Limited, for a 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.

The Board of Directors at its meeting held on 18th May, 2018 has approved the item and recommends Resolution no. 5 for approval of members of the Company as Special Resolution.

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

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

Surabhi Vartak
Company Secretary
ICSI M. No: ACS50702

Date: 2nd August, 2018
Place: Mumbai



DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of the Company and the Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL RESULTS:

(₹ in Lakh)

Particulars	FY 2017-18	FY 2016-17
Income from Operations	488.43	105.31
Exceptional Item	80.03	1,449.44
Profit / (Loss) before Interest, Depreciation and Tax	37.03	1,296.48
Less: Interest Paid (Net)	25.89	219.35
Profit / (Loss) before Depreciation and Tax	11.14	1,077.13
Less: Depreciation / Amortisation	6.26	63.11
Profit / (Loss) before Tax	4.88	1,014.02
Less: Tax Expense	3.75	53.00
Net Profit / (Loss) after Tax	1.13	961.02

APPLICABILITY OF IND AS (INDIAN ACCOUNTING STANDARD)

The Ministry of Corporate Affairs ('MCA'), vide its notification in the official gazette dated 16th February, 2015, has made applicable the Indian Accounting Standards ('Ind AS') to certain classes of companies. For the Company, Ind AS is applicable from 1st April, 2017.

The financial results have been prepared in accordance with the recognition and measurement principles laid down under Ind AS as presented under Section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules issued thereunder and the other accounting principles generally accepted in India as applicable.

OPERATIONS REVIEW

Your Company's Income from Operations has been increased by ₹ 383.12 Lakh to ₹ 488.43 Lakh as against the Income from Operations of ₹ 105.31 Lakh in the corresponding previous year. The Company had a Profit of ₹ 37.03 Lakh before Interest and Depreciation as compared to a profit of ₹ 1,296.48 Lakh in the corresponding previous year. The Company earned Net Profit of ₹ 1.13 Lakh during the year as against a profit of ₹ 961.02 Lakh in the corresponding previous year.

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.

DIVIDEND

In view of marginal profits the Directors have not recommended any dividend for the Financial Year ended 31st March, 2018.

SUBSIDIARIES AND ASSOCIATE COMPANIES

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for time being in force; Mr. S. Mohan, (Non-Executive Director), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

Mr. Devendra Shrimanker, Mr. Shyam Balsekar & Ms. Prajakta Shidhore continue to be Non-Executive Independent Directors of the Company. The Company has received declarations from all the Independent Directors, confirming that they



meet the criteria of independence as prescribed under Section 149(7) of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Swarna Gunware resigned as the Company Secretary & Compliance Officer of the Company with effect from close of business hours on 17th October, 2017. Ms. Surabhi Vartak was appointed by the Board as the Company Secretary & Compliance Officer of the Company with effect from 1st February, 2018.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 6th February, 2018 appointed Mr. Balachandran Nair M N as the Chief Executive Officer (CEO) of the Company with effect from 1st February, 2018.

Pursuant to recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Shrinivas Mokashi as an Additional Director of the Company in accordance with Article 87 of the Company's Articles of Association and Section 161(1) of the Act w.e.f 6th February, 2018. He holds office upto the date of forthcoming Annual General Meeting.

NUMBER OF MEETINGS OF THE BOARD

During the financial year, five (5) Board Meetings were held. The details of the meetings of the Board of Directors of the Company convened during the financial year 2017-18 are given in the Corporate Governance Report which forms part of the Annual Report.

REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

The disclosure on the details of remuneration to Directors and other Key Managerial Personnel pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure I** to this report and is also available on the website of the Company www.pentokey.com

NOMINATION & REMUNERATION POLICY

The Board of Directors has formulated and adopted a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on the website of the Company <http://www.pentokey.com/pdf/Nomination-Remuneration-Policy.pdf>

BOARD EVALUATION

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The Directors carried out the annual performance evaluation of the Board, Committees of Board and individual Directors along with assessing the quality, quantity and timeliness of flow of information between Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

- (a) in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;



- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual financial statements on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDIT COMMITTEE

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management.

The Audit Committee comprises of Mr. Devendra Shrimanker, Mr. S. Mohan, Mr. Shyam Balsekar and Ms Prajakta Shidhore. All recommendations made by Audit Committee were accepted by the Board of Directors of the Company. Further details on the Audit Committee are set out in the Corporate Governance Report which forms part of the Annual Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS

The Company has stopped its manufacturing activities at Lote Parshuram since 2016. The Company has now started trading activities of Chemicals. Since there was a shortage of Acetic Acid and due to volatile prices and foreign exchange fluctuations, the Company is now cautiously trading in Chemicals.

CORPORATE GOVERNANCE REPORT

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 of the Company as per last audited Balance Sheet as at 31st March 2018 is ₹ 627.26 Lakh and ₹ 540 Lakh respectively.

In view of the same and pursuant to clause 15 (2) (a) of Listing Regulations, compliance with 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 Listing Regulations is not applicable to the Company; however as a matter of good Corporate Governance practice, a detailed report on Corporate Governance system and practices along with the Compliance Certificate from M/s. Desai Saksena & Associates, Chartered Accountants (Firm's Registration Number: 102358W), Statutory Auditor regarding compliance of conditions of Corporate Governance as stipulated under part E of Schedule V of the Listing Regulations is set out in **Annexure II** of this report and the same is also available on the website of the Company http://www.pentokey.com/corporate_governance.htm.

AUDITORS AND AUDITORS REPORT

Statutory Auditor:

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. The Statutory Auditor will complete its tenure on conclusion of the 31st Annual General Meeting.

As envisaged under Section 139 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 the Company proposes to appoint M/s Verma Mehta & Associates, Chartered Accountants, (Firm Registration No. 112118W) in place of M/s. Desai Saksena & Associates, Chartered Accountants at the ensuing Annual General Meeting.

M/s. Verma Mehta & Associates have expressed their willingness to be appointed and confirmed that their appointment, if made, would be in accordance with the conditions specified in Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, approval of shareholders is being sought at this Annual General Meeting, for appointment of M/s Verma Mehta



& Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of 31st Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company.

The Auditor's Report for the financial year ended 31st March, 2018 on financial statements of the Company is a part of this report. The Auditor's Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2018.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A.M. Bhat, Practicing Company Secretary (Membership No. 1560) as the Secretarial Auditor of the Company.

The Secretarial Audit Report is annexed as **Annexure III** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2018 in Form MGT-9 in accordance with Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is set out in **Annexure IV** to this report and the same is also available on the website of the Company www.pentokey.com.

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.

From AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in **Annexure V** to this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not availed/given any loans, guarantees or investments under provisions of Section 186 of Companies Act, 2013.

RISK MANAGEMENT

The Company has a robust Risk Management framework to identify measure and mitigate business risk and opportunities. The Board has formed a Risk Management Policy in compliance with the provisions of the Companies Act, 2013. The copy of the Risk Management Policy is uploaded on the website of the Company at <http://www.pentokey.com/pdf/Risk-Management-Policy.pdf>.

This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage and thus helps in managing market, credit and operations risks. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of the report.

VIGIL MECHANISM

The Company has established a Vigil Mechanism Policy, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. This mechanism also provides for adequate safeguards against victimization of director(s)/employee(s) of the Company.

The copy of Whistle Blower Policy is uploaded on the website of the Company at <http://www.pentokey.com/pdf/Vigil-Mechanism-Policy.pdf>.



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.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committee (ICC). No complaints have been received on Sexual harassment for the financial year 2017-18. The Company is committed to providing a safe and conducive work environment.

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.

INTERNAL FINANCIALS CONTROL

The Company has a sound internal control system, which ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The Internal Control systems are further supplemented by Internal Audit carried out by an independent firm of Chartered Accountants and periodical review by management. The Audit Committee of the Board addresses issues raised by both, the Internal Auditors and the Statutory Auditors.

DEPOSITS

Your Company has not accepted any deposits from the public and as such, no amount of principal or interest was outstanding as on the balance sheet date.

MATERIAL CHANGES / COMMITMENTS

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

LISTING

The shares of the Company are listed at the Bombay Stock Exchange Limited (BSE). The applicable annual listing fees have been paid to BSE Limited before their due date. The Company has delisted its shares from Ahmedabad Stock Exchange (ASE). ASE by their letter dated 1st February, 2018 communicated to the Company that there is no outstanding due towards the securities listed for the year upto year 2017-18 and also confirmed that the securities are delisted with effect from 1st February, 2018.

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 VI** which forms part of this report.

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 major risk for the Company.

DISCLAIMER

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.



ACKNOWLEDGMENTS

We take this opportunity to thank the employees for their dedicated service and contribution to the Company. We also thank our business associates and shareholders for their continued support to the Company.

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

Mr. S. Mohan

Director

DIN: 03184356

Date: 2nd August, 2018

Place: Mumbai

Mr. Devendra J. Shrimanker

Director

DIN: 00385083



Annexure - I

Particulars of Remuneration

(Pursuant to section 197 read with Rule 5 of 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 2017-18, 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 Key Managerial Personnel* are employed for few months of the financial year 2017-18.

* Mr. Balachandran Nair M N was appointed as a Chief Executive Officer with effect from 1st February, 2018.

**Mr. S.G. Mokashi was appointed as Additional Director with effect from 6th February, 2018.

***Ms. Surabhi Vartak was appointed as a Company Secretary with effect from 1st February, 2018.

- 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, 2018: 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) 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.

- 6) Particulars of top ten employees in terms of remuneration drawn and the name of every employee:
 - a) Details of employees, employed throughout the financial year, were in receipt of remuneration for that financial year, in the aggregate, and was not less than Rs. 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
For Pentokey Organy (India) Limited**

Mr. S. Mohan
Director
DIN: 03184356

Mr. Devendra J. Shrimanker
Director
DIN: 00385083

Date: 2nd August, 2018
Place: Mumbai



Annexure – II

Report of Corporate Governance

(Pursuant to Chapter IV read with Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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 the Company’s relationship with all its stakeholders. Good Corporate Governance leads to long-term stakeholder value and enhances interests of all stakeholders.

Pentokey Organy (India) Limited has always focused on good Corporate Governance which is a key driver in improving efficiency and growth as well as enhancing investor confidence. The Company’s Governance philosophy is based on trusteeship, transparency, accountability and ethical corporate citizenship. 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.

The Board of Directors fully supports and endorses the Corporate Governance practises being followed by the Company.

BOARD OF DIRECTORS

The Board of Pentokey Organy (India) Limited is committed in protecting the long-term interests of all its stakeholders, and considering this, it provides objective and prudent guidance to the management.

• **Composition & size of the Board:**

The Board has an appropriate mix of Executive & Non-executive Directors to maintain its independence. The Board focuses on strategic planning, risk management, compliance, Corporate Governance to maintain high standards of ethical conduct, integrity and succession planning for the Directors.

As on 31st March, 2018, the Board comprises of five (5) Directors of which three (3) are Independent Directors, one (1) is Non-Executive Director and one (1) is Additional Director.

The composition of the Board is in conformity with Regulation 17 of Listing Regulations as well as the Companies Act, 2013 read with rules issued thereunder.

• **Details of Board Meeting held during the financial year 2017-18:**

The Board Meetings were held on following dates:

1. 29th May, 2017
2. 5th June, 2017
3. 11th August, 2017
4. 13th November, 2017
5. 6th February, 2018

The Details of Directors Attendance at the Board Meetings and at the last Annual General Meeting (AGM) held on 25th September, 2017:

Name of the Director	Board Meetings		Attended last AGM
	Held during tenure	Attended	
Mr. Devendra Shrimanker	5	4	Yes
Ms. Prajakta Shidhore	5	5	Yes
Mr. Shyam Balsekar	5	3	Yes
Mr. S. Mohan	5	5	Yes

Note: Mr. S. G. Mokashi, having been appointed with effect from 6th February, 2018 his name is not included in the above table.



• **Directorship / Membership / Chairmanship on Board or Committees of other Companies:**

All Directors have periodically and regularly informed the Company about their Directorship & Membership on the Board/Committees of other Companies. The details are as under:

Name of the Director	Directorship in Companies		Memberships / Chairmanships in Committees	
	In Listed Companies	In Unlisted Public Companies	Chairman	Member
Mr. Devendra Shrimanker	1	1	1	1
Ms. Prajakta Shidhore	0	0	0	0
Mr. Shyam Balsekar	0	0	0	0
Mr. S. Mohan	1	0	0	1

• **Inter-se relationship among Directors:**

There are no inter-se relationships among the Directors of the Company.

• **Number of Shares / Convertible instruments held by non-executive directors:**

None of the Non-Executive Directors hold securities in the Company.

• **Familiarisation programmes imparted to Independent Directors:**

The Company conducts familiarisation programme for the Independent Directors to enable them to be familiarised with the Company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company.

The details of familiarization programme for Independent Director(s) is put up on the website of the Company. The website link for the same is <http://www.pentokey.com/pdf/Familiazation-Programme.pdf>

AUDIT COMMITTEE:

• **Terms of reference:**

The terms of reference of the Audit Committee are aligned with the terms of reference provided under Section 177(4) of the Companies Act, 2013 and Part C of Schedule II of Listing Regulations.

The Audit Committee is empowered, pursuant to its terms of reference, which includes the following:

- 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 inter corporate 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.

• **Composition of the Committee:**

The Audit Committee comprises of four (4) members as per details in the following table:

Name of the Member	Category
Mr. Devendra Shrimanker – Chairman	Non – Executive Independent Director
Ms. Prajakta Shidhore	Non – Executive Independent Director
Mr. Shyam Balsekar	Non – Executive Independent Director
Mr. S. Mohan	Non – Executive Director

The members of the Audit Committee are financially literate and have experience in financial management.

• **Details of Committee Meetings held & Attendance:**

The Audit Committee met four times during the financial year 2017-18. The Meetings were held on following dates:

1. 29th May, 2017
2. 5th June, 2017
3. 11th August, 2017
4. 13th November, 2017
5. 6th February, 2018



The Attendance of each member of the Committee is given below:

Name of the Director	Board Meetings	
	Held during tenure	Attended
Mr. Devendra Shrimanker	5	4
Ms. Prajakta Shidhore	5	5
Mr. Shyam Balsekar	5	3
Mr. S. Mohan	5	5

NOMINATION & REMUNERATION COMMITTEE:

- **Terms of reference:**

The terms of reference of the Nomination & Remuneration Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Para A of Part D of Schedule II of the Listing Regulations, which includes the following:

- 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 include skills, experience and level of preparedness of the directors, attendance and extent.

- **Composition of the Committee:**

The Nomination & Remuneration Committee comprises of four (4) members as per details in the following table:

Name of the Member	Category
Mr. Shyam Balsekar – Chairman	Non – Executive Independent Director
Mr. Devendra Shrimanker	Non – Executive Independent Director
Ms. Prajakta Shidhore	Non – Executive Independent Director

The composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

- **Details of Committee Meetings held & Attendance:**

The Nomination & Remuneration Committee met three (3) times during the financial year 2017-18. The Meetings were held on following dates:

1. 29th May, 2017
2. 5th June, 2017
3. 6th February, 2018

The Attendance of each member of the Committee is given below:

Name of the Director	Board Meetings	
	Held during tenure	Attended
Mr. Devendra Shrimanker	3	2
Ms. Prajakta Shidhore	3	3
Mr. Shyam Balsekar	3	1



• **Performance evaluation criteria for Independent Directors:**

The Company follows a structured assessment process for evaluation of performance of the Independent Directors. The performance of Independent Directors is evaluated taking into account the time devoted, strategic guidance to the Company, advice given for determining important policies, external expertise provided and independent judgement that contributes objectively in the Boards deliberation.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

• **Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Para B of Part D of Schedule II of the Listing Regulations, which includes the following:

The role of Stakeholders' Relationship Committee is as follows:

1. 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;
2. ensure expeditious share transfer process;
3. evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
4. provide guidance and make recommendations to improve investor service levels for the investors.

• **Composition of the Committee:**

The Stakeholders Relationship Committee comprises of two members as per details in the following table:

Name of the Member	Category
Mr. Devendra Shrimanker – Chairman	Non – Executive Independent Director
Mr. S. Mohan	Non – Executive Director

The composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

• **Details of Committee Meetings held & Attendance:**

During the financial year 2017-18 the Committee met 10 times i.e 19th May, 2017, 15th June 2017, 27th July, 2017, 16th August, 2017, 6th November, 2017, 29th November, 2017, 29th December, 2017, 22nd January, 2018, 6th February, 2018 and 14th March, 2018. All ten meetings were attended by both the members.

• **Stakeholders Grievance Redressal:**

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	26	26	0
2)	Non-receipt of shares lodged for transfer / exchange	0	48	48	0
3)	Non-receipt of Annual Report	0	0	0	0
4)	Others	0	43	43	0
	Total	0	117	117	0

The Registrar and Share Transfer Agents (RTA), M/s. Datamatics Business Solutions Ltd attends to all grievances of shareholders received directly or through SEBI, Stock Exchange or the Ministry of Corporate Affairs. Most of the grievances / correspondences are attended within a period of 7 days from the date of receipt of such grievances.

Compliance Officer:

Ms. Surabhi Vartak, is the Company Secretary and Compliance Officer of the Company. The Company has designated the Email ID investors@pentokey.com to enable stakeholders to email their grievances.



REMUNERATION TO DIRECTORS:

- **Pecuniary Relationship of Non-Executive Directors with the Company:**

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**

The remuneration paid to the Non-executive Directors of the Company is in accordance with the approval granted by the shareholders of the Company and in compliance with the Companies Act, 2013 read with Rules issued thereunder. The Nomination & Remuneration Committee recommends to the Board the remuneration payable to Non-executive Directors of the Company. The Remuneration Policy, inter alia, disclosing criteria of making payments to Non-executive Directors is placed on the Company's website <http://www.pentokey.com/pdf/Nomination-Remuneration-Policy.pdf>.

The Non-executive Directors do not hold any shares or convertible instruments of the Company. 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. In 2017-18, the Company did not advance any loans to any of the non-Executive Directors and/or Managing Director.

- **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. Mr. Devendra J. Shrimanker, Mr. Shyam C. Balsekar and Ms. Prajakta Shirdhore, Independent-Non-Executive Directors of the Company were appointed for a term of five (5) consecutive years and shall not be liable to retire by rotation. The details of remuneration & sitting fees paid to the Directors are provided Form MGT-9 which forms part of the report.

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.

GENERAL BODY MEETINGS:

- **Details of last three AGM and the summary of Special Resolution passed therein; if any are as under:**

Year	Location of Annual General Meeting	Date & Time of Annual General Meeting	Details of Special Resolution passed
2016-17	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020.	Monday, the 25 th September, 2017 at 3.00 p.m.	1. Approval for material related party transactions for Financial Year 2017-18.
2015-16	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020.	Thursday, the 29 th September, 2016 at 2.30 p.m.	1. Appointment of Ms. Prajakta Shirdhore as the independent Non-Executive Director of the Company. 2. Approval for material related party transactions for Financial Year 2016-17
2014-15	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020.	Friday, the 25 th September, 2015 at 11.30 a.m.	1. To adopt new set of Articles of Association of the Company to provide sitting fees to the Directors of the Company. 2. Variation in terms of appointment of Mr. S. Mohan, Whole time Director (DIN: 03184356) so as to make his office liable to retire by rotation. 3. Appointment of Ms. Aziza Khatri as the independent Non-Executive Director of the Company.



• ***Details of Special resolution passed through Postal Ballot in Financial Year 2017-18:***

Particulars of Resolution passed through Postal Ballot	Votes in Favour of Resolution	Votes Against Resolution
For sale of Acetic Acid plant Equipments, Ethyl Acetate Plant Equipments and other the movable assets of the Company to Godavari Biorefineries Limited, being a related party pursuant to Section 180 (1) (a) and Section 188 of the Companies Act, 2013 and Rules thereunder and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	1,89,140	288

Mr. Narayan Parekh, (ACS 8059) Partner of M/s PRS Associates, Practicing Company Secretaries, Mumbai was appointed as the Scrutinizer, for conducting the postal ballot and e-voting process. He submitted the scrutinizer's reports dated 9th October, 2017 to Mr. Devendra Shrimanker, Chairman who then declared the results of voting through postal ballot on the same day.

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.

The approved financial results (quarterly, half-yearly, annual financial results) are published in all India edition of Financial Express (English) and Apla Mahanagar (Marathi) newspapers.

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

GENERAL SHAREHOLDER INFORMATION:

Day, Date and Time	:	Friday, 21 st September, 2018 @ 3:00 p.m.
Venue	:	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai- 400 020
Financial Year	:	1 st April, 2017 to 31 st March, 2018
Date of Book Closure	:	Saturday, 15 th September, 2018 to Friday, 21 st September, 2018
Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd. (BSE) The Ahmedabad Stock Exchange (Delisted w.e.f 01-02-2018)
	:	The Company has paid the Annual Listing fees of BSE.
Stock Code		
Bombay Stock Exchange Ltd. (BSE)	:	524210
The Ahmedabad Stock Exchange	:	44750
ISIN	:	INE702E01015
CIN	:	L24116MH1986PLC041681



- **Market Price Data:**

The Monthly high and low Quotation and the volume of shares traded on Bombay Stock Exchange (BSE) are as under:

Month	Bombay Stock Exchange (BSE)		
	High Price	Low price	No of trades
April, 2017	13.10	11.40	22
May, 2017	11.40	10.83	9
June, 2017	15.56	10.50	24
July, 2017	26.75	16.30	145
August, 2017	21.60	16.85	14
September, 2017	17.15	14.30	56
October, 2017	17.60	15.10	35
November, 2017	18.10	15.70	51
December, 2017	26.40	18.25	117
January, 2018	27.75	19.00	150
February, 2018	23.05	15.00	28
March, 2018	15.85	13.55	30

(Source: BSE website)

- **Registrar & Transfer Agents (RTA)**

Datamatics Business Solutions Limited
Plot No. B-5, Part B Cross Lane,
MIDC, Andheri (East),
Mumbai – 400 093.
Contact: (91-22) 6671 2188 / 191
Email: anand_bhilare@datamaticsbpm.com
Website: <http://www.datamaticsbpm.com/rta/>

- **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.

- **Distribution of Shareholding**

The Distribution of Shareholding by size as on 31st March, 2018 is as under:

No. of Equity Shares held From - To	Shares		Shareholders	
	No.	%	No.	%
1- 500	9,64,574	15.38	17,735	98.80
501-1000	77,384	1.23	105	0.59
1001-2000	95,194	1.52	66	0.36
2001-3000	25,304	0.40	10	0.06
3001-4000	34,266	0.55	10	0.05
4001-5000	12,262	0.20	3	0.02
5001-10000	50,972	0.81	7	0.04
10001 and above	50,12,673	79.91	14	0.08
TOTAL	62,72,629	100.00	17,950	100.00
Physical Mode	10,04,077	16.01	15,865	88.38
Electronic Mode:				
NSDL	51,15,036	81.54	1,360	7.58
CDSL	1,53,516	2.45	725	4.04
TOTAL	62,72,629	100	17,950	100



• **Statement showing shareholding pattern as on 31st March, 2018:**

Categories of Shareholders	As on 31 st March, 2018		As on 31 st March, 2017	
	No. of Shares	% to Total Capital	No. of Shares	% to Total Capital
Promoters and persons acting in concert (Including Directors and Relatives)	46,78,566	74.59	46,87,124	74.72
Foreign Institutional investors	-	-	-	-
Public Financial Institutions	140,817	2.25	140,817	2.25
Mutual funds	4,000	0.06	4,000	0.06
Nationalized and Other banks	-	-	-	-
Private Corporate Bodies	26223	0.42	27,720	0.44
NRIs and OCBs	264	0.00	84	0
Others (Public)	1422759	22.69	14,12,884	22.53
Total	6,272,629	100.00	6,272,629	100.00

• **Dematerialisation of Shares & Liquidity:**

Breakup of Shares held in Physical and Dematerialised mode as on 31st March, 2018:

	Number of Shares	%
Physical	10,04,077	16.00
Demat	52,65,552	84.00
Total	62,72,629	100.00

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.

Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 and SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018 has issued guidelines for strengthening and raising industry standards for Registrar & Transfer Agents (RTAs), Issuer Companies and Bankers to an issue. As directed in the said circulars, shareholders of the Company who continue to hold shares in physical form are advised to dematerialize their shares on or before 5th December, 2018 otherwise transfer of securities in physical form, post 5th December, 2018 will not be permitted. For effecting any transfer, the Securities are mandatorily required to be in Demat form. Shareholders are therefore requested to dematerialise their physical shares and update their PAN and Bank Account details with the Company or the Registrar & Transfer Agent (RTA) of the Company at the earliest. In view of the above and in compliance with the said SEBI circulars, we request you to kindly update your PAN and Bank account details with the Company by submitting document attached at the end of this Report.

• **Address for Correspondence:**

Any Member / Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary & Compliance Officer at investors@pentokey.com or send the same to the Registered Office situated at Somaiya Bhavan, 45/47, M.G. Road, Fort, Mumbai – 400 001 with a copy of the earlier correspondence.

• **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.

• **Commodity Price Risk or Foreign Exchange Risk and Hedging activities:**

During the Financial year, the Company has not engaged in any hedging activities.



OTHER DISCLOSURES

- **Related Party Transactions:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2017-18 were undertaken in compliance with the aforesaid regulatory provisions;

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.

A statement showing disclosure of Related Party Transactions as required by the Indian Accounting Standards (Ind AS24) has been made and is set out separately in the Annual Report.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company and can be accessed at <http://www.pentokey.com/pdf/Policy-Materiality-Related-Party-Transactions.pdf>

- **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, Securities Exchange Board of India (SEBI) or any statutory authority on any matter related to capital markets during the last three years.

- **Vigil Mechanism / Whistle Blower Policy for Directors and Employees**

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.

The details of establishment of Vigil Mechanism/Whistle Blower Policy are posted on the website of the Company at <http://www.pentokey.com/pdf/Vigil-Mechanism-Policy.pdf>

- **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.

- **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.



The Company has adopted Risk Management Policy and the same is posted on the website at <http://www.pentokey.com/pdf/Risk-Management-Policy.pdf>

- ***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. The same can be accessed on the website of the Company at <http://www.pentokey.com/pdf/codeofconduct.pdf>.

- ***Details of Non-Compliance***

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

- ***Certificate on Corporate Governance***

Certificate from M/s. Desai Saksena & Associates, Chartered Accountants (Firm's Registration Number: 102358W), confirming compliance with the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is attached with the Annual Report.

Declaration of Compliance with Code of Conduct

(Pursuant to Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board has laid down a Code of Conduct for the Members of the Board and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2017-18. Requisite declaration to this effect is given below:

The Shareholders of Pentokey Organy (India) Limited,

We certify that:

- The Board of Directors of Pentokey Organy (India) Limited 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, 2018.

For **Pentokey Organy (India) Limited**

Mr. S. Mohan
Director
DIN: 03184356

Mr. Balachandran Nair M. N.
Chief Executive Officer

Place: Mumbai
Date: 2nd August, 2018



CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Pentokey Organy (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Pentokey Organy (India) Limited** ('the Company'), for the Financial Year ended 31st March, 2018 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') as referred to in Regulation 15(2) of the Listing Regulations.

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

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

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

For Desai Saksena & Associates

Chartered Accountants

Firm's registration number: 102358W

Alok K. Saksena

Partner

Membership number: 35170

Date: 2nd August, 2018

Place: Mumbai



Annexure – III

Secretarial Audit report

Form No. MR-3 for the Financial Year Ended March 31, 2018

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of 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, 2018, 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, 2018 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 guideline as 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 Ahmedabad Stock Exchange by their letter dated 1st February, 2018 communicated to the Company that there is no outstanding due towards the securities listed for the year upto year 2017-18 and also confirmed that the securities are delisted with effect from 1st February, 2018.

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, on 16th June, 2017, MIDC gave permission to the Company for assigning the lease at Lote Parshuram, Tal. Khed in Ratnagiri District of Maharashtra to Gharda Chemicals Ltd.

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

Date: 15th May, 2018

Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of 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, 2018 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

Date: 15th May, 2018

Place: Mumbai

**Annexure – IV****Form No. MGT-9****Extract of Annual Return as on the financial year ended
31st March, 2018**

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

I. REGISTRATION AND OTHER DETAILS:

- i. **CIN** L24116MH1986PLC041681
- ii. **Registration date** 26th November, 1986
- iii. **Name of the Company** Pentokey Organy (India) Limited
- iv. **Category / Sub-Category of the Company** Public Company Limited by Shares
- v. **Address of the Registered Office & Contact Details** Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai - 400001
- vi. **Whether listed or unlisted** Yes (Bombay Stock Exchange - BSE)
- vii. **Name, Address and Contact details of Registrar Transfer Agent** Datamatics Business Solutions Limited
Plot No. B 5, Part B Cross Lane,
MIDC, Andheri (East)
Mumbai-400093
Contact No. : (91-22) 6671 2188 / 191
Email id: anand_bhilare@datamaticsbpm.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:-

S No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Trading of Chemicals	46691	97.86

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL



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

A. 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	84,034	32,517	1,16,551	1.85	75,476	32,517	107,993	1.72	(0.13)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,570,573	-	45,70,573	72.87	4,570,573	-	4,570,573	72.87	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	4,654,607	32,517	4,687,124	74.72	4,646,049	32,517	4,678,566	74.59	(0.13)
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)	4,654,607	32,517	4,687,124	74.72	4,646,049	32,517	4,678,566	74.59	(0.13)
B. Public Shareholding									
1. Institutions.									
a) Mutual Funds	4,000	-	4,000	0.06	4,000	-	4,000	0.06	-
b) Banks/FI	140,817	-	140,817	2.25	140,817	-	140,817	2.25	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Company)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	144,817	-	144,817	2.31	144,817	-	144,817	2.31	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	9,817	17,903	27,720	0.45	8,320	17,903	26,223	0.42	(0.03)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	296,477	965,538	1,262,015	20.12	318,431	953,657	1,272,088	20.28	0.16
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	150,661	-	150,661	2.40	150,661	0	150,661	2.40	-
c) Others (specify) Trust	292	-	292	0.00	274	-	274	0.00	(0.00)
Sub-total (B)(2):-	457,247	983,441	1,440,688	22.97	477,686	971,560	1,449,246	23.10	0.13
Total Public Shareholding (B)=(B)(1)+(B)(2)	602,064	983,441	1,585,505	25.28	622,503	971,560	1,594,063	25.41	0.13
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	5,256,671	1,015,958	6,272,629	100.00	5,268,552	1,004,077	6,272,629	100.00	-


B. Shareholding Of Promoters

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	26,584	0.42	-	26,584	0.42	-	-
3)	Jayvandan S Shah	13,050	0.21	-	6,167	0.11	-	(0.10)
4)	Vasantlal R Shah	10,250	0.16	-	10,250	0.16	-	-
5)	Kiritkumar C Shah	3,925	0.06	-	3,925	0.06	-	-
6)	Jyantilal 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 J Shah	1,675	0.03	-	0	0	-	(0.03)
12)	Dixit J Shah	1,450	0.02	-	1,450	0.02	-	-
13)	Jyantilal C Shah	1,450	0.02	-	1,450	0.02	-	-
14)	Vijaykumar J Shah	1,450	0.02	-	1,450	0.02	-	-
15)	Rameshchandra P. 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 V Shah	175	0.00	-	175	0.00	-	-
19)	Vairali V 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 O. 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 Ltd	25,000	0.40	-	25,000	0.40	-	-
	TOTAL	4,687,124	74.72	-	4,678,566	74.59	-	(0.13)



C. Change In Promoter's Shareholding

Sr. No	Name of the Promoter	Shareholding at the beginning of the year		Date & Reason for increase/ decrease in shareholding	Increase / Decrease in shareholding		Shareholding at the end of 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.	Jayvandan S Shah	13,050	0.21	Decrease in Shareholding due to Sale of Shares. ((Sold 382 Shares on 26 th January, 2018, Sold 4550 Shares on 2 nd February, 2018, Sold 651 Shares on 9 th February, 2018, Sold 300 Shares on 16 th February, 2018, Sold 500 shares on 23 rd February, 2018, Sold 500 Shares on 23 rd March, 2018.))	6,883	0.10	6,167	0.11
2.	Pravina J Shah	1,675	0.03	Decrease in Shareholding due to Sale of Shares. ((Sold 1,675 shares on 26 th January, 2018))	1,675	0.03	0	0.00

D. Shareholding Pattern Of Top Ten Shareholders (Other Than Directors, Promoters And Holders Of GDRs & 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	Nalini Atul Bhagwati	150,661	2.40	150,661	2.40	-	-
2	ICICI Bank Limited	140,817	2.24	140,817	2.24	-	-
3	Rajendra Kumar B. Gupta	17,917	0.29	17,917	0.29	-	-
4	Miten Kantilal Bhai	16,669	0.27	16,669	0.27	-	-
5	Shikha K Shah	15,875	0.25	15,875	0.25	-	-
6	Radhe Shyam Tulsian	14,584	0.23	14,584	0.23	-	-
7	Hasmukh D Jhaveri	11,793	0.19	11,793	0.19	-	-
8	A R Sudhakara Shenoi	10,000	0.16	10,000	0.16	-	-
9	Saroj Navnit Parekh	8,667	0.14	8,667	0.14	-	-
10	Krishna Ameet Hariani	8,334	0.13	8,334	0.13	-	-
	Total	395,317	6.30	395,317	6.30	-	-

E. Shareholding Of Directors and Key Managerial Personnel:

Sr. No.	Name of Director/ KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Promoters Share holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	Shareholding at the end of 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	Balachandran Nair M N (CEO)	34	0.00	-	-	-	34	0.00



V. INDEBTEDNESS

Indebtedness of the Company including Interest Outstanding/Accrued but not due for payment

(₹ in Lakh)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
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
Change in Indebtedness during the financial year				
· Addition	-	21.01	-	21.01
· Reduction	-	723.94	-	723.94
Net Change	-	(702.93)	-	(702.93)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration To Managing Director, Whole-Time Directors and / or Manager: NA

B. Remuneration To Other Directors:

(Amount in ₹)

Particulars of Remuneration	Name of the Director				Total Amount
	Devendra Shrimanker	Prajakta Shidhore	Shyam Balsekar	S Mohan	
Fees for attending board/committee meetings	72,500	57,500	37,500	62,500	230,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
TOTAL	72,500	57,500	37,500	62,500	230,000
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 Rs. 5000/- as sitting fees for Board/ Committee meetings and Rs. 2500/- as sitting fees for Stakeholders Relationship Committee meeting.				



C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Company Secretary	Company Secretary	Chief Financial Officer	Chief Executive Officer	
		Swarna Gunware	Surabhi Vartak	Sunil Raghav	Balachandran Nair M N	
1	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	4.01	0.70	5.89	4.64	15.24
	(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	0.20	0.05	0.36	-	0.61
	Total	4.21	0.75	6.25	4.64	15.85

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

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

Mr. S. Mohan
 Director
 DIN: 03184356

Mr. Devendra J. Shrimanker
 Director
 DIN: 00385083

Date: 2nd August, 2018
Place: Mumbai



Annexure - V

Form AOC-2 - Particulars of Contract /Arrangements made with Related Parties*(Pursuant to Section 134(3)(h) 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:

Not Applicable as there were no contracts or arrangements or transactions entered into by the Company which were not at arm's length basis during the year ended 31st March, 2018.

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, 2018 are as follows:

Sr. No.	Name of the Related Party & Nature of Relationship	Nature of Contracts / Transactions / Arrangements	Duration of Contracts / Transactions / Arrangements	Salient terms of the Contracts / Transaction / Arrangements including value if any	Date of Approval by the Board	Advance paid as advances; if any
1.	Somaiya Properties & Investments Private Limited (Mr. S. Mohan is a Common Director)	Leasing of property	2 years from 1 st April, 2018 to 31 st March 2020.	Leave and License agreement for 2 years from 1 st April, 2018 to 31 st March 2020 occupying the premises for business purpose.	18 th May, 2018	Nil
2.	Godavari Biorefineries Ltd (Associate Company as per accounting standard)	Sale, purchase or supply of goods or materials	The Company will purchase/sale as and when the need arises.	Schedule of dispatches and price of product is mutually fixed.	18 th May, 2018	Nil
3.	Godavari Biorefineries Ltd (Associate Company as per accounting standard)	Leasing of property	1 year from 1 st April, 2018 to 31 st March 2019.	Leave and License agreement for 1 year from 1 st April, 2018 to 31 st March 2019. for Leasing of land for storage purpose.	18 th May, 2018	Nil
4.	Godavari Biorefineries Ltd (Associate Company as per accounting standard)	Selling or otherwise disposing of, or buying property of any kind	As and when the need arises.	NA	18 th May, 2018	Nil
5.	K .J Somaiya & Sons Private Limited (Associate Company as per accounting standard)	Availing or rendering of any services	3 years from 1 st April, 2017 to 31 st March 2020.	Entered into an agreement of License to use Trademark "Somaiya" w.e.f 1 st April, 2017 to 31 st March, 2020.	18 th May, 2018	Nil
6.	The Book Centre Ltd. (Associate Company as per accounting standard)	Purchase of goods or materials	As and when the need arises.	Printing of stationery and reports etc. The invoices are raised as per the purchase order for each job.	18 th May, 2018	Nil
7.	Arpit Limited (Associate Company as per accounting standard)	Leasing of property of any kind	25 months from 1 st April, 2017 to 31 st March 2019.	Leave and License agreement for 25 months from 1 st April, 2017 to 31 st March, 2019 occupying the premises for business purpose.	18 th May, 2018	Nil

For and on behalf of the Board of Directors

For Pentokey Organy (India) Limited

Mr. S. Mohan
Director
DIN: 03184356

Mr. Devendra J. Shrimanker
Director
DIN: 00385083

Date: 2nd August, 2018

Place: Mumbai

**Annexure - VI****Disclosure with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

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

A. CONSERVATION OF ENERGY:

- I. Steps taken or impact on conservation of energy: Not Applicable, as the Company is not doing any production activity.
- II. The steps taken by Company for utilising alternate sources of energy: Not Applicable
- III. The capital investment on energy conservation equipments: NIL

B. TECHNOLOGY ABSORPTION

- I. Efforts made towards technology absorption: Not Applicable
- II. Benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable
- III. Imported Technology: Not Applicable, as no Technology has been imported by the Company.
- IV. Expenditure incurred on Research and Development: NIL

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in Lakh)

Particulars	2017-18	2016-17
Earning	7.77	-
Outgo	-	9.47

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

Mr. S. Mohan
Director
DIN: 03184356

Mr. Devendra J. Shrimanker
Director
DIN: 00385083

Date: 2nd August, 2018
Place: Mumbai



Independent Auditor's Report

To the Members of

Pentokey Organy (India) Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Pentokey Organy (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 of these Ind AS financial statements that give a true and fair view of the state of affairs, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

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

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act

- a) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- b) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- c) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note No. 25 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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 disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018.

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

Alok K. Saksena
Partner
Membership number: 35170

Date : 18th May 2018
Place: Mumbai

**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 31st March 2018, we report that:

- (i) In respect of Company's property plant and equipment:
- (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its property plant and equipment by which fixed assets are verified in a phased manner over during the 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) in respect Company's inventories:
- The inventory 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:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, Goods and Service 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, Goods and Service Tax, service tax, professional tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of transport fees:

Sn.	Name of the Statute	Nature of dues	Amount (₹ in Lakh)	Financial Year to which it Pertains	Forum Where Dispute is pending
1	Bombay Rectified Spirit (Transport in Bond) Rules, 1957	Transport Fees	103.24	2002-07	High Court

- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from Banks, 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 give 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 Indian Accounting Standard (IND AS-24), 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 give 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

Alok K. Saksena
Partner
Membership number: 35170

Date : 18th May 2018
Place: Mumbai



Annexure B to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Pentokey Organy (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Pentokey Organy (India) Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, 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 ICAI. 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements for external purposes in accordance with the 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 Ind AS 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 Ind AS 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, 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Alok K. Saksena
Partner
Membership number: 35170

Date : 18th May 2018
Place: Mumbai



BALANCE SHEET AS AT 31ST MARCH, 2018

				Amount in ₹	
Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	
ASSETS					
1 Non-current Assets					
a) Property, Plant and Equipment	3	1,01,357	11,03,862	34,31,189	
b) Intangible Assets	3	23,805	1,22,845	2,54,297	
c) Non-current financial assets	4				
(i) Non-current investments		1,25,050	5,000	5,000	
(ii) Other Bank Balances		7,31,667	6,88,755	6,45,031	
(iii) Others		8,69,500	8,69,500	7,69,500	
d) Other non current Asset	5	49,46,916	82,10,005	83,58,230	
Total Non-current Assets		<u>67,98,295</u>	<u>1,09,99,967</u>	<u>1,34,63,247</u>	
2 Current Assets					
a) Inventories	6	7,92,397	11,48,706	43,07,962	
b) Financial assets					
(i) Trade receivables	7	19,65,408	-	19,29,275	
(ii) Cash and cash equivalent	7	52,36,042	10,42,874	33,46,011	
(iii) Bank balance other than (ii) above	7	1,61,57,473	8,49,225	8,49,577	
(iv) Others	7	2,78,357	6,69,19,647	12,19,264	
(v) Assets Classified as Held for Sale	3	1,46,11,901	1,51,11,225	9,98,88,359	
c) Other current assets	8	1,60,34,400	6,24,25,161	8,57,13,808	
Total Current Assets		<u>5,50,75,978</u>	<u>14,74,96,838</u>	<u>19,72,54,256</u>	
TOTAL ASSETS		<u>6,18,74,273</u>	<u>15,84,96,805</u>	<u>21,07,17,503</u>	
EQUITY AND LIABILITIES					
Equity					
a) Equity share capital	9	6,27,26,290	6,27,26,290	6,27,26,290	
b) Other equity	10	(54,98,972)	(57,32,254)	(10,18,34,599)	
Total Equity		<u>5,72,27,318</u>	<u>5,69,94,036</u>	<u>(3,91,08,309)</u>	
Liabilities					
1 Non-current Liabilities					
a) Financial liabilities	11				
(i) Borrowings		-	6,50,00,000	11,60,00,000	
b) Provisions	12	1,86,660	1,61,225	7,81,946	
Total Non-current Liabilities		<u>1,86,660</u>	<u>6,51,61,225</u>	<u>11,67,81,946</u>	
2 Current Liabilities					
a) Financial liabilities	13				
(i) Borrowings		-	-	6,39,28,041	
(ii) Trade payable		26,66,841	58,25,513	3,19,78,109	
(ii) Other current financial liabilities		10,34,163	1,63,27,349	71,80,230	
b) Other Current Liabilities	14	87,586	96,70,036	13,71,459	
c) Provisions	15	6,71,705	45,18,648	2,85,86,027	
Total Current Liabilities		<u>44,60,295</u>	<u>3,63,41,544</u>	<u>13,30,43,866</u>	
Total Liabilities		<u>46,46,955</u>	<u>10,15,02,769</u>	<u>24,98,25,812</u>	
TOTAL EQUITY AND LIABILITIES		<u>6,18,74,273</u>	<u>15,84,96,805</u>	<u>21,07,17,503</u>	
Significant Accounting Policies and	Notes to Accounts	1 to 43			

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

Surabhi S. Vartak

Company Secretary

ACS: 50702

Sunil Y. Raghav

Chief Financial Officer

Place : Mumbai

Date : 18th May, 2018

Place : Mumbai

Date : 18th May, 2018



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1 Revenue From Operations (Gross)	16	4,70,17,438	77,37,040
Less: Excise Duty		-	1,21,905
		4,70,17,438	76,15,135
2 Other Income	17	18,25,568	29,15,513
3 Total Revenue (1+2)		4,88,43,006	1,05,30,648
4 Expenses			
a) Cost of Materials Consumed	18	-	2,98,869
b) Purchase of Stock-in-trade	19	4,31,17,157	29,79,200
c) Changes in Inventories of Finished Goods, Work-in-Process	20	-	9,75,240
d) Employee Benefits Expenses	21	19,32,786	46,26,110
e) Finance Costs	22	25,89,463	2,19,35,051
f) Depreciation and Amortisation Expense	3	6,25,787	63,10,577
h) Other Expenses	23	80,92,537	1,69,48,376
Total Expenses		5,63,57,730	5,40,73,423
5 Profit / (Loss) before Tax		(75,14,724)	(4,35,42,775)
6 Extraordinary Items			
Profit on Sale of Assets		80,02,956	14,49,45,121
7 Profit / (Loss) before tax (5 +6)		4,88,232	10,14,02,346
8 Tax Expense:			
a) Current Tax Expense		1,00,000	53,00,000
b) Deferred Tax		-	-
c) Tax of Earlier Year		2,75,000	-
		3,75,000	53,00,000
9 Profit / (Loss) for the Year (7 - 8)		1,13,232	9,61,02,346
10 Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		1,20,050	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
11 Total Comprehensive Income for the year (9 + 10)		2,33,282	9,61,02,346
12 Earnings Per Equity Share of face value ₹10/-			
Basic		0.02	15.32
Diluted		0.02	15.32

Significant Accounting Policies and Notes to Accounts

1 to 43

As per our report of even date attached

For **Desai Saksena & Associates**

Chartered Accountants

Firm's Registration Number: 102358W

For and on behalf of the Board of Directors

Alok K. Saksena

Partner

M.N. 35170

S. Mohan

Director

DIN: 03184356

Devendra J. Shrimanker

Director

DIN: 00385083

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Company Secretary

ACS: 50702

Sunil Y. Raghav

Chief Financial Officer

Place : Mumbai

Date : 18th May, 2018

Place : Mumbai

Date : 18th May, 2018



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in ₹

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax after Exceptional items	4,88,232	10,14,02,346
Adjustment for:		
Depreciation	6,25,787	63,10,577
Profit on Sale of Property, Plant and Equipment	(80,02,956)	(14,49,45,121)
Interest Income	(17,34,510)	(27,77,784)
Dividend Income	(1,300)	(1,300)
Interest and Finance Charges	25,89,463	2,19,35,051
Operating Profit before Working Capital Changes	(60,35,284)	(1,80,76,231)
Adjusted for:		
Inventories	3,56,309	31,59,256
Trade Receivable	(19,65,408)	19,29,275
Loans and Advances	11,77,09,331	2,70,49,702
Trade Payable and Other Liabilities	(2,29,96,958)	(4,23,24,351)
Net Cash from/(used in) Operating Activities	8,70,67,990	(2,82,62,349)
Taxes Paid	(39,40,746)	(16,63,761)
Net Cash from/(used in) Operating Activities	8,31,27,244	(2,99,26,110)
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(74,461)	-
Sale of Property, Plant and Equipment	90,52,499	15,92,08,932
Interest Income	3,20,319	26,095
Dividend Income	1,300	1,300
Fixed deposits and Margin Money	(1,53,51,160)	(43,372)
Cash generated from/(used in) Investing Activity	(60,51,503)	15,91,92,955
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(78,82,573)	(1,66,41,941)
Acceptance/(Repayment) of Other Borrowings (Net)	(6,50,00,000)	(11,49,28,041)
Cash generated from/(used in) Financing Activity	(7,28,82,573)	(13,15,69,982)
Net Increase/(Decrease) in Cash and Cash Equivalents	41,93,168	(23,03,138)
Cash and Cash Equivalents at beginning of the year	10,42,874	33,46,011
Cash and Cash Equivalents at end of the year	52,36,042	10,42,874

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

Chartered Accountants

Firm's Registration Number: 102358W

For and on behalf of the Board of Directors

Alok K. Saksena

Partner

M.N. 35170

S. Mohan

Director

DIN: 03184356

Devendra J. Shrimanker

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DIN: 00385083

Surabhi S. Vartak

Company Secretary

ACS: 50702

Sunil Y. Raghav

Chief Financial Officer

Place : Mumbai

Date : 18th May, 2018

Place : Mumbai

Date : 18th May, 2018



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A EQUITY SHARE CAPITAL

Amount in ₹

Particulars	Amount
Balance at the beginning of the reporting period as on 01.04.2016	6,27,26,290
Changes during 2016-17	-
Balance at the beginning of the reporting period as on 31.03.2017	6,27,26,290
Changes during 2017-18	-
Balance at the beginning of the reporting period as on 31.03.2018	6,27,26,290

B OTHER EQUITY

Amount in ₹

Particulars	Capital Reserve	General Reserve	Retained Earnings	Other Copenhensive Income	Total
As on 31.03.2017					
Balance at the beginning of the reporting period as on 01.04.2016	30,00,000	17,20,000	(10,65,54,600)	-	(10,18,34,600)
Total Comprehensive Income	-	-	9,61,02,346	-	9,61,02,346
Balance at the beginning of the reporting period as on 31.03.2017	30,00,000	17,20,000	(1,04,52,254)	-	(57,32,254)
As on 31.03.2018					
Balance at the beginning of the reporting period as on 01.04.2017	30,00,000	17,20,000	(1,04,52,254)	-	(57,32,254)
Total Comprehensive Income	-	-	2,33,282	-	2,33,282
Balance at the beginning of the reporting period as on 31.03.2018	30,00,000	17,20,000	(1,02,18,972)	-	(54,98,972)

As per our report of even date attached

For **Desai Saksena & Associates**

Chartered Accountants

Firm's Registration Number: 102358W

For and on behalf of the Board of Directors

Alok K. Saksena

Partner

M.N. 35170

S. Mohan

Director

DIN: 03184356

Devendra J. Shrimanker

Director

DIN: 00385083

Surabhi S. Vartak

Company Secretary

ACS: 50702

Sunil Y. Raghav

Chief Financial Officer

Place : Mumbai

Date : 18th May, 2018

Place : Mumbai

Date : 18th May, 2018



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: CORPORATE INFORMATION

These statements comprise financial statements of Pentokey Organy (India) Limited referred to as (“the Company”) (CIN: L24116MH1986PLC041681) for the year ended March 31, 2018. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its Equity share are listed on The Bombay Stock Exchange in India. The registered office of the company is located at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai - 400 001.

The Company is principally engaged in trading of chemicals

The financial statements were approved by the Board of Directors and authorised for issue on May 18, 2018.

Note 2: SIGNIFICANT ACCOUNTING POLICIES**A) Basis of Preparation of Ind AS Financial Statements:**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on an accrual basis except for:

- i) Certain financial assets are measured at fair value,

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as “Previous GAAP”. These financial statements are the Company's first Ind AS compliant financial statements and are covered by Ind AS 101 - First time adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2016.

B) Use of Estimates:

The preparation of Ind AS 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:

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use.

For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2016.

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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

F) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, exclud-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ing dividends are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognized and removed from the Company's balance sheet when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an expected 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the trade receivables or a Group of trade receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix at every reporting date is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities desig-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

nated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

G) 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.

H) Provision for Current tax and Deferred tax:

- i) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates and laws that are enacted or substantively enacted at the balance sheet date. The tax is recognised in statement of profit and loss, except to the extent that it related to items recognised in the other comprehensive income (OCI) or in other equity. In this case, the tax is also recognised in other comprehensive income and other equity.
- ii) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax asset on unabsorbed depreciation and carried forward losses is recognised only to the extent of deferred tax liability.
- iii) Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I) Provisions , Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

J) Contingent Liabilities:

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

K) Contingent Assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

L) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, including excise duty and excluding taxes or duties collected on behalf of the government (other than excise duty).

Revenue is recognised only if the following conditions are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
 - i) It can be reliably measured and it is reasonable to expect ultimate collection.
 - ii) Dividends are recognised when the right to receive them is established.
 - iii) Interest Income is accounted on accrual basis.

M) 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.

N) Impairment of Assets:

As at the end of each accounting year, the company reviews the carrying amounts of its non-financial assets e.g.PPE, investment property, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- i) in the case of an individual asset, at the higher of the net selling price and the value in use; and



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

O) Borrowing Cost:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

P) Foreign Currency Transaction:

- i) Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss.
- ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

Q) 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

Note 3 : Property, Plant and Equipment, Depreciation and Amortisation Expense

Amount in ₹

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April, 2017	Addition	Deletion / Adjustments	As at 31st March, 2018	As at 1st April, 2017	For The Year	Deletion / Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
A) Assets Held for Sale										
Plant & Machinery	6,91,96,327	-	1,19,81,168	5,72,15,159	5,40,85,102	4,51,858	1,19,33,702	4,26,03,258	1,46,11,901	1,51,11,225
Subtotal (A)	6,91,96,327	-	1,19,81,168	5,72,15,159	5,40,85,102	4,51,858	1,19,33,702	4,26,03,258	1,46,11,901	1,51,11,225
B) Tangible Assets										
Office Equipments	-	42,160	-	42,160	-	6,837	-	6,837	35,323	-
Computers	67,619	-	-	67,619	66,267	-	-	66,267	1,352	1,352
Furniture & Fixtures	63,132	32,301	-	95,433	24,203	6,548	-	30,751	64,682	38,929
Vehicles	23,73,832	-	23,73,832	-	13,10,251	61,504	13,71,755	-	-	10,63,581
Subtotal (B)	25,04,583	74,461	23,73,832	2,05,212	14,00,721	74,889	13,71,755	1,03,855	1,01,357	11,03,862
C) Intangible Assets										
Computer Software	4,39,358	-	-	4,39,358	3,16,513	99,040	-	4,15,553	23,805	1,22,845
Subtotal (C)	4,39,358	-	-	4,39,358	3,16,513	99,040	-	4,15,553	23,805	1,22,845
TOTAL (A) + (B) + (C)	7,21,40,268	74,461	1,43,55,000	5,78,59,729	5,58,02,336	6,25,787	1,33,05,457	4,31,22,666	1,47,37,062	1,63,37,932

Amount in ₹

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
A) Assets Held for Sale										
Land (Leasehold)	9,87,872	-	9,87,872	-	2,49,593	10,400	2,59,993	-	-	7,38,279
Factory Building	3,74,36,914	-	3,74,36,914	-	2,22,35,141	12,96,738	2,35,31,879	-	-	1,52,01,773
Plant & Machinery	26,58,00,084	-	19,66,03,757	6,91,96,327	18,18,51,777	41,85,190	13,19,51,865	5,40,85,102	1,51,11,225	8,39,48,307
Subtotal (A)	30,42,24,870	-	23,50,28,543	6,91,96,327	20,43,36,511	54,92,328	15,57,43,737	5,40,85,102	1,51,11,225	9,98,88,359
B) Tangible Assets										
Electrical Installation	93,844	-	93,844	-	92,502	-	92,502	-	-	1,342
Office Equipments	40,35,037	-	40,35,037	-	24,67,802	2,45,995	27,13,796	-	-	15,67,235
Computers	21,99,067	-	21,31,448	67,619	21,71,310	12,036	21,17,079	66,267	1,352	27,757
Furniture & Fixtures	26,23,568	-	25,60,437	63,132	21,64,359	1,16,701	22,56,857	24,203	38,929	4,59,209
Vehicles	23,73,832	-	-	23,73,832	9,98,186	3,12,065	-	13,10,251	10,63,581	13,75,646
Subtotal (B)	1,13,25,348	-	88,20,766	25,04,583	78,94,159	6,86,797	71,80,235	14,00,721	11,03,862	34,31,189
C) Intangible Assets										
Computer Software	4,39,358	-	-	4,39,358	1,85,061	1,31,452	-	3,16,513	1,22,845	2,54,297
Patents & Trade Mark	11,600	-	11,600	-	11,600	-	11,600	-	-	-
Subtotal (C)	4,50,958	-	11,600	4,39,358	1,96,661	1,31,452	11,600	3,16,513	1,22,845	2,54,297
TOTAL (A) + (B) + (C)	31,60,01,176	-	24,38,60,909	7,21,40,268	21,24,27,331	63,10,577	16,29,35,572	5,58,02,335	1,63,37,932	10,35,73,845



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Note 4 : Non-current Financial Assets			
i) Non-current investments			
Investment in Equity Instrument			
Investment carried at fair value through other comprehensive income			
Quoted Investment			
500 (Previous Year 500) Equity Shares of Re.1/- (Previous Year Re. 1/- each fully paid up of State Bank of India)	1,25,050	5,000	5,000
[Market value of quoted investment ₹ 1.25 Lakh (Previous Year ₹ 1.46 Lakh)]			
TOTAL	<u>1,25,050</u>	<u>5,000</u>	<u>5,000</u>
ii) Other Bank Balances			
Margin Money with Bank (Pledged)	7,31,667	6,88,755	6,45,031
TOTAL	<u>7,31,667</u>	<u>6,88,755</u>	<u>6,45,031</u>
iii) Other non-current Financial Assets			
Security Deposits & Other Deposits			
Unsecured, Considered good	8,69,500	8,69,500	7,69,500
TOTAL	<u>8,69,500</u>	<u>8,69,500</u>	<u>7,69,500</u>
Note 5 : Other non current Asset			
i) VAT Refund Receivable			
Unsecured, Considered good	48,46,916	81,10,005	81,10,005
ii) Other Advances			
Unsecured, Considered good	1,00,000	1,00,000	2,48,225
TOTAL	<u>49,46,916</u>	<u>82,10,005</u>	<u>83,58,230</u>
Note 6 : Inventories			
Raw Material	-	-	2,98,869
Work in process	-	-	7,36,596
Finished Goods	-	-	2,68,475
Stores & Spares	7,92,397	11,48,706	30,04,022
TOTAL	<u>7,92,397</u>	<u>11,48,706</u>	<u>43,07,962</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Note 7 : Financial Assets			
i) Trade Receivables			
Unsecured, Considered good	19,65,408	-	19,29,275
TOTAL	19,65,408	-	19,29,275
ii) Cash and Cash Equivalentants			
Balance with Banks in Current Accounts	51,66,335	9,42,953	30,20,757
Cash on Hand	69,707	99,921	3,25,254
TOTAL	52,36,042	10,42,874	33,46,011
iii) Other Bank Balances			
Earmarked Bank Accounts for Dividend	8,48,446	8,49,225	8,49,577
Fixed Deposit with Bank (Including Pledged as collateral security ₹ 50,00,000/-)	1,53,09,027	-	-
TOTAL	1,61,57,473	8,49,225	8,49,577
iv) Other current Financial Assets			
Unsecured, Considered good			
Security Deposit	8,000	8,000	3,000
Other Receivable	2,002	36,000	8,34,993
Interest Receivable	2,68,355	2,14,122	3,81,271
Receivable for Sale of Assets	-	6,66,61,525	-
TOTAL	2,78,357	6,69,19,647	12,19,264
Note 8 : Other current assets (Unsecured considered good)			
Balance with Excise Department	38,093	3,48,432	99,38,721
VAT Refund Receivable	1,48,50,471	5,95,39,162	6,04,96,136
Interest Receivable - Sales Tax	11,45,836	25,37,567	-
Other Receivable	-	-	1,52,78,951
TOTAL	1,60,34,400	6,24,25,161	8,57,13,808



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Note 9 : Equity Share Capital			
Equity Share Capital consist of the following:			
i) Authorised			
4,00,00,000 (P. Y. 4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000	40,00,00,000
ii) Issued			
62,72,629 (P. Y. 62,72,629) Equity Shares of ₹ 10/- each	6,27,26,290	6,27,26,290	6,27,26,290
iii) Subscribed and Paid-up			
62,72,629 (P. Y. 62,72,629) Equity Shares of ₹ 10/- each	6,27,26,290	6,27,26,290	6,27,26,290
Including Bonus Shares Issued on 19.12.2012			
6,38,296 Equity Shares of ₹ 10/- each			
Total Share Capital	6,27,26,290	6,27,26,290	6,27,26,290

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

Particulars	2017-18		2016-17		2015-16	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10/- each fully paid :						
Shares outstanding at the beginning of the year	62,72,629	6,27,26,290	62,72,629	6,27,26,290	62,72,629	6,27,26,290
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	62,72,629	6,27,26,290	62,72,629	6,27,26,290	62,72,629	6,27,26,290

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, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Sakarwadi Trading Co. Pvt. Ltd.	29,45,573	46.96	29,45,573	46.96	29,45,573	46.96
Somaiya Agencies Pvt. Ltd.	10,00,000	15.94	10,00,000	15.94	10,00,000	15.94
Jasmine Trading Co. Pvt. Ltd.	6,00,000	9.57	6,00,000	9.57	6,00,000	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, 2018	As at 31st March, 2017	As at 31st March, 2016
Note 10 : Other equity			
i) Capital Reserve			
Opening Balance	30,00,000	30,00,000	30,00,000
	<u>30,00,000</u>	<u>30,00,000</u>	<u>30,00,000</u>
ii) General Reserves			
Opening Balance	17,20,000	17,20,000	17,20,000
Add : Transfer during the year	-	-	-
	<u>17,20,000</u>	<u>17,20,000</u>	<u>17,20,000</u>
iii) Retained Earnings			
Opening Balance	(1,04,52,254)	(10,65,54,600)	(1,71,79,606)
Add : Profit / (Loss) for the year	2,33,282	9,61,02,346	(8,93,74,993)
	<u>(1,02,18,972)</u>	<u>(1,04,52,254)</u>	<u>(10,65,54,599)</u>
TOTAL	<u>(54,98,972)</u>	<u>(57,32,254)</u>	<u>(10,18,34,599)</u>
Note 11 : Borrowings			
Unsecured Borrowings			
From Related Parties	-	3,00,00,000	8,10,00,000
From Other Parties	-	3,50,00,000	3,50,00,000
TOTAL	-	<u>6,50,00,000</u>	<u>11,60,00,000</u>
Note 12 : Non - current Provisions			
Provision For Gratuity	1,86,660	1,61,225	7,81,946
TOTAL	<u>1,86,660</u>	<u>1,61,225</u>	<u>7,81,946</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹		
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Note 13 : Financial Liabilities			
i) Borrowings			
Unsecured Borrowings			
Working Capital Loans from Bank	-	-	6,39,28,041
TOTAL	-	-	6,39,28,041
ii) Trade Payable	26,66,841	58,25,513	3,19,78,109
TOTAL	26,66,841	58,25,513	3,19,78,109
iii) Other current financial liabilities			
Interest Accrued and Due on Loans	-	52,93,110	35,26,187
Unclaimed Dividend	8,48,446	8,49,225	8,49,577
Book Overdrawn Bank Balance	-	1,00,00,626	-
Others	1,85,717	1,84,387	28,04,466
TOTAL	10,34,163	1,63,27,348	71,80,230
Note 14 : Other Current Liabilities			
Advances from Customers	14,603	32,000	4,45,297
Duties and Taxes	72,983	96,38,036	9,26,162
TOTAL	87,586	96,70,036	13,71,459
Note 15 : Provisions			
i) Provisions for Employee Benefits			
Gratuity	5,36,538	5,36,538	56,42,810
Leave Encashment	64,674	3,45,870	19,43,217
Retrenchment Compensation	-	-	2,10,00,000
	6,01,212	8,82,408	2,85,86,027
ii) Other			
Provision for Taxation (Net off Advance Tax)	70,493	36,36,239	-
TOTAL	6,71,705	45,18,647	2,85,86,027



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Note 16 : REVENUE FROM OPERATIONS (GROSS)		
a) Particulars of Sales of Product		
Ethyl Acetate	-	10,97,145
Other	9,00,332	6,46,626
Trading	4,60,12,106	30,16,800
TOTAL	4,69,12,438	47,60,571
Earnings in Foreign Currency		
Exports of Goods on Free on Board (FOB) basis	7,77,341	-
b) Other Operating Income		
Export Incentives	-	29,76,469
Commission Received	1,05,000	-
TOTAL	1,05,000	29,76,469
TOTAL REVENUE FROM OPERATIONS	4,70,17,438	77,37,040
Note 17 : OTHER INCOME		
Interest Received	5,88,674	2,37,548
Interest Received - Sales Tax	11,45,836	25,37,567
Interest Received - Income Tax	-	2,669
Dividend Received from Long-term Investment	1,300	1,300
Miscellaneous Income	89,758	1,36,429
TOTAL	18,25,568	29,15,513
Note 18 : COST OF MATERIAL CONSUMED		
Raw Materials		
Opening Inventories	-	2,98,869
Purchases	-	-
	-	2,98,869
Less : Closing Inventories	-	-
TOTAL	-	2,98,869
Note 19 : PURCHASE OF STOCK-IN-TRADE		
Purchase Trading	4,31,17,157	29,79,200
TOTAL	4,31,17,157	29,79,200



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Note 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
Closing Inventories		
Finished Goods	-	-
Stock-in-trade	-	-
Work in process	-	-
	<u>-</u>	<u>-</u>
Less: Opening Inventories		
Finished Goods	-	2,68,475
Stock-in-trade	-	-
Work in process	-	7,36,596
	<u>-</u>	<u>10,05,071</u>
Excise Duty on Opening and Closing Stock of F.G.	-	(29,831)
TOTAL	<u>-</u>	<u>9,75,240</u>
Note 21 : EMPLOYEE BENEFITS EXPENSE		
Salary, Wages and Bonus	14,60,986	22,95,124
Gratuity and Leave Encashment	1,50,644	2,92,184
Retrenchment Compensation Paid		2,14,13,409
Less : Provision for Retrenchment Compensation W/back	-	<u>2,10,00,000</u>
Contribution to PF and ESIC	68,091	1,57,906
Staff Welfare Expenses	12,563	42,858
Directors Remuneration	2,40,502	14,24,629
TOTAL	<u>19,32,786</u>	<u>46,26,110</u>
Note 22 : FINANCE COST		
Interest - Bank	-	46,10,834
Interest - Others	23,60,114	1,66,58,653
Other Borrowing Cost	2,29,349	6,65,564
TOTAL	<u>25,89,463</u>	<u>2,19,35,051</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Note 23 : OTHER EXPENSES		
Stores Consumed	-	17,00,000
Fuel and Power	15,65,343	18,92,683
Water Charges	6,23,545	9,04,620
Other Manufacturing Expenses	-	4,849
Rent, Rates and Taxes	8,01,000	9,34,694
Insurance	9,147	7,97,206
<u>Repairs & Maintenance</u>		
i) Plant	-	1,60,952
ii) Building	-	-
iii) Others	12,23,451	12,900
Total	12,23,451	1,73,852
Legal and Professional Charges	9,94,609	31,98,224
Motor Car Expenses	-	2,629
Travelling and Conveyance Expenses	1,00,023	1,92,813
Postage and Telephone	1,26,153	6,36,679
Printing and Stationery	4,15,458	4,17,222
Security Service Charges	5,10,537	17,93,651
Donation	40,000	-
Bad Debts Written off	-	2,78,58,992
Add: Advances and Deposits Written off	-	67,29,094
	-	<u>3,45,88,086</u>
Less : Provision for Doubtful Debts / Advances Written back	-	<u>3,45,88,086</u>
Auditors Remuneration	3,07,050	4,15,350
Other Expenses	6,47,738	35,52,302
Clearing and Forwarding Charges Export	2,73,587	-
Bank Charges	55,462	6,261
Listing Fees Paid	3,99,433	3,25,342
TOTAL	<u>80,92,537</u>	<u>1,69,48,376</u>
Expenditure in Foreign Currency		
Product Registration Exps.	-	9,47,066



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24: The Company has sold certain Plant and Machinery located at Lote Parshuram, Tal. Khed, Dist. Ratnagiri and accordingly Profit on Sales of the Assets have been accounted during the year under exceptional item.

Note 25: The Company has no dues to Micro and Small Enterprises as at 31st March 2018. 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 26: Contingent Liabilities

- i) The State Excise Department, Government of Maharashtra has demanded ₹ 1,03,24,000/- (Previous Year ₹ 1,03,24,000/-) 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 ₹ NIL (Previous Year ₹ 39,36,860/-) under BST Act and ₹ NIL (Previous Year ₹ 1,54,58,929/-) under CST Act for the year 2003-04 against which the Company has preferred appeals before Maharashtra Sales Tax Tribunal and tribunal has set aside the assessment and directed to Assessing Officer to make fresh assessment.

Note 27: Loans and Advances including ₹ Nil (Previous Year ₹ Nil) 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:

		Amount in ₹
1.	Minimum Demand Charges, Interest and late payment charges	29,05,702
2.	Deposits	22,48,497
	Total	51,54,199

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 2016-17 in the books of accounts.

Note 28: 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 29: Disclosure of Retirement Benefits (IND AS-19):

- 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.
- b) **Defined Contribution Plan**

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

		Amount in ₹	
Particulars	2017-18	2016-17	
Employers Contribution to Provident Fund and Pension Fund	67,983	2,48,747	
Employers Contribution to ESIC	-	1,288	

Note 30: Disclosure of Segment Reporting (IND AS-108):

- i) The business segment has been considered as the primary segment. The only segment in which the Company is engaged in Trading of Chemicals. Hence disclosure of business segment (primary disclosure) is not applicable to the Company.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- ii) The Secondary disclosure as required by the Accounting Standard “Segment Reporting” is as follows:

Amount in ₹			
Sr.	Particulars	2017-18	2016-17
1	Domestic Sales (Net of Excise Duty)	4,61,35,097	46,38,666
2	Export Sales – FOB	7,77,341	-
	Total	4,69,12,438	46,38,666

- iii) The Company does not have any Property, Plant and Equipment outside India.

Note 31: Disclosure of Related Party (IND AS-24)

- 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	S. Mohan – Director M. N. B. Nair – Chief Executive Officer Sunil Raghav – Chief Financial Officer Swarna S. Gunware – Company Secretary (Upto 17.10.2017) Surabhi Vartak – Company Secretary (w.e.f. 01.02.2018)

- b) Transactions with Related Parties:

Amount in ₹		
Particulars	2017-18	2016-17
Associates Concern		
Loan Fund Received /(Repayment)		
The Book Centre Ltd.	(1,10,00,000)	-
Sakarwadi Trading Co. Pvt. Ltd	-	5,00,00,000
Sakarwadi Trading Co. Pvt. Ltd	(1,90,00,000)	(10,10,00,000)
Jasmine Trading Co. Pvt.. Ltd.	-	2,00,00,000
Jasmine Trading Co. Pvt.. Ltd.	-	(2,00,00,000)
Interest		
Sakarwadi Trading Co. Pvt. Ltd	2,74,849	89,26,850
The Book Centre Ltd.	7,79,397	15,39,999
Jasmine Trading Co. Pvt.. Ltd.	-	3,99,452



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	2017-18	2016-17
Rent		
Somaiya Properties & Investments Pvt. Ltd. (Formerly The Godavari Sugar Mills Pvt. Ltd.)	5,48,730	4,96,440
Arpit Ltd.	2,95,470	24,150
Purchase		
Godavari Biorefineries Ltd.	1,94,68,000	-
Printing and Stationery		
The Book Centre Ltd.	17,914	9,540
Sales (Product / Machinery)		
Godavari Biorefineries Ltd.	2,14,97,002	56,84,666
Product Registration Expenses		
Godavari Biorefineries B.V.	-	9,47,066
Logo License Fees		
K. J. Somaiya & Sons Pvt. Ltd.	55,359	1,765
Key Management Personnel		
Remuneration		
S. Mohan	-	12,32,116
M. N. B. Nair	4,64,000	70,000
Sunil Raghav	6,24,432	6,18,473
Swarna Gunware	4,21,190	6,34,325
Surabhi Vartak	75,008	-

c) Year End Balances:

Amount in ₹

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Loan (including Interest)		
Sakarwadi Trading Co. Pvt. Ltd.	-	2,17,01,480
The Book Centre Ltd.	-	1,10,00,000
Trade Payable		
Godavari Biorefineries B.V.	-	9,47,066



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 32: Disclosure of operating Lease (IND AS-17):

Amount in ₹

Particulars	2017-18	2016-17
Future minimum lease payments are as under:		
a. Operating leases for each of the following periods:		
Not later than one year	7,20,000	6,84,000
Later than one year but not later than five years.	-	2,52,000

Note 33: Disclosure of Earning Per Share (IND AS-33):

Amount in ₹

Particulars	2017- 18	2016- 17
Total Income for the year after Tax	1,13,232	9,61,02,346
No. of Equity Shares of ₹ 10/- each	62,72,629	62,72,629
No. of Diluted Equity Shares of ₹ 10/- each.	62,72,629	62,72,629
Earnings Per Share		
– Basic	0.02	15.32
– Diluted	0.02	15.32
Face value of Equity Shares	10	10

Note 34: Disclosure Deferred Tax (IND AS-12):

In view of significant brought forward losses as detailed below, the Company has not provided net deferred Tax Asset on prudence basis.

Amount in ₹

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Accelerated Depreciation for tax purposes	(40,99,851)	(20,86,466)
Gratuity	2,01,194	48,249
Leave Encashment / Bonus	35,086	37,479
Losses available for offsetting against future taxable income	5,19,25,344	6,23,56,797
Net Deferred Tax Assets	4,80,61,773	6,03,56,059
Net Deferred Tax Assets Recognised	-	-

Note 35: Estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31st March, 2018 was ₹ NIL (Previous year ₹ NIL)

Note 36: Remuneration to Auditors

Amount in ₹

Particulars	2017-18	2016-17
Audit Fees	2,00,000	2,00,000
Tax Audit Fees	1,00,000	1,00,000
Tax Matter	-	57,350
Other Matters	7,050	58,000
Total	3,07,050	4,15,350



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 37: Fair Value Measurements

i) Financial Instruments by Category

Amount in ₹

Particulars	Carrying Amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	19,65,408	-	19,65,408	-
Cash and Cash Equivalents	52,36,042	10,42,874	52,36,042	10,42,874
Other Bank Balances	1,68,89,140	15,37,980	1,68,89,140	15,37,980
Security Deposits	8,69,500	8,69,19,647	8,69,500	8,69,19,647
Other Financial Assets	2,78,357	6,69,19,647	2,78,357	6,69,19,647
FVTOCI				
Investment in Equity Instruments	1,25,050	5,000	1,25,050	5,000
TOTAL	2,53,63,497	7,03,75,001	2,53,63,497	7,03,75,001
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	-	6,50,00,000	-	6,50,00,000
Trade Payables	26,66,841	58,25,513	26,66,841	58,25,513
Other financial liabilities	10,34,163	1,63,27,348	10,34,163	1,63,27,348
TOTAL	37,01,004	8,71,52,861	37,01,004	8,71,52,861

The management assessed that the fair value of cash and cash equivalent, trade receivables, security deposits, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Amount in ₹

Particulars	March 31, 2018			Total
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Financial Investments at FVTPL				
Investments in Equity Instruments	1,25,050	-	-	1,25,050
Total Financial Assets	1,25,050	-	-	1,25,050



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	March 31, 2017			Total
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Financial Investments at FVTPL				
Investments in Equity Instruments	5,000	-	-	5,000
Total Financial Assets	5,000	-	-	5,000

iii) Fair value measurement

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity shares.

There have been no transfers among Level 1, Level 2 and Level 3 during the period

iv) Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

v) Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting periods.

Note 38: Financial Risk Management

The company's activity expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(A) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

i) Credit risk management

To manage the credit risk, Company periodically assesses the financial reliability of customers; taking into account factors such as credit track record in the market and past dealings with the company for extension of credit to Customer. Company monitors the payment track record of the customers, restrict credit limit, credit rating etc.

ii) Provision for expected credit losses - Trade Receivables

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Exposure - Trade Receivables

Amount in ₹

Particulars	Past Due		Total
	Up to 6 Months	More than 6 Months	
As at March 31, 2018	19,65,408	-	19,65,408
As at March 31, 2017	-	-	-

iii) Reconciliation of loss allowance provision - Trade receivables

Particulars	Amount in ₹
Loss allowance on April 1, 2016	-
Changes in loss allowance	-
Loss allowance on March 31, 2017	-
Changes in loss allowance	-
Loss allowance on March 31, 2018	-

iv) Provision for expected credit losses - Other financial assets

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 2,53,63,497/- (March 31, 2017: ₹ 7,03,75,001/-). The company does not expect credit loss on other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Contractual maturities of financial liabilities

Amount in ₹

Particulars	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2018					
Non-derivatives					
Borrowings	-	-	-	-	-
Trade payables	26,66,841	26,66,841	26,66,841	-	-
Other financial liabilities	10,34,163	10,34,163	10,34,163	-	-
Total non derivative liabilities	37,01,004	37,01,004	37,01,004	-	-
Derivatives					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-
March 31, 2017					
Non-derivatives					
Borrowings	6,50,00,000	6,50,00,000	6,50,00,000	-	-
Trade payables	58,25,513	58,25,513	58,25,513	-	-
Other financial liabilities	1,63,27,348	1,63,27,348	1,63,27,348	-	-
Total non derivative liabilities	8,71,52,861	8,71,52,861	8,71,52,861	-	-
Derivatives					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity price risk.

i) Foreign currency risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not Company's functional currency (INR). The Company has natural hedge of exports against import and any excess in import if any, is cover by forward contract.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(a) Foreign currency risk exposure

Particulars	EURO	Amount in ₹
March 31, 2018		
Trade Receivables	-	-
Trade Payables	-	-
Forward contracts for receivables	-	-
Forward contracts for payables	-	-
Net exposure to foreign currency risk	-	-
March 31, 2017		
Trade Receivables	-	-
Trade Payables	13,846.00	9,47,066
Forward contracts for receivables	-	-
Forward contracts for payables	-	-
Net exposure to foreign currency risk	13,846.00	9,47,066

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The management is responsible for the monitoring of the Company' interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable and competitive cost of funding.

However during the periods presented in the financial statements, the Company has repaid the borrowed money and has not borrowed any additional fund, therefore the Company is not significantly exposed to interest rate risk.

iii) Inventory price risk

The Inventory of the Company consist of Stores and Spares of ₹ 7,31,667/- which have been sold subsequently at above the cost and hence there is no inventory price risk.

Note 39: For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio restricted to 40%. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	March 31, 2018	March 31, 2017
Borrowings other than convertible preference shares	-	6,50,00,000
Trade payables	26,66,841	58,25,513
Other payables	19,80,114	3,06,77,257
Less: cash and cash equivalents	52,36,042	10,42,874
Net Debt	(5,89,087)	10,04,59,896
Equity share capital	6,27,26,290	6,27,26,290
Other equity	(54,98,972)	(57,32,254)
Total Capital	5,72,27,318	5,69,94,036
Capital and net debt	5,66,38,231	15,74,53,931
Gearing ratio	(1)	64

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The above capital gearing ratio as on March 31, 2018 has achieved the desired objective.

Note 40: Asset classified as held for sale

Particulars	Amount in ₹	
	March 31, 2018	March 31, 2017
Assets		
Property, plant and equipment	1,46,11,901	1,51,11,225
Assets classified as held for distribution	1,46,11,901	1,51,11,225
Liabilities	-	-
Net assets directly associated with disposal group	1,46,11,901	1,51,11,225

The above Asset classified as held for sale has been determined as on 31st March, 2018 on the basis of the Asset disposed off subsequently on closure of the Plant located at Lote Pursuram, Tal. Khed, Dist Ratnagiri.

As at March 31, 2018, there was no further write-down as the carrying amount of the disposal of the assets did not fall below its fair value less costs of disposal.

Note 41: These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has regrouped the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP) as there is no effect in financial positions, financial performance and Cash Flows in transition from previous GAAP to IND AS.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 42: Ind AS optional exemptions

i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii) Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model.

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the classification and measurement of financial assets have been done on the basis of the facts and circumstances that existed at the date of transition and end of comparative year.

Note 43: The figures of the previous year have been regrouped and rearranged so as to make them comparable with those of the current financial year.

As per our report of even date attached

For **Desai Saksena & Associates**

Chartered Accountants

F.R.N. 102358W

Alok K. Saksena

Partner

M.N. 35170

Place : Mumbai

Date : 18th May, 2018

For and on behalf of the Board of Directors

S. Mohan

Director

DIN: 03184356

Surabhi S. Vartak

Company Secretary

ACS: 50702

Place : Mumbai

Date : 18th May, 2018

Devendra J. Shrimanker

Director

DIN: 00385083

Sunil Y. Raghav

Chief Financial Officer



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

31st Annual General Meeting (AGM) – Friday, the 21st September, 2018 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

- Name : Address :
..... E-mail Id :
Signature :or failing him
- Name : Address :
..... E-mail Id :
Signature :or failing him
- 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 31st Annual General Meeting of the Company, to be held on Friday, the 21st September, 2018, 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:

- Ordinary resolution for Adoption of Audited Financial Statements for the year ended 31st March, 2018 with Reports of the Directors and Auditors thereon.
- Ordinary resolution for re-appointment of Mr. S Mohan (DIN: 03184356), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- Ordinary resolution for appointment of M/s. Verma Mehta & Associates, Chartered Accountants (Firm Registration No. 112118W) as Statutory Auditors in place of retiring Statutory Auditors, M/s. Desai Saksena & Associates, Chartered Accountants and to fix their remuneration for financial year ending 31st March, 2019.



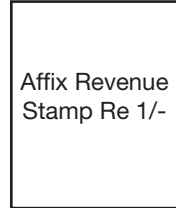
SPECIAL BUSINESS:

4. Ordinary Resolution for appointment of Mr. Shrinivas Mokashi (DIN: 00480618) as Director of the Company.
5. Special Resolution under Section 188 of the Companies Act, 2013 for approval of related party transactions for financial year 2018-19.

Signed this..... day of..... 2018

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 31ST 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

31st Annual General Meeting (AGM) – Friday, 21st September, 2018

I/We hereby record my/our presence at the 31st Annual General Meeting held at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020 on Friday, the 21st September, 2018 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 31st Annual General Meeting. The e-voting period starts Tuesday, 18th September, 2018 at 9:00 am and ends on Thursday, 20th September, 2018 at 5:00 pm. The voting module shall be disabled by CDSL for voting thereafter.



PENTOKEY ORGANY (INDIA) LIMITED

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

Telephone: (022) 6170 2100 / 164, **Fax:** (91-22) 2204 7297 / 3303

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

CIN: L24116MH1986PLC041681

Dear Shareholder(s),

Subject: Updating PAN, Bank Account Details and Mandatory Dematerialization of Shares – Reminder 1.

Reference: SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 and SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018

In furtherance to our letter dated 3rd July, 2018; we hereby inform you that the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 and SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018 has issued guidelines for strengthening and raising industry standards for Registrar & Transfer Agents (RTAs), Issuer Companies and Bankers to an issue.

The shareholders are required to update their PAN and Bank Account details with the Company or the Registrar & Transfer Agent (RTA) of the Company.

In view of the above and in compliance with the said SEBI circulars, we request you to kindly update your PAN and Bank account details by submitting a self attested copy of your PAN Card along with original Cancelled Cheque leaf / attested Bank Passbook showing your name as the account holder within 21 days from the date of this letter at the addresses mentioned below: -

Ms. Surabhi Vartak
Company Secretary & Compliance Officer
Pentokey Organy (India) Limited
*Somaiya Bhavan, 45/47,
M.G. Road, Fort,
Mumbai – 400 001*
Contact: +91 22 61702100 /164
Email: investors@pentokey.com

Mr. Pradeep Mokale / Mr. Anand Bhilare
Datamatics Business Solutions Limited
Registrar & Transfer Agent
Unit: Pentokey Organy (India) Limited
*Plot No. B-5, Part B Cross Lane,
MIDC, Andheri (East)
Mumbai – 400 093.*
Contact: +91 22 6671 2188/2191
Email: anand_bhilare@datamaticsbpm.com

Please mention the reference Folio No. on all the documents and ensure that all the documents are forwarded at the above mentioned address within 21 days from the date of this letter.

Further as directed in the said circulars, **shareholders of the Company who continue to hold shares in physical form are advised to dematerialize their shares on or before 5th December, 2018 otherwise transfer of securities in physical form, post 5th December, 2018 will not be permitted.** For effecting any transfer, the Securities are mandatorily required to be in Demat form. You are therefore requested to dematerialise your physical shares at the earliest. For any clarification, assistance or information relating to dematerialization of shares, please contact the Company's RTA.

We look forward with your favourable response which the SEBI has initiated to protect the interest of shareholders to promote development and regulate the securities market. The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities.

Thanking You,

For **Pentokey Organy (India) Limited**

Sd/-

Surabhi Vartak
Company Secretary & Compliance Officer

UPDATION OF SHAREHOLDERS INFORMATION

To,
The Company Secretary & Compliance Officer
Pentokey Organy (India) Limited
Somaiya Bhavan, 45/47,
M.G. Road, Fort,
Mumbai – 400 001
Contact: +91 22 61702100 /164
Email: investors@pentokey.com

To,
Mr. Pradeep Mokale / Mr. Anand Bhilare
Datamatics Business Solutions Limited
Unit: Pentokey Organy (India) Limited
Plot No. B-5, Part B Cross Lane,
MIDC, Andheri (East)
Mumbai – 400 093.
Contact: +91 22 6671 2188/2191
Email: anand_bhilare@datamaticsbpm.com

Dear Madam/Sir,

I/We request you to record the following information against my/our Folio No:

Folio No.	
Name of the (First) Shareholder	
PAN of the (First) Shareholder*	
Communication Address*	
Email ID	
Mob. / Tel. No. (with STD Code)	
Name of the Bank	
Bank Branch Name	
Account Type (SB/CA/CC) & Account Number	
MICR No. (9 digit)	
IFSC (11 digit) Code	

Note: Please attach photocopy of the cheque /cancelled cheque of the aforesaid a/c and self attested copy of the PAN card & address proof, in case of any change in address

Yours faithfully

(Signature of the first/sole shareholder)



If undelivered, please return to

DATAMATICS BUSINESS SOLUTIONS LIMITED

Unit: Pentokey Organy (India) Limited

Plot No B-5, MIDC,

Part B, Cross Lane, Andheri (East),

Mumbai - 400 093