

32nd ANNUAL REPORT

2018 - 2019





BOARD OF DIRECTORS

Mr. Devendra Shrimanker	Non - Executive Independent Director
Mr. S. Mohan	Non - Executive Non-Independent Director
Ms. Prajakta Shidhore	Non - Executive Independent Director
Mr. Shyam Balsekar	Non - Executive Independent Director
Mr. Shrinivas Mokashi	Non - Executive Non-Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Balachnadrann Nair M.N.	Chief Executive Officer
Mr. Sunil Raghav	Chief Financial Officer
Ms. Surabhi Vartak	Company Secretary

CORPORATE IDENTIFICATION NUMBER L24116MH1986PLC041681

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

SALES OFFICE

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

AUDITORS

M/s Verma Mehta & Associates
Chartered Accountants
104, Creative Industries Premises,
Sunder Nagar, Kalina,
Santacruz (East), Mumbai - 400 098

BANKERS

Indian Overseas Bank
Bank of India

REGISTRAR & TRANSFER AGENTS (RTA)

Datamatics Business Solutions Limited
Plot No. B-5, Part B Cross Lane,
MIDC, Andheri (East), Mumbai – 400 093.
Contact: (0 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 **32nd Annual General Meeting of the Members of Pentokey Organy (India) Limited** will be held on Thursday, September 26, 2019 at 3:00 p.m. at Kilachand Conference Hall, 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, 2019 and the Reports of the Directors and Auditors thereon.**
- 2. To appoint a Director in place of Mr. S. Mohan (DIN: 03184356), who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

- 3. To Re-Appoint Mr. Devendra Shrimanker as an Independent Director of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and all other rules, regulations, notifications and circulars (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time), on recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company and subject to the approval of such authorities as may be required, the consent of the Members be and is hereby accorded for the re-appointment of Mr. Devendra Shrimanker (DIN: 00385083), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for reappointment be and is hereby re-appointed as an Independent Non-Executive Director of the Company not liable to retire by rotation for a period of five years commencing from 13th August, 2019 ending on 12th August, 2024.”

- 4. To Re-Appoint Mr. Shyam Balsekar as an Independent Director of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and all other rules, regulations, notifications and circulars (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time), on recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company and subject to the approval of such authorities as may be required, the consent of the Members be and is hereby accorded for the re-appointment of Mr. Shyam Balsekar (DIN: 02333845), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for reappointment be and is hereby re-appointed as an Independent Non-Executive Director of the Company not liable to retire by rotation for a period of five years commencing from 13th August, 2019 ending on 12th August, 2024.”

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

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

Date : 7th August, 2019
Place : Mumbai

Surabhi Vartak
Company Secretary & Compliance Officer
ICSI M. No: ACS50702



NOTES:

a. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), in respect of Special Business under Item Nos. 3 and 4 of the Notice is annexed hereto.

b. 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 Friday, 20th September, 2019 to Thursday, 26th September, 2019 (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, 2019 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.
Contact: (022) 6671 2188/191
Email: anand_bhilane@datamaticsbpm.com

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 up to the date of AGM. For any communication, the shareholders may also send their requests to the Company’s investor email address: investors@pentokey.com.
- n. Voting through electronic means:
 - I. 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 32nd 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 Monday, 23rd September, 2019 at 9:00 am and ends on Wednesday, 25th September, 2019 at 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 Thursday, 19th September, 2019, 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	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. 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 (3).
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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 "Pentokey 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 Thursday, 19th September, 2019.



- 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 two 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.pentokoy.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.
- Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 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.

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





DETAILS OF DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE FORTHCOMING AGM AS REQUIRED BY REGULATION 26 AND REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“LISTING REGULATIONS”) AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS – 2)

Name of Director	Date of Birth	Date of Appointment	Age	Qualification	Expertise	Disclosure of relationships between directors inter-se	List of Other Companies in which Directorship and membership of Committees held	Shareholding in the Company
Mr. S. Mohan (DIN: 03184356)	01/07/1958	05/08/2010	61	Bachelor of Science	Mr. S Mohan, is a graduate in Applied Science from Madras University, He has more than 35 years of experience in major alcohol based chemical industries. He is associated with the Company since 2010.	Nil	Directorships: 1. Godavari Biorefineries Limited 2. Somaiya Properties And Investments Private Limited 3. Somaiya Chemical Industries Private Limited Membership of Committee: 1. Godavari Biorefineries Limited – Stakeholder Relationship Committee	Nil
Mr. Devendra Shrimanker (DIN: 00385083)	09/10/1965	13/08/2014	54	Bachelor of Commerce Fellow Member of The Institute of Chartered Accountant of India. (ICAI)	Mr. Shrimanker is a Bachelor of Commerce and a Fellow member of The Institute of Chartered Accountant of India. He has more than 28 years of experience in the field of Taxation, Accounting, Auditing and Advisory Services. His Professional experiences include Tax Planning Advisory, Compliance Services, and International Taxation Matters.	Nil	Directorships: 1. Shrimanker Securities Private Limited 2. Palomino Risk Consulting Private Limited 3. Aarvi Encon Limited 4. Citadel Realty and Developers Limited Chairmanship of Committee: 1. Aarvi Encon Limited. – Audit Committee Membership of Committee: 1. Citadel Realty and Developers Limited – Audit Committee	Nil
Mr. Shyam Balsekar (DIN: 02333845)	16/10/1967	13/08/2014	52	B. E. (Electronics) and Diploma in Business Management	He is B. E. (Electronics) and Diploma in Business Management and has extensive experience in the field of Electronics and Renewable energy.	Nil	Directorships: 1. Linear Environment and Safety Technology Private Ltd. 2. Filmedia Communication Systems Private Limited	Nil



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

Pursuant to Regulation 36(3) of the Listing Regulations read with Section 102 of the Act, the following explanatory statement sets out all material facts relating to Item No. 3 & 4 of the Notice

Item No. 3

Mr. Devendra Shrimaker (DIN: 00385083) is an Independent Non-Executive Director of the Company and Chairman of the Audit Committee and Stakeholders Relationship Committee and Member of Nomination and Remuneration Committee of the Board of Directors of the Company.

Pursuant to the Act, Mr. Devendra Shrimanker was appointed as an Independent Non-Executive Director to hold office for a term of five consecutive years with effect from 13th August, 2014, by the Members of the Company in its 27th Annual General Meeting held on 13th August, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Devendra Shrimanker, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from 13th August, 2019 ending on 12th August, 2024.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Devendra Shrimanker as an Independent Director and based on the recommendation of the Nomination and Remuneration Committee and on the performance evaluation of Independent Directors the Board recommends the Special Resolution as set out at Item No. 3 of the Notice of the AGM for approval of the members.

Other than Mr. Devendra Shrimanker, none of the Directors or Key Managerial Personnel of the Company are concerned or interested in the proposed special Resolution as set out at Item No. 3 of the Notice.

Item No. 4

Mr. Shyam Balsekar (DIN: 02333845) is an Independent Non-Executive Director of the Company and Chairman of the Nomination and Remuneration Committee and Member of Audit Committee and Stakeholders Relationship Committee of Board of Directors of the Company.

Pursuant to the Act, Mr. Shyam Balsekar was appointed as an Independent Non-Executive Director to hold office for a term of five consecutive years with effect from 13th August, 2014, by the Members of the Company in its 27th Annual General Meeting held on 13th August, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Shyam Balsekar, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from 13th August, 2019 ending on 12th August, 2024.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Shyam Balsekar as an Independent Director and based on the recommendation of the Nomination and Remuneration Committee and on the performance evaluation of Independent Directors the Board recommends the Special Resolution as set out at Item No. 4 of the Notice of the AGM for approval of the members.

Other than Mr. Shyam Balsekar, none of the Directors or Key Managerial Personnel of the Company are concerned or interested in the proposed Special Resolution as set out at Item No.4 of the Notice

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

Surabhi Vartak
Company Secretary & Compliance Officer
ICSI M. No: ACS 50702

Date : 7th August, 2019
Place : Mumbai



BOARD'S REPORT

Dear Shareholders,

The Board of Directors present their 32nd Annual Report of the Company together with Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS:

(₹ in Lakh)

Particulars	Financial Year 2018-19	Financial Year 2017-18
Income from Operations	948.14	488.43
Exceptional Item	97.07	80.03
Profit / (Loss) before Interest, Depreciation and Tax	31.76	37.03
Less: Interest Paid (Net)	0.66	25.89
Profit / (Loss) before Depreciation and Tax	31.10	11.14
Less: Depreciation / Amortisation	0.28	6.26
Profit / (Loss) before Tax	30.82	4.88
Less: Tax Expense	(0.35)	3.75
Net Profit / (Loss) after Tax	31.17	1.13

OPERATIONS REVIEW:

The Company's Income from Operations has been increased by ₹ 459.71 Lakh to ₹ 948.14 as against the Income from Operations of ₹ 488.43 Lakh in the corresponding previous year. The Company had a Profit of ₹ 31.76 Lakh before Interest and Depreciation as compared to a profit of ₹ 37.03 Lakh in the corresponding previous year. The Company earned Net Profit of ₹ 31.17 Lakh during the year as against a profit of ₹ 1.13 Lakh in the corresponding previous year.

DIVIDEND:

In order to conserve the resources of the Company, the Directors regret their inability to recommend any dividend for the Financial Year ended 31st March, 2019.

PUBLIC DEPOSITS:

The 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.

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars with respect to the conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to the Company. Foreign exchange earnings and outgo as stipulated under Section 134 of the Act read with the Companies (Accounts) Rules, 2014, is set out in the **Annexure I** to this report.

PARTICULARS OF EMPLOYEES, DIRECTORS AND KMP's:

The disclosure on the details of remuneration to Employees and 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 II** to this report.



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 available on the website of the Company at www.pentokey.com. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and its Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval and are in accordance with the Policy. All transactions entered into by the Company with Related Parties were in ordinary course of business and on arm's length basis.

Form 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 III** to this report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. During the financial year 2019 – 20, the Company would be transferring unclaimed dividend amount and corresponding shares to IEPF for the financial year ended 31st March, 2012.

The Company had sent individual notices and also advertised in the newspapers, seeking action from the shareholders who have not claimed their dividends for 7 (seven) consecutive years or more. Details of shares/shareholders in respect of which dividend has not been claimed, are also provided on the website of the Company at www.pentokey.com/Financial_Info.htm

SUBSIDIARIES AND ASSOCIATE COMPANIES:

The Company 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 Non-independent Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

Ms. Prajakta Shidhore & Mr. Shrinivas Mokashi continue to be Non-Executive Independent Director & Non-Executive Non-Independent Director of the Company respectively.

The first term of office of Mr. Devendra Shrimanker & Mr. Shyam Balsekar, as Independent Directors, expires on 12th August, 2019. Based on recommendation of Nomination & Remuneration Committee, and subject to the approval of the shareholders, the Board has recommended re-appointment of both Mr. Devendra Shrimanker & Mr. Shyam Balsekar as Independent Directors of the Company for a second term of 5 (five) consecutive years.

The Company has received declarations from all the Independent Directors, confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

MEETINGS OF THE BOARD:

During the financial year, 4 (four) meetings of the Board of Directors were held. Particulars of meetings held and attended by each Director are given in the Corporate Governance Report, which forms part of this Annual Report.

NOMINATION & REMUNERATION POLICY:

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 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.



PENTOKEY ORGANY (INDIA) LIMITED

The salient features of the Policy are set out in the Corporate Governance Report, which forms part of this Annual Report and is available on the website of the Company at www.pentokey.com

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 this Annual Report.

OTHER COMMITTEES:

Details of all the other Committees of the Board are provided in the Corporate Governance Report, which forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT:

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 and in compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a Compliance Certificate from the Statutory Auditor forms an integral part of this report and is set out in **Annexure IV**

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 part of this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors state that:

- (a) In the preparation of the annual financial statements for the year ended 31st March, 2019, 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, 2019 and of the profits of the Company for the year ended 31st March, 2019;
- (c) 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 annual financial statements have been prepared on a going concern basis;
- (e) Appropriate internal financial controls were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) Proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.



EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return of the Company as on 31st March, 2019 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 V** to this report and the same is also available on the website of the Company www.pentokey.com.

AUDITORS AND AUDITORS REPORT:

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 Board had appointed Mr. A. M. Bhat, Practicing Company Secretary (Membership No. 1560) as the Secretarial Auditor of the Company to conduct an audit of the Secretarial Records for financial year ending 31st March, 2019.

The Secretarial Audit Report for financial year ending 31st March, 2019 is annexed as **Annexure VI** to this Annual Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further under Regulation 24A of Listing Regulations, the Company was not required to submit the Annual Secretarial Compliance Report as the Company falls under the criteria as specified under Regulation 15 (2) of Listing Regulations.

Statutory Auditor:

M/s. Verma Mehta & Associates, Chartered Accountants (Firm Registration No. 112118W), were appointed as Statutory Auditors of the Company at its 31st Annual General Meeting held on 21st September, 2018, to hold office till the conclusion of the 36th Annual General Meeting.

The Auditor's Report for the financial year ended 31st March, 2019 on financial statements of the Company is a part of this report and is annexed as **Annexure VII** to this Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2019.

Cost Auditor:

The provisions of Cost Audit as prescribed under Section 148 of the Act, are not applicable to the Company.

MANAGEMENT DISCUSSIONS AND ANALYSIS:

The Company is currently doing chemical trading activities. 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.

RISK MANAGEMENT:

Pursuant to clause 15 (2) (a) of Listing Regulations, compliance with Corporate Governance provisions as specified under 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 are not applicable to the Company; however the Company operates with well defined risk management policy to identify measures to mitigate various business risks. 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.

VIGIL MECHANISM:

In compliance with the provisions of Section 177, 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, instances of financial irregularities, mala-fide manipulation of Company's records 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 who report unethical practices or irregularities.

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



PENTOKEY ORGANY (INDIA) LIMITED

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.

During the year, the Company has amended the Insider Trading Policy in line with Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The amended policy is available on the website of the Company at [http://www.pentokey.com/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information_\(Amended\).pdf](http://www.pentokey.com/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information_(Amended).pdf)

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 ending 31st March, 2019. The Company is committed to providing a safe and conducive work environment.

CORPORATE SOCIAL RESPONSIBILITY:

Pursuant 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 CONTROLS:

The Company has a sound internal control system, which ensures monitoring implementation of the action plans emerging out of internal audit findings. The terms of reference of the Audit Committee includes reviewing the effectiveness of the internal control environment. The Audit Committee of the Board addresses issues raised by both, the Internal Auditors and the Statutory Auditors of the Company. During the financial year under review, no material or serious observation has been received from the Statutory or Internal Auditors of the Company.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company which have occurred from the end date of the financial year upto the date of this Board's Report. Further there has been no change in the nature of business of the Company.

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.

SECRETARIAL STANDARDS ISSUED BY ICSI:

The Company is in compliance with all the applicable Secretarial Standards as specified by the Institute of Company Secretaries of India (ICSI).

INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs (MCA) on 16th February, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of Companies from 1st April, 2016 with a transition date of April 1, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from 1st April, 2017.

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.

**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.

APPRECIATION:

The Board of Directors place on record appreciation for the exemplary contribution made by the employees of the Company at all levels and also conveys its appreciation for 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

Mr. Devendra Shrimanker
Director
DIN: 00385083

Date : 7th August, 2019
Place : Mumbai

**Annexure - I****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	2018-19	2017-18
Earning	20.07	7.77
Outgo	483.73	-

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

Mr. S. Mohan
Director
DIN: 03184356

Mr. Devendra Shrimanker
Director
DIN: 00385083

Date : 7th August, 2019
Place : Mumbai



Annexure – II

Details pertaining to Remuneration

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.)

- 1) The ratio of the remuneration and percentage increase is not calculated as there are no employees in the Company other than the Chief Executive Officer, Chief Financial Officer and Company Secretary (Key Managerial Personnel's).
- 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, 2019: 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 ₹ 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 Shrimanker
Director
DIN: 00385083

Date : 7th August, 2019
Place : Mumbai



Annexure - III

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, 2019.

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, 2019 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 and Investments Private Limited (Associate Company & Mr. S. Mohan is a common Director)	Property on Leave & License	1 year from 1st April, 2018 to 31st March, 2019.	Leave and License agreement for 1 year from 1st April, 2018 to 31st March, 2019 occupying the premises for business purpose.	18th May, 2018	Nil
2.	Godavari Biorefineries Limited (Associate Company & Mr. S. Mohan is a common Director)	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.	18th May, 2018	Nil
3.	K. J. Somaiya & Sons Private Limited (Associate Company as per Accounting Standard)	Availing or rendering of any services	3 years from 1st April, 2017 to 31st March, 2020.	Entered into an agreement of License to use Trademark "Somaiya" w.e.f 1st April, 2017 to 31st March, 2020.	18th May, 2018	Nil
4.	The Book Centre Ltd. (Associate Company as per Accounting Standard)	P u r c h a s e 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.	18th May, 2018	Nil
5.	Arpit Limited (Associate Company as per Accounting Standard)	Property on Leave & License	25 months from 1st April, 2017 to 31st March, 2019.	Entered into Leave and License agreement for 25 months from 1st April, 2017 to 31st March, 2019 occupying the premises for business purpose.	18th 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 Shrimanker
Director
DIN: 00385083

Date : 7th August, 2019
Place : Mumbai

**Annexure - IV****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:

Penttokey Organy (India) Limited is committed to good corporate governance and continues to take necessary steps towards growth and to enhance value for its shareholders. The Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices. The Board of Directors fully supports and endorses the Corporate Governance practises being followed by the Company.

You Company has set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions.

BOARD OF DIRECTORS:**Composition:**

As on 31st March, 2019, the Board comprises of 5 (five) Directors of which 3 (three) are Independent Non-Executive Directors and 2 (two) are Non-independent Non-Executive Directors. The Chairman of the Board is a Non-Executive 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. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda.

4 (Four) Board Meetings were held during the financial year under review – 18th May, 2018, 2nd August, 2018, 12th November, 2018 and 9th February, 2019. The gap between two Meetings was not more than 120 (One Hundred Twenty) days. The Details of Directors Attendance at the Board Meetings and at the last Annual General Meeting (AGM) held on 21st September, 2018 are as under:

Name of the Director	No. of Board Meetings attended	Attendance at AGM held on 21st September, 2018
Mr. Devendra Shrimanker	4	Yes
Mr. Shyam Balsekar	4	Yes
Ms. Prajakta Shidhore	4	Yes
Mr. S. Mohan	4	Yes
Mr. Shrinivas Mokashi	4	Yes

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. In terms of the provisions of the Act, the Directors submit necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private Companies, from time to time. On basis of such disclosures, it is confirmed that as on date of this report, none of the Director:

- i. hold Directorships in more than 10 (Ten) public Companies;
- ii. is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees across all the public Companies in which he/she is a Director; and
- iii. are inter-se related to each other

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. As per the declarations received, none of the Directors



serve as an Independent Director in more than seven listed Companies.

The details of the Directors of the Company with regard to outside Directorships and Committee positions held as on 31st March, 2019 are as under:

Name of Director	Category	No of outside Directorship(s) held		No of outside Committee position held	
		Public	Other	Member	Chairperson
Mr. Devendra Shrimanker	Non-Executive -Independent	2	3	1	1
Ms. Prajakta Shidhore	Non-Executive -Independent	0	3	0	0
Mr. Shyam Balsekar	Non-Executive -Independent	0	2	0	0
Mr. S. Mohan	Non-Executive Non-Independent	1	2	1	0
Mr. Shrinivas Mokashi	Non-Executive Non-Independent	2	3	0	0

COMMITTEES OF THE BOARD:

The Board has constituted various committees with specific terms of reference in line with the provisions of the Listing Regulations & Companies Act, 2013 and rules issued thereunder. The details pursuant to various committees are as under:

The composition of the various Committees of the Board during the financial year 2018-19 are as detailed below:

Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
Mr. Devendra Shrimanker Non-Executive – Independent Director (Chairman of the Committee)	Mr. Shyam Balsekar Non-Executive – Independent Director (Chairman of the Committee)	Mr. Devendra Shrimanker Non-Executive – Independent Director (Chairman of the Committee)
Mr. Shyam Balsekar Non-Executive – Independent Director	Ms. Prajakta Shidhore Non-Executive– Independent Director	Mr. S. Mohan Non-Executive Non-Independent Director
Ms. Prajakta Shidhore Non-Executive – Independent Director	Mr. Devendra Shrimanker Non-Executive – Independent Director	Mr. Shyam Balsekar Non-Executive – Independent Director
Mr. S. Mohan Non-Executive Non-Independent Director		

Director Attendance for Committee Meetings held during the year:

Committees of the Company	Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Independent Director Committee Meeting
Total Number of Meetings held during FY 2018-19	4	3	18	1
Director Attendance				
Mr. Devendra Shrimanker	4	3	18	1
Mr. Shyam Balsekar	4	3	0	1



Ms. Prajakta Shidhore	4	3	NA	1
Mr. S. Mohan	4	NA	18	NA
Mr. Shrinivas Mokashi	NA	NA	NA	NA

Audit Committee:

During the financial year under review the, 4 (Four) Audit Committee Meetings were held on 18th May, 2018, 2nd August, 2018, 12th November, 2018 and 9th February, 2019. The terms of reference of Audit Committee, as approved by the Board and amended from time to time, include the following:

- 1) Overseeing Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- 2) Reviewing, with the management quarterly, half-yearly, nine-months and annual financial statements along with auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of Companies Act, 2013.
 - changes, if any, in the accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report; if any
- 3) Recommending to the Board, the appointment, re-appointment and if required, the replacement, removal of the Statutory Auditors, fixing of Audit Fees and approving payments for any other services.
- 4) Reviewing with the management, performance of statutory and internal auditors, monitoring the auditor's independence and performance, and effectiveness of audit process;
- 5) Discussing with Internal Auditors of any significant findings and follow up there on;
- 6) 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;
- 7) Discussing 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.
- 8) Approving any modifications 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) Evaluating of internal financial controls and risk management systems of the Company.
- 12) 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;
- 13) Approval of the appointment of Chief Financial Officer after assessing the qualifications, experience, and background of the candidate;
- 14) Reviewing the functioning of the Whistle Blower mechanism;
- 15) 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



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matter;

- 16) Performing any other function as is mentioned in the terms of reference of the Audit Committee and any other matter referred by the Board of Directors.
- 17) Recommending to the Board, the appointment, re-appointment and if required , the replacement, removal of the Statutory Auditors, fixing of Audit Fees and approving payments for any other services.
- 18) Reviewing with the management, performance of statutory and internal auditors, monitoring the auditor's independence and performance, and effectiveness of audit process;
- 19) Discussing with Internal Auditors of any significant findings and follow up there on;
- 20) 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;
- 21) Discussing 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.
- 22) Approving any modifications of transactions of the Company with related parties.
- 23) Scrutiny of inter corporate loans and investments
- 24) Valuation of undertakings or assets of the Company, wherever it is necessary
- 25) Evaluating of internal financial controls and risk management systems of the Company.
- 26) 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;
- 27) Approval of the appointment of Chief Financial Officer after assessing the qualifications, experience, and background of the candidate;
- 28) 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;
- 29) Performing any other function as is mentioned in the terms of reference of the Audit Committee and any other matter referred by the Board of Directors.

Nomination & Remuneration Committee:

The Nomination and Remuneration is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to remuneration of Directors, Key Managerial Personnel and other Employees of the Company.

During the financial year under review, the Committee met 3 (three) times to deliberate on various matters and the meetings were held on 18th May, 2018, 2nd August, 2018 and 9th February, 2019.

The terms of reference of Nomination & Remuneration Committee, as approved by the Board and amended from time to time, include 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) recommend to the Board a policy relating to remuneration of Directors, Key managerial personnel and other employees;
- 3) devising a policy on the diversity of Board of Directors;
- 4) Specify methodology for effective evaluation of performance of Board/Committees of the Board and review the terms of appointment of Independent Director, on the basis of the report of performance evaluation of Independent



Directors.

- 5) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal
- 6) Undertake any other matters as the Board may decide from time to time.

The Nomination & Remuneration Policy of the Company is available on the Company's website and can be accessed at: <http://www.pentokey.com/pdf/Nomination-Remuneration-Policy.pdf>

Stakeholder's Relationship Committee:

The Company's shares are traded in dematerialised form, to expedite transfers in physical segment; necessary authority has been delegated by the Board to the Committee to approve transfers / transmissions of shares.

The terms of reference of the Committee are:

- 1) To monitor expeditious redressal of grievances of the stakeholders and investors complaints relating to shareholders and approve allotment of shares and other securities;
- 2) To issue share certificates pursuant to requests as and when received by the Company;
- 3) To authorize officers of the Company to approve request transfer, deletion, consolidation, subdivision, in respect of shares;
- 4) Such other activities as the Board of Directors may determine from time to time.

During the year under review the Committee members met 18 (eighteen) times and the meetings were held on – 2nd April, 2018, 16th April, 2018, 26th June, 2018, 13th July, 2018, 27th August, 2018, 27th September, 2018, 11th October, 2018, 29th October, 2018, 20th November, 2018, 30th November, 2018, 10th December, 2018, 9th January, 2019, 22nd January, 2019, 1st February, 2019, 20th February, 2019, 6th March, 2019, 26th March, 2019 and 30th March, 2019.

Details relating to the number of complaints received and redressed during the financial year 2018-19 as at 31st March, 2019 are as under:

Sr. No	Nature of Complaint/Query	Total complaints pending at the beginning of the financial year	Total complaints received during the financial year	Total complaints resolved during the financial year	Total complaints pending at end of the financial year
1.	Non receipt of Dividend	0	8	8	0
2.	Non receipt of Share Certificate	0	84	84	0
3.	Others*	0	123	123	0
	TOTAL	0	215	215	0

*Nature of complaints in category "Others" includes Death Claims, Change in Name, Signatures, Address, Non receipt of Annual Report, Consolidation of Folios etc.

Ms. Surabhi Vartak, acts as Secretary to the Committee and is the Compliance Officer of the Company who is also responsible for redressal of investor complaints. The Company has designated the Email ID investors@pentokey.com to enable stakeholders to email their grievances.

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.

Independent Director Meeting:

In accordance with the provisions of Schedule IV of the Act, Regulation 25(3) of the SEBI Listing Regulations and S.S 2.3 of the Secretarial Standards on the meetings of the Board of Directors, a meeting of Independent Directors of the Company was held on 9th February, 2019 without the presence of the Non-Independent Directors and the members of



PENTOKEY ORGANY (INDIA) LIMITED

the Management. The Independent Directors discussed matters inter alia the functioning of the Company, reviewing the performance of the Chairman, Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively perform its duties.

The Company also 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, at <http://www.pentokey.com/pdf/Familiazation-Programme.pdf>

Code of Conduct:

The Board has formulated and adopted Code of Conduct for the Employees and Senior Management of the Company in compliance with Regulation 17 and 26 of Listing Regulations.

In accordance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 the Company has adopted the amended Code of Conduct and procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on the Company's website.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review and a declaration to that effect signed by the Chief Executive Officer of the Company forms part of this Annual Report.

Performance Evaluation of the Board:

One of the key responsibilities of the Board includes establishment of a structured assessment process for evaluation of the performance of the Board, its Committees and individual performance of the Directors.

During the year under review the performance evaluation was carried out on the basis of work done by the Board, degree of fulfilment of key responsibilities w.r.t discharging its governance, effective participation quality of deliberations at the meeting and information provided to Board. The overall evaluation was completed to the satisfaction of the Board.

Remuneration to Directors:

The Nomination & Remuneration Committee ensures that the compensation packages are in accordance with applicable law, in line with Company's objectives and Shareholder's interests, subject to the approval of the Board. The Nomination & Remuneration Committee recommends to the Board the remuneration payable to Non-Executive Directors of the Company.

Sitting fees of ₹ 5,000 per meeting of the Board, Audit Committee and Nomination & Remuneration Committee and 2,500 per meeting of the Stakeholder & Relationship Committee is paid to the Non-Executive Directors of the Company. The Independent Directors were also paid ₹ 5,000 as sitting fees for their separate meeting held during the year.

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings. During the year under review, there were no material pecuniary relationships and transactions of any non-executive directors with the Company other than sitting fees payable to them. The Non-executive Directors do not hold any shares or convertible instruments of the Company. The Company does not have any stock option programme for any of its Directors.

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 details of remuneration & sitting fees paid to the Directors for attending the Meeting are provided in Form MGT-9 which forms part of this Annual Report.

Annual General Meetings (AGM's):

Details of last three AGM and the summary of Special Resolutions passed therein, if any, are as under:



Year	Location of AGM	Date & Time of AGM	Details of Special Resolution passed
2017-18	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020.	Friday, 21 st Sep ,2018 at 3.00 pm	1. Appointment of Mr. Shrinivas Mokashi as Non-Executive Non-Independent Director of the Company. 2. Approval for material related party transactions for Financial Year 2018-19.
2016-17	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020.	Monday, 25 th Sep,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, 29 th Sep ,2016 at 2.30 p.m.	1. Appointment of Ms. Prajakta Shidhore as the Independent Non-Executive Director of the Company. 2. Approval for material related party transactions for Financial Year 2016-17.

Means of Communication:

The quarterly, half-yearly and annual financial results of the Company are generally published in 'Financial Express' (in English) and 'Apla Mahanagar' (in Marathi).

These Financials along with Annual Reports, Shareholding Patterns, Press Releases and other material information are furnished to the Stock Exchanges pursuant to regulation 46 of the Listing Regulations and are disseminated on the website of the Company i.e www.penttokey.com

Certificate from Practicing Company Secretary:

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. A. M. Bhat Practising Company Secretary (Membership No. 1560), that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs form part of this Annual report.

CEO/CFO Certification:

Mr. Balachandra Nair M N, Chief Executive Officer of the Company and Mr. Sunil Raghav, Chief Financial Officer of the Company have issued necessary certificate pursuant to Regulation 17(8) of SEBI Regulations and is annexed to this Annual Report.

Compliance Certificate:

Compliance Certificate from Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations is annexed to this Annual Report .

General shareholder information:



AGM Details	
Annual General Meeting Date & Time	Thursday, 26th September, 2019, 3.00 p.m.
Venue	Kilachand Conference Hall, 2 nd Floor, Indian Merchants' Chambers, IMC Marg, Churchgate, Mumbai – 400 020.
Financial year of the Company	1 st April, 2018 to 31 st March 2019
Dividend Payment Date	Not Applicable
Date of Book Closure	Friday, 20 th September, 2019 to Thursday, 26 th September, 2019
Listing Details	
Name & Address of Stock Exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Stock Code	52421
ISIN for depositories	INE702E01015
Investor Correspondence Details	
Name & Address of Registrar & Transfer Agent	Datamatics Business Solutions Limited Plot No B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai – 400 093. Tel: +91 22 6671 2188 / 2191 Email: anand_bhilare@datamaticsbpm.com
Name & Address of Compliance Officer	Ms. Surabhi Vartak Somaiya Bhavan, 45-47, M.G. Road, Fort, Mumbai – 400 001. Tel: +91 22 6170 2100 Email: investors@pentokey.com

Market price data- high, low during each month in last financial year:

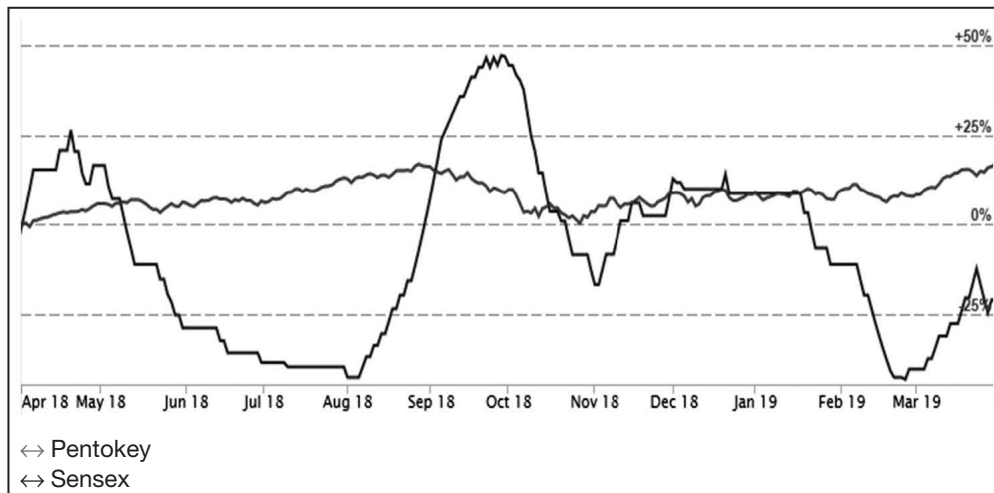
The price of the Company's Share - High, Low as traded during the financial year 2018-19, on BSE, are as under:

Month	Bombay Stock Exchange (BSE)		
	High Price	Low Price	Volume of shares traded
April, 2018	21.05	16.60	1255
May, 2018	18.40	11.80	3335
June, 2018	11.21	10.20	269
July, 2018	10.20	10.00	238
August, 2018	17.81	9.50	12091
September, 2018	24.90	18.70	21563
October, 2018	24.00	14.45	7475
November, 2018	18.74	13.80	1754
December, 2018	18.95	18.05	893
January, 2019	18.05	14.75	833
February, 2019	14.02	9.32	5465
March, 2019	14.55	10.37	1553



Performance in comparison to broad-based indices such as BSE SENSEX:

The Chart below shows the comparison of the Company’s share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended 31st March, 2019 (based on month end closing):



Share Transfer System:

M/s Datamatics Business Solutions Limited is Company’s Registrar and Transfer Agent (RTA). All documents received from shareholders are scrutinised by the Company’s RTA. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respect.

Transaction involving issue of shares certificates, namely issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Shareholders’ Committee of the Board of Director.

A summary of approved transfers, transmissions, deletion requests’ are placed before the Board from time to time.

Distribution of Shareholding:

Number of Shares Held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1-500	17,707	98.8665	9,60,217	15.308
501-1000	101	0.5639	75,321	1.2008
1001-2000	55	0.3071	77,678	1.2384
2001-3000	11	0.0614	26,506	0.4226
3001-4000	11	0.0614	37,517	0.5981
4001-5000	3	0.0168	12,262	0.1955
5001-10000	7	0.0391	50,108	0.7988
10001 & above	15	0.0838	50,33,020	80.2378
TOTAL	17,910	100.0000	62,72,629	100.0000

Dematerialization of Shares:

The Company’s equity shares are held in dematerialized form by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) under ISIN INE702E01015.



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Break up of shares in physical and demat form as on 31st March, 2019 are as follows:

Particulars	Number of Shares	% of Shares
Physical holding	9,54,686	15.22
Demat holding	53,17,943	84.78
TOTAL	62,72,629	100.00

Shares held in DEMAT mode in NSDL: 51,63,609 (82.32%)

Shares held in DEMAT mode in CDSL: 1,54,334 (2.46%)

As required under Regulation 40(9) of the Listing Regulations, M/s PRS Associates, Practicing Company Secretaries, have examined the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on a half-yearly basis and has issued a certificate confirming compliance with the provisions of the said Regulations. The certificate has been submitted to the BSE, in terms of the Listing Regulations.

Change of Address, Furnishing of Bank details, Registering Email Address:

All correspondence regarding shares of the Company should be addressed to Datamatics Business Solutions Limited; RTA of the Company.

Shareholders holding shares in physical form should notify the Company's RTA, change in their address along with their bank account and Email address details by written request under the signature of sole/first joint holder, as mandated by SEBI vide Circular dated 20th April, 2018.

The Company had successfully completed dispatch of three reminders to the shareholders whose Bank/PAN mandates were not registered with the Company.

Keeping in view of the Green Initiative of Ministry of Corporate Affairs (MCA), Government of India; your Company shall send Board's Report, AGM Notices etc to its shareholders in electronic form. Shareholders who have not registered their Email address for availing the facility of E communication, are requested to register the same with Company's RTA (in case of physical shares) or their DPs (in case the shares are held in dematerialise form) so as to enable the Company to serve them fast.

Further the Shareholders are requested to keep record of their specimen signature before lodgement of shares with RTA of the Company to obviate the possibility of difference in signature at a later date.

Fees:

The annual listing fees for the financial year 2019-20 have been paid by the Company to the Stock Exchange.

Unclaimed Dividend & Shares:

Pursuant to the provisions of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of unpaid dividends that are lying unclaimed for a period of 7 consecutive financial years from the date of its transfer to the unpaid dividend account, is liable to be transferred to the Investors' Education & Protection Fund Authority (IEPF Authority).

Adhering to the above provisions, the Company has sent individual notices to the concerned shareholders whose unclaimed dividend & concerned shares are liable to be transferred to the DEMAT Account of IEPF Authority. Notices in this regard have also been published in newspapers. Details of such unclaimed dividend and corresponding shares are available on the Company's website on the following weblink: http://www.pentokey.com/financial_Info.htm

Accordingly, unclaimed dividend in respect of the financial year 2011-12 shall be transferred to IEPF Authority on 11th October, 2019.

The concerned shareholder(s) are requested to verify details of their unclaimed dividends in respect of the financial year 2011-12 and lodge their claim with Datamatics Business Solutions Limited, Registrar and Transfer Agent of the Company prior to its transfer to the IEPF Authority, as aforesaid on or before 30th August, 2019, failing which it will be transferred to the IEPF Authority, in accordance with the said Rules.



Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment.

Shareholders may claim their unclaimed dividend and the corresponding shares for financial year 2011-12, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in.

Outstanding GDSs/ADRS/ Warrants or any Convertible instruments, Conversion date and likely impact on Equity: As on 31st March, 2019, the Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments.

Commodity price risk or foreign exchange risk and hedging activities: The Company does not have any un-hedged exposure to commodity price risks and foreign exchange risk.

Other Disclosures:

Related Party Transactions:

There were no Materiality significant related party transactions made by the Company with parties which may have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.

Penalty / Non Compliance:

There were no penalties imposed or strictures passed against the Company by SEBI, Stock Exchange(s) on which shares of the Company are listed or any statutory authority, in this regard.

Vigil Mechanism / Whistle Blower Policy:

In compliance with the provisions of Section 177, your Company has established a Vigil Mechanism/Whistle Blower Policy for Employees, Directors and third parties to report their genuine concerns in a responsible and effective manner regarding unethical matters involving malpractices or wrongdoing within the organisation and also safeguard against victimization of Employees, Directors and third parties. This policy is available on the Company's website and can be accessed at: <http://www.pentokey.com/pdf/Vigil-Mechanism-Policy-New.pdf>.

Details of compliance with mandatory and non-mandatory requirement:

The Company has complied with all the mandatory requirements as well as adopted the non-mandatory requirements as recommended in the Listing Regulations relating to Corporate Governance.

Details of Discretionary requirements:

The status of compliance with the discretionary requirements under the Listing Regulations 2015 is provided below:

- The quarterly, half-yearly and annual financial results of the Company are posted on the Company's website and extract of these results are published in newspapers on an all India basis. Significant events are also posted on the Company's website under the "Investor" Section. The complete Annual Report is sent to every Shareholder of the Company.
- The auditors' report on financial statements of the Company is unqualified.
- Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.



Annexure – V

Form No. MGT-9

**Extract of Annual Return as on the financial year ended
31st March, 2019**

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

I. Registration & Other Details:

CIN	L24116MH1986PLC041681
Registration Date	26 th November, 1986
Name of the Company	Pentokey Organy (India) Limited
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details	Somaiya Bhavan, 45-47, M.G. Road, Fort, Mumbai – 400 001.
Whether listed company	Yes (BSE Limited)
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 - 400 093 Tel No. : (91-22) 6671 2188 / 191

II. Principal Business Activities of the Company:

Name & Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
Trading of Chemicals	46691	97.52%

III. Particulars of Holding, Subsidiary and Associate Company: NIL



IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

A. Category wise shareholding:

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	0	32517	32517	0.5184	0	29417	29417	0.4690	-0.0494
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	4570573	0	4570573	72.8653	4570573	0	4570573	72.8653	0
e) Banks / FI(s)	0	0	0	0	0	0	0	0	0
f) Any other	75476	0	75476	1.2033	64534	0	64534	1.0288	-0.1744
Sub-Total(A)(1)	4646049	32517	4678566	74.5870	4635107	29417	4664524	74.3631	-0.2239
2. Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI(s)	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-Total(A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoters (A)= (A)(1)+(A)(2)	4646049	32517	4678566	74.5870	4635107	29417	4664524	74.3631	-0.2239
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4000	0	4000	0.0638	4000	0	4000	0.0638	0
b) Banks/FI(s)	140817	0	140817	2.2449	140817	0	140817	2.2449	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Alternate Investment Fund	0	0	0	0	0	0	0	0	0
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) FI(s)	0	0	0	0	0	0	0	0	0
i) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j) Others (Foreign Bodies-DR)	0	0	0	0	0	0	0	0	0
Sub-Total(B)(1)	144817	0	144817	2.3087	144817	0	144817	2.3087	0
(2) Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	8330	17903	26233	0.4182	4782	17694	22476	0.3583	-0.0599
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	258262	936988	1195250	19.0550	301306	890906	1192212	19.0066	-0.0484
ii) Individual shareholders holding nominal share capital upto ₹1 Lakh	210830	16669	227499	3.6269	231177	16669	247846	3.9512	0.3244
c) NBFC* registered with RBI	0	0	0	0	0	0	0	0	0
d) Others(specify)	0	0	0	0	0	0	0	0	0
e) Foreign Nationals	0	0	0	0	0	0	0	0	0
f) NRI (Repat & Non-Repat)	264	0	264	0.0042	754	0	754	0.012	0.0078
g) Trusts	0	0	0	0	0	0	0	0	0
h) Clearing Members	0	0	0	0	0	0	0	0	0
i) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	477686	971560	1449246	23.1043	538019	925269	1463288	23.3281	0.2239
Total Public Shareholding (B) = (B)(1) + (B)(2)	622503	971560	1594063	25.4130	682836	925269	1608105	25.6369	0.2239
C. Shares held by Custodian for GDRs & ADRs									
Promoter & Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Total (C)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5268552	1004077	6272629	100.0000	5317943	954686	6272629	100.0000	0.0000



B. Shareholding of Promoters:

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	Sakarwadi Trading Company Pvt. Ltd.	2945573	46.9591	0.0000	2945573	46.9591	0.0000	0.0000
2.	Somaiya Agencies Private Limited	1000000	15.9423	0.0000	1000000	15.9423	0.0000	0.0000
3.	Jasmine Trading Company Private Limited	600000	9.5654	0.0000	600000	9.5654	0.0000	0.0000
4.	Deepa K. Shah	36950	0.5891	0.0000	36950	0.5891	0.0000	0.0000
5.	Kumar V. Shah	26584	0.4238	0.0000	26584	0.4238	0.0000	0.0000
6.	Godavari Biorefineries Limited	25000	0.3986	0.0000	25000	0.3986	0.0000	0.0000
7.	Vasantlal R. Shah	10250	0.1634	0.0000	10250	0.1634	0.0000	0.0000
8.	Dixit J. Shah	3300	0.0526	0.0000	3300	0.0526	0.0000	0.0000
9.	Jayantilal C. Shah	3300	0.0526	0.0000	3300	0.0526	0.0000	0.0000
10.	Vastupal J.shah	3300	0.0526	0.0000	3300	0.0526	0.0000	0.0000
11.	Shaileshkumar J.shah	3300	0.0526	0.0000	3300	0.0526	0.0000	0.0000
12.	Vijaykumar J.shah	3300	0.0526	0.0000	3300	0.0526	0.0000	0.0000
13.	Jayantilal Chandulal Shah	1450	0.0231	0.0000	1450	0.0231	0.0000	0.0000
14.	Jayvadan Shantilal Shah	6167	0.0983	0.0000	1000	0.0159	0.0000	-0.0824
15.	Kanchanben V. Shah	625	0.0100	0.0000	625	0.0100	0.0000	0.0000
16.	Dharmit R. Shah	275	0.0044	0.0000	275	0.0044	0.0000	0.0000
17.	Kanchanben Vasantlal Shah	175	0.0028	0.0000	175	0.0028	0.0000	0.0000
18.	Vairali Vicky Shah	100	0.0016	0.0000	100	0.0016	0.0000	0.0000
19.	Darshna Shah	42	0.0007	0.0000	42	0.0007	0.0000	0.0000
20.	Kiritkumar Chinubhai Shah	3925	0.0626	0.0000	0	0.0000	0.0000	-0.0626
21.	Rameshchandra Purshottamdas Kamdar	1850	0.0295	0.0000	0	0.0000	0.0000	-0.0295
22.	Dixit Jayantilal Shah	1450	0.0231	0.0000	0	0.0000	0.0000	-0.0231
23.	Vijaykumar Jayantilal Shah	1450	0.0231	0.0000	0	0.0000	0.0000	-0.0231
24.	Pradip P. Kamdar	100	0.0016	0.0000	0	0.0000	0.0000	-0.0016
25.	Pankaj P. Kamdar	50	0.0008	0.0000	0	0.0000	0.0000	-0.0008
26.	Pradip P. Kamdar	50	0.0008	0.0000	0	0.0000	0.0000	-0.0008
	TOTAL	4678566	74.5871	0.0000	4664524	74.3632	0.0000	-0.2239


C. Change in Shareholding of Promoter's:

Sr. No	Name of the Promoter	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase/Decrease in shareholding		Date & Reason for increase / decrease in shareholding
		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.	Jayvadan Shantilal Shah	6167	0.0983	1000	0.0159	-5167	-0.0824	190 shares sold on 20 th April, 2018, 298 shares sold on 4 th May, 2018, 93 shares sold on 11 th May, 2018, 500 shares sold on 18 th May, 2018, 136 shares sold on 25 th May 2018, 100 shares sold on 1 st June, 2018, 500 shares sold on 10 th August, 2018, 500 shares sold on 24 th August, 2018; 500 shares sold on 31 st August, 2018; 500 shares sold on 14 th September, 2018; 102 shares sold on 5 th October, 2018; 600 shares sold on 12 th October, 2018 and 1148 shares sold on 19 th October, 2018.
2.	Kiritkumar Chinubhai Shah	3925	0.0626	0	0.0000	-3925	-0.0626	3925 Shares sold on 27 th July, 2018.
3.	Rameshchandra Purshottamdas Kamdar	1850	0.0295	0	0.0000	-1850	-0.0295	1850 Shares sold on 14 th September, 2018.
4.	Dixit Jayantilal Shah	1450	0.0231	0	0.0000	-1450	-0.0231	1450 Shares sold on 20 th June, 2018.
5.	Vijaykumar Jayantilal Shah	1450	0.0231	0	0.0000	-1450	-0.0231	1450 Shares sold on 20 th June, 2018.
6.	Pradip P. Kamdar	100	0.0016	0	0.0000	-100	-0.0016	100 Shares sold on 27 th July, 2018.
7.	Pankaj P. Kamdar	50	0.0008	0	0.0000	-50	-0.0008	50 Shares sold on 27 th July, 2018.
8.	Pradip P. Kamdar	50	0.0008	0	0.0000	-50	-0.0008	50 Shares sold on 27 th July, 2018.
	TOTAL	15042	0.2398	1000	0.0159	-14042	-0.2239	

D. Shareholding Pattern of the top 10 shareholders (other than Directors, Promoters and Holders of GDRs & ADRs):

Sr No	Name of the Shareholder	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	150661	2.4019	150661	2.4019	0	0
2.	ICICI Bank Limited	140817	2.2449	140817	2.2449	0	0
3.	Sharad Kanayalal Shah	0	0	20347	0.3244	20347	0.3244
4.	Rajendra Kumar B. Gupta	17917	0.2856	17917	0.2856	0	0
5.	Miten Kantilalbhai	16669	0.2657	16669	0.2657	0	0
6.	Shikha K. Shah	15875	0.2531	15875	0.2531	0	0
7.	Radhe Shyam Tulsian	14584	0.2325	14584	0.2325	0	0
8.	Hasmukh Dhirajlal Jhaveri	11793	0.1880	11793	0.1880	0	0
9.	A R Sudhakara Sheno	10000	0.1594	10000	0.1594	0	0
10.	Saroj Navnit Parekh	8667	0.1382	8667	0.1382	0	0
	TOTAL	386983	6.1693	407330	6.4937	20347	0.3244



E. Shareholding of Directors & Key Managerial Personnel:

Sr. No	Name of the Director/KMP	Shareholding at the beginning of the year		Shareholding at the end of the year		Date wise Increase / Decrease in Promoter shareholding during the year specifying reasons for Increase / Decrease
		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	NA

V. Indebtedness:

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
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 to Directors and Key Managerial Personnel:

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

B. Remuneration to other Directors:

Particulars of Remuneration	Name of the Director					Total Amount
	Devendra Shrimanker	Prajakta Shidhore	Shyam Balsekar	S. Mohan	Shrinivas Mokashi	
Fees for attending board/ committee meetings	1,05,000	60,000	60,000	85,000	20,000	3,30,000
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
TOTAL	1,05,000	60,000	60,000	85,000	20,000	3,30,000
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 ₹ 5,000/- as sitting fees for Board/ Committee meetings and ₹ 2,500/- 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
		Surabhi Vartak, Company Secretary	Sunil Raghav, Chief Financial Officer	Balachandran Nair M. N., Chief Executive Officer	
1.	Gross Salary:	4.25	6.82	6.33	17.40
	a) Salary as per provisions u/s 17(1) of the Income-tax Act, 1961				
	b) Value of perquisite u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	• As % of profit	-	-	-	-
	• Others, specify	-	-	-	-
5.	Contribution to PF	0.29	0.36	-	0.65
	TOTAL	4.54	7.18	6.33	18.05

VII. Penalties / Punishments / 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 Shrimanker
Director
DIN: 00385083

Date : 7th August, 2019
Place : Mumbai



Annexure – VI

Secretarial Audit Report for the Financial Year Ended March 31, 2019

(Form No. MR-3)

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

To

The Members,

Pentokey Organy (India) Limited

Regd. Office: Somaiya Bhavan,

45/47, M. G. Road, Fort, Mumbai 400 001

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, 2019, 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, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment; Overseas Direct Investment, Overseas Direct Investment and External Borrowings are not applicable to the Company as the Company has not availed the same during the period under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable)**
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable)**
 - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable)**
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable)**



- h) 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;
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable)**
- j) 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.

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

I further report that:

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

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

As per the minutes of the meetings all decision at Board Meetings and Committee Meetings were taken unanimously and as such there were no dissenting views appearing in the minutes of the meetings.

I further report that as per explanations given to me and the representations made by the Management and relied upon by me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

A. M. BHAT

(Practicing Company Secretary)

FCS No. : 1560 CP No. : 7567

Place : Mumbai

Date : 20th June, 2019.

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, 2019 is to be read along with this letter.

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

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

Place : Mumbai
Date : 20th June, 2019

Declaration of Compliance with Code of Conduct

I confirm that for the financial year 2018-19, all members of the Board and Senior Management Personnel, have affirmed compliance with the Code of Conduct as applicable to them.

Balachandran Nair M. N.
Chief Executive Officer

Place : Mumbai
Date : 7th August, 2019



CEO/CFO Certification

- To,
The Board of Directors,
Pentokey Organy (India) Limited,
- We hereby certify that:
1. We have reviewed financial statements and the cash flow statement of the Company for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019 which are fraudulent, illegal or violative of the Company's Code of Conduct.
 3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
 4. We have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : 7th August, 2019

Balachandran Nair M. N.
Chief Executive Officer

Sunil Raghav
Chief Financial Officer

Certificate on Corporate Governance

To,
The Members,
Pentokey Organy (India) Limited,

We have examined the compliance of conditions of Corporate Governance by Pentokey Organy (India) Limited, for the year ended on 31st March 2019, as stipulated under the provisions of Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For Verma Mehta & Associates
Chartered Accountants
Firm's Registration Number : 112118W

Vimlesh Mehta
Partner
M.N.043599

Place : Mumbai
Date : 27th May, 2019



Annexure – VII

Independent Auditors' Report

To the Members of

Pentokey Organy (India) Limited

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Pentokey Organy (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the financial statements and our auditor's report thereon.
5. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to



the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. 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. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the



matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. 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 accounts 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 (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - (g) 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 financial statements – Refer Note 26 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivatives 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; and
 - iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Verma Mehta & Associates
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N. 043599

Date : Mumbai
Place : 27th May , 2019



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 2019, 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 property plant and equipment.
 - (b) The Company has during the year ending 31st March 2019 sold off majority of property, plant and equipment Except some smaller ones which have been physically verified by the management at reasonable intervals and no discrepancy was noticed on such verification.
- (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, duty of excise, duty of customs, service tax, GST ,professional tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of excise, duty of customs, service tax, GST, professional tax, cess and other material statutory dues were in arrears as at 31 March 2019 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 .
- (viii) According to the information and explanations given to us, the Company has not defaulted any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- (ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) or by way of term loan during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration except sitting fees paid to Directors.
- (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 by applicable Ind AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares. The Company has not made private placement of partly or fully convertible debentures during the year under review.
Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (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 Verma Mehta & Associates
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N. 043599

Date : Mumbai
Place : 27th May , 2019

**Annexure B to the Independent Auditor's Report of even date on the 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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting



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

Opinion

In our opinion, 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, 2019, 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 **Verma Mehta & Associates**
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N. 043599

Date : Mumbai
Place : 27th May , 2019



BALANCE SHEET AS AT 31ST MARCH, 2019

Amount in ₹

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-current Assets			
a) Property, Plant and Equipment	3	99,328	1,01,357
b) Intangible Assets	3	8,787	23,805
c) Non-current financial assets	4		
(i) Non-current investments		1,60,400	1,25,050
(ii) Other Bank Balances		7,77,028	7,31,667
(iii) Others		8,69,500	8,69,500
d) Other non current Asset	5	1,00,000	49,46,916
Total Non-current Assets		20,15,043	67,98,295
2 Current Assets			
a) Inventories	6	27,91,800	7,92,397
b) Financial assets			
(i) Trade receivables	7	2,20,19,643	19,65,408
(ii) Cash and cash equivalent	7	26,88,773	52,36,042
(iii) Bank balance other than (ii) above	7	2,46,67,302	1,61,57,473
(iv) Others	7	37,48,721	2,78,357
(v) Assets Classified as Held for Sale	3	-	1,46,11,901
c) Other current assets	8	1,10,57,949	1,60,34,400
d) Current Tax Assets - Net	9	1,58,083	-
Total Current Assets		6,71,32,271	5,50,75,978
TOTAL ASSETS		6,91,47,314	6,18,74,273
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	10	6,27,26,290	6,27,26,290
b) Other equity	11	(23,46,444)	(54,98,972)
Total Equity		6,03,79,846	5,72,27,318
Liabilities			
1 Non-current Liabilities			
a) Provisions	12	2,01,018	1,86,660
Total Non-current Liabilities		2,01,018	1,86,660
2 Current Liabilities			
a) Financial liabilities			
(i) Trade payable	13	68,29,388	26,66,841
(ii) Other current financial liabilities	13	10,20,365	10,34,163
b) Other Current Liabilities	14	92,949	87,586
c) Provisions	15	6,23,748	6,01,212
d) Current Tax Liability - Net	16	-	70,493
Total Current Liabilities		85,66,450	44,60,295
Total Liabilities		87,67,468	46,46,955
TOTAL EQUITY AND LIABILITIES		6,91,47,314	6,18,74,273
Significant Accounting Policies and Notes to Accounts	1 to 42		

As per our report of even date attached

For Verma Mehta & Associates

Chartered Accountants

Firm's Registration No: 112118W

Vimlesh Mehta

Partner

M.N. 043599

For and on behalf of the Board of Directors

S. Mohan

Director

DIN: 03184356

Surabhi S. Vartak

Company Secretary

ACS: 50702

Devendra J. Shrimanker

Director

DIN: 00385083

Sunil Y. Raghav

Chief Financial Officer

Place : Mumbai

Date : 27th May, 2019

Place : Mumbai

Date : 27th May, 2019



STATEMENT OF PROFIT & LOSS FOR THE YEAR PERIOD ENDED 31ST MARCH, 2019

Amount in ₹

Particulars	Note No.	Year Ended 31st March, 2019	Year Ended 31st March, 2018
1 Revenue From Operations (Gross)	17	9,28,62,470	4,70,17,438
2 Other Income	18	19,51,446	18,25,568
3 Total Revenue (1+2)		9,48,13,916	4,88,43,006
4 Expenses			
a) Purchase of Stock-in-trade	19	9,48,60,669	4,31,17,157
b) Changes in Inventories of Finished Goods, Work-in-Process	20	(27,91,800)	-
c) Employee Benefits Expenses	21	18,74,494	16,92,284
d) Finance Costs	22	65,971	25,89,463
e) Depreciation and Amortisation Expense	3	28,447	6,25,787
f) Other Expenses	23	74,01,095	83,33,039
Total Expenses		10,14,38,876	5,63,57,730
5 Profit / (Loss) before Tax		(66,24,960)	(75,14,724)
6 Extraordinary Items			
Profit on Sale of Assets		97,07,166	80,02,956
7 Profit / (Loss) before tax (5 +6)		30,82,206	4,88,232
8 Tax Expense:			
a) Current Tax Expense		-	1,00,000
b) Tax of Earlier Year		(34,972)	2,75,000
		(34,972)	3,75,000
9 Profit / (Loss) for the Year (7 - 8)		31,17,178	1,13,232
10 Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		35,350	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)		31,52,528	2,33,282
12 Earnings Per Equity Share of face value ₹10/-			
Basic		0.50	0.02
Diluted		0.50	0.02

Significant Accounting Policies and Notes to Accounts

1 to 42

As per our report of even date attached

For **Verma Mehta & Associates**

Chartered Accountants

Firm's Registration No: 112118W

Vimlesh Mehta

Partner

M.N. 043599

For and on behalf of the Board of Directors

S. Mohan

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Director

DIN: 00385083

Sunil Y. Raghav

Chief Financial Officer

Place : Mumbai

Date : 27th May, 2019

Place : Mumbai

Date : 27th May, 2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Amount in ₹

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	30,82,206	4,88,232
Adjustment for:		
Depreciation	28,447	6,25,787
Profit on Sale of Property, Plant and Equipment	(97,07,166)	(80,02,956)
Interest Income	(19,51,446)	(17,34,510)
Dividend Income	-	(1,300)
Interest and Finance Charges	65,971	25,89,463
Operating Profit before Working Capital Changes	<u>(84,81,988)</u>	<u>(60,35,284)</u>
Adjusted for:		
Inventories	(19,99,403)	3,56,309
Trade Receivable	(2,00,54,235)	(19,65,408)
Loans and Advances	70,29,211	11,77,09,331
Trade Payable and Other Liabilities	41,91,006	(2,29,96,958)
Net Cash from/(used in) Operating Activities	<u>(1,93,15,409)</u>	<u>8,70,67,990</u>
Taxes Paid	(1,93,604)	(39,40,746)
Net Cash from/(used in) Operating Activities	<u>(1,95,09,013)</u>	<u>8,31,27,244</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Property, Plant and Equipment	(11,400)	(74,461)
Sale of Property, Plant and Equipment	2,43,19,066	90,52,499
Interest Income	12,75,239	3,20,319
Dividend Income	-	1,300
Fixed deposits and Margin Money	(85,55,190)	(1,53,51,160)
Cash generated from/(used in) Investing Activity	<u>1,70,27,715</u>	<u>(60,51,503)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance Charges	(65,971)	(78,82,573)
Acceptance/(Repayment) of Other Borrowings (Net)	-	(6,50,00,000)
Cash generated from/(used in) Financing Activity	<u>(65,971)</u>	<u>(7,28,82,573)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	<u>(25,47,269)</u>	<u>41,93,168</u>
Cash and Cash Equivalents at beginning of the year	52,36,042	10,42,874
Cash and Cash Equivalents at end of the year	26,88,773	52,36,042

As per our report of even date attached

For **Verma Mehta & Associates**
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N. 043599

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 : 27th May, 2019

Place : Mumbai
Date : 27th May, 2019



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A EQUITY SHARE CAPITAL

Amount in ₹

Particulars	Amount
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
Changes during 2018-19	-
Balance at the beginning of the reporting period as on 31.03.2019	6,27,26,290

B OTHER EQUITY

Amount in ₹

Particulars	Capital Reserve	General Reserve	Retained Earnings	Other Copehensive Income	Total
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 Copehensive 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 on 31.03.2019					
Balance at the beginning of the reporting period as on 01.04.2018	30,00,000	17,20,000	(1,02,18,972)	-	(54,98,972)
Total Copehensive Income	-	-	31,52,528	-	31,52,528
Balance at the beginning of the reporting period as on 31.03.2019	30,00,000	17,20,000	(70,66,444)	-	(23,46,444)

As per our report of even date attached

For **Verma Mehta & Associates**
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N. 043599

For and on behalf of the Board of Directors

S. Mohan
Director
DIN: 03184356

Surabhi S. Vartak
Company Secretary
ACS: 50702

Devendra J. Shrimanker
Director
DIN: 00385083

Sunil Y. Raghav
Chief Financial Officer

Place : Mumbai
Date : 27th May, 2019

Place : Mumbai
Date : 27th May, 2019



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: CORPORATE INFORMATION

These statements comprise financial statements of Pentokoy Organy (India) Limited referred to as ("the Company") (CIN: L24116MH1986PLC041681) for the year ended March 31, 2019. 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 shares are listed on The BSE Limited 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 27, 2019.

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".

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):

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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, excluding 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 designated 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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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
- (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, 2018	Addition	Deletion / Adjustments	As at 31st March, 2019	As at 1st April, 2018	For The Year	Deletion / Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
A) Assets Held for Sale										
Plant & Machinery	5,72,15,159	-	5,72,15,159	-	4,26,03,258	-	4,26,03,258	-	-	1,46,11,901
Subtotal (A)	5,72,15,159	-	5,72,15,159	-	4,26,03,258	-	4,26,03,258	-	-	1,46,11,901
B) Tangible Assets										
Office Equipments	42,160	-	-	42,160.00	6,837	8,263	-	15,100	27,060	35,323
Computers	67,619	11,400	-	79,019	66,267	2,000	-	68,267	10,752	1,352
Furniture & Fixtures	95,433	-	-	95,433	30,751	3,166	-	33,917	61,516	64,682
Vehicles	-	-	-	-	-	-	-	-	-	-
Subtotal (B)	2,05,212	11,400	-	2,16,612	1,03,855	13,429	-	1,17,284	99,328	1,01,357
C) Intangible Assets										
Computer Software	4,39,358	-	-	4,39,358	4,15,553	15,018	-	4,30,571	8,787	23,805
Subtotal (C)	4,39,358	-	-	4,39,358	4,15,553	15,018	-	4,30,571	8,787	23,805
TOTAL (A) + (B) + (C)	5,78,59,729	11,400	5,72,15,159	6,55,970	4,31,22,666	28,447	4,26,03,258	5,47,855	1,08,115	1,47,37,062

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	-	42,160.00	-	6,837	-	6,837	35,323.00	-
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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	Amount in ₹	
		As at 31st March, 2019	As at 31st March, 2018
Note 4 :	Non-current Financial Assets		
	i) Non-current investments		
	Non Trade Investment		
	Investment in Equity Instrument		
	Quoted Investment		
	500 (Previous Year 500) Equity Shares of Re.1/- (Previous Year Re. 1/- each fully paid up of State Bank of India	1,60,400	1,25,050
	[Market value of quoted investment ₹ 1.60 Lakh (Previous Year ₹ 1.25 Lakh)]		
	TOTAL	1,60,400	1,25,050
	ii) Other Bank Balances		
	Margin Money with Bank (Pledged)	7,77,028	7,31,667
	TOTAL	7,77,028	7,31,667
	iii) Other non-current Financial Assets		
	Security Deposits & Other Deposits		
	Unsecured, Considered good	8,69,500	8,69,500
	TOTAL	8,69,500	8,69,500
Note 5 :	Other non current Asset		
	i) VAT Refund Receivable		
	Unsecured, Considered good	-	48,46,916
	ii) Other Advances		
	Unsecured, Considered good	1,00,000	1,00,000
	TOTAL	1,00,000	49,46,916
Note 6 :	Inventories		
	Stores & Spares	-	7,92,397
	Stock in trade	27,91,800	-
	TOTAL	27,91,800	7,92,397



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	Amount in ₹	
		As at 31st March, 2019	As at 31st March, 2018
Note 7 : Financial Assets			
i) Trade Receivables			
	Unsecured, Considered good	2,20,19,643	19,65,408
	TOTAL	2,20,19,643	19,65,408
ii) Cash and Cash Equivalents			
	Balance with Banks in Current Accounts	26,41,312	51,66,335
	Cash on Hand	47,461	69,707
	TOTAL	26,88,773	52,36,042
iii) Other Bank Balances			
	Earmarked Bank Accounts for Dividend	8,47,885	8,48,446
	Fixed Deposit with Bank (Including Pledged as collateral security Rs. 50,00,000/-)	2,38,19,417	1,53,09,027
	TOTAL	2,46,67,302	1,61,57,473
iv) Other current Financial Assets			
	Unsecured, Considered good		
	Security Deposit	8,000	8,000
	Other Receivable	34,21,000	2,002
	Interest Receivable	3,19,721	2,68,355
	TOTAL	37,48,721	2,78,357
Note 8 : Other current assets (Unsecured considered good)			
	Balance with Excise Department	38,093	38,093
	VAT Refund Receivable	1,06,63,370	1,48,50,471
	Interest Receivable - Sales Tax	3,56,486	11,45,836
	TOTAL	1,10,57,949	1,60,34,400
Note 9 : Current Tax Assets			
	Current tax Assets - Net	1,58,083	-
	TOTAL	1,58,083	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	Amount in ₹	
		As at 31st March, 2019	As at 31st March, 2018
Note 10 : 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
	ii) Issued		
	62,72,629 (P.Y. 62,72,629) Equity Shares of ₹ 10/- each	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
	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

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

Particulars	2018-19		2017-18	
	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
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

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, 2019		As at 31st March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Sakarwadi Trading Co. Pvt. Ltd.	29,45,573	46.96	29,45,573	46.96
Somaiya Agencies Pvt. Ltd.	10,00,000	15.94	10,00,000	15.94
Jasmine Trading Co. Pvt. Ltd.	6,00,000	9.57	6,00,000	9.57

As per 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

Note	Particulars	Amount in ₹	
		As at 31st March, 2019	As at 31st March, 2018
Note 11 : Other equity			
i) Capital Reserve			
Opening Balance		30,00,000	30,00,000
		<u>30,00,000</u>	<u>30,00,000</u>
ii) General Reserves			
Opening Balance		17,20,000	17,20,000
Add : Transfer during the year		-	-
		<u>17,20,000</u>	<u>17,20,000</u>
iii) Retained Earnings			
Opening Balance		(1,02,18,972)	(1,04,52,254)
Add : Profit / (Loss) for the year		31,52,528	2,33,282
		<u>(70,66,444)</u>	<u>(1,02,18,972)</u>
TOTAL		<u>(23,46,444)</u>	<u>(54,98,972)</u>
Note 12 : Non - current Provisions			
Provision For Gratuity		2,01,018	1,86,660
TOTAL		<u>2,01,018</u>	<u>1,86,660</u>
Note 13 : Financial Liabilities			
i) Trade Payable		68,29,388	26,66,841
TOTAL		<u>68,29,388</u>	<u>26,66,841</u>
ii) Other current financial liabilities			
Unclaimed Dividend		8,47,885	8,48,446
Others		1,72,480	1,85,717
TOTAL		<u>10,20,365</u>	<u>10,34,163</u>
Note 14 : Other Current Liabilities			
Advances from Customers		-	14,603
Duties and Taxes		92,949	72,983
TOTAL		<u>92,949</u>	<u>87,586</u>
Note 15 : Provisions			
Provisions for Employee Benefits			
Gratuity		5,36,538	5,36,538
Leave Encashment		87,210	64,674
TOTAL		<u>6,23,748</u>	<u>6,01,212</u>
Note 16 : Current Tax Liability			
Provision for Taxation - Net		-	70,493
TOTAL		<u>-</u>	<u>70,493</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Amount in ₹	
Note	Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Note 17 : REVENUE FROM OPERATIONS (GROSS)			
a) Particulars of Sales of Product			
	Trading - Chemicals	9,05,60,561	4,60,12,106
	Other	23,01,909	9,00,332
	TOTAL	<u>9,28,62,470</u>	<u>4,69,12,438</u>
Earnings in Foreign Currency			
	Exports of Goods on Free on Board (FOB) basis	20,07,489	7,77,341
b) Other Operating Income			
	Commission Received	-	1,05,000
	TOTAL	<u>-</u>	<u>1,05,000</u>
	TOTAL REVENUE FROM OPERATIONS	<u>9,28,62,470</u>	<u>4,70,17,438</u>
Note 18 : OTHER INCOME			
	Interest Received	15,94,960	5,88,674
	Interest Received - Sales Tax	3,56,486	11,45,836
	Dividend Received from Long-term Investment	-	1,300
	Miscellaneous Income	-	89,758
	TOTAL	<u>19,51,446</u>	<u>18,25,568</u>
Note 19 : PURCHASE OF STOCK-IN-TRADE			
	Purchase Trading	9,40,68,272	4,31,17,157
	Cost of Stores and Spares Sold	7,92,397	29,79,200
	TOTAL	<u>9,48,60,669</u>	<u>4,31,17,157</u>
	Expenditure in Foreign Currency		
	Import of Goods on Carriage Insurance Freight (CIF) basis	4,83,73,049	-
Note 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS			
Closing Inventories			
	Stock-in-trade	27,91,800	-
		<u>27,91,800</u>	<u>-</u>
Less: Opening Inventories			
	Stock-in-trade	-	-
		<u>-</u>	<u>-</u>
	TOTAL	<u>(27,91,800)</u>	<u>-</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note	Particulars	Amount in ₹	
		Year Ended 31st March, 2019	Year Ended 31st March, 2018
Note 21 : EMPLOYEE BENEFITS EXPENSE			
	Salary, Wages and Bonus	17,56,120	14,60,986
	Gratuity and Leave Encashment	36,894	1,50,644
	Contribution to PF and ESIC	72,691	68,091
	Staff Welfare Expenses	8,789	12,563
	TOTAL	18,74,494	16,92,284
Note 22 : FINANCE COST			
	Interest - Others	65,971	23,60,114
	Other Borrowing Cost	-	2,29,349
	TOTAL	65,971	25,89,463
Note 23 : OTHER EXPENSES			
	Fuel and Power	-	15,65,343
	Water Charges	-	6,23,545
	Rent, Rates and Taxes	7,56,000	8,01,000
	Insurance	8,631	9,147
	Repairs & Maintenance - Other	2,34,725	12,23,451
	Legal and Professional Charges	20,75,068	9,94,609
	Travelling and Conveyance Expenses	88,352	1,00,023
	Postage and Telephone	5,56,923	1,26,153
	Printing and Stationery	4,06,886	4,15,458
	Security Service Charges	-	5,10,537
	Donation	-	40,000
	Auditors Remuneration	3,00,000	3,07,050
	Other Expenses	13,94,723	6,47,738
	Clearing and Forwarding Charges Export	2,13,251	2,73,587
	Exchange Fluctuation - Net	3,44,445	-
	Bank Charges	3,84,183	55,462
	Listing Fees Paid	3,07,908	3,99,433
	Directors Sitting Fees	3,30,000	2,40,502
	TOTAL	74,01,095	83,33,039



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 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 2019. 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

The State Excise Department, Government of Maharashtra has demanded ₹ NIL (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 which has been allowed in favour of the Company.

Note 27: Loans and Advances including ₹ 34,00,000/- (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 upto 31st March, 2017		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.

The Company has deposited additional amount of ₹ 34,00,000/- during the current year without prejudice to the right of contention pursuant to the interim Order of Bombay High Court in order to transfer the electric connection/meter in the name of Gharda Chemicals Ltd. The Company is hopeful of recovery of the said amount.

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	2018-19	2017-18	
Employers Contribution to Provident Fund and Pension Fund	72,444	67,983	

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	2018-19	2017-18
1	Domestic Sales	9,08,54,982	4,61,35,097
2	Export Sales – FOB	20,07,489	7,77,341
	Total	9,28,62,471	4,69,12,438

- 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	M. N. B. Nair – Chief Executive Officer Sunil Raghav – Chief Financial Officer Surabhi Vartak – Company Secretary

- b) Transactions with Related Parties:

Amount in ₹		
Particulars	2018-19	2017-18
Associates Concern		
Loan Fund Received /(Repayment)		
The Book Centre Ltd.	-	(1,10,00,000)
Sakarwadi Trading Co. Pvt. Ltd	-	(1,90,00,000)
Interest		
Sakarwadi Trading Co. Pvt. Ltd	-	2,74,849
The Book Centre Ltd.	-	7,79,397
Rent		
Somaiya Properties & Investments Pvt. Ltd. (Formerly The Godavari Sugar Mills Pvt. Ltd.)	5,52,240	5,48,730
Arpit Ltd.	2,97,360	2,95,470



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	2018-19	2017-18
Purchase		
Godavari Biorefineries Ltd.	-	1,94,68,000
Printing and Stationery		
The Book Centre Ltd.	9,440	17,914
Sales (Product / Machinery)		
Godavari Biorefineries Ltd.	6,24,21,499	2,14,97,002
Logo License Fees		
K. J. Somaiya & Sons Pvt. Ltd.	1,03,709	55,359
Key Management Personnel		
Remuneration		
M. N. B. Nair	6,33,000	4,64,000
Sunil Raghav	7,17,920	6,24,432
Surabhi Vartak	4,53,916	75,008

c) Year End Balances:

Amount in ₹

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Trade Receivable		
Godavari Biorefineries Ltd.	57,43,075	-

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

Amount in ₹

Particulars	2018-19	2017-18
Future minimum lease payments are as under:		
a. Operating leases for each of the following periods:		
Not later than one year	7,20,000	7,20,000
Later than one year but not later than five years.	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 33: Disclosure of Earning Per Share (IND AS-33):**

Amount in ₹

Particulars	2018-19	2017-18
Total Income for the year after Tax	31,17,178	1,13,232
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	0.50	0.02
– Diluted	0.50	0.02
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, 2019	As at 31 st March, 2018
Accelerated Depreciation for tax purposes	(19,529)	(40,99,851)
Gratuity	1,91,765	2,01,194
Leave Encashment / Bonus	34,346	35,086
Losses available for offsetting against future taxable income	4,38,68,488	5,19,25,344
Net Deferred Tax Assets	4,40,75,070	4,80,61,773
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, 2019 was ₹ NIL (Previous year ₹ NIL)

Note 36: Remuneration to Auditors

Amount in ₹

Particulars	2018-19	2017-18
Audit Fees	2,00,000	2,00,000
Tax Audit Fees	1,00,000	1,00,000
Other Matters	-	7,050
Total	3,00,000	3,07,050



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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	2,20,19,643	19,65,408	2,20,19,643	19,65,408
Cash and Cash Equivalents	26,88,773	52,36,042	26,88,773	52,36,042
Other Bank Balances	2,54,44,330	1,68,89,140	2,54,44,330	1,68,89,140
Security Deposits	8,69,500	8,69,500	8,69,500	8,69,500
Other Financial Assets	37,48,721	2,78,357	37,48,721	2,78,357
FVTOCI				
Investment in Equity Instruments	1,60,400	1,25,050	1,60,400	1,25,050
Total	5,49,31,367	2,53,63,497	5,49,31,367	2,53,63,497
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	-	-	-	-
Trade Payables	68,29,388	26,66,841	68,29,388	26,66,841
Other financial liabilities	10,20,365	10,34,163	10,20,365	10,34,163
Total	78,49,753	37,01,004	78,49,753	37,01,004

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, 2019			Total
	Fair value measurement using			
	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	1,60,400	-	-	1,60,400
Total Financial Assets	1,60,400	-	-	1,60,400



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	March 31, 2018			Total
	Fair value measurement using			
	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

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 limited in SAP, credit rating etc. Concentrations of credit risk are limited as a result of the company's large and diverse customer base. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. Generally, term deposits are maintained with banks with which company has also availed borrowings.

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, 2019	2,20,19,643	-	2,20,19,643
As at March 31, 2018	19,65,408	-	19,65,408

iii) **Reconciliation of loss allowance provision - Trade receivables**

Particulars	Amount in ₹
Loss allowance on March 31, 2018	-
Changes in loss allowance	-
Loss allowance on March 31, 2019	-

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 ₹ 5,49,31,367/- (March 31, 2018 ₹ 2,53,63,497/-). 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, 2019					
Non-derivatives					
Borrowings	-	-	-	-	-
Trade payables	68,29,388	68,29,388	68,29,388	-	-
Other financial liabilities	10,20,365	10,20,365	10,20,365	-	-
Total non- derivative liabilities	78,49,753	78,49,753	78,49,753	-	-
Derivatives					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-
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	-	-	-	-	-

(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: NIL

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 primarily borrowed funds under fixed interest rate arrangements with banks and financial institutions and therefore the Company is not significantly exposed to interest rate risk.

iii) Inventory price risk

The Inventory of the Company consist of Stock in trade of ₹ 27,91,800/- which is subject to inventory price risk.

Note 39: For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. 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.

Amount in ₹

Particulars	March 31, 2019	March 31, 2018
Borrowings other than convertible preference shares	-	-
Trade payables	68,29,388	26,66,841
Other payables	19,38,080	19,80,114
Less: cash and cash equivalents	26,88,773	52,36,042
Net Debt	60,78,695	(5,89,087)
Equity share capital	6,27,26,290	6,27,26,290
Other equity	(23,46,444)	(54,98,972)
Total Capital	6,03,79,846	5,72,27,318
Capital and net debt	6,64,58,541	5,66,38,231
Gearing ratio	9	(1)

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 has achieved the desired objectives.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 40: Asset classified as held for sale

Amount in ₹

Particulars	March 31, 2019	March 31, 2018
Assets		
Property, plant and equipment	-	1,46,11,901
Assets classified as held for distribution	-	1,46,11,901
Liabilities	-	-
Net assets directly associated with disposal group	-	1,46,11,901

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

Note 41: 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, 2019.

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

For Verma Mehta & Associates

Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta

Partner
M.N. 043599

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 : 27th May, 2019

Place : Mumbai
Date : 27th May, 2019



PENTOKEY ORGANY (INDIA) LIMITED

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

Telephone: +91 (022) 6170 2100 / 164 Fax: +91 (022) 2204 7297

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

CIN: L24116MH1986PLC041681

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]

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/her

Name:	
Address:	
E-mail Id:	
Signature:	

or failing him/her

Name:	
Address:	
E-mail Id:	
Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **32nd Annual General Meeting** of the Company, to be held on **Thursday, the 26th September, 2019, 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:

Sr No.	Description	For	Against
ORDINARY BUSINESS			
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2019 and the Reports of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. S. Mohan (DIN: 03184356), who retires by rotation and being eligible, offers himself for re-appointment.		
SPECIAL BUSINESS			
3.	To Re-Appoint Mr. Devendra Shrimanker (DIN: 00385083) as an Independent Director of the Company for a second term of five consecutive years.		
4.	To Re-Appoint Mr. Shyam Balsekar (DIN: 02333845) as an Independent Director of the Company for a second term of five consecutive years.		

Signed this..... day of..... 2019

Signature of Shareholder.....

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



Notes:

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. The proxy holder shall prove his identity at the time of the attending the Meeting.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 32nd ANNUAL GENERAL MEETING of the Company.



PENTOKEY ORGANY (INDIA) LIMITED

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

Telephone: +91 (022) 6170 2100 / 164 Fax: +91 (022) 2204 7297

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

CIN: L24116MH1986PLC041681

Attendance Slip for 32nd Annual General Meeting (AGM) of the Company to be held on Thursday, 26th September, 2019

I/We hereby record my/our presence at the 32nd Annual General Meeting held at Kilachand Conference Hall, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020 on Thursday, the 26th September, 2019 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 32nd Annual General Meeting. The e-voting period starts **Monday, 23rd September, 2019 at 9:00 am** and ends on **Wednesday, 25th September, 2019 at 5:00 pm**. The voting module shall be disabled by CDSL for voting thereafter.



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