

23RD ANNUAL REPORT
2009-2010



■ PENTOKEY ORGANY (INDIA) LIMITED ■

PENTOKEY ORGANY (INDIA) LIMITED

23RD ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

Shri Rajendra V. Shah -Chairman & Managing Director
Shri Ajai O. Bhambi -Special Director- BIFR (Upto 29/01/2010)
Smt. Pragna R. Shah - Director (Upto 29/01/2010)
Dr. Sampatraj B. Chandalia
Shri Devendra J. Shrimanker
Shri Vinay V. Joshi
Shri Girish M. Kajaria
Shri Shyam C. Balsekar

AUDITORS

M/s. Desai Saksena & Associates
Chartered Accountants

BANKERS

Bank of India
HDFC Bank Limited

SOLICITORS & ADVOCATES

Dhir & Dhir Associates
Gagrats

REGISTERED OFFICE

Yusuf Building, 20 A, 2nd Floor,
43, M. G Road, Fort,
Mumbai - 400 001

FACTORY

D1/1, MIDC, Lote Parshuram,
Tal. Khed,
Dist. Ratnagiri, Maharashtra

REGISTRAR & SHARE TRANSFER AGENTS

Datamatics Financial Services Ltd.,
Plot No. B-5, MIDC, Part B,
Cross Lane, Andheri (East),
Mumbai - 400 093.

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NOTICE

NOTICE is hereby given that the Twenty-third Annual General Meeting of the members of Pentokey Organy (India) Limited, will be held on Thursday, the 5th August, 2010 at 3.30 p.m. at Somaiya Bhavan, 45/47, M. G. Road, Fort, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vinay V. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Girish M. Kajaria, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Desai Saksena & Associates, Chartered Accountants, as Auditors of the Company to hold office, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Registered Office:

Yusuf Building, 20A, 2nd Floor,
43, M. G. Road, Fort,
Mumbai - 400001

By Order of the Board of Directors

Priyanka Jain
Company Secretary

Place : Mumbai
Date : 13th May, 2010

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Members are requested to notify any change in their address to the Company's Registrars and Share Transfer Agents 'Datamatics Financial Services Limited', Plot No. B-5, MIDC, Part B, Cross Lane, Andheri (East), Mumbai- 400 093.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd August, 2010 to 5th August, 2010 (both days inclusive).
4. Members/proxies should bring their copies of the Annual Report and the admission slip duly filled in for attending the meeting.
5. Members seeking any information on the Accounts at the Annual General Meeting should write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.

Registered Office:

Yusuf Building, 20A, 2nd Floor,
43, M. G. Road, Fort,
Mumbai - 400001

By Order of the Board of Directors

Priyanka Jain
Company Secretary

Place : Mumbai
Date : 13th May, 2010



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty-third Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 2010.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended 31st March, 2010 is summarised below: -

	(Rs. in Lacs)	
	Financial Year 2009-2010	Financial Year 2008-2009
Gross Income	4538.55	2132.01
Profit/(Loss) before Interest and Depreciation & Extraordinary item	204.62	233.34
Less : Interest	25.06	52.60
Profit/(Loss) before Depreciation & Extraordinary item	179.56	180.74
Less : Depreciation	109.30	99.34
Profit/(Loss) for the year before Extraordinary item	70.26	81.40
Add/Less: Exceptional item (Provisions/Balances Written Off/Back)	6.36	12.77
Net Profit/(Loss) for the year after Extraordinary item	76.62	68.63
Less : Taxes	-	1.44
Net Profit/(Loss) for the year after Tax	76.62	67.19

2. a) RESULTS & OPERATIONS:

The Company's turnover for the year was Rs. 4538.55 Lacs against Rs. 2132.01 Lacs in the previous year, registering an increase by 113%. Essentially because of more than optimum capacity utilization of Ethyl Acetate Plant. The Net Profit after tax was Rs. 76.62 Lacs for the year under review, as compared to Rs.67.19 Lacs in the previous year.

As you are aware, the performance of the Ethanol and Ethanol based chemical industry is to some extent dependant on performance of the sugar sector as the raw material for this industry namely Molasses and Alcohol are derived from sugar industry. The sugar production during season 2008-09 (October to September) was lower by more than 40% compared to earlier season. Due to the lower sugar production, the prices of Ethanol went up by over 50% during this year. However, the prices of the finished products manufactured by the Company could not increase due to the recessionary impact on the chemical industry and especially on the chemicals manufactured by the Company. The prices infact were lower during current year vis-a-vis previous year.

The sugar production during season 2009-10 (October to September) has shown substantial improvement and is expected to be around 19 million M.T. against 14.6 million M.T. of previous year. The production during season 2010-11 is also expected to rise substantially. This would improve the availability of Molasses and Alcohol during financial year 2010-11. We also expect raw material prices to come down during 2010-11. This would result in improved profitability of the Company in 2010-11.

2. b) CAPITAL EXPENDITURE:

i. Boiler:

The Company has successfully commissioned coal fired boiler and it has been operating satisfactorily during the year under review. Due to this, there is saving of over 20% in cost of steam generation. During the year, the company has also installed variable frequency drive controls on the boiler, which has resulted in the saving in power to the tune of 1000 KWH/day.

ii. Back Pressure Steam Turbine:

The Company has installed and commissioned one 600 KW Back Pressure Steam Turbine during February, 2010. However, the benefits of this turbine would be available during the year 2010-11.

iii. Raw Material & Finished Goods Storage Tanks:

The Company is also augmenting storage tank capacities for raw material & finished products. This would improve the competitiveness in the procurement of raw material as well as marketing of chemicals produced by the Company.

iv. Acetic Anhydride:

The Company has been exploring various options for diversification and adding new products for sustained growth over the years. The Board has now narrowed down the choice and decided to go ahead with the project to manufacture Acetic Anhydride. This product is used as drug intermediate and raw material in various industries. There are many derivatives of Acetic Anhydride or its intermediate products, which would provide further opportunities for diversification. Acetic Anhydride also provides synergy in terms of raw material as well as market. The Company plans to commission this project during second half of 2011.

3. MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Your Company essentially manufactures chemicals, which use Ethanol as feedstock. Ethanol in India is manufactured from Molasses-byproduct of sugar industry. The availability and prices of Molasses and Ethanol depend upon the production of sugar. Sugar industry goes through cyclical fluctuation, which also largely affect the availability and



prices of Ethanol. Sugar industry is currently poised for upswing during the next two years. This should improve availability and prices of Ethanol in India. Your company also uses Acetic Acid, which either can be manufactured internally or could be bought locally or imported from international manufacturers. The availability of Acetic Acid is expected to be comfortable and therefore prices are also expected to be stable during next 12 months.

Opportunities and Threats.

The demand for Ethyl Acetate, which is main product of the Company, is growing @ over 7% p.a. and we are confident that we will be able to market the products in the local and international market. With the improved availability of the raw materials, the Company is also exploring opportunities for other products for sustained growth.

Since the availability and price of Ethanol largely depends upon the performance of the sugar industry, cyclical fluctuation in the sugar industry would affect Ethanol industry as well.

Segment wise and Product wise performance:

Your Company has been manufacturing chemicals like Acetaldehyde, Acetic Acid and Ethyl Acetate. During the last year, due to the poor availability of Ethanol locally, the price of Ethanol was very high, which made production of Acetaldehyde and Acetic Acid unviable. Therefore, the Acetaldehyde plant operated intermittently while Acetic Acid plant remained closed. However, we expect that with the improved availability of Ethanol during year 2010-11, the Company will be able to operate Acetaldehyde plant in 2010-11.

Purchase of Acetic Acid continued to be more competitive than own production of Acetic Acid from Ethanol. Hence, your company expect Acetic Acid plant to be non-operational in the year 2010-11. Ethyl Acetate is the main product and drives more than 90% of the revenues of the Company. The Company has done de-bottlenecking of the plant capacity, which effectively has increased its operating capacities to over 120% of the rated capacity.

Ethyl Acetate manufactured by the Company meets stringent norms of various industries namely pharmaceuticals, paint industry & packaging industry and enjoys wider acceptance. Your company expects to improve its performance during 2010-11 of Ethyl Acetate.

Risks and Concerns:

The chemical industry is prone to fluctuations in demand depending upon the performance of the user industry. The demand for Ethyl Acetate is also subject to the fluctuations based on the performance of the user industry. Due to recessionary conditions in the chemical industry world wide, your company expects this to have impact on the prices of chemicals in India also. Your company is trying to minimize the impact by closely monitoring operating parameters as well as procurement of raw materials at competitive prices.

Internal Control System:

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

Financial performance with respect to operational performance:

Your Company's turnover during the financial year ended 31st March, 2010 has increased to Rs. 453,204,438 as compared to Rs. 213,044,330 during the corresponding last year. The Company has posted Profit Before Interest and Exceptional Items for the year ended 31st March, 2010 is Rs. 7,026,175 as compared to the profit of Rs. 8,139,582 in the corresponding last year. Net Profit After Tax is Rs.7,662,499 as against a profit of Rs. 6,718,957 in the corresponding last year.

Human Resources

Skilled professionals in all its operations are basically its human resource assets and are integral part the Company's ongoing successes. They have played significant role and enable the Company to deliver better performance.

Cautionary statement

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

4. STATUS UNDER BIFR:

The Company had filed Miscellaneous Application to the Board for Industrial & Financial Reconstruction (BIFR). In the hearing held on 14th October, 2009 before the Hon'ble Bench-I of BIFR, wherein it was stated that the Company had substantially implemented the sanctioned scheme issued by BIFR and the Net-worth of the Company has become positive. The Company has therefore ceased to be a sick industrial undertaking within the meaning of Section 3(1)(o) of SICA. The Hon'ble Bench has therefore discharged the Company from the purview of SICA/BIFR and accordingly the Company was deregistered from BIFR.

5. DIVIDEND

In view of the accumulated losses the Directors are unable to recommend any dividend for the year under review.



6. FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 from the public.

7. DIRECTORS

Shri Vinay V. Joshi and Shri Girish M. Kajaria, Directors of the Company, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

As the Company has been discharged from the purview of SICA/BIFR, Shri Ajai O. Bhambhi, the Special Director appointed by the BIFR on 9th September, 1997 ceased to be the director of the Company with effect from 29th January, 2010. The Board placed on record its sincere appreciation for the contribution made by him during the tenure of his office as Special Director of the Company. Smt. Pragna R. Shah, Director of the Company also resigned with effect from 29th January, 2010. The Board placed on record valuable services rendered by her during the tenure of her office as Director of the Company.

8. AUDITORS

M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai, retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible, have confirmed their willingness for re-appointment.

9. INSURANCE

The Company has adequately insured its insurable assets

10. INDUSTRIAL RELATIONS

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

11. PARTICULARS OF EMPLOYEES

The Company has no employees in respect of whom information under Sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended as on date is required to be furnished.

12. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors state that

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith the proper explanation relating to material departures;
- (ii) 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 at the end of the financial year and of the profit or loss of the company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

13. CORPORATE GOVERNANCE:

As per the requirement of listing agreement with the Stock Exchanges, your company has complied with the requirement of Corporate Governance in all material aspects.

A report on Corporate Governance together with the certificate of its compliance from Statutory Auditors, forms part of this report.

14. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure -I which forms part of this report.

15. APPRECIATION

Your Directors wish to place on record their appreciation of whole hearted co-operation and support from Shareholders, Employees, Bankers, Financial Institutions, and various Government Agencies and look forward to the same extent of co-operation and cordial support at all levels.

For and on behalf of the Board of Directors

Rajendra V. Shah
Chairman & Managing Director

Place : Mumbai
Date : 13th May, 2010

**ANNEXURE - I**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 attached to and forming part of the Directors' Report for the year ended 31st March, 2010.

I. CONSERVATION OF ENERGY:

Energy conservation measure taken:

Constant efforts are being made to improve power factor and to effect savings in power and fuel consumption.

Total energy consumption and energy consumption per unit of production

A. POWER AND FUEL CONSUMPTION	CURRENT YEAR 2009-10	PREVIOUS YEAR 2008-09
1. Electricity		
(a) Purchased	1584	844
Units (KWH) (in Thousand)		
Total Amounts (Rs. in Lacs)	87.25	41.95
Rate/Unit (Rs.)	5.51	4.97
(b) Own Generation		
Through Turbine		
Units (KWH) (in Thousand)	17.6	NIL
2. Coal (M.Ts)	4292	NIL
3. Furnace Oil:		
Quantity (Kgs.)	6,87,639	9,31,977
Total Cost (Rs. in Lacs)	135.79	173.70
Average Rate (Rs.)	19.75	18.64
4. Light Diesel Oil	NIL	NIL
5. Other/ Internal generation	NIL	NIL
B. CONSUMPTION PER M.T. OF PRODUCTION		
1. Electricity (Unit)		
Acetaldehyde	256	239
Acetic Acid	NIL	305
Ethyl Acetate	127	107
2. Furnace Oil (Kgs.)		
Acetaldehyde	12	182
Acetic Acid	NIL	58
Ethyl Acetate	68	173
3. Coal (Kgs.)		
Acetaldehyde	620	NIL
Acetic Acid	NIL	NIL
Ethyl Acetate	365	NIL

II. TECHNOLOGY ABSORPTION ADAPTATION, INNOVATION AND RESEARCH & DEVELOPMENT :

No Technology has been imported by the Company. Technology innovation and changes wherever possible are being absorbed and adopted.

III. FOREIGN EXCHANGE EARNING AND OUTGO:

There were no earning or outgo in Foreign Exchange either during the Current Year or Previous Year.

For and on behalf of the Board of Directors

Rajendra V. Shah
Chairman & Managing Director

Place : Mumbai
Date : 13th May, 2010



CORPORATE GOVERNANCE.

Company's Philosophy on Code of Governance

Pentokey Organy (India) Limited has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth. Your Company continuously endeavours to improve on these aspects on ongoing basis. Pentokey Organy (India) Limited recognizes "values and commitments" policy. We are committed to an ethical treatment of all our employees, our customers, our shareholders, our lenders, our suppliers and the Government. Your Company has been constantly devising measures to improve upon to adopt effective Corporate Governance by creating an environment based on professionalism, entrepreneurship and pursuit for excellence. Corporate Governance policies and practices in accordance with the provisions of Clause 49 of the Listing Agreement are:

Board of Directors

Composition

Presently, the Board of Directors of the Company comprises of six members, out of which three are Independent Non-executive Directors. The Non Executive Directors of the Company are experienced professionals in their respective fields. The Board is headed by an Executive Chairman & Managing Director.

Shri Ajai O. Bhambi, Special Director appointed by BIFR, ceased to be a Director of the Company with effect from 29th January, 2010 and Smt. Pragna R. Shah has also resigned from the Board of Directors and ceased to be a Director with effect from 29th January, 2010.

Board Procedures

During the financial year 2009-2010 the Board of Directors has met four times on the following dates: 20th May, 2009, 28th July, 2009, 20th October, 2009, and 29th January, 2010. The meetings were held as per the mandatory requirements and the dates of the meetings were generally decided well in advance. The gap between two meetings did not exceed four months

Attendance Record Directorships and Membership of Directors

Table 1 gives the composition of the Board and the attendance record of all the Directors at the four Board meetings held during the financial year 2009-10 as well as at the last Annual General Meeting and the number of Directorships and Committee Memberships held by them in other Companies.

Table 1 :

Name of Directors	Category	Attendance particulars		Directorships in Companies		Memberships/ Chairmanships In Committees	
		Board Meeting	Last AGM Held on 28.07.2009	In Listed Company	In Unlisted Public Ltd Companies	Chairman	Member
Rajendra V. Shah	Promoter, Chairman & Managing Director	4	Yes	-	2	-	-
Dr. Sampatraj B. Chandalia	Non-executive, Independent	3	Yes	-	-	-	1
Devendra J. Shrimanker	Non-executive, Independent	4	Yes	-	-	1	2
Girish M. Kajaria	Non-executive	3	Yes	-	1	-	1
Vinay V. Joshi	Non-executive	4	Yes	-	3	1	2
Shyam C. Balsekar	Non-executive, Independent	3	No	-	-	1	-
*Pragna R. Shah	Promoter, Non-executive, Independent	1	No	-	2	-	-
*Ajai O. Bhambi	Non-executive, Independent (Special Director- BIFR)	2	No	-	1	-	1

* Ceased to be the Directors of the Company with effect from 29th January, 2010.

Notes (1) Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act. 1956 are excluded for the above purpose.

(2) Only Audit Committee, Shareholders Grievance Committee and Remuneration Committee are considered for the purpose of Committee positions as per Listing Agreement.

Information supplied to the Board

The Board of Pentokey Organy (India) Limited is presented with all the relevant information on various vital matters affecting the working of the Company as well as those that require deliberation at the highest level. Extensive information is provided on various critical items such as: (a) Production, Sales and Capital Expenditure Budget (b) Financial Performance c) Share Transfer Compliance (d) Quarterly Financial Results (e) Significant Labour and Human Relation matters (f) Statutory Compliance Reporting System and any other matters.

Audit Committee:

Constitution and Composition

The Audit Committee of the Company comprises of Shri Devendra J. Shrimanker, Chairman of the Committee, Dr. Sampatraj B. Chandalia, Independent Director and Shri Vinay V. Joshi, Non-executive Director. All members of the Audit Committee have knowledge on financial matters and the Chairman of the Audit Committee is a senior Chartered Accountant in practice having accounting and financial management expertise.



Ms. Priyanka Jain is the Secretary to the Audit Committee.

The terms of reference specified by the Board to the Audit Committee are as contained in Clause 49 of the Listing Agreement and under Section 292A of the Companies Act, 1956 and it also undertakes such other matters as may be delegated by the Board from time to time. The primary function of the Audit Committee is:

1. To periodically interact with the Internal Auditors to review their reports and discuss adequacy of internal control system and internal Audit functions.
2. Appointment of Statutory Auditors and meeting with them to discuss the scope of Audit, their observations and suggestions on accounts and accounting policies.
3. The Audit Committee also reviews with the management the Company's financial reporting process and the disclosure of its financial information.

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

Meetings, attendance and topics discussed

The Audit Committee met four times during the Financial Year 2009-10, 20th May, 2009, 28th July, 2009, 20th October, 2009 and 29th January, 2010. The meetings were scheduled well in advance. In addition to the members of the Audit Committee these meetings were attended by Statutory Auditors and those executives of the Company who were considered necessary for providing inputs to the Committee.

Names of the Directors	No. of Meetings attended
1. Shri Devendra J. Shimanker	4
2. Dr. Sampatraj B. Chandalia	3
3. Shri Vinay V. Joshi	4

Remuneration Committee

The Board has re-constituted Remuneration Committee comprising Shri Shyam C. Balsekar, (Chairman of the Committee), Independent Director, Shri Devendra J. Shrimanker, Independent Director and Shri Girish M. Kajaria, Non executive Director.

Terms of Reference: The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director/Executive Directors.

Remuneration of Directors

- a. Details of the remuneration paid to the Managing Director / Executive Director for the Financial Year ended 31st March, 2010 is given below: -

Name of the Director	Category	Salary	Service Years	Contract Period
Rajendra V. Shah	Chairman & Managing Director	7,33,940/-	5	14 th July, 2005 to 13 th July, 2010

- b. Details of Sitting Fees paid to the Non-Executive Directors for the financial year ended 31st March, 2010 is given below: -

Non Executive Director	Sitting Fees (Rs)
1. Dr. Sampatraj B. Chandalia	21,000/-
2. Shri Devendra J. Shrimanker	28,000/-
3. Shri Girish M. Kajaria	10,500/-
4. Shri Vinay V. Joshi	28,000/-
5. Shri Shyam C. Balsekar	10,500/-
6. Smt. Pragna R. Shah	3,500/-
7. Shri Ajai O. Bhambi	7,000/-

Shareholders Grievances Committee

The Company has constituted a Shareholder Grievances Committee in compliance with the Clause 49 of the Listing Agreement. The Committee comprises of two Directors viz. Shri Vinay V. Joshi and Shri Devendra J. Shrimanker. The Committee looks into the matter of share transfers, issue of duplicate certificates and other related matters.

No Transfers /Transmission are pending as on 31st March, 2010.



SHAREHOLDERS

Communications to Shareholders

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

Shareholders Information General Body Meetings:

For the period ended

31st March, 2009

Date, Time and Locations

28th July, 2009 at 4.00 p.m.
Fazalbhoy Building, 45/47, M.G. Road,
Fort, Mumbai- 400 001

31st March, 2008

29th September, 2008 at 4.00 p.m.
Unit No RCC/ 9, 1st Floor, J K Industrial Estate,
Mahakali Caves Road, Andheri (East) Mumbai – 400093

General Shareholders Information

Annual General Meeting

Day, Date, Time & Venue

Thursday, 5th August, 2010 at 3.30 p.m.
Somaiya Bhavan, 45/47, M. G. Road, Fort,
Mumbai - 400 001

Dividend Payment Date

Not Applicable since no dividend has been declared

Listing on Stock Exchanges.

Bombay Stock Exchange Ltd. (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

The Stock Exchange, Ahmedabad
Kamdhenu Complex, Opp. Sahjanand College,
Panjrapole, Ahmedabad – 380 015

Corporate Identity Number :

Alloted by Ministry of Corporate Affairs

L24116MH1986PLC041681

Stock Code:

The Stock Exchange, Mumbai
The Stock Exchange, Ahmedabad

524210
44750

Market Price Data :

No rates are quoted during the Financial
Year 2009-2010.

Registrar & Transfer Agents :

Datamatics Financial Services Ltd.
Plot No. B-5, MIDC, Part B
Cross Lane, Andheri (East),
Mumbai – 400 093.

Distribution of Shareholdings

Table 2 gives details about the pattern of Shareholdings among various categories as on 31st March, 2010, while table 3 gives the data according to size classes: -

Table 2: Distribution of shareholdings across categories

	As on 31st March, 2010		As on 31st March, 2009	
	No. of Shares	% to Total Capital	No. of Shares	% to Total Capital
Promoters and persons acting in concert (Including Directors and Relatives)	4,685,223	83.16	4,685,223	83.16
Foreign Institutional investors	-	-	-	-
Public Financial Institutions	202,459	3.59	202,459	3.59
Mutual funds	3,900	0.06	3,900	0.06
Nationalized and Other banks	-	-	-	-
Private Corporate Bodies	23,375	0.42	23,375	0.42
NRIs and OCBs	-	-	-	-
Others (Public)	719,376	12.77	719,376	12.77
Total	5,634,333	100.00	5,634,333	100.00

Table 3: Distribution of shareholdings according to size class as on 31st March, 2010

Shares Range		No. of Shares	% to Capital	No. of Holders	% to No. of Holders
From	To				
1	500	625301	11.10	18458	99.42
501	1000	31350	0.56	46	0.25
1001	2000	29900	0.53	22	0.12
2001	3000	14150	0.25	6	0.03
3001	4000	23800	0.42	7	0.04
4001	5000	9125	0.16	2	0.01
5001	10000	82010	1.46	11	0.06
10001	50000	126775	2.25	6	0.03
50001	99999999999	4691922	83.27	7	0.04
		5634333	100.00	18565	100.00

Dematerialisation of Shares

As on date the shares of the Company are not dematerialised.

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

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

Plant Location

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

Address for Correspondence

Yusuf Building,
20A, 2nd Floor, 43, M. G. Road, Fort,
Mumbai-400 001,

Auditor's Report on Corporate Governance

To the Members

Pentokey Organy (India) Limited

We have reviewed the records concerning the Company's compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company with the Stock Exchanges for the year ended on 31st March, 2010.

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 implementations thereof, adopted by the Company for ensuring the 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.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review, and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement.

On the basis of the records maintained by the Company, we state that there are no Investor Grievances pending against the Company for a period exceeding one month.

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

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

Place: Mumbai
Date: 13th May, 2010

Dr. S. N. Desai
Partner
M. No. 32546



Auditors' Report

TO THE MEMBERS OF
PENTOKEY ORGANY (INDIA) LIMITED

1. We have audited the attached Balance Sheet of PENTOKEY ORGANY (INDIA) LIMITED, as at 31st March, 2010, the Profit and Loss Account of the Company and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") (as amended) issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure, referred to in paragraph 3, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March 2010 from being appointed as directors in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies & notes to the accounts thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Dr. S.N. Desai
Partner
M.No.32546

Place : Mumbai

Date : 13th May, 2010

Annexure to the Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date.

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As per the explanation given to us, the Company has designed a phased programme for the physical verification of its fixed assets and accordingly a portion of the fixed assets are verified every year to cover all the items in reasonable time frame. Pursuant to said programme, during the year also a portion of fixed assets of the Company has been physically verified by the management. As explained to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) In our opinion, during the year the Company has not disposed off a substantial part of fixed assets and in our opinion the going concern status of the Company is not affected.
- ii. In respect of its inventories:
 - (a) As explained to us, inventories, raw materials, semi-finished goods and finished goods were physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on the physical verification of inventory as compared to the book records.
- iii. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured to the parties listed in the Register maintained under section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the Order are not applicable.



- (b) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the Register maintained under section 301 of Companies Act, 1956. As the Company has not taken any loans, secured or unsecured from parties listed in the Register mentioned under section 301 of Companies Act, 1956, paragraphs (iii) (f) and (g) of the order are not applicable.
- iv. In our opinion, and according to the information and explanation given to us, having regard to the explanation, except that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control systems.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
- a) In our opinion and according to the information and explanations given to us, there were no transactions of sale & purchase during the year with the parties covered under register maintained under section 301 of the Companies Act, 1956.
- b) In our opinion and according to the information and explanations given to us, there are no contracts or agreements that need to be entered into register maintained under section 301 Companies Act 1956, paragraph (v) (b) of the order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable.
- vii. The Company has an internal audit system commensurate with the size and nature of the business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 relating to the manufacture of Acetic Acid. We are of the opinion that, prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the said records.
- ix. (a) According to the information, explanations and records of the Company, in respect of statutory and other dues, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess, Service Tax and any other statutory dues, applicable to it, with the appropriate authorities during the year. The Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 26th September, 2007 has granted various relief and concessions including rescheduling of the payment of the statutory dues. As per the explanation given by the Company, the dues are paid in accordance with the said order of BIFR.
- (b) According to the information and explanation given to us, that the following statutory dues have not been deposited on account of dispute.

Particulars	Financial Year to which it Pertains	Forum Where Dispute is pending	Amount (Rs. in Lacs)
Transport Fees	2002-2007	High Court	103.24

- x. The Company does have accumulated losses at 31st March, 2010. The Company has not incurred cash losses during the financial year covered by the audit. The Company has not incurred cash losses in immediately preceding financial year.
- xi. Based on our audit procedure and according to the information and explanations given to us, the Company has not taken loan from financial institutions or banks. Hence question of default in the repayment of dues to financial institutions or banks does not arise.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the company has not granted any loans and advances on the basis security by way of pledge of shares, debentures and any other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- xiv. According to information and explanations given to us, we are of the opinion that the Company is not trading in shares, debentures and other investments. Therefore the provision of clause 4(xiv) of Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given guarantees, for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis have prima facie, have been used during the year for long-term investments.
- xviii. The Company has not made allotment of shares during the year. Accordingly question of preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 or otherwise do not arise.
- xix. According to the information and explanations given to us, the Company has not issued any debentures; hence question of creation of securities do not arise.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

Dr. S.N. Desai
Partner
M.No.32546

Place: Mumbai
Date: 13th May, 2010

PENTOKEY ORGANY (INDIA) LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2010

(Amts. in Rs.)

Particulars	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	A	56,343,330	56,343,330
Reserves & Surplus	B	3,000,000	3,000,000
Loan Funds			
Secured Loans	C	2,535,659	4,138,750
Unsecured Loans	D	26,004,837	37,205,572
TOTAL		87,883,826	100,687,652
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	253,733,084	199,659,682
Less: Depreciation & Amortisation		161,916,842	151,690,902
Net Block		91,816,242	47,968,780
Capital Work-in-progress		18,191,458	53,263,445
		110,007,700	101,232,225
Investments	F	5,500	5,500
Current Assets, Loans & Advances			
Inventories	G	52,705,781	23,720,436
Sundry Debtors	H	8,228,432	5,969,994
Cash & Bank Balance	I	4,227,116	4,011,218
Loans & Advances	J	19,447,215	14,375,223
		84,608,544	48,076,871
Less: Current Liabilities and Provisions	K	136,679,928	86,231,453
Net Current Assets		(52,071,384)	(38,154,582)
Deferred Tax Asset (Net)		6,180,000	3,090,000
Profit & Loss A/c		23,762,010	34,514,509
TOTAL		87,883,826	100,687,652

Significant Accounting Policies and Notes to Accounts

R

Schedules referred to above form an integral part of the financial statement

As per our Report of even date annexed

For Desai Saksena & Associates

For and on behalf of the Board

Chartered Accountants

Dr. Shashank Desai

Rajendra V. Shah

Devendra J. Shrimanker

Partner

Managing Director

Director

M.N. 32546

Place : Mumbai

Place : Mumbai

Priyanka Jain

Date : 13th May, 2010

Date : 13th May, 2010

Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010**

(Amts. in Rs.)

Particulars	Schedule	Year ended 2009-10	Year ended 2008-09
INCOME			
Sales			
- Gross Sales		490,315,501	235,678,176
Less: Excise Duty		37,111,063	22,633,846
		<u>453,204,438</u>	<u>213,044,330</u>
Other Income	L	650,805	156,837
TOTAL		453,855,243	213,201,167
EXPENDITURE			
(Increase)/Decrease in Stocks	M	(5,361,858)	(1,941,792)
Manufacturing & Other Expenses	N	416,089,227	169,173,276
Employees Remuneration and Benefits	O	14,371,688	11,900,953
Administrative and Selling Expenses	P	8,252,853	10,574,979
Financial Cost	Q	2,547,459	5,420,145
Depreciation & Amortisation	E	10,929,699	9,934,024
TOTAL		446,829,068	205,061,585
Profit / (Loss) Before Tax & Exceptional Items		7,026,175	8,139,582
Exceptional Items			
Sundry Balances / Provisions Written back - (Net)		636,324	214,988
Excess Depreciation Written back		-	210,885
Retrenchment Compensation		-	(1,702,444)
Net Profit / (Loss) Before Tax		<u>7,662,499</u>	<u>6,863,011</u>
Provision for Fringe Benefit Tax		-	(144,054)
Provision for Deferred Tax Income		3,090,000	-
Profit/(Loss) after Tax		<u>10,752,499</u>	<u>6,718,957</u>
Add: Loss brought forward		(34,514,509)	(44,323,466)
		<u>(23,762,010)</u>	<u>(37,604,509)</u>
Add : Deferred Tax Initial Recognition		-	3,090,000
Balance Carried to Balance Sheet		<u>(23,762,010)</u>	<u>(34,514,509)</u>
Earnings Per Share (Refer Note No. (H) of Schedule 'R')			
Basic & Diluted Before Exceptional Items		1.25	1.54
Basic & Diluted After Exceptional Items		1.36	1.25

Significant Accounting Policies and Notes to Accounts R

Schedules referred to above form an integral part of the financial statement

As per our Report of even date annexed**For Desai Saksena & Associates**

Chartered Accountants

Dr. Shashank Desai

Partner

M.N. 32546

Place : Mumbai

Date : 13th May, 2010

For and on behalf of the Board

Rajendra V. Shah

Managing Director

Place : Mumbai

Date : 13th May, 2010

Devendra J. Shrimanker

Director

Priyanka Jain

Company Secretary

PENTOKEY ORGANY (INDIA) LIMITED



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

(Amts. in Rs.)

Particulars	Year ended 2009-10	Year ended 2008-09
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax after Exceptional items	7,662,499	6,863,011
<u>Adjustment for:</u>		
Depreciation	10,929,699	9,934,024
Excess Depreciation Written back	-	(210,885)
Loss on Sale of Fixed Assets	-	665,353
Interest Income	(392,701)	(30,054)
Interest & Finance Charges	2,547,459	5,420,145
Provisions/Balances Written Off / (Back)	(636,324)	(214,988)
Operating Profit before Working Capital Changes	20,110,632	22,426,606
<u>Adjusted for:</u>		
Inventories	(28,985,345)	(17,921,972)
Sundry Debtors	(2,258,438)	(4,430,654)
Loans & Advances	(5,048,981)	(12,124,270)
Trade Payables	49,376,438	39,167,626
Cash flow before exceptional items & Provision for tax	33,194,306	27,117,336
Fringe Benefit Tax paid	-	(120,000)
Provisions/Balances Written back	636,324	214,988
Net Cash from/ (used in) Operating Activities	33,830,630	27,212,324
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(18,633,137)	(41,668,904)
Sale of Fixed Assets	-	200,000
Interest Income	369,690	29,911
Cash Generated from/(used in) Investing Activity	(18,263,447)	(41,438,993)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(4,773,176)	(3,080,129)
Share Capital received	-	28,000,000
Long Term Loan Received	2,947,378	105,411,740
Long Term Loan Repaid	(13,525,487)	(113,221,871)
Cash Generated from/(used in) Financing Activity	(15,351,285)	17,109,740
Net Increase/(Decrease) in Cash & Cash Equivalents	215,898	2,883,071
Cash & Cash Equivalents at beginning of the year	4,011,218	1,128,147
Cash & Cash Equivalents at end of the year	4,227,116	4,011,218

As per our Report of even date annexed

For Desai Saksena & Associates

Chartered Accountants

Dr. Shashank Desai

Partner

M.N. 32546

Place : Mumbai

Date : 13th May, 2010

For and on behalf of the Board

Rajendra V. Shah

Managing Director

Place : Mumbai

Date : 13th May, 2010

Devendra J. Shrimanker

Director

Priyanka Jain

Company Secretary

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amts. in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 'A'- SHARE CAPITAL		
Authorised		
4,00,00,000 (Previous Year 4,00,00,000) Equity Shares of Rs. 10/- each	400,000,000	400,000,000
Issued, Subscribed & Paid-up		
5634333 (Previous Year 2834333) Equity Shares of Rs. 10/- each fully paid up	56,343,330	28,343,330
Add : Shares Alloted During the Year		
NIL (Previous Year 2800000) Equity Shares of Rs. 10/- each fully paid up	-	28,000,000
	56,343,330	56,343,330
SCHEDULE 'B'- RESERVES & SURPLUS		
Capital Reserve :		
Capital Subsidy (SICOM)	3,000,000	3,000,000
	3,000,000	3,000,000
SCHEDULE 'C'- SECURED LOANS		
a) Term Loans		
1) From Company		
Lalakana Chemicals Pvt. Ltd.	2,535,659	4,138,750
(Fully Secured Against First Mortgage and Charge of all Movable & Immovable Properties both present and future.)		
	2,535,659	4,138,750
SCHEDULE 'D'- UNSECURED LOANS		
From Director	-	279,464
From Others	25,644,794	36,386,045
Sales Tax Deferral Liability	360,043	540,063
	26,004,837	37,205,572

PENTOKEY ORGANY (INDIA) LIMITED



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'E': FIXED ASSETS

(Amts. in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION/ AMORTISATION				NET BLOCK			
	As at 31st March, 2009	Addition	Adjustments/ Deletion	As at 31st March, 2010	As at 31st March, 2009	For The Year	Adjust-Total ment for the Year	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009	
A) Tangible Assets											
Land (Leasehold)	987,872	-	-	987,872	176,793	10,400	-	10,400	187,193	800,679	811,079
Factory Building	28,347,567	-	-	28,347,567	14,339,044	946,809	-	946,809	15,285,853	13,061,714	14,008,523
Plant & Machinery	160,803,135	54,066,489	-	214,869,624	129,534,568	9,573,422	-	9,573,422	139,107,990	75,761,634	31,268,567
Electrical Installation	93,844*	-	-	93,844	48,150	4,458	-	4,458	52,608	41,236	45,694
Office/Factory Equipments	3,940,566	646,247	-	4,586,813	2,630,487	187,985	-	187,985	2,818,472	1,768,341	1,310,079
Computers	2,175,425	8,937	-	2,184,362	1,810,701	85,684	-	85,684	1,896,385	287,977	364,724
Furniture & Fixtures	1,842,664	55,488	-	1,898,152	1,726,191	113,646	-	113,646	1,839,837	58,315	116,473
Vehicles	1,412,009	-	(703,759)	708,250	1,412,009	-	(703,759)	-	708,250	-	-
B) Intangible Assets											
Computer Software	45,000	-	-	45,000	1,359	7,295	-	7,295	8,654	36,346	43,641
Patents & Trade Mark	11,600	-	-	11,600	11,600	-	-	-	11,600	-	-
TOTAL	199,659,682	54,777,161	(703,759)	253,733,084	151,690,902	10,929,699	(703,759)	10,929,699	161,916,842	91,816,242	47,968,780
Previous Year	199,323,319	1,817,264	(1,480,901)	199,659,682	142,583,311	9,934,024	(826,433)	9,934,024	151,690,902	47,968,780	56,740,008
Capital Work-in-progress										18,191,458	53,263,445
TOTAL										110,007,700	101,232,225

SCHEDULES FORMING PART OF BALANCE SHEET

(Amts. in Rs.)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 'F'- INVESTMENTS		
Current Investment		
Quoted Investment		
1) 50 (Previous Year 50) Equity Shares of Rs.100/- each fully paid up of State Bank of India	5,000	5,000
[Market value of quoted investment Rs. 1,03,950/- (Previous Year Rs.53,328/-)]		
Unquoted Investment		
1) 10 (Previous Year 10) Equity Shares of Rs.50/- each fully paid up of The Thane Janata Sahakari Bank Ltd.	500	500
	5,500	5,500
SCHEDULE 'G'- INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	35,106,626	16,211,312
Work In Process	1,019,819	981,981
Finished Goods	6,875,267	1,551,247
Stores & Spares	9,704,069	4,975,896
	52,705,781	23,720,436

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Amts in Rs.)

	Year ended 2009-10	Year ended 2008-09
SCHEDULE 'H'- SUNDRY DEBTORS		
(Unsecured considered good unless otherwise stated)		
Debts outstanding for a period		
a) More Than Six Months	299,501	299,501
Less: Provision for Doubtful Debts	299,501	299,501
	<u>-</u>	<u>-</u>
b) Less Than Six Months	8,228,432	5,969,994
	<u>8,228,432</u>	<u>5,969,994</u>
SCHEDULE 'I'- CASH & BANK BALANCES		
Cash on Hand	199,372	522,778
Balance with Scheduled Banks :		
Current Accounts	3,759,235	3,424,993
Fixed Deposits with Bank	268,509	63,447
	<u>4,027,744</u>	<u>3,488,440</u>
	<u>4,227,116</u>	<u>4,011,218</u>
SCHEDULE 'J'- LOANS & ADVANCES		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
	11,960,570	7,208,645
Less : Provision for Doubtful Advance	792,260	792,260
	<u>11,168,310</u>	<u>6,416,385</u>
Advances for Capital Goods	2,378,003	6,695,682
Balance with Excise Dept.	3,941,786	871,999
Advance Payment of Taxes	85,469	32,722
Prepaid Expenses	1,873,647	358,435
	<u>19,447,215</u>	<u>14,375,223</u>
SCHEDULE 'K'- CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	84,116,875	72,515,854
Other Liabilities	50,441,733	10,789,198
Provision for Gratuity	2,121,320	2,926,401
	<u>136,679,928</u>	<u>86,231,453</u>

PENTOKEY ORGANY (INDIA) LIMITED



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

(Amts in Rs.)

	Year ended 2009-10	Year ended 2008-09
SCHEDULE 'L'- OTHER INCOME		
Interest Received (Tax Deducted at source Rs. 43,160/- (Previous Year Rs. Nil))	392,701	30,054
Dividend Received	75	75
Miscellaneous Income	258,029	126,708
	<u>650,805</u>	<u>156,837</u>
SCHEDULE 'M'- (INCREASE)/ DECREASE IN INVENTORIES		
Closing Inventories		
Finished Goods	6,875,267	1,551,247
Work in process	1,019,819	981,981
	<u>7,895,086</u>	<u>2,533,228</u>
Less: Opening Inventories		
Finished Goods	1,551,247	591,436
Work in process	981,981	-
	<u>2,533,228</u>	<u>591,436</u>
	<u>(5,361,858)</u>	<u>(1,941,792)</u>
SCHEDULE 'N'- MANUFACTURING & OTHER EXPENSES		
Raw Materials Consumed		
Opening Inventories	16,211,312	1,962,780
Purchases	386,922,113	153,682,587
	<u>403,133,425</u>	<u>155,645,367</u>
Less : Closing Inventories	35,106,626	16,211,312
	<u>368,026,799</u>	<u>139,434,055</u>
Purchase Trading		940,971
Packign Material Consumed	5,191,501	1,701,725
Stores Consumed	2,980,694	3,459,295
Fuel & Power	37,888,006	22,457,720
Water Charges	1,025,629	1,002,326
Other Manufacturing Expenses	976,598	177,184
	<u>416,089,227</u>	<u>169,173,276</u>

**SCHEDULE 'O' - EMPLOYEES REMUNERATION AND BENEFITS**

Salary, Wages & Bonus	11,209,671	8,724,091
Gratuity & Leave Encashment	354,681	816,584
Contribution to PF & ESIC	838,222	656,159
Staff Welfare Expenses	1,126,674	808,436
Directors Remuneration	842,440	895,683
	14,371,688	11,900,953

SCHEDULE 'P' - ADMINISTRATIVE AND SELLING EXPENSES

Electricity Charges	15,720	105,258
Rent, Rates & Taxes	1,433,355	431,560
Insurance	555,981	481,860
Repairs & Maintenance		
1) Plant	289,590	940,109
2) Building	259,130	663,435
3) Others	159,701	238,954
	708,421	1,842,498
Legal & Professional Charges	1,021,541	1,561,068
Loss on Sale of Fixed Asset	-	665,353
Motor Car Expenses	200,716	280,736
Travelling & Conveyance Expenses	1,408,209	1,147,082
Postage & Telephone	262,541	409,814
Printing & Stationery	223,203	229,640
Security Service Charges	878,743	754,236
Donation	11,000	14,500
Provision for Doubtful Debts / Advances	-	1,091,761
Bad Debts	-	392,135
Auditors Remuneration	165,450	165,450
Other Expenses	1,367,973	1,002,028
	8,252,853	10,574,979

SCHEDULE 'Q' - FINANCIAL COST

Interest - Others	2,505,659	5,260,483
Bank Charges	41,800	159,662
	2,547,459	5,420,145

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010****SCHEDULE "R"****1) SIGNIFICANT ACCOUNTING POLICIES****A) Basis of Preparation of Financial Statements:**

The financial statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with generally accepted accounting principles in India, the provisions of Companies Act, 1956 and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and practices generally prevalent in the industry.

B) Use of Estimates:

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

C) Fixed Assets and Depreciation:

- i) Fixed Assets are stated at cost net of Cenvat and Value Added Tax less accumulated depreciation including impairment loss. All cost relating to installation upto the commencement of commercial production are capitalised.
- ii) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. The cost of leasehold land has been amortised over the lease period of 95 years.
- iii) Intangible assets are stated at cost of acquisition less accumulated amortisation.

D) Investments:

Current investments are carried at the lower of cost and quoted/fair value.

E) Inventories:

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

- i) Raw Materials are valued at cost stores and spares are valued at cost.
- ii) Finished stock & 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 veiling duty/education cess and value added tax.

F) Provision for Current tax and Deferred tax

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

G) Provisions, Contingent Liabilities and Contingent Assets

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

H) Revenue Recognition:

- i) Sales of goods are recognised on dispatches to the customers and includes Excise Duty adjusted for discounts.
- ii) Dividends are recognised when the right to receive them is established.

I) Turnover

Turnover includes sale of goods, excise duty net of sales tax, adjusted for discounts.

J) Employee Benefits:

- i) Short term employee benefits are recognized 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 and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation technique.

K) Impairment of Assets:

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



L) Borrowing Cost:

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

M) Employee Separation Cost:

Compensation to employees who have opted for retirement under voluntary retirement scheme of the Company is charged to Profit & Loss account in the year of exercise of option.

2) NOTES TO ACCOUNTS:

A) There are NIL Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

B) Contingent Liabilities:

Claims against the Company not acknowledged as a debt:

(Amts Rs. in Lacs)

Sr.No	Particulars	2009-2010	2008-2009
1	Transportation fees	103.24	103.24
2	Water Charges	-	5.25

C) Loans & Advances includes Rs. 51,54,199/-, towards amount paid to Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL), formerly known as Maharashtra State Electricity Board (MSEB), which has been appropriated by MSEDCL, details as under.

1. Minimum Demand Charges and interest on late payment charges	:	Rs. 29,05,702/-
2. Deposits	:	Rs. 22,48,497/-
Total	:	<u>Rs. 51,54,199/-</u>

The Company has contested the aforesaid appropriation, based on the concession given by BIFR vide its Order dated 26.9.2007, and a Writ has been filed at High Court, Bombay

The Company has been legally advised that the aforesaid appropriation by MSEDCL is not tenable and the Company is entitled for refund. Accordingly, Rs. 51,54,199/- is shown under Loan & Advances.

D) The value of capital work in progress and Capital Advance pertaining to Aldyhede / Acetic Acid plant amounting to Rs.2.18 crores (previous year Rs. 2.13 Crores) is yet to be capitalised. Due to the current market condition the Company has decided not to commission said expansion till the market condition improve.

E) Based on the opinion of the Management of the Company the values of current Asset and Loans & Advances are stated at realisable in ordinary course of the business in Balance sheet.

F) Disclosure of Segment Reporting:

The business segment has been considered as the primary segment. The only segment in which the Company is engaged in manufacture of Organic Chemicals namely Acetic Acid, Ethyl Acetate & Butyl Acetate. Hence the disclosure of business segment (primary disclosure) is not applicable to the Company. The Company's entire transactions are domestic. Hence secondary segment is not applicable to the Company.

G) Disclosure of Related Party:

a) List of Related Parties:

Subsidiary Companies	None
Associate Concerns	<ol style="list-style-type: none"> 1. Vikasini Leasing & Finance Pvt. Ltd. 2. Herbika Laboratories Ltd. 3. Seagro Shipyard Engineers Ltd. 4. Sakarwadi Trading Company Pvt. Ltd. 5. Lakshmiwadi Mines & Minerals Pvt. Ltd. 6. Somaiya Agencies Pvt. Ltd. 7. Jasmine Trading Co. Pvt. Ltd. 8. Godavari Biorefineries Ltd. 9. K. J. Somaiya & Sons Pvt Ltd

Key Management Personnel Shri Rajendra V. Shah - Chairman & Managing Director

Relatives of Key Management Personnel Smt. Pragna R. Shah - Wife of Chairman & Managing Director

PENTOKEY ORGANY (INDIA) LIMITED



b. Transactions with Related Parties:

Particulars	2009-10	2008-09
Associate Concerns		
Interest		
Sakarwadi Trading Company Pvt. Ltd.	-	364,856
Lakshmiwadi Mines & Minerals Pvt. Ltd.	2,757,396	2,777,261
Rent		
K. J. Somaiya & Sons Pvt. Ltd.	694,890	-
Purchase		
Godavari Biorefineries Ltd.	126,554,556	81,868,526
Sales		
Godavari Biorefineries Ltd.	29,715,632	15,206,967
Loans & advances received		
Vikasini Leasing & Finance Pvt. Ltd.	-	90,000
Sakarwadi Trading Company Pvt. Ltd.	-	15,000,000
Lakshmiwadi Mines & Minerals Pvt. Ltd.	-	43,200,000
Share Application Money		
Sakarwadi Trading Company Pvt. Ltd.	-	12,000,000
Somaiya Agencies Pvt. Ltd.	-	10,000,000
Jasmine Trading Co. Pvt. Ltd.	-	6,000,000
Year end Balances		
Loan Fund		
Vikasini Leasing & Finance Pvt. Ltd.	90,000	90,000
Sakarwadi Trading Company Pvt. Ltd.	-	60,344
Lakshmiwadi Mines & Minerals Pvt. Ltd.	25,554,794	36,235,701
Debtors		
Godavari Biorefineries Ltd.	(49,511,138)	(8,764,005)
Creditors		
Godavari Biorefineries Ltd.	57,772,146	53,021,687
K. J. Somaiya & Sons Pvt. Ltd.	625,401	-
Key Management Personnel		
Remuneration		
Rajendra V. Shah	733,940	794,183
Loans & advances received		
Rajendra V. Shah	-	100,000
Relatives of Key Management Personnel		
Sitting Fees		
Pragna R. Shah	3,500	7,000
Loans & advances received		
Pragna R. Shah	-	60,000

**H) Disclosure of Earning Per Share:**

	Current Year (Rupees)	Previous Year (Rupees)
Net Profit / (Loss) for the year Before Exceptional Items and After Tax.	70,26,175	82,83,636
Net Profit for the year	76,62,499	67,18,957
No. of weighted Average Equity Shares of Rs.10/- each.	56,34,333	53,73,511
No. of Diluted Equity Shares	-	-
Earning Per Share Before Exceptional Items		
- Basic	1.25	1.54
- Diluted	1.25	1.54
Earning Per Share After Exceptional Items		
- Basic	1.36	1.25
- Diluted	1.36	1.25

I) Deferred Tax:

(a) Deferred Tax Liability (DTL)		
On account of Difference in Depreciation	1,09,90,110	1,08,89,130
(b) Deferred Tax Asset (DTA)		
On account of Section 43B, 40(ia) of Income Tax Act, 1961, B/f Losses *	1,71,70,110	1,39,79,130
Net Total (a) - (b)	<u>(61,80,000)</u>	<u>(30,90,000)</u>

* In view of substantial brought forward losses, the deferred tax asset has been recognised on the basis of virtual certainty of profit in the immediate future.

J) The amount of Interest on Loans capitalised regarding expansion project during the year was Rs. 4.42 Lacs (Previous Year Rs. 13.03 Lacs).

K) The Company has not provided for Minimum Alternative Tax (MAT) as the Company has brought forward business and depreciation losses.

L) Retirement Benefits

a) The Company Provides for Gratuity on the basis of Actuarial valuation. The Company does not have any fund for Gratuity Liability.

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

I. Reconciliation of Opening & Closing balances of Present Value of Defined Benefit obligations (PVDBO)

(PVDBO) at beginning of period	1,887,493
Interest Cost	135,234
Current Service Cost	219,099
Benefits Paid	(168,757)
Actuarial (gain)/loss on obligation	48,251
(PVDBO) at end of period	2,121,320

II. Reconciliation of Opening & closing balances of fair value of plan assets

Fair Value of Plan Assets at beginning of period	-
Expected Return on Plan Assets	-
Employer Contributions	168,757
Benefit Paid	(168,757)
Actuarial gain/(loss) on plan assets	-
Fair Value of Plan Assets at end of period	-



III. Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of period	-
Actual Return on Plan Asset	-
Contributions	168,757
Benefit Paid	(168,757)
Fair Value of Plan Assets at end of period	-
Present Value of Defined Benefit obligations	(2,121,320)
Excess of actual over estimated return on Plan Assets	-

IV. Amounts to be recognised in the Balance Sheet

(PVDBO) at end of period	2,121,320
Fair Value of Plan Assets at end of period	-
Funded Status	(2,121,320)
Unrecognised Actuarial Gain/(Loss)	-
Net Asset/(Liability) recognised in the balance sheet	(2,121,320)

V. Expense recognised in the statement of P & L A/c.

Current Service Cost	219,099
Interest cost	135,234
Expected Return on Plan Assets	-
Net Actuarial (Gain)/Loss recognised for the period	48,251
Expense recognised in the statement of P & L A/c.	402,584

VI. Movements in the Liability recognised in Balance Sheet

Opening Net Liability	1,887,493
Expenses as above	402,584
Contribution paid	(168,757)
Closing Net Liability	2,121,320

VII. Actuarial Assumptions

Mortality Table	LIC(1994-96)Ult
Discount Rate	7.50%
Rate of increase in compensation	4.00%
Rate of return (expected) on plan assets	-

The above information is certified by Actuary.

b) Defined Contribution Plan

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

Particulars	2009-10
Employers Contribution to Providend Fund & Pension Fund	8,20,106
Employers Contribution to ESIC	10,664



M) Disclosure of additional information pursuant to the provisions of paragraph 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956, to the extent applicable.

PARTICULARS	Unit	Current Year		Previous Year	
		Quantity	Value(Rs)	Quantity	Value(Rs)
1 Installed Capacity :					
(As certified by Management)					
(Licensed Cap-not Applicable)					
Acetic Acid/ Acetaldehyde	MT	7000.000		7000.000	
Ethyl Acetate / Butyl Acetate	MT	10000.000		5000.000	
2 Actual Production (Qty):					
Acetic Acid	MT	-		686.788	
Ethyl Acetate	MT	9905.454		4405.318	
Acetaldehyde	MT	1080.294		706.216	
Total :			10985.748	5798.322	
*Includes Captive Consumption:					
Acetic Acid	MT	-		244.923	
Ethyl Acetate	MT	33.731		21.591	
Acetaldehyde	MT	-		558.666	
3 Turnover: (Manufactured)					
Acetic Acid	MT	-		441.865	18,130,576
Ethyl Acetate	MT	9776.210	408,950,110	4356.170	187,759,904
Acetaldehyde	MT	1055.190	44,254,328	147.530	5,587,051
Misc sales		-	-	-	1,566,799
Total :			453,204,438	213,044,330	
4 Closing Stock					
Acetaldehyde	MT	25.104	1,119,055	-	-
Ethyl Acetate	MT	132.615	5,756,212	37.102	1,551,247
Weak acid	MT	14.600	-	14.600	-
Total			6,875,267	1,551,247	
5 Opening Stock :					
Acetic Acid	MT	-	-	-	-
Ethyl Acetate	MT	37.102	1,551,247	9.545	560,049
Weak acid	MT	14.600	-	14.600	31,387
Total :			1,551,247	591,436	
6 Consumption of Raw Materials:					
Ethyl Alcohol	KL	8811.744	199,517,454	4268.760	73,255,823
Acetic Acid (R. M.)	MT	6804.207	167,300,400	2839.351	65,192,141
Crotonaldehyde	MT	4.280	507,290	3.987	502,569
Other Chemicals		-	701,655	-	483,522
Total :			368,026,799	139,434,055	



7 Consumption of Imported / Indigenous Raw Materials and Stores & Spares :

	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Value (Rs)</u>	<u>% age</u>	<u>Value (Rs)</u>	<u>% age</u>
Imported	-	-	-	-
Indigenous - Raw Materials	368,026,799	100%	139,434,055	100%
Total Raw Material Consumption	368,026,799	100%	139,434,055	100%
Stores & Spares	2,980,694	100%	3,459,295	100%
	As At 31st March, 2010		As At 31st March, 2009	
	Rupees		Rupees	
8. Auditors Remuneration				
Audit Fees		110,300		110,300
Tax Audit Fees		55,150		55,150
		<u>165,450</u>		<u>165,450</u>
9. Directors Remuneration				
Salaries and Perquisites		687,860		748,103
Company's Contribution to PF		46,080		46,080
		<u>733,940</u>		<u>794,183</u>
10. Sitting Fees (Non-Executive Director)		<u>108,500</u>		<u>101,500</u>

11. The Company has not incurred any expenditure in foreign currency during the previous year.

- N)** The Company had filed Miscellaneous Application to the Board for Industrial & Financial Reconstruction (BIFR) stating that since the Company had substantially implemented the sanctioned scheme issued by BIFR and the Net worth of the Company became positive, the Company ceased to be sick industrial undertaking within the meaning of Section 3(1)(o) of SICA. Accordingly, BIFR discharged the Company from the purview of SICA/BIFR vide its Order dated 16th October, 2009 .
- O)** Estimated value of contracts remaining to be executed on capital account and not provided for in the accounts as at 31st March, 2010 was Rs. 95.65 lacs (Previous year Rs.37.92 lacs) .
- P)** The figures of the previous year have been re-grouped and rearranged wherever necessary so as to make them comparable with those of the current financial year.

Signature to Schedule 'A' to 'R'

For Desai Saksena & Associates

For Pentokey Organy (India) Limited

Chartered Accountants

Dr. S.N. Desai

Priyanka Jain

Rajendra V. Shah

Devendra J. Shrimanker

Partner

Company Secretary

Chairman & Managing Director

Director

M.N.32546

Place : Mumbai

Place: Mumbai

Date : 13th May, 2010

Date : 13th May, 2010



Information pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I Registration details

Registration No	State Code
11-41681-1986	11

Balance Sheet Date 31-03-2010

II Capital Raised during the year (Amount Rs. in Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III Position of Mobilisation & Deployment of Funds (Amount Rs. in Thousands)

Total Liabilities	Total Assets
224564	224564

Sources of Funds

Paid up Capital	Reserves & Surplus
56343	3000
Secured Loans	Unsecured Loans
2536	26005

Application of Funds

Net Fixed Assets	Investments
110008	006
Net Current Assets	Misc Expenditure
-52071	0000
Accumulated Losses	
23762	

IV Performance of the company (Amount Rs. in Thousands)

Turnover	Total Expenditure
453855	446829
Profit/Loss before Tax	Profit/Loss after Tax
7662	7662
Earning per Share Rs. (Basic)	Dividend
1.36	NIL

V Generic Names of Three Principal Products (as per monetary terms)

Item Code No (ITC code)	29152100
Product Description	ACETIC ACID
Item Code No (ITC code)	29153100
Product Description	ETHYL ACETATE
Item Code No (ITC code)	29121200
Product Description	ACETALDEHYDE

For and on behalf of the Board
Rajendra V. Shah
Chairman & Managing Director

Devendra J. Shrimanker
Director

Place : Mumbai
Date : 13th May, 2010

PENTOKEY ORGANY (INDIA) LIMITED

Regd. Off : Yusuf Building, 20 A, 2nd Floor, 43, M. G. Road, Fort, Mumbai - 400 001

Attendance Slip

I/We hereby record my/our presence at the 23rd Annual General Meeting held at Somaiya Bhavan, 45/47, M. G. Road, Fort, Mumbai - 400 001, on Thursday, the 5th August, 2010 at 3.30 p. m.

Shareholder/Proxy :

(Surname)

(First Name)

(Second Name)

Reg. Folio No. : No. of Shares held

Signature of Shareholder/Proxy :

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

----- (Tear Here) -----

PENTOKEY ORGANY (INDIA) LIMITED

Regd. Off : Yusuf Building, 20 A, 2nd Floor, 43, M. G. Road, Fort, Mumbai - 400 001

Form of Proxy

I/We _____ of _____

Being Member/Members of Pentokey Organy (India) Limited

hereby appoint _____

of _____

or failing him _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held at Somaiya Bhavan, 45/47, M. G. Road, Fort, Mumbai - 400 001, on Thursday, the 5th August, 2010 at 3.30 p. m. or at any adjournment thereof.

Signed this the _____ day of _____ 2010.

Affix 1 Rupee Revenue Stamp

Signature of the shareholder(s).

Note : The Proxy Form duly completed must be deposited at the Company's Registered Office not less than 48 hours before the time of holding the aforesaid meeting.

BOOK-POST

To.

If undelivered, please return to:

DATAMATICS FINANCIAL SERVICES LIMITED

(Unit: Pentokey Organy (India) Limited)

Plot No. B-5, MIDC ,

Part B, Cross Lane, Andheri (East)

Mumbai – 400 093