

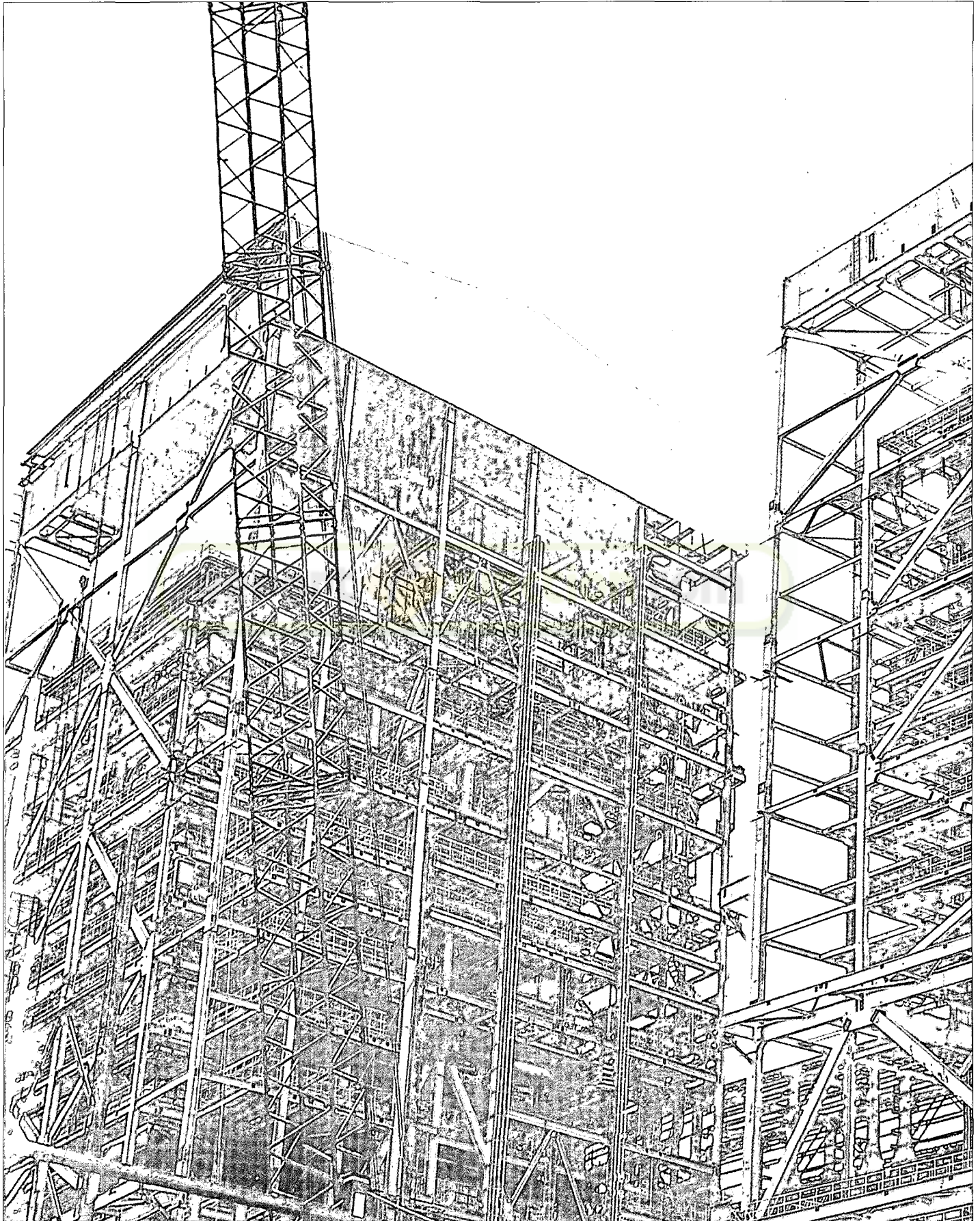
Petron

Petron Engineering Construction Ltd.

31st REPORT

2007

*2 × 300 MW - Boiler at Yamunagar for Reliance Energy Limited
Client - Haryana State Electricity Board*



PETRON ENGINEERING CONSTRUCTION LIMITED

BOARD OF DIRECTORS

R S AMBEKAR	CHAIRMAN
M K NAIR	MANAGING DIRECTOR
T S DAS	DIRECTOR (OPERATIONS)
A A KRISHNAN	NON-EXECUTIVE DIRECTOR
S SANKARANARAYANAN	NON-EXECUTIVE DIRECTOR
K R SHRIRAM	NON-EXECUTIVE DIRECTOR
RAJASHREE DOKRAS	NON-EXECUTIVE DIRECTOR
MADHUKAR AMBEKAR	ALTERNATE DIRECTOR TO RAJASHREE DOKRAS
S BALAKRISHNAN	NON-EXECUTIVE DIRECTOR

SENIOR EXEXECUTIVES

R N PANDEY	JOINT PRESIDENT (FINANCE) & CHIEF FINANCIAL OFFICER
V V K RAMAN	ASST.VICE PRESIDENT (CONSTRUCTION)

COMPANY SECRETARY

NARESH SHAH

AUDITORS

M S SANKARAN & CO.,
CHARTERED ACCOUNTANTS
MUMBAI

BANKERS

STATE BANK OF INDIA
ICICI BANK LIMITED
INDIAN OVERSEAS BANK LIMITED

REGISTERED OFFICE

SWASTIK CHAMBERS, 6TH FLOOR
SION TROMBAY ROAD
POST BOX NO.7206, CHEMBUR
MUMBAI 400 071

Tel No.6797 3501 - 5 Fax No : 67973509 - 10
E-mail : Petronproj@vsnl.com

REGISTRARS & TRANSFER AGENTS

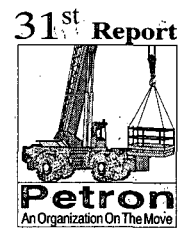
SHAREPRO SERVICES (INDIA) PVT. LTD.
SATAM ESTATE , 3RD FLOOR
ABOVE BANK OF BARODA, CHAKALA
ANDHERI (E), MUMBAI - 400 099

Tel No : 2821 5168 Fax No : 2837 5646
E-mail: Sharepro@vsnl.com

31st Report

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THIRTY-FIRST ANNUAL GENERAL MEETING	
Day	: FRIDAY, THE 28TH DECEMBER, 2007
Time	: 3.30 P.M.
Place	: Swastik Chambers, 6th Floor, Sion Trombay Road, Chembur, Mumbai - 400 071.



PETRON ENGINEERING CONSTRUCTION LIMITED

NOTICE

NOTICE is hereby given that the **Thirty-first** Annual General Meeting of the members of Petron Engineering Construction Limited will be held at the Registered Office of the Company at Swastik Chambers, 6th Floor, Sion Trombay Road, Chembur, Mumbai 400 071 on **Friday, the 28th December, 2007 at 3.30 p.m.** to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account for the year ended that date and the Reports of the Directors and the Auditors of the Company.
2. To declare a dividend for the year ended 31st March, 2007.
3. To appoint a Director in place of Mr. R. S. Ambekar, who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mrs. Rajashree Dokras, who retires by rotation and, being eligible, offers herself for re-election.
5. To appoint a Director in place of Mr. A. A. Krishnan, who retires by rotation and, being eligible, offers himself for re-election.
6. To appoint M/s. M. S. Sankaran & Co., Chartered Accountants, who are eligible for appointment as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

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

“RESOLVED THAT, MR. S. BALAKRISHNAN, who was appointed as an Additional Director by the Board of Directors of the Company, with effect from 31.10.2006, pursuant to Article 111 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII to the said Act as amended and subject to approval, if any, that may be required, the Company hereby accords its consent to the appointment of Mr. T. S. Das as Director (Operations) of the Company on the terms and conditions set out in the draft of the Agreement as placed before the meeting, including remuneration as set out below, for a period of 3 years with effect from 14th May, 2007 which are hereby specifically approved with authority to the Board of Directors to alter and vary the same within the limits prescribed under the provisions of the Companies Act, 1956 or any amendment thereof.”

31st Report**I Remuneration****a) Salary**

Rs. 2,00,000/- per month.

b) Commission

Upto 3% of the Net Profit of the Company.

c) Perquisites**i) Housing**

60% of the salary or such other suitable amount as may be decided by the Board.

ii) Reimbursement of expenses:

Gas, Electricity, Water, and other utilities will be borne/ reimbursed by the Company.

iii) Medical Expenses :

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family.

iv) Leave / Holiday Travel Expenses :

Reimbursement of actual travelling expenses for proceeding on leave once in a year in respect of himself and family not exceeding 20% of the salary.

v) Club Fees :

Reimbursement of membership fee for upto 3 clubs in India and/or abroad including admission and life membership fee.

vi) Personal Accident Insurance :

Personal accident policy of such amount as may be decided by the Board of Directors, premium of which shall not exceed Rs. 10,000/- per annum.

vii) Contribution to Provident Fund, Superannuation Fund and Annuity Fund:

Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to Senior Executives to the extent these are singly or put together are not taxable under the Income-tax Act, 1961 or any amendments thereof.

viii) Gratuity:

Gratuity at a rate of half month's salary for each completed year of service subject to The Payment of Gratuity Act, 1972.

ix) Leave:

Leave with full pay or encashment thereof as per the Rules of the Company.

x) Other Perquisites:

Subject to overall ceiling on remuneration mentioned hereinbelow, the Director(Operations) may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

d) Amenities :**i) Conveyance Facilities :**

The Company shall provide suitable conveyance facilities as may be required by the Director(Operations).

ii) **Communication Facilities :**

The Company shall provide telephone, telefax and other communication facilities at the Director(Operations)'s residence.

Explanation

1. Family means the spouse, the dependent children and dependent parents of the Director (Operations).
2. Contribution to Provident Fund and Superannuation Fund will not be included in the Computation of ceiling on remuneration.
3. Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II OVERALL REMUNERATION :

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being be in force.

III MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any financial year during the tenure of the Director (Operations) the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under section II of the Part II of Schedule XIII of the Companies Act, 1956.

The above remuneration may be altered or varied within the limits prescribed in Schedule XIII of the Companies Act, 1956, or any amendments thereto as may be agreed by and between the Company and the Director (Operations)

“RESOLVED FURTHER, that the Board of Directors of the Company be and is hereby authorised and empowered to make such improvements in the terms of remuneration to Mr. T. S. Das, Director (Operations), as may become permissible under any amendment to Schedule XIII to the Companies Act, 1956, or any amendment thereof or by way of any Government Guidelines or instructions, the intention being that no further approval of the Company will be required so long as remuneration of the Director (Operations) is not in excess of the maximum permissible under the relevant Law, Rules, Regulation, Guidelines or instructions as may be promulgated or issued after the date of this meeting.”

“FURTHER RESOLVED THAT, the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution.”

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

“RESOLVED THAT, pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII to the said Act as amended and subject to approval, if any, that may be required, the Company hereby accords its consent to the re-appointment of Mr. M. K. Nair as Managing Director of the Company on the terms and conditions set out in the draft of the Agreement as placed before the meeting, including remuneration as set out below, for a period of 5 years with effect from, 1st January, 2008 which are hereby specifically approved with authority to the



Board of Directors to alter and vary the same within the limits prescribed under the provisions of the Companies Act, 1956 or any amendment thereof."

I. REMUNERATION

a) Salary

Rs. 2,25,000/- per month in the scale of Rs. 225000 – 25000 – 325000 with powers to the Board of Directors to give higher increment in the grade

b) Commission

Upto 3% of the Net Profit of the Company as computed under the provisions of the Companies Act, 1956.

c) Perquisites

Housing:

60% of the salary or such other suitable amount as may be decided by the Board.

Reimbursement of expenses:

Gas, Electricity, Water, and other utilities will be borne/ reimbursed by the Company.

Medical Expenses :

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalisation, nursing home and surgical charges for himself and family.

Leave / Holiday Travel Expenses :

Reimbursement of actual travelling expenses for proceeding on leave once in a year in respect of himself and family not exceeding 20% of the salary.

Club Fees :

Reimbursement of membership fee for upto 3 clubs in India and/or abroad including admission and life membership fee.

Personal Accident Insurance :

Personal accident policy of such amount as may be decided by the Board of Directors, premium of which shall not exceed Rs. 10,000/- per annum.

Contribution to Provident Fund, Superannuation Fund and Annuity Fund:

Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to Senior Executives to the extent these are singly or put together are not taxable under the Income-tax Act, 1961 or any amendments thereof.

Gratuity :

Gratuity at a rate of half month's salary for each completed year of service subject to The Payment of Gratuity Act, 1972.

Leave :

Leave with full pay or encashment thereof as per the Rules of the Company.

Other Perquisites:

Subject to overall ceiling on remuneration mentioned hereinbelow, the Managing Director may be



given other allowances, benefits and perquisites as the Board of Directors may from time to time decide.

d) Amenities :

i) Conveyance Facilities :

The Company shall provide suitable conveyance facilities as may be required by the Managing Director.

ii) Communication Facilities :

The Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence.

Explanation

1. Family means the spouse, the dependent children and dependent parents of the Managing Director.
2. Contribution to Provident Fund and Superannuation Fund will not be included in the Computation of ceiling on remuneration.
3. Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II OVERALL REMUNERATION :

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being be in force.

III MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any financial year during the tenure of the Managing Director the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under section II of the Part II of Schedule XIII of the Companies Act, 1956.

BY ORDER OF THE BOARD

PLACE: MUMBAI

DATED: 1st December, 2007

**NARESH SHAH
VICE PRESIDENT (LEGAL) &
COMPANY SECRETARY**



NOTES:

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- ii) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under item No. 7, 8 and 9 is annexed hereto.
- iii) Proxies, in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the time of holding of the meeting.
- iv) The Register of Beneficial Owners and the Register of Members and Share Transfer Books of the Company will remain closed from **18th December, 2007 to 28th December, 2007 (both days inclusive)**.
- v) Members/Proxies should bring their attendance slips, duly filled in, to the meeting.
- vi) Members are requested to immediately intimate any change in their addresses registered with the Company to the Company's Registrars & Transfer Agents, **M/s. Sharepro Services (India) Private Limited, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099** in respect of their holding in physical form and to their Depository Participants (DPs) in respect of their holding in electronic form.
- vii) Payment of dividend on Equity Shares, if declared, at the aforesaid meeting, will be made subject to the provisions of Section 206A of the Companies Act, 1956, to those Shareholders whose names shall appear on the Company's Register of Members on Friday the **28th December, 2007** or to their nominees. In respect of shares in electronic form dividend will be paid to the Beneficial Owners as per the list provided by the Depository Participants on that date.
- viii) Members desiring information on the accounts or operations of the Company are requested to write to the Secretary of the Company at least 10 days before the date of the meeting to enable the management to keep the information readily available at the meeting.
- ix) Members are requested to bring their copies of the Thirty-first Annual Report to the meeting.
- x) Members who are holding shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of the attendance at the Annual General Meeting.
- xi) Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company's Registrars and Transfer Agents for consolidation of such folios into one folio.
- xii) Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the Financial Year ended 31st March, 2001, and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the "Investors' Education and Protection Fund" of the Central Government.