



PETRON

Petron Engineering Construction Limited

32nd Annual Report — 2008



PETRON ENGINEERING CONSTRUCTION LIMITED

BOARD OF DIRECTORS

T. S. DAS	<i>MANAGING DIRECTOR</i>
D. K. DE CHAUDHURI	<i>NON-EXECUTIVE DIRECTOR</i>
S. K. BASU	<i>NON-EXECUTIVE DIRECTOR</i>
PRAVIN JAIN	<i>NON-EXECUTIVE DIRECTOR</i>
K. L. SWAMI	<i>DIRECTOR (FINANCE)</i>

SENIOR EXECUTIVES

A. C. MATHUR	<i>EXECUTIVE DIRECTOR (OPR.)</i>
R. N. PANDEY	<i>CHIEF FINANCIAL OFFICER</i>
RAMAN TREHAN	<i>VICE PRESIDENT (PROJ.)</i>
GAUTAM DAS	<i>VICE PRESIDENT (PROJ.)</i>

COMPANY SECRETARY

NARESH SHAH

AUDITORS

**LODHA & CO.,
CHARTERED ACCOUNTANTS
NEW DELHI**

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: 4085 6200 / 4085 6400
Fax No: 6797 3509 / 6797 3510
Email: accounts@petronengineering.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: 6772 0300 Fax No: 2837 5646
Email: sharepro@vsnl.com**



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THIRTY-SECOND ANNUAL GENERAL MEETING

Day : FRIDAY, THE 29TH AUGUST, 2008
 Time : 2.00 P.M.
 Place : "OASIS", Opp. Tata Institute of Social Science,
 Deonar, Mumbai 400 088.



PETRON ENGINEERING CONSTRUCTION LIMITED

NOTICE

NOTICE is hereby given that the **Thirty-Second** Annual General Meeting of the members of Petron Engineering Construction Limited will be held at "OASIS", Opp. Tata Institute of Social Science, Deonar, Mumbai 400 088 on **Friday, the 29th August, 2008 at 2.00 p.m.** to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 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 appoint a Director in place of Mr. D. K. De Chaudhuri, who retires by rotation and, being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Sanjit Kumar Basu, who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint M/s. Lodha & 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

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

"RESOLVED THAT, MR. D. K. DE CHAUDHURI, who was appointed as an Additional Director by the Board of Directors of the Company, with effect from 10TH January, 2008, 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."

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

"RESOLVED THAT, MR. S. K. BASU, who was appointed as an Additional Director by the Board of Directors of the Company, with effect from 10TH January, 2008, 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.”

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

“RESOLVED THAT, MR. PRAVIN JAIN, who was appointed as an Additional Director by the Board of Directors of the Company, with effect from 10TH January, 2008, 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 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 appointment of Mr. Krishan Lal Swami as Director (Finance) 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 30th June, 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. 1,73,333/- per month.

b) Perquisites

i) House Rent Allowance

50% of Basic Salary – Rs. 86,667/- per month.

ii) Special Allowance

1,04,835/- per month

iii) Reimbursement of Medical Expenses :

Upto Rs. 15,000/- per annum.

iv) Personal Accident Insurance :

Suitable Hospitalisation / Medclaim, Personal Accident Policies will be taken by the Company.

v) Leave / Holiday Travel Expenses :

Reimbursement of travelling expenses for proceeding on leave once in a year in respect of himself



and family not exceeding 1,73,333/- per annum.

vi) Contribution to Provident Fund and Superannuation Fund:

Company's contribution to Provident Fund and Superannuation 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.

vii) Gratuity:

Gratuity as per Payment of Gratuity Act, 1972.

viii) Leave:

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

d) Amenities :

i) Conveyance Facilities :

The Company car will be provided and salary of driver will be reimbursed.

ii) Communication Facilities :

The Company shall reimburse telephone expenses.

Explanation

1. Family means the spouse, the dependent children and dependent parents of the Director (Finance).
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.

III MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any financial year during the tenure of the Director (Finance) 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 the Companies Act, 1956, or any amendments thereto as may be agreed by and between the Company and the Director (Finance).

32nd Report**Petron**
An Organization On The Move

“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 including increment, if any, to Mr. Krishan Lal Swami, Director (Finance), as may become permissible under any amendment 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 (Finance) 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.

BY ORDER OF THE BOARD

PLACE: MUMBAI
DATED: 30th June, 2008

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. 5, 6, 7 and 8 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 **11th August, 2008 to 29th August, 2008 (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) 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.
- viii) Members are requested to bring their copies of the Thirty-second Annual Report to the meeting.
- ix) 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.
- x) 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.
- xi) 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.

Members who have not encashed the dividend warrants so far for the Financial Year ended 31st March, 2001, 31st March, 2005, 31st March, 2006 and 31st March, 2007 are requested to make their claim to the Secretary of the Company.



Further, it may be noted that under the amended Companies Act, 1956, once the unclaimed dividend is transferred to the Government, as above, no claim shall lie in respect of such amount.

- xii) To avoid instances of fraudulent encashment of warrants, members are requested to intimate the Company's Registrars and Transfer Agents or to Depository Participants in case of holding in electronic form, under the signature of the sole / first joint-holder, the following particulars :
- Name of the sole / first joint holder.
 - Name of the Bank, branch & complete address of the bank with code number.
 - Account Type, whether Savings or Current Account.
 - Bank Account Number allotted by the bank.
- xiii) In terms of the provisions of Section 109A of the Companies Act, 1956, nomination facility is available to the individual shareholder. The shareholders who are desirous of availing this facility may kindly write to the Registrars & Share Transfer(R&T) 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 Form 2B prescribed by the Government which can be obtained from the Company's R&T Agents.
- xiv) (a) The Company, consequent to introduction of Depository System entered into agreements with National Security Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Members, therefore, now have the option of holding the shares of the Company in electronic form through NSDL or CDSL.
- (b) Effective from 26th June, 2000, trading in shares of the Company is permitted only in dematerialized form. Requests for Dematerialisation and Rematerialisation are to be made only to Depository Participant with whom you have opened an account.

BY ORDER OF THE BOARD

PLACE: MUMBAI
DATED: 30th June, 2008

Naresh Shah
 VICE PRESIDENT (LEGAL) &
 COMPANY SECRETARY

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

Mr. D. K. De Chaudhuri was appointed as an Additional Director with effect from 10th January, 2008 by the Board of Directors of the Company.

In terms of Section 260 of the Companies Act, 1956 and Article 111 of the Articles of Association of the Company, Mr. D. K. De Chaudhuri holds office as a Director upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as Director.

The Company has received notice under Section 257 of the Companies Act, 1956, along with the deposit of Rs. 500/- from a member proposing the candidature of Mr. D. K. De Chaudhuri for the Office of Director.

The Board considers his association as a Director will be beneficial and in the interest of the Company.

The Directors recommend the Ordinary Resolution for your approval.

Except Mr. D. K. De Chaudhuri, none of the other Directors is, in any way concerned or interested in the said resolution.

ITEM NO. 6

Mr. Sanjit Kumar Basu was appointed as an Additional Director with effect from 10th January, 2008 by the Board of Directors of the Company.

In terms of Section 260 of the Companies Act, 1956 and Article 111 of the Articles of Association of the Company, Mr. Sanjit Kumar Basu holds office as a Director upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as Director.

The Company has received notice under Section 257 of the Companies Act, 1956, along with the deposit of Rs. 500/- from a member proposing the candidature of Mr. Sanjit Kumar Basu for the Office of Director.

The Board considers his association as a Director will be beneficial and in the interest of the Company.

The Directors recommend the Ordinary Resolution for your approval.

Except Mr. Sanjit Kumar Basu, none of the other Directors is, in any way concerned or interested in the said resolution.

ITEM NO. 7

Mr. Pravin Jain was appointed as an Additional Director with effect from 10th January, 2008 by the Board of Directors of the Company.

In terms of Section 260 of the Companies Act, 1956 and Article 111 of the Articles of Association of the Company, Mr. Pravin Jain holds office as a Director upto the date of the ensuing Annual General Meeting of