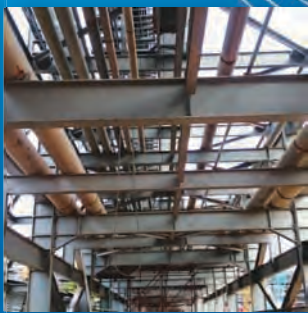


PETRON ENGINEERING CONSTRUCTION LIMITED



40th
Annual Report
FY 2015-16

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Erection of Blending Silos at Reliance Jamnagar Refinery

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ajay Hans	Managing Director
Ravi Keswani	Director (Non-Executive)
Sanjay Jain	Director (Non-Executive -Independent)
Sudhir Kumar Jain	Director (Non-Executive -Independent)
Nandita Vijay Gupta	Director (Non-Executive -Independent)

CHIEF FINANCIAL OFFICER

Himanshu Mohapatra

SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Naresh Shah

SENIOR MANAGEMENT

G. S.Jain	Chief Operating Officer
S. K. Datta	Sr. Vice President (Projects)
S.P. Mridha	Sr. Vice President (Projects)
Manoj Verma	Vice President (Projects)
Raghavan K.	Sr. General Manager (Proposals)
J. Banerjee	Head (HR)

STATUTORY AUDITORS

M/s. Lodha & CO.
Chartered Accountants
C-1, Upasana, 1 Hailey Road,
New Delhi 110 001.

REGISTERED OFFICE

6th Floor, Swastik Chambers
Sion-Trombay Road, Chembur
Mumbai 400071
CIN : L45202MH1976PLC019135
Tel: +91 22 4085 6200
Fax: +91 22 4085 6250 / 6797 3509

REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (I) Pvt. Ltd.
Samhita Complex, Gala No. 52 – 56,
Bldg. 13 A-B, Near Sakinaka Telephone Exchange,
Andheri Kurla Road, Sakinaka, Mumbai 400 072
Tel: 022 67720300/022 67720400
Fax No.: 022 28591568 / 28508927
Email – sharepro@shareproservices.com

W.E.F. 1st July, 2016
Link Intime India Pvt. Ltd
C-13 Pannalal Silk Mills Compound
L BS Marg, Bhandup West, Mumbai 400 078
Tel : 91-022-2594 6970 Fax: 91-022-2594 6969
Email : rnt.helpdesk@linkintime.co.in

BANKERS

State Bank of India
ICICI Bank
Indian Overseas Bank
Axis Bank
IDBI Bank
Kotak Mahindra Bank
Yes Bank

GROWTH
EFFICIENCY
SUSTAINABILITY
OPTIMIZATION
SERVICE
PEOPLE

MESSAGE FROM THE MANAGING DIRECTOR



Dear Shareholders,

As we all know, the Government of India has set the concept of “Make in India”. Though investment momentum has not reached in some of the sectors in which your Company is functioning, the positives are expected to emerge considering the subsidy reduction, inflation containment, GST initiatives and various fiscal measures which will increase the investment in infrastructure sectors.

As such, the Global economy is not offering any encouraging scenario due to depressed crude oil price and for various other reasons, but India is expected to progress well due to good monsoon. India's GDP growth is expected to be above 7.5%.

The “Make in India” concept is expected to provide infrastructure developments and your Company is expected to gain from the said concept.

Your Company is providing very specialized Turnkey / Composite construction solutions for Civil, Mechanical, Electrical, Instrumentation, Insulation, Refractory and commissioning services under one roof in the areas of Power, Cement, Refinery / Oil & Gas, Fertilizer & Petrochemical, Steel Plants and other process plants.

Since crude oil prices have remained low, the investment in new crude oil refinery are on the way. However, the Government of India's initiatives on Climate change, the investment in clean fuel project is likely to give opportunity in Oil Refinery Sectors.

There is also possibility of capacity additions in existing Fertilizer Plants as the demand from Agriculture Sector is expected to grow.

Quality & Safety will continue to be our key priority and we will constantly provide safe & best services to our prestigious clients. We will strictly adhere to Integrated Management System with applicable International Standards.

I would like to thank my fellow Board Members for their guidance & commitment. I would also like to thank the employees at all levels, involved either directly or indirectly with the projects.

I am thankful to all our bankers for their support. Finally, I would like to thank all our stakeholders, customers, suppliers, vendors and the various Governments and regulatory agencies for the support extended to us in such challenging times and I hope to continue to receive your support in the future as well.

Best wishes,

Ajay Hans
Managing Director

Mumbai, 31st May, 2016



Civil Electrical Works for Substation at JBF Petrochemicals, Mangalore



Civil Works for Cooling Tower at JBF Petrochemicals, Mangalore

NOTICE

NOTICE is hereby given that the **Fortieth Annual General Meeting** of the members of **Petron Engineering Construction Limited** will be held at **The Bombay Presidency Golf Club Ltd., Dr. Choithram Gidwani Road, Chembur, Mumbai 400 074** on **Friday, the 23rd September, 2016** at 4.00 p.m. to transact the following Business:

ORDINARY BUSINESS:

- To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2016 and the Reports of the Board of Directors and the Auditors of the Company.
- To appoint a Director in place of Mr. Ravi Keswani, (DIN 00034756) who retires by rotation and being eligible, offers himself for re-appointment.
- To ratify the appointment of Independent Auditors of the Company and fix their remuneration**

“RESOLVED THAT, pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of M/s. Lodha & Co., Chartered Accountants, New Delhi, (Registration No. 301051E), as Independent Auditors of the Company to hold office until the conclusion of the 44th Annual General Meeting, subject to ratification by the members / shareholders at every Annual General Meeting, on a remuneration as may be mutually agreed between the Company and the Auditors.”

SPECIAL BUSINESS:

- Amendment of remuneration of Mr. Ajay Hans as Managing Director of the Company.**

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 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 and Schedule V to the said Act as amended and subject to approval, if any, that may be required, the Company hereby accords its consent to the payment of one-time Bonus / Incentive to Mr. Ajay Hans upto ₹ 27,50,000/- to be paid during the FY 2016-17 on the terms and conditions set out in the Agreement , which is 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, 2013 or any amendment thereof.”

Details	Existing (₹) (p.a.)	Proposed (₹) (To be paid during the FY 2016-17)
Basic Salary	48,00,000/-	48,00,000/-
House Rent Allowance	24,00,000/-	24,00,000/-
Special Allowance	4,80,000/-	4,80,000/-
One-time Bonus / Incentive	-	Upto 27,50,000/-
Total:	76,80,000/-	1,04,30,000/-

PERQUISITES:

- Company's contribution to Provident Fund as per the Rules of the Company.
- Leave Travel Allowance (LTA) as per Company's Policy.
- Reimbursement of membership fee for 2 clubs in India (admission and life membership fee).
- Gratuity
- Leave with full pay or encashment thereof as per the Rules of the Company.
- Car Facility / Vehicle Allowance as per Company's Policy
- Reimbursement of Medical Expenses

Amenities :

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

OVERALL REMUNERATION :

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being be in force.

MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any financial year, the salary, perquisites and other allowance that may be paid as stated above shall be considered as minimum remuneration.

The above remuneration may be altered or varied as may be agreed by and between the Company and the Managing Director.

“RESOLVED FURTHER that all the other perquisites i.e. reimbursement of medical expenses, contribution to provident fund, reimbursement of club fees, gratuity, leave travel assistance, leave encashment, conveyance and communication facilities including other terms and conditions regarding Overall Remuneration and Minimum Remuneration remains unchanged.”

“RESOLVED FURTHER that, the Board of Directors of the Company be and is hereby authorized and empowered to make such improvements in the terms of remuneration to Mr. Ajay Hans, Managing Director, as may become permissible under any amendment to Schedule V to the Companies Act, 2013, 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 Managing Director 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.”

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

5. Authority to keep the Register and Index of Members, certificates, documents etc., with the Registrars and Share Transfer Agents.

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 94 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members, copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup(W), Mumbai 400 078 or its any other office or place within the Mumbai city, instead of the Registered Office of the Company.”

“RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.”

6. Amendment to the Articles of Association of the Company - Granting Employee Stock Option.

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

“RESOLVED THAT, pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approval(s) from the concerned Statutory Authority(ies), the Articles of Association of the Company be and is hereby altered and accordingly the following Article 10A is inserted after Article 10 of the Articles of Association of the Company :

Article 10A : To grant Employee Stock Option in accordance with the provisions of the Companies Act, 2013 and as may be permitted by the Securities and Exchange Board of India (SEBI) and other applicable acts Rules as the case may be and authorizing the Board of Directors of the Company to formulate Employees Stock Option Scheme for allotment of Shares to the employees in terms of the provisions of the Companies Act, 2013 and SEBI Guidelines as issued from time to time.

“RESOLVED FURTHER, that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

BY ORDER OF THE BOARD

NARESH SHAH

Mumbai, 31st May, 2016

SR. V.P. (LEGAL) & COMPANY SECRETARY

NOTES:

- 1) 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.
- 2) The relative Annexure to Notice pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business under Item No. 4, 5 and 6 is annexed hereto.
- 3) 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.
- 4) The Register of Beneficial Owners and the Register of Members and Share Transfer Books of the Company will remain closed from 16-09-2016 TO 23-09-2016 (both days inclusive).
- 5) Members/ Proxies should bring their attendance slips, duly filled in, to the meeting.
- 6) Members are requested to immediately intimate any change in their addresses registered with the Company to the Company's New Registrars & Transfer Agents, M/s. Link Intime India Private Limited, C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078, in respect of their holding in physical form and to their Depository Participants (DPs) in respect of their holding in electronic form.
- 7) Members desiring information on the accounts or operations of the Company are requested to write to the Company Secretary at least 10 days before the date of the meeting to enable the management to keep the information readily available at the meeting.
- 8) Members are requested to bring their copies of the Fortieth Annual Report to the meeting.
- 9)
 - (a) 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.
 - (b) Those holding Shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- 10) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 11) 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.
- 12) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
- 13) Pursuant to the provisions of Section 124 / 125 of the Companies Act, 2013, as amended, dividends, if any, which has remained unpaid or unclaimed are requested to claim such Dividend from Investor Education Protection Fund after complying with the prescribed procedure under the Act.

Members who have not encashed the dividend warrants so far, for the Financial Year ended 31st March, 2010, 31st March, 2011 and 31st March, 2012 are requested to make their claim.
- 14) 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 :
 - a. Name of the sole / first joint holder.
 - b. Name of the Bank, branch & complete address of the bank with code number.
 - c. Account Type, whether Savings or Current Account.
 - d. Bank Account Number allotted by the bank.
 - e. Register your email ID with the Company Registrars and Transfer Agents, M/s. Link Intime India Private Limited, C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078.
- 15) In terms of the provisions of Section 72 of the Companies Act, 2013, 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. Link Intime India Private Limited, C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078, in Form 2B prescribed by the Government which can be obtained from the Company's R&T Agents.
- 16) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.