

43rd  
**ANNUAL**  
REPORT FY 2018-19



**PETRON ENGINEERING CONSTRUCTION LIMITED**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Manoj Kumar Gaur** - Managing Director  
(Resigned w.e.f. 14.02.2018)

**Ajay Hans** - Director  
(Resigned w.e.f. 19.02.2018)

**Ravi Keswani** - Director  
(Resigned w.e.f. 14.02.2018)

**Sanjay Jain** - Director  
(Resigned w.e.f. 19.02.2018)

**Nandita Vijay Gupta** - Director  
(Resigned w.e.f. 25.09.2017)

### INSOLVENCY PROFESSIONAL

**Rajeev Mannadiar**  
Interim Resolution Professional  
From 23<sup>rd</sup> March, 2018 upto 9<sup>th</sup> August, 2018

**Udayraj Patwardhan**  
Resolution Professional  
From 9<sup>th</sup> August, 2018 till date

### CHIEF FINANCIAL OFFICER

**Himanshu Mohapatra**  
(Resigned w.e.f. 02.06.2018)

### SENIOR MANAGEMENT

S. K. Datta - President (Projects)  
S. P. Mridha - Vice President (Projects)  
S. R. Rele - Head (Accounts & Finance)  
Satyendra Srivastava - General Manager (HR)  
P. V. Vijay - General Manager (Projects)

The Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 as per Order dated 23.03.2018 issued by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench. Pursuant to the Order, the powers of the Board of Directors have been suspended and such powers are vested with the Resolution Professional Mr. Udayraj Patwardhan, Regn. No. IBBI/PA-001/IP-P00024/2016-17/10057 appointed by the Hon'ble NCLT, Mumbai Bench vide its Order dated 06.08.2018. The Committee of Creditors (CoC) at its meeting held on 14.02.2019 have resolved that the Company may be liquidated as a Going Concern. The Resolution Professional has filed necessary application in this regard with the Hon'ble NCLT, Mumbai Bench.

### STATUTORY AUDITORS

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

### REGISTERED OFFICE

6<sup>th</sup> Floor, Swastik Chambers  
Sion-Trombay Road, Chembur  
Mumbai 400071  
CIN : L45202MH1976PLC019135  
Tel: +91 22 4085 6200  
Fax: +91 22 4085 6250 / 6797 3509  
Website: www.petronengineering.com

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083  
Tel : +91-022-4918 6000  
Fax : +91-022-4918 6060  
Email : rnt.helpdesk@linkintime.co.in  
Website : www.linkintime.co.in

### BANKERS

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

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## NOTICE

**NOTICE** is hereby given that the 43<sup>rd</sup> ANNUAL GENERAL MEETING of the members of Petron Engineering Construction Limited will be held on Friday, 27<sup>th</sup> September, 2019 at 2.00 p.m. at the Registered Office of the Company at Swastik Chambers, 6<sup>th</sup> Floor, Sion Trombay Road, Chembur, Mumbai 400071 to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 together with the Reports of the Board of Directors' and Auditors' thereon.

**For Petron Engineering Construction Limited**

**Date : August 13, 2019**

**Place : Mumbai**

**Resolution Professional**

### NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3) Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 4) Members/Proxies/Authorised Representatives are requested to bring the Attendance Slip duly filled in for attending the Annual General Meeting.
- 5) Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the information may be made readily available at the Meeting.
- 6) The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup> September, 2019 (both days inclusive) for the purpose of Annual General Meeting of the Company.
- 7) Members are requested to immediately intimate any change in their addresses registered with the Company to the Company's Registrars & Transfer Agents, **M/s. Link Intime India Private Limited**, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, in respect of their holding in physical form and to their Depository Participants (DPs) in respect of their holding in electronic form.
- 8) Individual Shareholders can avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the share holder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trusts and holders of Power of Attorney. For further details, please contact the Company's corporate office.
- 9) Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents, as mentioned above or Management, at the registered office of the Company. Members are requested to note that, dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

**Members who have not encashed the dividend warrants so far, for the Financial Year ended March 31, 2012 are requested to make their claim.**

Details of unpaid/unclaimed dividend are available on the website of the Company.

- 10) All documents referred to in the accompanying Notice are open for inspection by the Members at the Regd. Office of the Company on all working days except Saturdays, during business hours, upto the date of Annual General Meeting.

- 11) The Annual Report alongwith Notice of Annual General Meeting of the Company, circulated to the Members of the Company, will also be made available on the Company's website i.e. [www.petronengineering.com](http://www.petronengineering.com).
- 12) Electronic copy of the Annual Report for March 31, 2019 is being sent to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity to the Members atleast once in a financial year, to register his email address and any changes therein. In compliance with the same, we request the Members who do not have their email id registered with the Company to get the same registered with the Company. Members are also requested to intimate to the Registrar and Share Transfer Agent, the changes, if any, in the email address.

13) **VOTING THROUGH ELECTRONIC MEANS**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendment thereto, the Members are informed that the Company is pleased to offer e-Voting facility as an alternative mode to voting at the Meeting. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-Voting.

The facility for voting through polling paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. For the aforesaid purpose, the Company has appointed M/s. RJM & Associates, Practicing Company Secretaries as Scrutinizer for scrutinizing e-Voting process in a fair and transparent manner.

**The instructions for members for remote e-voting are as under:**

- (i) The e-voting period begins on Monday, 23<sup>rd</sup> September, 2019 from 9:00 a.m. and ends on Thursday, 26<sup>th</sup> September, 2019 at 5:00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date Saturday, 21<sup>st</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### IMPORTANT NOTES

- 14) Any person, who acquires shares of the Company and becomes member of the Company after the dispatch of the Annual General Meeting Notice and holding shares as of the cut-off date i.e. Saturday, 21<sup>st</sup> September, 2019, may obtain their sequence number (applicable only incase of non registration of PAN with Depository Participant/Company/Registrar and Transfer Agent) by sending a request at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- 15) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "e-voting" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility / ballot form. The facility for Voting at meeting venue shall be decided by the company i.e. "e-voting" or "Polling Paper".
- 16) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- 17) M/s. RJM & Associates, Company Secretaries have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 18) The result declared along with the Scrutinizer's Report shall be placed on the Company's website - [www.petroneengineering.com](http://www.petroneengineering.com), and the website of CDSL within forty-eight hours of passing the resolutions at the AGM of the Company and communicated to BSE Ltd. and National Stock Exchange of India Limited.

**For Petron Engineering Construction Limited**

**Date : August 13, 2019**

**Place : Mumbai**

**Resolution Professional**



## ROUTE MAP - AGM VENUE

Registered Office of the Company at  
Swastik Chambers, 6<sup>th</sup> Floor, Sion Trombay Road, Chembur, Mumbai 400071



## BOARD'S REPORT

To  
The Members,  
Petron Engineering Construction Limited,

### 1. INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench, on 23<sup>rd</sup> March, 2018, admitted the application made by M/s. Kohinoor Crane Service and M/s. Industrial Gas Distributors, the Operational Creditors under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("Code") and pronounced the commencement of the Corporate Insolvency Resolution Process ('CIRP') of PETRON ENGINEERING CONSTRUCTION LIMITED and appointment of Mr. Rajeev Mannadiar as the Interim Resolution Professional ('IRP') vide its order dated 23<sup>rd</sup> March, 2018 in CP No. 1374/IBC/NCLT/MB/MAH/2017 & CP No. 1526/IBC/NCLT/ MB/MAH/2017.

On admission, the provisions of Moratorium as prescribed under Section 14 of the Code became operative with effect from the date of the Order. Section 14 of the Code prohibits institution of any suits before a Court of Law, transferring/ encumbering any of the assets of the Debtor etc. However, the supply of essential goods or services to the "Corporate Debtor" shall not be terminated during Moratorium period. The Moratorium period will be effective till the completion of the Insolvency Resolution Process or until the approval of the Resolution Plan prescribed under section 31 of the Code.

At the first meeting of Committee of Creditors ('CoC') of Petron, the members resolved to appoint Mr. Udayraj Patwardhan as the Resolution Professional ('RP'). Subsequently, he was appointed as the RP pursuant to the Order of the Hon'ble NCLT, Mumbai dated 6<sup>th</sup> August, 2018.

As per Section 17 read with Section 23 of the Code, from the date of appointment of the Interim Resolution Professional/ Resolution Professional-

- The management of the affairs of the company shall vest in the Interim Resolution Professional / Resolution Professional.
- The powers of the Board of Directors of the Company shall stand suspended and be exercised by the Interim Resolution Professional / Resolution Professional.
- The officers and managers of the Company shall report to the Resolution Professional and provide access to such documents and records of the Company as may be required by the Interim Resolution Professional / Resolution Professional.
- The financial institutions maintaining accounts of the Corporate Debtor shall act on the instructions of the Interim Resolution Professional in relation to such accounts and furnish all information relating to the Corporate Debtor available with them to the Interim Resolution Professional / Resolution Professional.

The Committee of Creditors (CoC) at its meeting held on 14<sup>th</sup> February, 2019 have resolved that the Company may be liquidated under liquidation as a "Going Concern". In this regard the Resolution Professional has filed necessary application with the Hon'ble NCLT, Mumbai Bench. The matter is pending before the Hon'ble NCLT, Mumbai Bench.

### 1. FINANCIAL HIGHLIGHTS

For the year ended March 31, 2019

Particulars	(Rupees in Lacs)	
	2018-19	2017-18
Income from Operations	13,363	23,586
Other Income	148	726
<b>Total Income</b>	<b>13,511</b>	<b>24,312</b>
Profit/(Loss) before Interest, Depreciation and Taxes	517	(21,283)
Finance Cost	1308	2,304
Profit/(Loss) before Depreciation and Taxes	(791)	(23,587)
Depreciation	724	777
<b>Profit/(Loss) before Tax</b>	<b>(1515)</b>	<b>(24,364)</b>
Tax Expenses (Including Taxes of Earlier Years)	73	(7,050)
<b>Profit /(Loss) for the year</b>	<b>(1588)</b>	<b>(17,314)</b>

**2. DIVIDEND**

Your Company has been incurring losses due to which the Company expresses its inability to recommend any dividend for the F Y 2018-19.

However, the register of members and share transfer books shall remain closed from Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup> September, 2019 (both days inclusive).

**3. OVERVIEW OF COMPANY'S PERFORMANCE**

During the financial year, the Company earned revenue from operations of Rs. 13,363 Lacs as against Rs. 23,586 Lacs in the previous year. Other income stood at Rs. 148 Lacs as against Rs. 726 Lacs in the previous year. The loss before tax stood at Rs. 1515 Lacs as compared to Rs. 24,364 Lacs in the previous year. The Company has suffered a net loss of Rs. 1588 Lacs during the financial year 2018-19 primarily due to lower execution of projects and due to external constraints.

**4. PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

**5. CHANGE IN NATURE OF BUSINESS**

During the financial year 2018-19, Company has not changed its nature of business and has been continuing with the same line of business.

**6. SHARE CAPITAL**

The Paid-up Share Capital as on March 31, 2019 was Rs. 753.84 Lacs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

**7. RESERVES**

In view of the losses, Company has not transferred any amount to the reserves.

**8. HOLDING COMPANY/ SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

There are no Subsidiary & Associate Companies within the meaning of Companies Act, 2013. The Company has not entered into any Joint Ventures during the year under review.

As at the end of financial year March 31, 2019, the Company has below mentioned Holding companies:

Holding Company	KSS Petron Pvt. Ltd.
Ultimate Holding Company	KazStroyService Global BV

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL Directors:**

During the year under review, there were no Directors on the Board of the Company as on 31<sup>st</sup> March, 2019.

**Key Managerial Personnel :**

During the year under review, there were no Key Managerial Personnel in the Company w.e.f. June 2, 2019.

**10. MEETINGS**

Five meetings duly conducted by the Resolution Professional. The meetings were held on May 30, 2018, August 14, 2018, November 13, 2018, December 01, 2018 and February 14, 2019 during the year under review.

**11. BOARD COMMITTEES**

All the Directors of the Company resigned from the Board in the month of February, 2018. Post resignation of all the Directors, the Corporate Insolvency Resolution Process commenced vide Order dated 23<sup>rd</sup> March, 2018 received from the Hon'ble NCLT, Mumbai Bench and thereafter no meeting of the Board Committees were held.

**12. BOARD EVALUATION**

As there were no Directors on the Board of the Company and in view of the CIRP, no evaluation of the Board were carried out during the FY 2018-19.

**13. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Company hereby state that :

- a) In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



- b) such accounting policies as mentioned in Notes to Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit/loss of the company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Financial Statements have been prepared on a "going concern" basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### 14. CORPORATE GOVERNANCE

Detailed report on Corporate Governance as stipulated under Clause E of Schedule V of the SEBI (LODR) Regulations, 2015 is provided under separate Section and forms part of this Report.

The requisite certificate from Practicing Company Secretaries, confirming the compliance of the conditions stipulated under SEBI (LODR) Regulations, 2015 is attached to the Report on Corporate Governance.

The details of remuneration paid to Key Managerial Personnel as per criterias mentioned herein below are given under **Annexure I** ('Particulars of Employees') :

- i. all elements of remuneration payable such as salary, perquisites, employer's contribution to P.F., pension scheme, bonus, stock options, etc.;
- ii. details of fixed component and performance linked incentives.

The detailed policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters is annexed as '**Annexure II**'.

#### 15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the Report on Management Discussion and Analysis is annexed to the Annual Report.

#### 16. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, disclosures pertaining to remuneration and other details are provided in MGT-9 annexed to this report.

The Information required as per Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure-I forming part of the Report. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Shareholders. Any Shareholder interested in obtaining the same may write to the Resolution Professional at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

There are no employees drawing remuneration exceeding Rupees One Crore and Two Lakhs per annum if employed throughout the financial year or rupees Eight Lakhs and Fifty Thousand per month if employed for part of the financial year or draws remuneration in excess of Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company

#### 17. NOMINATION AND REMUNERATION POLICY

In terms of section 178(3) of the Companies Act, 2013 and Part D of Schedule II Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has framed Nomination and Remuneration Policy. The said policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters is annexed as '**Annexure II**'.

#### 18. AUDITORS AND AUDITORS' REPORT

##### STATUTORY AUDITORS

M/s. Lodha & Co., Chartered Accountants, (Registration No. 301051E), New Delhi were appointed as Independent (Statutory) Auditors of the Company at the 39<sup>th</sup> Annual General Meeting for a period of five years. They have been appointed as Independent Auditors from the conclusion of the 39<sup>th</sup> Annual General Meeting till the conclusion of the 44<sup>th</sup> Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. The appointment of M/s. Lodha & Co., as the Statutory Auditor of the Company shall continue for the Financial Year 2019-20.

#### SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and Rules thereunder, the Secretarial Audit for the financial year 2018-19 was conducted by M/s. RJM & Associates, Company Secretaries and the Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith marked as “Annexure III” to this Report.

### 19. AUDITORS' REPORT

The Auditors, M/s. Lodha & Co., Chartered Accountants, New Delhi, in their Report, have drawn attention to Note No. 33, 34(b), 34(d), 35, 36, 37, 39, 40, 41, 42, 43, 44, 46(a) and 48 on the following matter:

#### Auditors' Qualification No. 1

##### Quote:

- a) In respect of certain suspended / delayed contracts, as of 31st March 2019, trade receivable of Rs. 246 lakhs (net of mobilization advance and provisions of Rs. 11 lakhs) (trade receivable of Rs. 246 lakhs as of 31st December 2018 and Rs. 331 lakhs as of 31st March 2018 respectively, net of mobilization advance and provisions of Rs. 11 lakhs and Rs. 3 lakhs respectively as at 31st December 2018 and 31st March 2018) are doubtful of recovery and pending for confirmation/ negotiation. We are unable to comment about the status of amount receivables / payables on the reported profit for the quarter and loss for the year ended 31st March, 2019 and its corresponding impact on assets / liabilities as at that date.

##### Unquote

The Company's response with regard to above qualifications is as under:

##### Quote:

The Company is making various efforts to recover the outstanding Trade receivable and is hopeful of recovery. The reconciliation of accounts and negotiations are in progress.

##### Unquote

#### Auditors' Qualification No. 2

##### Quote:

- b) Various claims submitted by the financial creditors {including claims filed by ArcelorMittal India Private Limited (AM IPL) as stated in note no. 6(b)}, operational creditors, other creditors and employees of the Company to the Resolution Professional (RP) pursuant to the Insolvency and Bankruptcy Code, 2016 are currently under reconciliation. Pending reconciliation by the Company, we are unable to comment on the consequential impact, if any, on the reported profit for the quarter and loss for the year ended 31st March 2019 and its corresponding impact over state of affairs as on that date.

##### Unquote

The Company's response with regard to above qualification is as under:

##### Quote:

The Company is in the process of reconciling the accounts with the parties concerned. Accounting effect, if any, to the same would be made after completing the final reconciliation with the said creditors. The claims accepted by Resolution Professional may not directly have an effect on the balances reflected in the books of accounts.

##### Unquote

#### Auditors' Qualification No. 3

##### Quote:

- c) Balances of certain trade receivable (including from related parties), unbilled revenue, trade payables (including MSME and interest payable thereon), secured loans (including Banks and NBFC), bank guarantees and unsecured loans (including from related parties), bank balances, current liabilities, other liabilities (including statutory dues and returns thereof) and loan & advances (read with para (b) above) are subject to confirmation/reconciliation, where we are unable to comment on the same and its corresponding impact over reported profit for the quarter and loss for the year ended 31st March 2019 and related components of financial statements as on date.