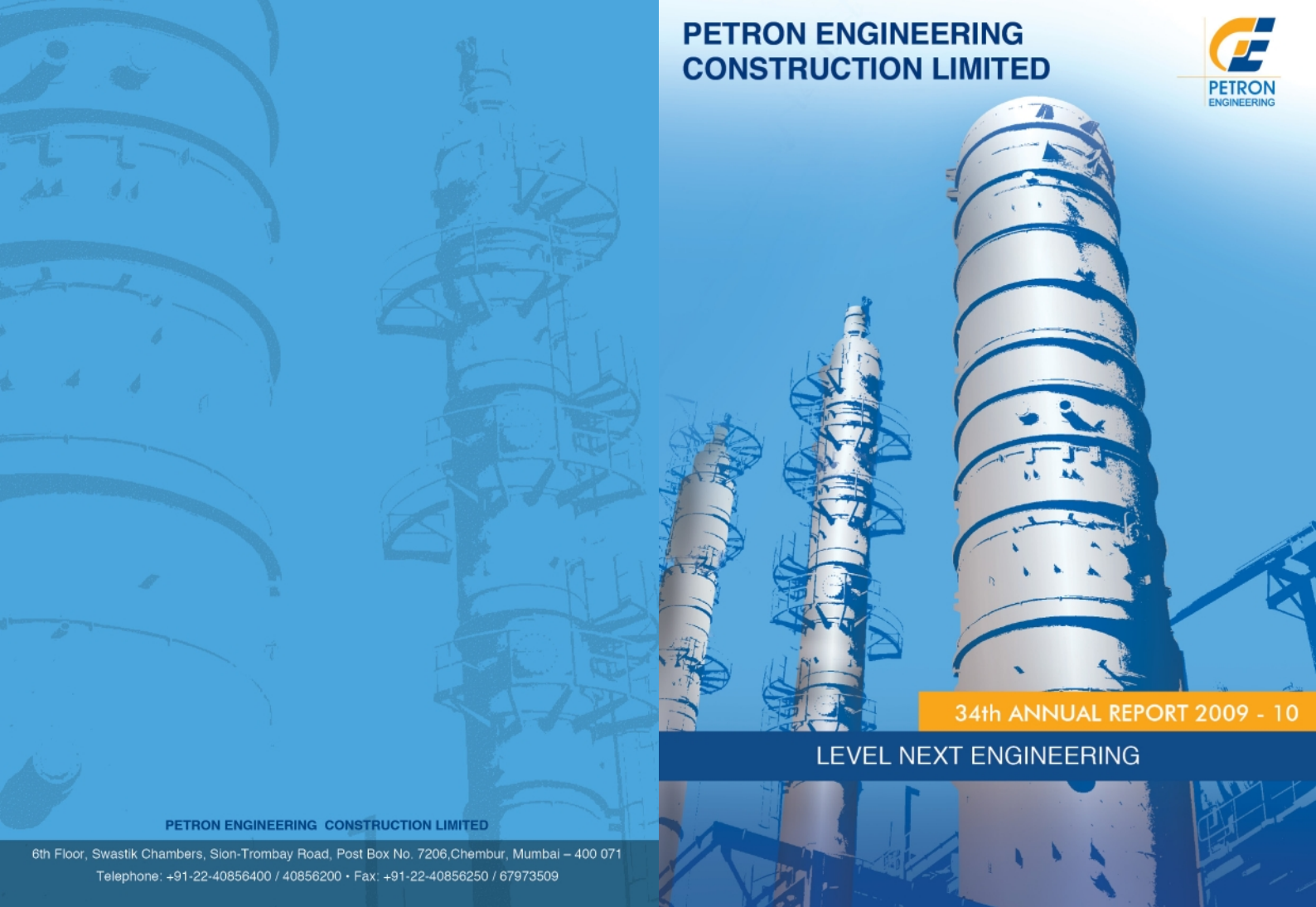


# PETRON ENGINEERING CONSTRUCTION LIMITED



34th ANNUAL REPORT 2009 - 10

LEVEL NEXT ENGINEERING

PETRON ENGINEERING CONSTRUCTION LIMITED

6th Floor, Swastik Chambers, Sion-Trombay Road, Post Box No. 7206,Chembur, Mumbai – 400 071

Telephone: +91-22-40856400 / 40856200 • Fax: +91-22-40856250 / 67973509



Mechanical Work for CDU / VDU Heaters at Guru Gobind Singh Refinery Project for HPCL - Mittal Energy Ltd.,  
Bathinda (Punjab)

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Composite Mechanical Work for Implementation of Euro-IV Project for Chennai Petroleum Corporation Ltd., Chennai (Tamilnadu)

#### BOARD OF DIRECTORS

T. S. Das - Managing Director  
 Ravi Keswani - Non Executive Director  
 Dinesh Kumar Khare - Non Executive Director  
 Dr. S. Rama Iyer - Non Executive Director  
 R. Sankaran - Non Executive Director

#### SENIOR MANAGEMENT

A. C. Mathur - Executive Director (Operations)  
 R. N. Pandey - Chief Financial Officer  
 Raman Trehan - Joint President (Procurement)  
 Harsha R Kamath - Sr. Vice President (Proposals)

#### SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Naresh Shah

#### STATUTORY AUDITORS

Lodha & Company, Chartered Accountants, C-1, Upasna, 1 Haily Rd, CP, Delhi – 110 001

#### INTERNAL AUDITORS

Bagaria & Company, Chartered Accountants  
 DMKH & Company, Chartered Accountants

#### REGISTERED OFFICE

6th Floor, Swastik Chambers, Sion-Trombay Road, Chembur, Mumbai – 400 071  
 Tel: (91 22) 4085 6200 • Fax: (91 22) 4085 6250

#### REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (I) Private Limited  
 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka, Andheri Kurla Road  
 Andheri (E), Mumbai – 400 072  
 Tel: (91 22) 6772 0300, 6772 0400 • Fax: (91 22) 2859 1568  
 Email: sharepro@shareproservices.com

#### BANKERS

State Bank of India  
 ICICI Bank Limited  
 IDBI Bank Limited  
 Indian Overseas Bank  
 Axis Bank Limited  
 ING Vysya Bank Limited  
 Yes Bank Limited



### Dear Shareholder

Over the course of my years in the Company since its takeover by KSS Group (UK), I am proud of what we have accomplished together and eager to build on that legacy of achievement and reach new heights of success.

Today, the Company stands on the threshold of a new era, where it brings a never before seen zeal and commitment, proportionate to the rising importance of India in the global market.

I am impressed by the dedication, talent and sense of belongingness of our employees. It is because of these qualities that I have such confidence in our ability to deliver on our plan. I am also appreciative of the guidance and support of our Board of Directors and the Company is fortunate to be served by people of such extraordinary passion and commitment. It is my privilege too, to be working with them.

Yet, each of us is also keenly aware that we have a lot of work to do to take the Company to the newer heights. We are driven, not by some sense of ego or contention, but by a vision of what the Company can be in the years ahead.

We have overcome the tough times in the past and have before us an exciting and successful future. We are eager to make it happen.

Best wishes,

**T S Das**  
Managing Director

Mumbai, 31st May, 2010



Mechanical Works for HCU/DHDT Heaters for Bharat Oman Refinery Ltd., Bina (MP)

# NOTICE OF THE 34TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-fourth 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 Tuesday, the 3rd August, 2010 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, 2010 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, 2010.
3. To appoint a Director in place of Dr. S. Rama Iyer, who retires by rotation and, being eligible, offers himself for re-appointment.
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. RAVI KESWANI, who was appointed as an Additional Director by the Board of Directors of the Company, with effect from 20<sup>th</sup> March, 2010, 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. DINESH KUMAR KHARE, who was appointed as an Additional Director by the Board of Directors of the Company, with effect from 27th April, 2010, 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."

BY ORDER OF THE BOARD

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

Mumbai, 31st May, 2010



Clinker Silo Roof Truss Assembly lifting in progress at J P Balaji Cement Project, Jaggayyapet (Andhra Pradesh)

**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 Nos. 5 & 6 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 23-07-2010 to 03-08-2010 (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, Samhita Complex, Gala No-52 to 56, Bldg No.13 A-B, Near Sakinaka Telephone Exchange, Andheri -Kurla Road, Sakinaka, Mumbai-400072 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 3rd August, 2010 or to their nominee. In respect of shares in electronic form dividend will be paid to the Beneficial owners as per the list provided by the Depository Participant 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-fourth 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, if any, for the Financial Year ended 31st March, 2003, 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, 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.

- xiii) 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.
- xiv) 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, Samhita Complex, Gala No-52 to 56, Bldg No.13 A-B, Near Sakinaka Telephone Exchange, Andheri -Kurla Road, Sakinaka, Mumbai-400072 in Form 2B prescribed by the Government which can be obtained from the Company's R&T Agents.
- xv) (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 Dematerialization and Rematerialisation are to be made only to Depository Participant with whom you have opened an account.

BY ORDER OF THE BOARD

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

Mumbai, 31st May, 2010



CDU/VDU Heaters at Guru Gobind Singh Refinery Project for HPCL - Mittal Energy Ltd., Bathinda,  
(Punjab)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### ITEM NO. 5:

Mr. Ravi Keswani was appointed as an Additional Director with effect from 20th March, 2010 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. Ravi Keswani 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. Ravi Keswani 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. Ravi Keswani, none of the other Directors are in any way concerned or interested in the said resolution.

### ITEM NO. 6:

Mr. Dinesh Kumar Khare was appointed as an Additional Director with effect from 27th April, 2010 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. Dinesh Kumar Khare 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. Dinesh Kumar Khare 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. Dinesh Kumar Khare, none of the other Directors are in any way concerned or interested in the said resolution.

BY ORDER OF THE BOARD

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

Mumbai, 31st May, 2010



Mechanical and Piping Works for Bharat Oman Refinery Ltd., Bina (MP)

TO THE MEMBERS,

The Directors of Petron Engineering Construction Limited have pleasure in presenting the Thirty-fourth Annual Report and the Audited Financial Statements of your Company for the year ended 31st March, 2010.

## A. FINANCIAL RESULTS

During the year under review your Company's total revenue has increased to Rs. 53,376 Lacs from Rs. 46,176 Lacs in the previous year (higher by 15.6%). The profit before interest, depreciation, tax and transfer from revaluation reserve were Rs. 5,165 Lacs as compared to Rs. 2,538 Lacs in the previous year (103% higher). The interest has declined to Rs. 675 Lacs (Previous year; Rs. 709 lacs) (lower by 5%) and depreciation has increased to Rs. 903 Lacs (Previous year Rs. 683 Lacs) (higher by 32%). The rise in turnover and improved operational efficiency has resulted into higher profit of Rs. 3,587 Lacs as compared to Rs. 1,146 Lacs in the previous year before providing for tax. The Net Profit for the year is higher at Rs. 2388 Lacs as compared to Rs.647 Lacs in the previous year.

	for the year ended 31st March, 2010 Rupees	for the year ended 31st March, 2009 Rupees
Total turnover (Sales & Other income)	5,33,75,51,115	4,61,76,45,843
Profit before interest, depreciation, tax and transfer from revaluation reserve	51,64,76,770	25,37,78,820
Interest	6,75,06,454	7,08,87,339
Profit before depreciation, tax and transfer from revaluation reserve	44,89,70,316	18,28,91,481
Depreciation	9,03,20,057	6,82,76,692
Profit/(Loss) before tax	35,86,50,259	11,46,14,789
Provision for taxation:		
Fringe benefit tax	-	4,000,000
Current tax	12,13,28,108	1,73,38,052
Deferred tax	(15,10,563)	2,46,28,558
Income-tax for earlier year	-	3,977,679
Profit/(Loss) after tax	23,88,32,714	6,46,70,500
Balance in profit and loss account brought forward	28,36,83,900	21,90,13,400
Amount available for appropriation	52,25,16,614	28,36,83,900
Proposed dividend for the year	1,50,76,800	-
Corporate dividend tax thereon	25,04,068	-
General reserve	2,40,00,000	-
Surplus carried over to balance sheet	48,09,35,746	283,683,900
Total	52,25,16,614	28,36,83,900

## B. DIVIDEND

Your Directors are please to recommend a Dividend of Rs.2 (20%) per Equity Share of Rs.10 each for the year ended 31st March, 2010 for declaration by the Shareholders at the Thirty-fourth Annual General Meeting. The Dividend will absorb Rs.1,50,76,800 and Corporate Dividend Tax thereon will be Rs.25,04,068, aggregating to Rs.1,75,80,868.





**Rockwool Insulation & Refractory**

Insulation Work at TG Piping for Larsen & Toubro, Barmer.



**Electrical & Instrumentation**

300 MVA Generator Transformer at Lanco, Kondapalli



**Petron Mechanical Industries**  
Rope Sheav Assembly



**Petrofab Division (Vadodara Works)**  
Fabrication of Oleum Tower for Bodal Chemicals Pvt. Ltd.

## C. MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY TRENDS AND DEVELOPMENTS

Confounding our fears of the worst after-effects of the global slowdown, the turnaround in the Indian economy has been much faster than we had anticipated a year ago. There is, however, considerable heterogeneity in the pace of the upturn in different countries with emerging and developing countries leading the way.

India's GDP growth in the fourth quarter of FY10 stood at a whopping 8.6% and the GDP growth for the FY10 is 7.4% compared with the growth of 6.8% in FY09. Recent IIP (Index of Industrial Production) numbers also show improvement in the economic situation. Thanks to significant fiscal stimulus packages and loose monetary policy. The production grew at 10.4% in FY10, this growth was much higher than the growth attained in the FY09. Growth in the six core infrastructure industries went up from 3.0% during FY09 to 5.5% during this fiscal. Growth during the period was mainly contributed by four sectors namely, cement, power, finished steel and coal. The economists believe that FY11 will see a distinct improvement driven by domestic demand, particularly investments. Importantly, for the estimated GDP growth of 8.5% in FY11, the service sector will have to be a major contributor. It's been different industries which have contributed to growth in different years. Auto and IT did so in 2009, while refinery and power in 2010. One can expect power, cement and steel to see good growth besides infrastructure in FY11. Your Company has already bagged some prestigious projects in refineries and power and we foresee sufficient buoyancy in terms of financial performance in future.

### 2. DIVISION WISE PERFORMANCE

#### Engineering & Construction

During the year, the Division has successfully executed the following contracts:

- Mechanical and piping work for Naphtha Cracker Project of Indian Oil Corporation Limited, Panipat, Haryana
- Piping, equipment erection, heavy lifting, steel structural and painting works for Indian Oil Corporation Limited – MEG Project – Panipat, Haryana
- Power plant erection work for 2 x 300MW boilers (Phase 1) for Sichuan Fortune Project Management Co. Limited at Adani Power Limited, Mundra, Gujarat
- Lump sum turnkey project of HCU/DHT Heaters for Bharat Oman Refinery Limited at Bina, Madhya Pradesh
- Mechanical erection works for 8000 TPD cement plant of Grasim Industries Limited, Kotputli, Rajasthan
- Mechanical erection of cement plant (Phase 1) of Madras Cements Limited at Ariyalur, Tamilnadu

The work on the following projects substantially progressed during the year:

- Erection of boiler Proper (2 x 600MW) of Utility Energytech and Engineering Private Limited – an associate company of Reliance Infrastructure Limited – at Hisar, Haryana.
- Erection of boiler Proper (2 x 300MW) (Phase 1) of Utility Energytech and Engineering Private Limited at Rosa Thermal Power Project, Rosa, Uttar Pradesh.
- Mechanical and piping works of HCU/DHT Heaters for Bharat Oman Refinery Limited at Bina, Madhya Pradesh.
- Equipment and piping installation works for DHDT & HGU units at Indian Oil Corporation Limited, Vadodara, Gujarat.
- Composite Mechanical Works for Implementation of Euro-IV Project of Chennai Petroleum Corporation Limited at Chennai
- Lump sum turnkey project of CDU/VDU Heaters for M/S. HPLC-Mittal Energy Limited at Bathinda, Punjab

- g) Lump sum turnkey project of DHDH Heaters for M/S. HPCL-Mittal Energy Limited at Bathinda, Punjab
- h) Lump sum turnkey project of NHT/CCR Heaters for M/S. HPCL-Mittal Energy Limited at Bathinda, Punjab

#### Petron Mechanical Industries

During the year, the Division has successfully executed the following contracts:

- a) Design, Engineering, Manufacturing and Supply of 33 Nos. of EOT Cranes and 23 Nos. of Electric Hoists for M/s. Vedanta Aluminium Limited, SEZ Unit, Smelter Expansion Project at Jharsuguda, Orissa
- b) Supply and Installation of Mechanical Equipment for Rodding Shop Project of M/s. Vedanta Aluminium Limited, SEZ Unit, Jharsuguda, Orissa
- c) Design, Engineering, Manufacturing & Supply of 03 Nos. of 40T Capacity Gantry Cranes for M/s. Adani Power Maharashtra Limited for their Power Plant at Tiroda
- d) Manufacturing & Supply of EOT Crane Spares for M/s. Bharat Aluminium Company Limited, Korba, CG

#### Electrical & Instrumentation

During the year, this Division has successfully executed the following orders:

- a) Erection & Commissioning of Electrical & Instrumentation equipment for Madras Cements Limited, Jayanthipuram
- b) Supply of Electrical & Instrumentation materials for Madras Cements Limited, Ariyalur Project
- c) Electrical work of Indian Oil Corporation Limited – MEG Project for Samsung Engineering Co. Limited, Panipat
- d) Electrical work for OFFSITE for Bharat Oman Refinery Limited, Bina.
- e) Electrical & Instrumentation work for Malkapur Line-2-2500 TPD Cement plant of India Cements Limited

Presently, the following Orders of the Division are under execution:

- a) Erection, Testing & Commissioning of Electrical & Instrumentation equipment for Madras Cements Limited, Ariyalur
- b) Erection, Calibration, Testing and commissioning for complete C&I Systems for 2x330MW (Unit-3&4) at Adani Power Limited, Mundra Thermal Power Project, Mundra
- c) Supply of Electrical Equipment Package (Part-I Cabling, Earthing & Lightning Protection, Part - II Electrical Safety Equipment and Part - III Illumination System), for 366 MW Combined Cycle Power Plant - Stage II at Lanco Infratech Limited, Kondapalli IDA, Dist. Krishna, A.P.
- d) Supply and Delivery at site with all the accessories of Termination kits, glands & lugs, earthing materials, steel conduits, point wiring, Junction Boxes & other misc. electrical items for 2x300MW Rosa Thermal Power Project, for Utility Energytech and Engineers Pvt. Ltd
- e) Electrical Erection work for Rosa Thermal Power Project for Utility Energytech and Engineers Pvt. Ltd
- f) Supply of materials for Balance of Plant (BOP) for 2 x 250MW Parichha Thermal Power Project, Extension-II, Unit 5 & 6 at Parichha, U.P for Reliance Infrastructure Limited
- g) Erection, Testing and Commissioning of Electrical system for Balance of Plant (BOP) for 2 x 250 MW Parichha Thermal Power Project, Extension-II, Unit 5 & 6 at Parichha, U.P. for Reliance Infrastructure Limited

#### Rockwool Insulation & Refractory

During the year, the Division has successfully executed the following contracts

- a) Refractory work for Dalmia Cement Limited, Ariyalur, Tamil Nadu
- b) Refractory work for Chettinad Cement Limited, Tamil Nadu

- c) Refractory and insulation (ARC) works for Reliance Petroleum Ltd, Jamnagar, Gujarat
  - d) Refractory and insulation (ARC) works for Essar Oil Limited, Vadinar, Gujarat
  - e) Insulation work for HDPE, LLDPE, PP plants at Haldia Petrochemical Limited - Haldia, West Bengal
  - f) Insulation on Equipment and piping of Unit-1 of JSW Power Limited for Larsen & Toubro Ltd-Barmer, Rajasthan
  - g) Insulation on equipment and piping for Sichuan Fortune Project Management Limited for Adani Power Limited, Mundra, Gujarat
- Presently, the following Orders of the Division are under execution:
- a) Refractory at Associated Cement Company Limited - Wadi, Karnataka.
  - b) Refractory & Insulation work for Unit-3 of JSW Power Limited for Larsen & Toubro Limited - Barmer, Rajasthan
  - c) Refractory and insulation (ARC) works for Reliance Petroleum Limited, Jamnagar, Gujarat
  - d) Refractory and Insulation (ARC) works for Essar Oil Ltd, Vadinar, Gujarat

#### Petrofab Division

During the year, the Division has successfully executed the following contracts

- a) Fabrication and assembly of piping, structures, meter runs, metering skid, piping skids, structural skids for Daniel Measurement Solutions (P) Ltd, Vadodara
- b) Fabrication & Testing of 8 No's Injection Point Assemblies for Hindustan Petroleum Corporation Limited, Mumbai for Larsen & Toubro Limited, Vadodara
- c) Manufacturing & Supply of Oleum Tower for 450 TPD Sulphuric Acid Plant for Bodal Chemicals, Vadodara
- d) Fabrication of Blade Mould Frames ("X" Side and "O" Side) for Suzlon Energy Limited, Vadodara
- e) Fabrication of 2 No's HAG Vessels for Coen Bharat, Vadodara.

Presently, the following Orders of the Division are under execution:

- a) Fabrication of Fired Heaters for DHDH Unit - Mangalore Refinery Petrochemical Ltd (Phase-III Expansion Project) for Heurtey Petrochem, Mumbai
- b) Fabrication of 3 No's Convection Modules and 1 No. FG Boiler for ESSAR Project, Vadinar for Heurtey Petrochem, Mumbai
- c) Supply of DCU Heaters for Nagarjuna Oil Corporation Limited, Chennai.
- d) Supply of DHU Heaters for Nagarjuna Oil Corporation Limited, Chennai

#### 3. ACHIEVEMENTS

- a) We are pleased to inform you that your company achieved maximum man hours of 16.47 Million without any lost time injury during 2009-10.
- b) Successful in getting certification of ISO 9001:2008 for quality system management during 2009-10.
- c) OHSAS 18001:2007 for Health and Safety Management system certificate awarded during October last year.
- d) Also accredited with ISO 14001:2004 for environmental management system.
- e) Petrofab – a Division of Petron Engineering Construction Limited was accredited with U, R and NB stamps by ASME during 2009-10.
- f) Successful erection of reactor (580 MT single piece) for DHDS project of Chennai Petroleum Corporation Limited (CPCL) to meet the stringent Euro – IV emission norms.

#### 4. OUTLOOK

Your Company has booked large orders aggregating to Rs.692 crores during 2009-10. Of late, your Company has also bagged another large order of Rs.155 crores from M/s Indian Oil Corporation Limited for its Paradip refinery. The Company has accumulated orders of about Rs. 1,020 crores of which EPC orders contributes over 50%. This augurs well for Company's long term strategic business. Thus, order

backlog represents increase of 55% over the pending order backlog of Rs. 660 crores in the previous year

The major orders received are given below

S. No.	Client	Description	Order Value (Rs. In Lacs)
1	Adani Power Maharashtra Limited, Tiroda	Boiler and Auxiliaries	15,400
2	Indian Oil Corporation Limited, Paradip Refinery	AVU Fired Heaters	40,300
3	Nagarjuna Oil Corporation Limited, Cuddalore	DCU & DHU heaters	5,188

We are expecting more orders from Adani Power Maharashtra Limited, Grasim Industries Limited, Indian Oil Corporation Limited, Reliance Infrastructure Limited etc.

The outlook is encouraging and your Company can look forward to continuous improvement in its performance in the coming year/s.

## 5. OPPORTUNITIES

Your Company is into fabrication, engineering, erection, installation of plant, machinery and equipment for a number of business sectors in oil, gas & petrochemicals, power, cement, minerals & metals, chemical & fertilizers etc. This spread both in reach and business sectors substantially derisk your Company from economic volatility.

The oil, gas & petrochemicals industry has been instrumental in fuelling the rapid growth of the Indian economy. The petroleum and natural gas sector which includes transportation, refining and marketing of petroleum products and gas constitutes over 15% of the GDP. From being a net importer of petroleum products, India has emerged a net exporter of the same. Petroleum exports have also emerged as the single largest foreign exchange earner. Accelerating domestic exploration and production by adding significant refining capacities and giving a boost to the efforts towards overseas acquisition of oil & gas assets, would continue to be a priority of the Indian government in coming years.

The Indian power sector is growing faster than most other countries, it is now the fifth largest power market in the world and a huge opportunity continues to exist in this sector to bridge the gap between the supply and growing demand of power.

Although India is the second largest cement producer in the world, it is way behind China, where the capacity is more than five times larger. The industry provides direct employment to 70,000 people and has the capability to create huge indirect employment downstream. It has a high rate of excise duty and accounts for 5% of total excise collection. But with the thrust being given by the Government for the development of infrastructure, housing and rural connectivity, the cement industry is likely to witness a capacity demand of 235 million tons at the end of 2009-10.

Chemical & fertilizers industry is one of the oldest industries in India and contributes significantly towards industrial and economic growth of the nation. Its contribution to the GDP of India is around 3%. Currently, the Indian Chemical industry is in the midst of a major restructuring and consolidation phase. The Planning Commission has also emphasized that fertilizers are an inevitable to be reckoned within the attainment of the goal of self-sufficiency in food grains. With the shift in emphasis on product innovation, brand building and environmental friendliness, this industry is increasingly moving towards greater customer orientation. Even though India enjoys an abundant supply of basic raw materials, it will have to build upon technical services and marketing capabilities to face global competition and increase its share of exports.

To fuel growth into the minerals & metals sector, during the year, the National Mineral Policy (the 'NMP'), 2008 was approved by the Government of India. The NMP has enunciated policy measures for e.g. assured right to next stage mineral concession, transferability of mineral concessions and transparency in allotment of concessions, in order to reduce delays which are seen as impediments to investment and technology flow in the mining sector in India. The Mining policy also seeks to develop a sustainable framework for optimum utilization of India's natural mineral resources.

Though the market conditions have been challenging because of the global economic recession, but given the Central Government's steps to stimulate growth with huge investments, longer term outlook for Indian economy is positive.

Your Company now focuses on tapping more business from the above sectors to deliver sustainable long term returns.

## 6. INTERNAL CONTROLS

Your Company has a proper and adequate system of internal controls to ensure the timely and accurate recording of financial transactions and adherence to applicable accounting standards; optimum utilization & safety of assets; compliance with applicable laws, regulations, listing agreements and management policies; and an effective management information system.

There are well defined and documented procedures, policies and authority guidelines for each function in the Company. Your Company has already engaged two independent firms of Chartered Accountants apart from the in-house internal audit team who conduct audits across all locations, project sites and business units of the Company throughout the year to test check the internal control system.

The Board of directors has an Audit Committee whose Chairman is an independent director. The Committee meets periodically with the management, internal audit team and representatives of the statutory auditors to review your Company's program of internal audits, findings & recommendations made in the auditors' (both internal & statutory) reports and the follow-up & compliance status of its earlier observations.

## 7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is primarily engaged in undertaking engineering & construction projects, the disclosure of particulars under Section 217(1)(e) of the Act (hereinafter referred to as the Act), in so far as it relates to the conservation of energy and technology absorption is not applicable. Particulars with regard to foreign exchange earnings and outgo are given below:

Total Foreign Exchange used and earned:

i)	Value of Imports on CIF basis	Rs.15,75,94,126
ii)	Expenditure in Foreign Currency	Rs.1,37,41,136
iii)	Foreign Exchange earned	Rs.5,93,63,803

## 8. DIRECTORS

Mr. Ravi Keswani is a qualified Chartered Accountant and a law graduate. He is having an overall experience of 23 years working with large corporate in Finance & Treasury, Accounts, Taxation, Commercial, Project Costing & Budgetary Control, Corporate Strategy, Mergers & Acquisitions etc. He was involved in successful completion of IPO; private equity transaction with group of prestigious investors; subsequent fund raising through FCCB's and QIPs; setting up strategy and business plan development; acquisition of a large design and construction company in Singapore and UK, Mergers and Demergers in the Group, both domestic and cross border, hiving off some of the non-core businesses, new ventures

and initiatives; implementation of ERP system and continuous process and control improvements. He is currently employed with KazStroyService Group – since March, 2010 as Group CFO. Prior, to joining KSS Group he was working with Punj Lloyd Limited as President – Investors Relations and Group Accounts. He has also worked with Hero Cycles Limited as Assistant General Manager.

Mr. Dinesh Kumar Khare was appointed as an Additional Director being Non- Executive Director with effect from 27th April, 2010. He is 57 year old, qualified B.E. (Civil) and has an experience of 34 years in large infrastructure projects. Presently, he is the CEO of the associate companies in KSS Group and leading a team in the areas of infrastructure, industrial parks, SEZs, real estate and environmental management. He possesses in-depth exposure to power plant projects from Captive to Mega power plants. He's also experienced in EPC, PPP models and international projects with specific reference to Gulf & South African regions.

Mr. Pravin Jain has resigned with effect from 16th November, 2009.

Mr. D. K. De Chaudhuri has resigned with effect from 27th April, 2010.

In terms of Article 127 of the Articles of Association of the Company, Dr. S. Rama Iyer, Director of the Company, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

## 9. AUDITORS AND THEIR REPORT

M/s. Lodha & Co., Chartered Accountants, New Delhi – the statutory auditors of the Company – holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from them, to the effect that their appointment, if made, will be in accordance with the limits prescribed under Section 224(1B) of the Act and that, they are not disqualified for such re-appointment within the meaning of Section 226 of the Act.

The auditors have drawn attention vide clause no. 2(f) on the following matters:

### i. Change in Accounting Policy

The auditors had, in earlier years, qualified that the Company was not following accrual basis of accounting for certain indirect taxes (i.e. service tax, VAT & sales tax etc.). During the year, the Company has changed its accounting policy in respect of these taxes to accrual basis, which has resulted into higher charge to the Profit & Loss a/c by Rs.1,648 lacs for the year. Further reference is drawn to the Note No. B8(a) of Schedule 21 to the Financial Statements.

### ii. The auditors have qualified their opinion vide clause no. 2(g) in their report in respect of non-provision for shortfall, if any, in recovery against certain debtors and detention of the fixed assets.

The Company has initiated legal action for recovery of its dues and release of the assets detained and the management is hopeful of their recovery. Further reference is drawn to the Note No. B10 of Schedule 21 to the Financial Statements.

## 10. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules 1975 forms part of this Report. As per provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Shareholders of the Company, excluding the statement of particulars of the employee under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- that in the preparation of annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- that the selected accounting policies were applied consistently and the directors 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 as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.

## 12. TRANSFER OF UNPAID DIVIDEND TO INVESTOR EDUCATION PROTECTION FUND

Pursuant to the provisions of Section 205A(5) of the Act, the declared dividend which remained unpaid or unclaimed for a period of 7 years has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Act.

## 13. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance and Certificate from the Practicing Company Secretary thereon are given in the Annexure which forms part of Directors' Report.

## 14. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the contribution from employees at all levels in sustaining the Company's performance.

The Company takes this opportunity to offer its sincere thanks to the Company's bankers for their unstinted support and continued confidence in the Company and also places on record its sincere thanks to all clients for their co-operation.

## 15. CAUTIONARY STATEMENTS

Statements in this report on management discussion and analysis, describing the Company's objectives or outlook, opportunities, expectations and estimates may be forward-looking statements within the meaning of applicable laws or regulations, actual results could, however, differ materially from those expressed or implied.

BY ORDER OF THE BOARD

T. S. Das  
Managing Director

Ravi Keswani  
Director

Mumbai, 31st May, 2010



Mechanical Works for HCU/DHDT Heaters for Bharat Oman Refinery Ltd., Bina (MP)

The Securities and Exchange Board of India (SEBI) has introduced a code of Corporate Governance for implementation by Companies listed on the Stock Exchanges in terms of Clause 49 of the Listing Agreement. Corporate Governance is set of principles, processes and systems to be followed by the directors, management, and all employees of the Company for enhancement of shareholders' value, keeping in view interests of other stake holders. The integrity, transparency and compliance with laws in all dealings with government, customers, suppliers, employees and other stakeholders are the objectives of the good corporate governance. Your Company has complied in all material respects with the features of Corporate Governance stipulated in the Listing Agreement.

## THE DIRECTORS PRESENT THE COMPANY'S REPORT ON CORPORATE GOVERNANCE.

### 1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is in service industry providing construction services for the projects in core and infrastructure sector. The Company's philosophy is to provide quality services and endeavour to complete the assignments on time and thereby earn the satisfaction and trust of the clients and to that end the Company motivates the employees and imbines in them a sense of involvement by decentralizing the decision making and encourages the other contributors like contractors and suppliers to co-operate. The Company believes in good work practices and transparency to enhance the value of the shareholders and other stakeholders.

### 2) BOARD OF DIRECTORS

The Company's Board of Directors as on 31st March 2010 consists of Five Directors. The Directors include, Managing Director and Two Non-Executive Promoter Director and Two Non-Executive Independent Directors. Mr. T. S. Das is the Managing Director of the Company. Mr. D. K. De Chaudhuri is a Non-Executive Promoter Director. Mr. R. Sankaran is an Independent Non-Executive Director. Dr. S. Rama Iyer is an Independent Non-Executive Director. Mr. Ravi Keswani is a Non-Executive Promoter Director. Mr. Pravin Jain, Independent Non-Executive Director has resigned on 16.11. 2009. Mr. Ravi Keswani has been appointed as an Additional Director with effect from 20.03.2010.

### BRIEF PROFILE OF THE DIRECTORS:

**Mr. Thankappan Sadasiva Das** is 66 year old qualified B.E. (Mechanical) who is a veteran in the field of engineering and mechanical construction projects. He is having an experience of more than 39 years in various fields e.g., Construction, Project Management and Contracting for Petro-chemical plants, Refineries, Fertilizer Plants, Power Plants and Offshore projects. He has worked in the past for Multinational Companies like Simon Carves India Ltd., Davy Powergas, PT Boma - Bishma Indira, Indonesia and PT Balcke-Durr, Indonesia in various senior positions.

He is also on the Board of Petron Investments Private Limited, Amritha Sharaya Leasing & Investments Private Limited and SRA Finance & Investments Private Limited.

**Mr. Dhruvendra Kumar De Chaudhuri** is 76 years old, qualified Mechanical Engineer (BME). He is having more than 49 years of experience in "Construction / Project Management, HR & General Management" in India and abroad. In addition to this, he has a diversified work experience in major construction companies, consultancy firms and operating companies of international repute engaged mainly in Petroleum Sector. He is also on the Board of Petron Civil Engineering Private Limited and KazStroy Engineering India Pvt. Ltd.

**Dr S. Rama Iyer** is a 71 years old, qualified Chemical Engineer. He has done his M. Tech and Ph.D from the Indian Institute of Technology Bombay. He has been involved with Process Technology, Design Engineering, Project Management and Construction Management of large projects both in India and abroad. He is the recipient of the "Distinguished Alumnus Award" from Indian Institute of Technology Bombay in 1996. He also received "Achiever of the year Award" in 2003, "Business Leader of the year" in 2005 and "Life Time Achievement Award" in 2008 from Chemtech Foundation.

**Mr. R. Sankaran** is a 64 years old, having a Financial and Business Consulting Career built with credibility competence and core knowledge spanning over 36 years across a wide set of areas in the capital markets, corporate finance, institutional relationships, government & regulatory management, corporate sector and policy influencing public forums. Currently he serves on a Board of number of listed Companies and also on the Advisory Board of HDFC Real Estate Venture Fund and N. M. Rothschild.

**Mr. Ravi Keswani** is a 47 year old, qualified Chartered Accountant as well as a Law Graduate. He is having an overall experience of 23 years working with large corporate in Finance & Treasury, Accounts, Taxation, Commercial, Project Costing & Budgeting Control, Corporate Strategy, Merger & Acquisition etc. He was involved in successful completion of IPO in Indian Corporate History; Private Equity Transaction with group of prestigious investors; subsequent fund raising through FCCB's and QIP's setting up strategy and business plan development; acquisition of a large design and construction company in Singapore and UK, Mergers and demergers in the group, both domestic and cross border, having off some of the non-core businesses, new ventures and initiatives; implementation of ERP system and continuous process and control improvements. He is currently employed with Kazstroyservice Group of Companies since March, 2010 as Group CFO.

A) Details of Directors and their Directorships, Committee Membership and Chairmanship as on 31.03.2010

Name of Director	Category	Mr. Ravi Keswani (Appointed w.e.f. 20.03.2010)			
		Public Companies	Private Companies	Committee membership	Chairmanship
Mr. T. S. Das (Appointed w.e.f. 14.05.2007)	Managing Director	-	3	-	-
Mr. D. K. De Chaudhuri (Appointed w.e.f. 10.01.08)	Promoter Non-Executive Director	-	2	-	-
Mr. R. Sankaran (Appointed w.e.f. 29.06.2009)	Independent Non-Executive Director	3	3	-	-
Dr. S. Rama Iyer (Appointed w.e.f. 30.01.09)	Independent Non-Executive Director	5	1	-	-
Mr. Ravi Keswani (Appointed w.e.f. 20.03.2010)	Promoter Non-Executive Director	-	2	-	-

Mr. T. S. Das designated as Managing Director w.e.f. 10.01.2008.

Mr. R. Sankaran was appointed as Additional Director w.e.f. 29.06.2009.

Mr. Ravi Keswani was appointed as Additional Director w.e.f. 20.03.2010

B) The attendance of Directors at Board Meetings and Annual General Meeting held during 01-04-2009 to 31.03.2010:

Director	No. of Board Meeting held during Tenure of Director ship	No. of Board Meeting attended	Attendance at last AGM*
Mr. T.S.Das	7	7	Yes
Mr. D K De Chaudhuri	7	7	Yes
Mr. Pravin Jain	5	5	Yes
Dr. S. Rama Iyer	7	6	Yes
Mr. R. Sankaran	5	5	Yes
Mr. Ravi Keswani	1	1	NA

C) Shareholding of Directors in the Company as on 31.03.2010.

Director	No. of Equity Shares of Rs. 10/- each held in the Company single and/or jointly
Mr. T. S. Das	Nil
Mr. D K De Chaudhuri	Nil
Dr. S. Rama Iyer	Nil
Mr. R. Sankaran	Nil
Mr. Ravi Keswani	Nil

D) Information provided to the Board.

Necessary information as required under the statute and as per the guidelines on Corporate Governance are placed before the Board and reviewed by the Board from time to time.

3) AUDIT COMMITTEE

A) Terms of Reference :

- Overseeing the Company's financial reporting process and disclosure of the financial information, to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
- Reviewing with management the quarterly and annual financial statements before submission to the Board, focusing primarily on ;
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchanges and legal requirements concerning financial statement.
  - Any related party transactions.
- Reviewing with the management, external and internal auditors the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors and any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where

suspected fraud or irregularity or a failure of the internal control systems of a material nature and reporting the matter to the board.

8. Discussion with external auditors before audit commences, about nature and scope of audit as well as post audit discussion to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

#### B) Composition of Audit Committee

The Audit Committee comprised of following members:

- 1) Mr. R. Sankaran Chairman (Non-Executive Independent Director)
  - 2) Mr. D. K. De Chaudhuri Member (Non-Executive Promoter Director)
  - 3) Dr. S. Rama Iyer Member (Non-Executive Independent Director)
- Mr. R. Sankaran was appointed as Member w.e.f. 29.06.2009 and as Chairman w.e.f. 20.03.2010  
Dr. S. Rama Iyer was appointed as Member w.e.f. 20.03.2010.  
Mr. Pravin Jain resigned w.e.f. 16.11.2009. He was a Chairman of the Audit Committee.

#### C) Meetings of the Audit Committee

The Committee met 7 times during the Year 2009-2010 on 27.04.2009, 29.06.2009, 30.07.2009, 4.09.2009, 29.10.2009, 16.12.2009 and 29.01.2010.

The attendance of the members of the Committee were as follows :

Name of Member	Audit Committee Meeting held during Tenure of Members	No. of Meetings Attended
Mr. R. Sankaran	5	5
Mr. D K De Chaudhuri	7	7
Dr. S. Rama Iyer	-	-
Mr. Pravin Jain	5	5

Mr. R. Sankaran was appointed as Member w.e.f. 29.06.2009 and as Chairman w.e.f. 20.03.2010  
Dr. S. Rama Iyer was appointed as Member w.e.f. 20.03.2010.  
Mr. Pravin Jain resigned w.e.f. 16.11.2009

## 4) REMUNERATION COMMITTEE

#### A) Terms of Reference :

To ensure that remuneration packages are competitive keeping in view the prevalent compensation packages, so as to recruit and retain suitable individual(s) as Executive Director(s).

#### B) Composition of Remuneration Committee

The Remuneration Committee comprised of following Members:

- 1) Mr. D. K. De Chaudhuri Member (Non-Executive Promoter Director)
- 2) Mr. R. Sankaran Member (Non-Executive Independent Director)
- 3) Dr. S. Rama Iyer Member (Non-Executive Independent Director)

Mr. R. Sankaran was appointed as Member w.e.f. 20.03.2010  
Dr. S. Rama Iyer was appointed as Member w.e.f. 20.03.2010.  
Mr. Pravin Jain resigned w.e.f. 16.11.2009. He was a Chairman of the Remuneration Committee.

#### C) Meetings of the Remuneration Committee

The Committee did not hold any meeting during the Financial Year 2009-2010.

Name of Member	Remuneration Committee Meeting held during Tenure of Members	No. of Meeting Attended
Mr. D K De Chaudhuri	Nil	Nil
Mr. R. Sankaran	Nil	Nil
Dr. S. Rama Iyer	Nil	Nil
Mr. Pravin Jain	Nil	Nil

#### D) Remuneration Policy

To compensate the Whole-time Director(s) in terms of the Agreement.  
Remuneration of the Managing Director was revised with effect from 1st June, 2008.

#### E) Details of Remuneration paid to all Directors

I (Managing / Whole-time Directors)

Name of Executive Director	Salary	Commission	Perquisites and other benefits	Retirement benefits	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. T. S. Das	3000000	NIL	3709455	502800	7212255
Total	3000000	NIL	3709455	502800	7212255

Presently, the Company does not have a scheme for grant of stock option either to the whole-time Director or Employees.

#### II (Non Executive Directors)

Sitting Fees for Attending following Board and Committee meetings:

Name of Executive Director	Board Meeting	Audit Committee	Shareholders Grievance Committee	Remuneration Committee	Executive Finance & Admin Committee	Operations Review Committee	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. D.K. De Chaudhuri	105000	70000	20000	NIL	NIL	N.A.	195000
Mr. Pravin Jain *	75000	50000	15000	NIL	NIL	N.A.	140000
Mr. R. Sankaran	75000	50000	15000	NIL	NIL	N.A.	140000
Dr. S. Rama Iyer	90000	NIL	N.A.	NIL	N.A.	10000	100000
Mr. Ravi Keswani**	15000	N.A.	N.A.	N.A.	N.A.	N.A.	15000
TOTAL	360000	170000	50000	NIL	NIL	10000	590000

\* Mr. Pravin Jain resigned w.e.f. 16.11.2009

\*\*Mr. Ravi Keswani was appointed as Director w.e.f. 20th March, 2010

## 5) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

## A) Terms of Reference:

The Company has formed an Investors/Shareholders Grievance Committee with the following terms of reference:-

To look into the redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, issue of duplicate share certificates etc."

## B) Composition of the Shareholders / Investors Grievance Committee.

The Shareholders/Investors Grievance Committee is comprised of following Members :

- |                           |   |
|---------------------------|---|
| 1) Mr. D. K. De Chaudhuri | Member (Non-Executive Promoter Director)    |
| 2) Mr. R. Sankaran        | Member (Non-Executive Independent Director) |

Mr. R. Sankaran was appointed as Member w.e.f. 29th June, 2009

Mr. Pravin Jain resigned w.e.f. 16.11.2009. He was a Chairman of the Shareholders Grievance Redressal Committee.

The Compliance Officer is Mr. Naresh Shah, Sr. Vice President (Legal) & Company Secretary.

## C) Meetings of the Shareholders' / Investors' Grievance Committee

The Committee met 4 times during the Financial Year 2009-10 on 27.04.2009, 30.07.2009, 31.10.2009 and 29.01.2010. The attendance of the members of the Committee were as follows:

Name of Member	Shareholders/Investors Grievances Committee Meeting held during Tenure of Members	No. of Meeting Attended
Mr. R. Sankaran	3	3
Mr. D K De Chaudhuri	4	4
Mr. Pravin Jain	3	3

Mr. R. Sankaran was appointed as Member w.e.f. 29th June, 2009

Mr. Pravin Jain resigned w.e.f. 16.11.2009

## D) During the year under review 19 Intimations were received from investors and all of them were replied / resolved to the satisfaction of the investors.

No complaints were received from investors during the year.

No request for transfer and for dematerialization were pending for approval as on March 31, 2010. These requests were duly approved and dealt with by the Company.

## 6) EXECUTIVE FINANCE &amp; ADMINISTRATION COMMITTEE

## A) Terms of Reference:

- Setting and reviewing the Company's financial policies, risk assessment. Reviewing capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
- Review banking arrangements and cash management.
- Exercise all powers to borrow moneys Upto Rs. 20 Crore (otherwise than by issue of debentures), and taking necessary actions connected therewith including refinancing for optimization of borrowing costs as may be approved by the Board from time to time.
- Giving of guarantees / Corporate Guarantee / Performance Guarantee / issuing letters of comfort / providing securities within the limits as may be approved by the Board from time to time.
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
- Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee.

7) Delegate authorities from time to time to the Executives / Authorized persons to implement the decisions of the Committee in terms of approval of Board from time to time.

8) Regularly review and make recommendations about changes to the charter of the Committee subject to approval by Board from time to time.

## B) Composition of the Executive Finance &amp; Administration Committee.

The Finance & Administration Committee is comprised of following Members :

- |                           |   |
|---------------------------|---|
| 1) Mr. T. S. Das          | Member (Executive Director)                 |
| 2) Mr. D. K. De Chaudhuri | Member (Non-Executive Promoter Director)    |
| 3) Mr. R. Sankaran        | Member (Non-Executive Independent Director) |

Mr. R. Sankaran was appointed as Member w.e.f. 20.03.2010

Mr. Pravin Jain resigned w.e.f. 16.11.2009. He was a Chairman of the Executive Finance & Administration Committee.

## C) Meetings of the Executive Finance &amp; Administration Committee

The Committee did not hold any meeting during the Financial Year 2009-2010.

Name of Member	Finance & Administration Committee Meeting held during Tenure of Members	No. of Meeting Attended
Mr. T. S. Das	Nil	Nil
Mr. D K De Chaudhuri	Nil	Nil
Mr. R. Sankaran	Nil	Nil
Mr. Pravin Jain	Nil	Nil

## 7) OPERATIONS REVIEW COMMITTEE

## A) Terms of Reference:

- The Committee should consider and review the status of various contracts under execution.
- The Committee should also review the reports relating to Safety status / fatal accidents at company's various sites.

## B) Composition of the Operations Review Committee.

The Operations Review Committee was formed on 31st October, 2009 and comprised of following Members :

- |                           |   |
|---------------------------|---|
| 1) Mr. T. S. Das          | Member (Executive Director)                 |
| 2) Mr. D. K. De Chaudhuri | Member (Non-Executive Promoter Director)    |
| 4) Dr. S. Rama Iyer       | Member (Non-Executive Independent Director) |

Meetings of the Operations Review Committee

The Committee met only once during the Financial Year 2009-10 on 5th February, 2010. The attendance of the members of the Committee were as follows:

Name of Member	Operations Review Committee Meeting held during Tenure of Members	No. of Meeting Attended
Mr. T. S. Das	1	1
Mr. D K De Chaudhuri	1	Nil
Dr. S. Rama Iyer	1	1



**8) GENERAL MEETING****1. Details on Annual General Meeting**

Location and time, where Annual General Meeting held in last 3 years:

Location	Date & Year	Time
At : "OASIS", Opp. Tata Institute of Social Science, Deonar, Mumbai 400 088.	September 18, 2009	3.30 p.m..
At : "OASIS", Opp. Tata Institute of Social Science, Deonar, Mumbai 400 088.	August 29, 2008	2.00 p.m.
At the Regd. Office of the Company At: Swastik Chambers, 6th Floor, Sion Trombay Road, Chembur, Mumbai 400 071.	December 28, 2007	3.30 p.m.

During the year 2009-10 the Company had not issued Notice of Postal Ballot seeking approval of the Shareholders of the Company.

During the year 2009-10 Company did not hold any Extra-Ordinary General Meeting of Shareholders of the Company.

**9) OTHER INFORMATION****a) Risk Management Framework :**

The company has a mechanism to inform Board Members about the Risk Assessment and Minimization procedure to ensure that the risk is controlled by the Executives

**b) Code of Conduct :**

The Company has laid down a Code of Conduct for all Board Members and Senior Management personnel of the Company. The Code of Conduct is available on the website of the Company [www.petroneering.com](http://www.petroneering.com)

The declaration of Managing Director is given below:

To the Shareholders of Petron Engineering Construction Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Sd/-  
T S Das  
Managing Director

Mumbai , 31st May, 2010

**10) DISCLOSURES**

1. Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.  
There is no material transaction with related party which requires separate disclosure.

2. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

\*Mr. Pravin Jain (Independent – Non-Executive Director) , a Member of Audit Committee resigned on 16th November, 2009 and therefore the Company became non-compliant of Clause 49 II(A)(i) of Listing

Agreement. Hence, requirement of presence of two Independent Directors in Audit Committee was not met during the period 16.11.2009 to 20.03.2010 resulting in non-compliance of Clause 49 II(B) of the Listing Agreement.

However, Dr. S. Rama Iyer has been appointed as Member of Audit Committee w.e.f. 20th March, 2010 and the Company has become compliant of Clause 49 II(A)(i) of Listing Agreement.

\*Except above, no other non-compliance with any of the legal provisions of law has been made by the Company nor has any penalty, stricture has been imposed by the Stock Exchange or SEBI or any other statutory authority, or any matter related to capital markets, during the last three years.

**11) MEANS OF COMMUNICATION**

\* Half-yearly report sent to each household of shareholders No

**Quarterly Results**

Which newspapers normally published in "The Economic Times" & local Marathi News Paper "Maharashtra Times"

Any website, where displayed [www.petroneering.com](http://www.petroneering.com)

\*Whether it also displays official news releases and presentations made to institutional investors/analysts Yes. It displays official news and presentations on the day they are made / released.

\*Whether Management Discussion & Analysis is a part of annual report Yes

\* Whether Shareholder Information section forms part of the annual report Yes

**12) GENERAL SHAREHOLDERS INFORMATION:**

- a) Annual General Meeting  
Day and Date : Tuesday, 3rd August, 2010  
Time : 3.30 p.m.  
Venue : OASIS, Opp. Tata Institute of Social Science, Deonar, Mumbai – 400 088.
- b) Financial Calendar : (April 1, 2010– March 31, 2010)  
(i) 34th Annual General Meeting : Tuesday, 3rd August, 2010  
(ii) 1st Quarterly Result : On or before the end of the second week of August 2010 (Unaudited)  
(iii) 2nd Quarterly Results : On or before the end of the second week of November 2010 (Unaudited)  
(iv) 3rd Quarterly Results : On or before the end of the second week of February, 2011 (Unaudited)  
(v) 4th Quarterly Results : On or before the end of the second week of May, 2011 (Unaudited) OR will publish Audited Annual Accounts on or before 31st May, 2011.
- c) Book Closure date : 23-07-2010 to 03-08-2010 (both days inclusive).
- d) Dividend payment Date : On or Before 31st August, 2010

- e) Listing on Stock Exchanges : Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Ltd.
- The listing fees payable to the Stock Exchanges for the Financial Year 2010-11 have already been paid
- f) Custodian Fees to Depositories : The Company has paid custodian fees for the year 2010-2011 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them as on March 31, 2010.
- g) Stock Code : Equity - BSE - 530381  
NSE - Petron Engg. Eq.
- h) ISIN No. : Equity - 742A01019
- i) Market Price Data and Stock Performance : As per Annexure A
- j) Registrar and Transfer Agents : M/s Sharepro Services (India) Pvt. Ltd  
Samhita Complex  
Gala No-52 to 56, Bldg No.13 A-B  
Near Sakinaka Telephone Exchange  
Andheri -Kurla Road, Sakinaka  
Mumbai-400072  
Telephone- 022-67720300 / 022-67720400  
Fax No 022-28591568/28508927  
E-Mail - sharepro@shareproservices.com
- k) Share Transfer System : Share Transfer requests received in physical form is registered within an average period of 15 days. The Board had delegated powers of approving transfers of shares/debentures to the Managing Director and Company Secretary.
- The Board / Shareholders' Grievance Redressal Committee approved the request for issue of duplicate Share Certificates etc. and with the assistance of the Sr. Vice President (Legal) & Company Secretary and Compliance Officer, redresses the complaints of the shareholders expeditiously.
- Mr. Naresh Shah is the Compliance Officer. During the year no complaints were received from the shareholders. During the year 19 intimations were received from the shareholders and all were replied and received satisfaction of the shareholders.
- As on date, none of the requests involving transfer of shares are under processing.  
Requests for dematerialization received from the share-holders are effected within an average period of 15 days.
- l) Distribution of Shareholding : As per Annexure.
- m) Dematerialization of Shares : 7410604 Equity Shares which constitutes 98.31 % of the paid-up capital as on March 31, 2010 have been dematerialized.
- n) Outstanding GDR/ADR/Warrants Or any convertible Instruments Conversion Date and impact on Equity : Not Applicable
- o) Divisions & their Location : Petron Mechanical Division:  
Plot No. A-328,  
T.T.C. Industrial Area, Mahape,  
Thane – Belapur Road, THANE.  
Rockwool Insulation Division:  
Plot No. A-307,  
T.T.C. Industrial Area, Mahape,  
Thane – Belapur Road, THANE.
- Petrofab Division:  
Plot No. 224,  
Padra – Jambusar Road,  
Dabhasa ,  
BARODA 391 440, GUJARAT.
- p) Address for Correspondence : With the Company:  
Registered Office :  
Swastik Chambers, 6th Floor, Sion Trombay Road,  
Chembur, Mumbai 400 071.  
Telephone: 40856200 and 40856400 / Fax : 67973509/10  
E-Mail: nvshah@petronengineering.com  
Website: www.petronengineering.com
- Shareholders correspondence should be sent to the above address.  
Shareholders holding any shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
- With the Registrars:  
M/s Sharepro Services (India) Pvt. Ltd  
Samhita Complex  
Gala No-52 to 56, Bldg No.13 A-B  
Near Sakinaka Telephone Exchange  
Andheri -Kurla Road, Sakinaka  
Mumbai-400072  
Telephone-022-67720300 / 022-67720400  
Fax No : 022-28591568/28508927  
E-Mail - sharepro@shareproservices.com

## NON-MANDATORY REQUIREMENTS

## Shareholders' Rights :

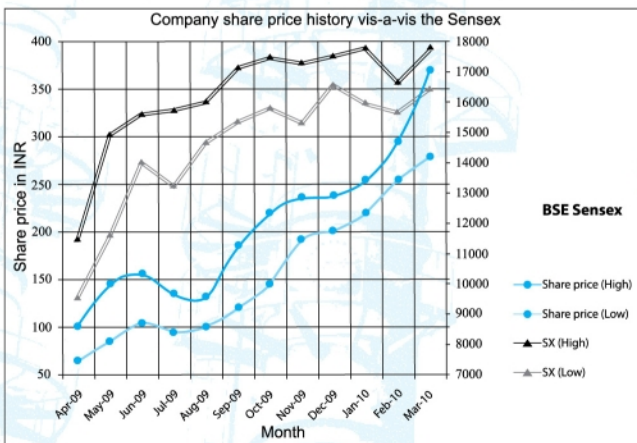
Recommendation : The half yearly declaration of financial performance including summary of the significant events in the last six months should be sent to each household of shareholders .

As the Company's half yearly results are published in English newspapers having wide circulation and in local language newspapers, the same are not sent to each household of shareholders

## STOCK EXCHANGE MARKET PRICE DATA FOR THE YEAR 2009-2010

## SENSEX / NIFTY

MONTH	BSE		BSE SENSEX		NSE		NSE (INDEX)	
	PECL		(SX)		PECL			
	High	Low	High	Low	High	Low		
Apr-09	101	65	11492	9546	103	65	3517	2966
May-09	146	85	14931	11621	146	85	4509	3479
Jun-09	156	104	15600	14017	154	106	4689	4218
Jul-09	135	95	15733	13220	135	95	4670	3919
Aug-09	132	101	16002	14684	132	101	4744	4353
Sep-09	185	120	17143	15357	189	119	5088	4577
Oct-09	220	145	17493	15805	220	145	5182	4688
Nov-09	236	192	17290	15331	237	190	5138	4539
Dec-09	238	202	17531	16578	234	199	5222	4944
Jan-10	254	220	17790	15982	258	215	5311	4766
Feb-10	294	255	16669	15652	298	250	4992	4675
Mar-10	369	279	17793	16438	369	279	5330	4935



Note :

- BSE - Bombay Stock Exchange Limited
- NSE - The National Stock Exchange of India
- SX - BSE SENSEX
- INR - Indian Rupees

## Distribution of Shareholders as on 31st March, 2010:

Number of Shares		Shareholders		Shareholding	
(1)	(2)	Number	% to total	Number	% to total
Upto	500	3872	90.53	463476	6.15
501	1000	181	4.23	151289	2.00
1001	2000	91	2.13	138506	1.84
2001	3000	36	0.84	90460	1.20
3001	4000	15	0.35	53984	0.72
4001	5000	24	0.56	113081	1.50
5001	10000	21	0.49	155378	2.06
10001	above	37	0.87	6372226	84.53
	<b>Total</b>	<b>4277</b>	<b>100.00</b>	<b>7538400</b>	<b>100.00</b>

## Categories of Shareholders as on 31st March, 2010:

Category of Shareholders	No. of Shares Held	% of Shareholding
Promoters' Shareholding	3955523	52.47
Directors' and their Relatives	NIL	NIL
Mutual Funds	790166	10.48
Financial Institutions	NIL	NIL
Banks	250	0.01
Bodies Corporate	374623	4.97
NRTs / OCBs	38794	0.51
Individuals (Public)	2379044	31.56
<b>Total</b>	<b>7538400</b>	<b>100.00</b>

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**CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF PETRON ENGINEERING CONSTRUCTION LIMITED,**

We have examined the compliance of conditions of Corporate Governance by Petron Engineering Construction Limited (Company) for the year ended on March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our examination and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance except to the extent specified in sub-para 2 of para 10 of the Corporate Governance Report.

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 **Pradeep Purwar & Associates**  
Company Secretaries

**Pradeep Kumar Purwar**  
Proprietor  
C.P. No.: 5918

Mumbai, 31st May, 2010

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD**

We have reviewed the financial statements, and the cash flow statement of Petron Engineering Construction Limited for the year ended March 31, 2010 and that to the best of our knowledge and belief, we state that:

- (a) (i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these financial statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct as applicable to the Board of Directors and Senior Management.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year.
  - (iii) Instances of significant fraud of which we have become aware of and which involve management or other employees having a significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

**T. S. DAS**  
MANAGING DIRECTOR

**R. N. PANDEY**  
CHIEF FINANCIAL OFFICER

Mumbai, 31st May, 2010



Erection and Associated Works of Boiler, Auxiliaries & TG Auxiliaries of Unit 1 & 3 for  
3x660 MW Tiroda Thermal Power Project for Adani Power Maharashtra Ltd., Tiroda (Maharashtra)

To the Members of,  
**PETRON ENGINEERING CONSTRUCTION LIMITED**

We have audited the attached Balance Sheet of PETRON ENGINEERING CONSTRUCTION LIMITED, as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement 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.

We conducted our audit in accordance with the 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 misstatements. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act), we enclose in the Annexure, a Statement on the matters specified in paragraphs 4 & 5 of the said order.
- 2 Further to our comments in the Annexure referred to in Paragraph 1 above, 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 purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, 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, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) As per the information and explanations given to us and written representations received from the directors of the company, we report that none of the Directors of the company is disqualified as on 31st March 2010 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) Without qualifying our report, we draw attention to:
    - i) Note no. B8(a) of schedule 21 regarding change in method of accounting of certain indirect taxes as stated in the said note from cash to accrual basis resulting in higher charge to the Profit & Loss A/c by Rs. 16,48,58,800 and to that extent profit is stated lower for the year.
    - ii) Note no. B20(c) of schedule 21 regarding pending necessary approval of the Central government for managerial remuneration as stated in the said note.
    - iii) Note no. B7 of schedule 21 regarding pending confirmation/reconciliation of balances of certain debtors, creditors, loans & advances and other liabilities as stated in the said note (impact unascertained).

- g) *Attention is invited to the note No. B10 of schedule 21 regarding non provision for shortfall (impact unascertainable) in recovery against debtors & detained fixed assets as stated in the said note.*

We further report that the profit for the year, balance in profit & loss Account and respective Assets and Liabilities are without considering the impact of items referred to in Paragraphs 2 (g) above or otherwise, the effect of which could not be determined.

*Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and note no. B8(b) of schedule 21 regarding inclusion of sales tax and service tax as part of the revenue as stated in the said note, and read together with other notes to accounts, 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For LODHA & CO.  
Chartered Accountants

**N.K. Lodha**  
Partner  
Membership No. 85155  
Firm Registration No.:-301051E

Mumbai, 31st May, 2010

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date of PETRON ENGINEERING CONSTRUCTION LIMITED for the year ended 31st March 2010)

- i.
  - (a) The company has maintained proper records in respect of fixed assets showing full particulars including quantitative details and situation of fixed assets except in respect of certain fixed asset where the same is in process of updation.
  - (b) As explained to us, certain fixed assets have been physically verified (except as stated in the note B10(b) of schedule 21) by the Management according to a phased programme designed to cover all the items over a period of three years which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. As explained, reconciliation of the book records and the physical assets has been done and there is no material discrepancy.
  - (c) As per the records and information and explanations given to us, Fixed Assets disposed off during the year were not substantial.
- ii.
  - (a) As explained to us, inventories have been physically verified by the Management at reasonable intervals.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) On the basis of our examination of the records of the Company, we are of the opinion that the Company is maintaining proper records of inventory (read with note no. B9 of schedule 21). The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii.
  - (a) According to the information and explanation given to us, the company has granted unsecured loan to one company covered in the register maintained u/s 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs. 200 lacs and the year, end balance was Nil of loans granted to such party.
  - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which aforesaid loan has been granted are not, prima facie, prejudicial to the interest of the company.
  - (c) The repayment of principal amount and interest during the year is as per stipulations.
  - (d) There is no overdue amount of loan and interest thereon outstanding at the year end.
  - (e) The Company has not taken secured or unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Maximum outstanding balance during the year and year, end balance was Rs. 2,120 Lacs pertains to loans taken in the previous year.
  - (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which aforesaid loan has been taken are not, prima facie, prejudicial to the interest of the company.
  - (g) The repayment of principal amounts and interest during the year is as per stipulations.
- iv. In our opinion and according to the information and explanations given to us, certain items purchased/ sold/ services rendered are of special nature for which, as explained, suitable alternative sources, do not exist for obtaining comparative quotations, taking into consideration the quality, usage and such other factors,

there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services which needs to be further strengthened (read with note no B4, B7, B9 & B11 of schedule 21). Further, on the basis of examinations of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across nor have been we informed of any instance of major weaknesses in aforesaid internal control systems.

- v. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, read with our comment in para (iv) above, transactions made in pursuance of contracts and arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA and rules framed there under and the directives issued by Reserve Bank of India and other relevant provision of the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve bank of India or any Court or any other Tribunal in this regard.
- vii. In our opinion, the Company's internal audit system is generally commensurate with the size of the company and nature of its business.
- viii. To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956.
- ix. (a) In our opinion, and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and other material Statutory dues to the extent applicable with the appropriate authorities. On the basis of audit procedures followed, test checks of the transactions and the representations from the Management there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable as at 31st March, 2010.
- (b) According to the records and information and explanations given to us, there are no dues in respect of Custom Duty and Wealth Tax that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Sales Tax, Service Tax, Excise Duty, Income Tax & Cess that have not been deposited with the appropriate authorities on account of dispute and the Forum where the dispute is pending are given below:

Name of Statute	Nature of the dues	Year	Amount (Rs.)	Forum where dispute is pending.
Orissa Sales Tax Act	Sales Tax	2004-05	20,96,675	Deputy Commissioner of Sales Tax (Appeals)
Tamilnadu General Sales Tax Act	Sales Tax	2002-04	21,30,150	High Court (Chennai)
Bombay Sales Tax Act	Sales Tax	2003-04	3,23,573	Joint Commissioner of Sales Tax (Appeals)
		2006-07	1,00,000	Asst. Commissioner of Sales Tax
Kolkata Sales Tax Act	Sales Tax	2006-07	8,07,261	Joint Commissioner of Commercial Tax
Central Excise Act	Excise Duty	2001-02 2004-05	6,40,952	CESTAT
Finance Act, 1994	Service Tax	2004-06	14,17,513	Commissioner, Central Excise
			71,32,888	Commissioner, Central Excise, Rohtak
		2006-07 2008-09	4,78,977 6,22,703	CESTAT Dy. Commissioner of Central Excise & Service Tax Division, Sitapur
Income Tax Act, 1961	Income Tax	2004-05	18,15,791	Commissioner of Income Tax (Appeals)
The Building and Other Construction Workers Welfare Cess Act, 1996	Worker Welfare Cess	2007-08	39,70,102	Bihar Building & Other Construction Workers Welfare Board
		2007-08	2,27,42,405	High Court (Madhya Pradesh)

(Read with note no. B4 of the schedule 21)

- x. The company does not have accumulated losses as at end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
- xi. In our opinion, on the basis of audit procedure and on the basis of information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4 (xiii) of the Order is not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and on the basis of information and explanations given to us, the term loans raised during the year by the company were applied for the purpose for which the loans were obtained where such end use has been stipulated by the lender.

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- xvii. According to the information and explanations given to us and on an overall examination of financial statements of the company and after placing reliance on the reasonable assumptions made by the company for classification of usages of funds., we are of the opinion that, prima facie, as at the close of the year, short term funds have not been utilized for long term purposes.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Act during the year.
- xix. Based on the examination of the documents and records made available and information and explanations given to us, the Company has not issued any debentures during the year.
- xx. The Company has not raised money through public issue during the year.
- xxi. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of our audit nor we have been informed about any such instance.

For LODHA & CO.  
Chartered Accountants

N.K. Lodha  
Partner  
Membership No. 85155  
Firm Registration No.:-301051E

Mumbai, 31st May, 2010



Erection of Coal Mill Bag Filter at J P Balaji Cement Project, Jaggayyapet  
(Andhra Pradesh)



BALANCE SHEET	Schedule	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	75,384,000	75,508,000
Reserves and surplus	2	910,599,512	690,647,906
		<b>985,983,512</b>	<b>766,155,906</b>
<b>Loan funds</b>			
Secured loans	3	245,560,885	298,985,628
Unsecured loans	4	253,403,570	232,641,860
		<b>498,964,455</b>	<b>531,627,488</b>
<b>Deferred tax liability, net</b> (Refer B17 of Schedule 21)		67,860,690	69,371,253
		<b>1,552,808,657</b>	<b>1,367,154,647</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	1,409,059,075	1,289,985,059
Less: Accumulated depreciation		769,853,836	710,224,418
Net block		639,205,239	579,760,641
Capital work-in-progress (including capital advances)		20,802,599	56,704,800
		<b>660,007,838</b>	<b>636,465,441</b>
<b>Investments</b>			
	6	1,000	1,000
<b>Current assets, loans and advances</b>			
Inventories	7	421,065,279	670,789,064
Sundry debtors	8	1,611,056,303	1,100,094,234
Cash and bank balances	9	162,531,547	163,284,845
Loans and advances	10	510,319,601	422,651,709
		<b>2,706,172,730</b>	<b>2,356,819,852</b>
<b>Current liabilities &amp; Provisions</b>			
Current liabilities	11	1,602,901,590	1,503,312,486
Provisions	12	210,471,321	122,819,160
		<b>1,813,372,911</b>	<b>1,626,131,646</b>
Net current assets		892,799,819	730,688,206
		<b>1,552,808,657</b>	<b>1,367,154,647</b>
Statement of significant accounting policies & notes to financial statements forming part of balance sheet	21		

As per our report of even date  
For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**N K Lodha**  
Partner  
Membership No. 85155

**T S Das**  
Managing Director

**Ravi Keswani**  
Director

Mumbai, 31st May, 2010

**R N Pandey**  
Chief Financial Officer

**Naresh Shah**  
Sr. VP (Legal) & Company Secretary

## PROFIT AND LOSS ACCOUNT

	Schedule	Year Ended 31.03.2010 Rupees	Year Ended 31.03.2009 Rupees
<b>INCOME</b>			
Sales and contracts revenue (gross)	13	5,342,521,383	4,594,716,012
Less: Excise duty		22,827,702	23,353,452
Net sales and contracts revenue		5,319,693,681	4,571,362,560
Other income	14	17,857,434	46,283,263
		<b>5,337,551,115</b>	<b>4,617,645,843</b>
<b>EXPENDITURE</b>			
Material consumed and cost of goods sold	15	1,386,130,625	1,188,606,733
Operating expenses	16	2,534,826,708	2,315,597,893
Personnel cost	17	852,219,722	811,740,267
Administration and establishment expenses	18	47,897,290	47,922,130
		<b>4,821,074,345</b>	<b>4,363,867,023</b>
<b>Profit before interest, depreciation, tax and transfer from revaluation reserve</b>		<b>516,478,770</b>	<b>253,778,820</b>
Interest	19	67,506,454	70,887,339
Depreciation	20	90,320,057	68,276,692
Profit/(loss) before tax		<b>358,650,259</b>	<b>114,614,789</b>
<b>Provision for tax</b>			
Fringe benefit tax		-	4,000,000
Current tax		121,328,108	17,338,052
Deferred tax		(1,510,563)	24,628,558
Income-tax for earlier year		-	3,977,679
<b>Profit/(Loss) after tax</b>		<b>238,832,714</b>	<b>64,670,500</b>
Balance in profit and loss account brought forward		283,683,900	219,013,400
Amount available for appropriation		<b>522,516,614</b>	<b>283,683,900</b>
<b>Appropriations</b>			
Proposed dividend		15,076,800	-
Tax on proposed dividend		2,504,068	-
Transfer to general reserve		24,000,000	-
<b>Balance Carried forward</b>		<b>480,935,746</b>	<b>283,683,900</b>
		<b>522,516,614</b>	<b>283,683,900</b>
Basic earnings per equity share (refer note B16 of Schedule 21)		31.68	8.58
Diluted earnings per equity share (refer note B16 of Schedule 21)		31.68	8.58
Statement of significant accounting policies & notes to financial statements forming part of profit and loss account	21		

As per our report of even date  
For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**N K Lodha**  
Partner  
Membership No. 85155

**T S Das**  
Managing Director

**Ravi Keswani**  
Director

Mumbai, 31st May, 2010

**R N Pandey**  
Chief Financial Officer

**Naresh Shah**  
Sr. VP (Legal) & Company Secretary

STATEMENT OF CASH FLOWS	for the year ended 31st March, 2010, Rupees	for the year ended 31st March, 2009, Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	358,650,259	114,614,789
Adjustments for		
a) Depreciation	90,320,057	68,276,692
b) Interest	67,506,454	70,887,339
c) Interest income	(4,889,036)	(3,162,390)
d) Assets Written off	9,040,912	-
e) Loss on sale of fixed assets	(6,795,321)	1,406,640
<b>Operating profit before working capital changes</b>	<b>513,862,325</b>	<b>252,023,071</b>
a) Inventories	249,123,785	(225,400,071)
b) Sundry debtors	(511,562,068)	3,517,684
c) Loans and advances	(10,232,887)	67,270,055
d) Trade and other payables	82,866,515	149,537,609
Cash generated from operations	<b>324,057,689</b>	<b>246,948,348</b>
Taxes paid	(111,899,373)	(79,080,620)
Net cash provided by/(used in) operating activities (A)	<b>212,158,296</b>	<b>167,867,728</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Inflows		
a) Sale of fixed assets	28,647,627	5,296,782
b) Interest received	4,869,036	3,162,390
Outflows		
a) Acquisition of fixed assets	146,168,911	207,800,710
Net cash provided by/(used in) investing activities (B)	<b>(112,672,248)</b>	<b>(109,341,538)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Inflows		
a) Increase in other short term borrowings	-	122,415,163
b) Increase in working capital borrowings	60,061,225	22,330,212
Outflows		
a) Decrease in working capital borrowings	-	-
b) Net decrease in other unsecured loans	-	-
c) Dividends/Dividend tax paid	398	135,181
e) Debenture redemption paid	-	-
f) Interest on Debenture	44,500	-
d) Redemption of preference share capital	24,900	-
g) Decrease in term loans	92,724,258	57,611,862
h) Interest paid (net)	67,506,454	53,773,040
Net cash provided by/(used in) financing activities (C)	<b>(100,239,345)</b>	<b>33,225,292</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<b>(753,298)</b>	<b>1,761,482</b>
Cash and cash equivalents at the beginning of the year	163,284,845	161,533,363
Cash and cash equivalents at the end of the year (as per Schedule 9)	162,531,547	163,284,845
Net increase/(decrease) in cash and cash equivalents	<b>(753,298)</b>	<b>1,761,482</b>

As per our report of even date  
For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**N K Lodha**  
Partner  
Membership No. 85155

**T S Das**  
Managing Director

**Ravi Keswani**  
Director

Mumbai, 31st May, 2010

**R N Pandey**  
Chief Financial Officer

**Nareesh Shah**  
Sr. VP (Legal) & Company Secretary

SCHEDULE FORMING PART OF THE BALANCE SHEET	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>Schedule 1</b>		
<b>Share capital</b>		
<b>Authorised</b>		
1,00,00,000 (previous year: 1,00,00,000) equity shares of Rs.10 each	100,000,000	100,000,000
<b>Issued, subscribed and paid up*</b>		
75,38,400 (previous year: 75,38,400) equity shares of Rs.10 each fully paid-up	75,384,000	75,384,000
	-	124,000
<b>Add: Shares forfeited</b>	<b>75,384,000</b>	<b>75,508,000</b>

\*Of the total equity shares of the Company:

- a) 39,22,327 (previous year: 39,22,327) equity shares are held by Petron Investments Private Limited (the 'Holding Company') – including 27 shares issued to the Holding Company out of fractional entitlement of bonus shares
- b) 14,000 (previous year: 14,000) equity shares were allotted as fully paid-up, pursuant to contract, without payment being received in cash
- c) 47,04,000 (previous year: 47,04,000) equity shares issued as bonus shares by way of capitalisation of general reserve

SCHEDULE FORMING PART OF THE BALANCE SHEET	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>Schedule 2</b>		
<b>Reserves and surplus</b>		
Capital reserve		
at the commencement of the year	-	-
additions/(deductions) during the year	159,000	-
	<b>159,000</b>	-
Debentures forfeiture		
at the commencement of the year	35,000	35,000
additions/(deductions) during the year	(35,000)	-
	-	35,000
Revaluation reserve		
at the commencement of the year	62,795,855	64,220,094
additions/(deductions) during the year	(1,424,239)	(1,424,239)
	<b>61,371,616</b>	<b>62,795,855</b>
Securities premium account		
at the commencement of the year	95,109,150	95,109,150
additions/(deductions) during the year	-	-
	<b>95,109,150</b>	<b>95,109,150</b>
General reserve		
at the commencement of the year	249,024,000	249,024,000
additions/(deductions) during the year	24,000,000	-
	<b>273,024,000</b>	<b>249,024,000</b>
Profit & loss account		
at the commencement of the year	283,683,900	219,013,400
additions/(deductions) during the year	197,251,846	64,670,500
	<b>480,935,746</b>	<b>283,683,900</b>
	<b>910,599,512</b>	<b>690,647,906</b>

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>Schedule 3</b>		
<b>Secured loans*</b>		
<b>From Banks</b>		
Term loans**	71,791,655	11,730,430
Working capital facilities	173,769,230	287,255,198
	<b>245,560,885</b>	<b>298,985,628</b>

\* read with note no. B2 of Schedule 21

\*\* includes interest accrued and due of Rs.6,79,655 (previous year: Rs.1,01,330)

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>Schedule 4</b>		
<b>Unsecured loans***</b>		
Loans and advances		
from holding company	15,806,890	14,516,887
from bodies corporate	237,596,680	218,124,973
	<b>253,403,570</b>	<b>232,641,860</b>

\*\*\* includes interest accrued and due to Holding Company of Rs.38,06,890 (previous year: Rs.25,16,887) and bodies corporate Rs.3,75,96,680 (previous year: Rs.1,81,24,973)

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## SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 5 Fixed Assets	As at 01.04.2009	Gross book		As at 31.03.2010	Up to 31.03.2010	Net book Total 31.03.2009
		Additions	Devaluations/ Adjustments			
Revalued fixed assets						
Office building	90,429,059	-	69,429,059	26,594,732	28,477,855	64,952,024
Plant & machinery	147,643,724	-	147,643,724	147,643,724	147,643,724	66,474,927
Sub total (a)	241,073,383	-	241,073,383	174,238,456	176,121,579	64,952,024
Other fixed assets						
Land - freehold	12,588,722	28,895,656	8,098,297	33,356,081	-	33,356,081
Land - leasehold	1,484,545	-	1,484,545	226,715	-	1,241,670
Buildings and temporary structures	139,485,796	38,861,894	23,798,837	148,578,984	33,565,462	86,315,797
Plant & machinery (note # 2 below)	838,098,579	61,300,000	17,010,069	896,418,600	47,898,442	62,265,197
Furniture & fixtures	31,451,614	42,200,788	8,914,871	64,737,431	6,974,798	396,884,917
Vehicles	32,950,320	10,813,684	4,333,863	38,410,041	1,000,732	15,705,860
Sub total (b)	1,048,040,516	182,091,112	62,146,887	1,167,865,692	90,221,388	512,114,553
<b>Total (a+b)</b>	<b>1,289,113,899</b>	<b>182,091,112</b>	<b>62,146,887</b>	<b>1,409,059,075</b>	<b>710,224,419</b>	<b>839,202,229</b>
Capital work-in progress	-	-	-	16,854,589	-	16,854,589
Capital advances	-	-	-	3,946,000	-	3,946,000
Sub total (c)	-	-	-	20,800,589	-	20,800,589
Fixed assets held for disposal	871,160	-	871,160	-	-	871,160
Sub total (d)	871,160	-	871,160	-	-	871,160
<b>Total (a+b+c+d)</b>	<b>1,296,985,059</b>	<b>182,091,112</b>	<b>63,017,047</b>	<b>1,429,861,674</b>	<b>710,224,419</b>	<b>860,077,838</b>
Previous year	1,145,926,082	165,692,983	21,604,006	1,289,865,059	625,624,071	710,224,418

Notes:

- Freehold land, office building and certain plant & machinery of the Company were revalued on March 31, 1994 based on report of a professional valuer, by crediting the enhancement in value to revaluation reserve.
- Read with note no. B10(b) of Schedule 21

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 03 2010 Rupees	As at 31 03 2009 Rupees
<b>Schedule 6</b>		
<b>Investments (long-term, unquoted, untraded)</b>		
Government and trust securities		
Seven year National Savings Certificate (1 no.)*	1,000	1,000
	<b>1,000</b>	<b>1,000</b>

\* pledged with Central Excise authorities

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 03 2010 Rupees	As at 31 03 2009 Rupees
<b>Schedule 7</b>		
<b>Inventories</b>		
(as valued and certified by the management)		
(at lower of cost or net realisable value)		
Construction materials, stores & spares, loose tools etc.	7,044,670	7,814,143
Finished goods (trading)	3,363,261	3,065,150
	10,407,931	10,879,293
Work-in-progress, projects		
Due from customers	411,257,348	659,909,771
	<b>421,665,279</b>	<b>670,789,064</b>

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 03 2010 Rupees	As at 31 03 2009 Rupees
<b>Schedule 8</b>		
<b>Sundry debtors (Unsecured, considered good, unless otherwise stated)</b>		
Debts outstanding for a period exceeding six months	182,201,347	270,907,376
Other debts	1,429,454,956	829,186,858
	<b>1,611,656,303</b>	<b>1,100,094,234</b>

Sundry debtors include retention money (receivable from customers) aggregating to Rs.38,96,07,441 of which Rs.7,22,86,430 is outstanding more than 6 months (previous year: Rs.25,29,08,359 of which Rs.6,09,56,870 is outstanding for more than six months)

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 03 2010 Rupees	As at 31 03 2009 Rupees
<b>Schedule 9</b>		
<b>Cash and bank balances</b>		
Cash on hand	14,586,160	17,315,249
Cheques on hand and remittances in-transit	-	486,337
Balance with scheduled banks		
Current account	92,405,956	92,785,562
Fixed deposit/margin money/cash collateral <sup>a</sup>	54,873,804	52,360,757
Current dividend account	310,963	311,365
Balance with other banks		
Current account**	354,664	25,575
	<b>162,531,547</b>	<b>163,284,845</b>

<sup>a</sup>pledged with respective banks

<sup>\*\*</sup>maximum balance outstanding during the year in current accounts

Gulf Bank, Kuwait	8,886,190	5,463,965
Tadhamon International Islamic Bank, Republic of Yemen	-	2,822,820

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 03 2010 Rupees	As at 31 03 2009 Rupees
<b>Schedule 10</b>		
<b>Loans and advances (Unsecured, considered good, unless otherwise stated)</b>		
Loans to employees	134,000	254,029
Advances recoverable in cash or in kind or for value to be received	125,988,406	137,762,452
Deposits with government departments/agencies	3,916,022	3,084,868
Other deposits	13,028,024	11,739,302
Sales tax/VAT/works contract tax deducted at source	104,430,124	84,423,039
Income Tax advance payments	262,823,025	185,388,019
	<b>510,319,601</b>	<b>422,651,709</b>

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 03 2010 Rupees	As at 31 03 2009 Rupees
<b>Schedule 11</b>		
<b>Current liabilities</b>		
Acceptances	16,449,690	81,386,296
Sundry creditors		
Micro, small and medium enterprises*	537,426	-
Others	490,588,335	439,884,778
Advances from customers	522,908,569	658,926,111
Due to customers	308,362,480	169,587,074
Amount to be deposited in Investor Education & Protection Fund, when due		
Unclaimed dividend	310,967	311,365
Debtenture redemption payable	-	44,500
Interest payable on debtentures	-	24,960
Interest accrued but not due on loans	229,041	-
Other current liabilities	263,515,082	153,147,402
	<b>1,602,901,590</b>	<b>1,503,312,486</b>

\* refer note no B11 of Schedule 21

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31 03 2010 Rupees	As at 31 03 2009 Rupees
<b>Schedule 12</b>		
<b>Provisions</b>		
Proposed dividends (including dividend tax)	17,580,868	-
Provision for retirement benefits	13,749,725	22,989,733
Provision for taxation	179,140,728	92,276,967
Provision for foreseeable losses	-	7,552,440
	<b>210,471,321</b>	<b>122,819,160</b>

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SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 13</b>		
<b>Sales &amp; contracts revenue</b>		
Revenue from construction contracts/projects		
Works bills	5,617,592,606	4,243,178,439
Add: Closing work-in-progress, projects (net of due to customers Rs. 30,83,62,480/- (previous year Rs. 16,95,87,074))	102,894,868	490,322,697
Less: Opening work-in-progress, projects (net of due to customers Rs. 16,95,87,074/- (previous year Rs. 13,72,75,806))	(490,322,697)	294,420,197
	5,230,164,777	4,439,080,939
Fabrication charges	84,351,526	93,265,440
Income from hire charges	19,729,543	43,262,708
Income from management/manpower support services	8,275,537	19,106,925
	<b>5,342,521,383</b>	<b>4,594,716,012</b>

SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 14</b>		
<b>Other income</b>		
Dividend		
Interest – others	364,543	86,754
Interest on tax refunds	-	1,038,980
Interest income on margin money deposits	4,504,493	3,162,390
Provision no longer required written back	3,604,960	2,441,486
Administration charges received	-	7,109,454
Miscellaneous receipts	1,830,998	2,804,519
Sundry credit balances written back	-	1,473,284
Foreseeable losses written back (net)	7,552,440	8,225,217
Foreign exchange fluctuations (net)	-	19,941,198
	<b>17,857,434</b>	<b>46,283,283</b>

SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 15</b>		
<b>Materials consumed and cost of goods sold</b>		
Opening stock of materials, stores & spares etc.	10,879,293	13,692,990
Add: Purchases during the year	1,380,411,531	1,185,868,415
	1,397,290,824	1,199,561,405
Less: Scrap sales	752,268	75,379
	1,396,538,556	1,199,486,026
Less: Closing stock of materials, stores & spares etc.	10,407,931	10,879,293
	<b>1,386,130,625</b>	<b>1,188,606,733</b>

SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 16</b>		
<b>Operating expenses</b>		
Sub contracting expenses	1,343,886,877	1,225,021,095
Hire charges – plant & machinery and others	168,983,734	235,077,772
Site operating expenses	10,729,920	8,484,225
Freight, forwarding and clearing charges	55,727,515	66,550,257
Insurance	7,856,716	8,622,475
Power & fuel	33,736,392	14,497,284
Repairs		
Plant & machinery	24,332,303	32,752,045
Others	2,583,869	2,660,232
Technical services	57,700,745	49,489,801
Rates & taxes	5,460,005	13,650,722
Traveling & conveyance	58,675,274	80,914,537
Foreign exchange fluctuations (net)	7,013,088	-
Prior period expenses (net)	7,955,996	2,001,527
Guarantee commission and bank charges	44,855,527	43,454,781
Bad debts/advances written off	94,536,534	150,492,253
Sales tax/works contract tax	101,257,387	31,419,793
Service tax	378,987,694	275,409,858
Other direct expenses	130,537,132	75,099,234
	<b>2,534,826,708</b>	<b>2,315,597,893</b>

SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 17</b>		
<b>Personnel cost</b>		
Salaries, wages and bonus etc.	713,748,947	672,025,004
Contribution to provident and other funds	53,462,124	41,660,086
Workmen and staff welfare expenses	85,008,651	98,055,177
	<b>852,219,722</b>	<b>811,740,267</b>

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SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 18</b>		
<b>Administration and establishment expenses</b>		
Rent	4,633,360	2,842,645
Rates & taxes	1,305,848	1,951,453
Power & Fuel	3,768,552	3,214,628
Repair to building	3,049,583	2,076,054
Printing & stationery	7,513,941	7,686,628
Telephone & other communication expenses	8,634,298	8,799,853
Traveling & conveyance	6,803,113	8,371,048
Directors' sitting fees	590,000	305,000
Legal & professional fees	2,961,893	3,137,351
Loss/(Gain) on sale/discard of fixed assets (net of gain of Rs. 1,90,14,074; previous year: Rs. 10,87,313)	2,254,590	1,406,640
Miscellaneous expenses	5,746,479	7,997,372
Commission paid	600,000	-
Wealth Tax	35,633	133,457
	<b>47,897,290</b>	<b>47,922,130</b>

SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 19</b>		
<b>Interest</b>		
Interest on term loans	5,027,718	5,113,145
Interest on working capital borrowings	20,911,328	25,655,367
Interest on others	41,567,408	40,118,827
	<b>67,506,454</b>	<b>70,887,339</b>

SCHEDULE FORMING PART OF THE P&L ACCOUNT	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
<b>Schedule 20</b>		
<b>Depreciation</b>		
Depreciation on gross block	91,744,296	69,700,931
Less: Depreciation on revalued portion of fixed assets	1,424,239	1,424,239
	<b>90,320,057</b>	<b>68,276,692</b>

#### Schedule 21

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Background & nature of operations

Petron Engineering Construction Limited is a company incorporated on 19th July, 1976 under the Companies Act, 1956 (the 'Act'). The Company is primarily engaged in the business of engineering, procurement and construction of plants for oil refineries, power, cement, petrochemical, fertiliser and other industries.

##### 2. Basis of accounting, use of estimates and preparation of financial statements

The Company maintains its accounts on accrual basis, unless stated otherwise, following the historical cost convention (except for the revaluation of certain fixed assets) in accordance with generally accepted accounting principles in India (the 'GAAP') and comply with the accounting standards notified under section 211(3C) of the Act read with Companies (Accounting Standards) Rules, 2006.

The preparation of financial statements in conformity with the GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which determined.

##### 3. Revenue recognition

- Sales and contract revenue include duty, taxes and adjustments towards price variation as per contracts, wherever applicable.
- Revenue is recognised based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with reasonable certainty of its recovery.
- Revenue from sale of goods is recognised when substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.
- Revenue from engineering and construction contracts and project-related activities is recognised in accordance with Accounting Standard (the 'AS') -7 (Revised), Construction Contracts, issued by the Institute of Chartered Accountants of India (the 'ICAI') by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date for work performed to estimated contract cost. Unbilled revenue is carried as project work-in-progress.

As the long-term contract necessarily extends beyond one year, revision of cost and revenue estimated during the course of the contract are reflected in the accounting period in which the facts requiring such revision become known.

- The revenue on account of extra claims and the expenditure on account of liquidated damages/cost escalations on construction contracts are accounted for at the time of acceptance/settlement by the customers due to uncertainties attached thereto. Similarly, insurance claims are accounted for on settlement with insurers.
- Revenue from service related activities including hire charges are recognised in accordance with the terms of agreements with the customers.
- Other items of income are accounted as and when the right to receive arises.

##### 4. Employee benefits

- Short-term benefits

These are recognised as an expense at the undiscounted amount in the profit and loss account of the period in which the related services are rendered.

## (b) Defined contribution plans

The Company has defined contribution plans for post employments benefits in the form of superannuation fund for management employees, provident fund for all employees and employees' state insurance (the 'ESI') scheme, as applicable, which are managed by the Life Insurance Corporation of India, Regional Provident Fund Office and the ESI Corporation respectively. These contributions are recognised as expenses of the period when employees have rendered services entitling them to contributions.

## (c) Defined benefit plans

The Company has defined benefit plans for post-employment benefits in the form of gratuity for all employees which are managed by a separate trust. The provisions for such benefits are accounted as an expense of the period to which it relates based on the basis of actuarial valuation carried out by the independent actuary using the projected unit credit method.

## (d) Other long-term benefits

Liability for leave encashment is recognised as an expense of the period to which it relates based on the actuarial valuation carried out by the independent actuary using the projected unit credit method. The provision for sick leave, if warranted, is made based on prudent accounting practices.

Actuarial gains/losses in respect of post-employment and other long-term benefits are charged to the profit and loss account.

## 5. Fixed assets

Fixed assets are stated at cost of acquisition (except for the items of revalued assets which are stated at the values determined by the approved valuers) less accumulated depreciation/amortisation/impairment. The cost of acquisition includes attributable interest and all expenses of bringing the respective fixed assets to working condition for the intended use. Own manufactured fixed assets are capitalised at cost including an appropriate share of overheads.

## 6. Leases

(a) Finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Lease arrangements where the risks and benefits incidental to ownership and control of the leased item substantially vest with the lessor, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight line basis over the lease term.

(b) Assets given under finance lease are recognised as receivables at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(c) Assets leased out under operating lease are capitalised. Rental income is recognised on accrual basis over the lease term.

(d) Initial direct costs relating to assets given on finance leases are charged to profit and loss Account.

## 7. Depreciation and Amortisation

## (a) Owned assets

Depreciation on owned fixed assets is provided based on Straight Line Method (the 'SLM') in accordance with the rates and manner provided in the Schedule XIV to the Act (except lease hold land which is amortised over the period of lease).

## (b) Revalued assets

Depreciation is provided as per the SLM on the values and at the rates given by the approved valuers. The difference between depreciation provided based on revalued amount and that on historical cost is transferred from revaluation reserve to profit and loss account.

## (c) Assets carried at historical cost

For additions to fixed assets prior to 1st June, 1986 – by applying the rates of depreciation prescribed under the Income-tax Act, 1961 and rules made thereunder in force as on the respective dates of additions.

For additions to fixed assets on or after 1st June, 1986 – by applying the rates of depreciation in force on the respective dates of additions as prescribed in Schedule XIV to the Act as per the SLM (except on temporary buildings at sites which are depreciated over the expected life of the project).

Depreciation on assets costing Rs.5,000 or less at the rate of 100% on:

- I. plant & machinery added from 1st June, 1986 to 31st March, 1993
- II. all fixed assets added after 31st March, 1993

Proportionate depreciation is provided on other fixed assets in the period of addition/disposal.

## (d) Leased assets

Assets acquired under finance leases are depreciated based on SLM over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated at the rates prescribed under Schedule XIV to the Act or at the higher rates adopted by the Company for similar assets.

## 8. Impairment of assets

(a) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(b) After impairment, depreciation/depletion is provided in subsequent periods on the revised carrying amount of the asset over its remaining useful life.

(c) Impairment loss recognised in an earlier period will be reversed in a later period depending on changes in circumstances to the extent that the discounted future net cash flows are higher than the net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to

the lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognised in prior periods.

#### 9. Investments

Long-term investments are measured at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

#### 10. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying fixed asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### 11. Inventories

Inventories are valued after providing for obsolescence, as under:

- (a) Finished & semi-finished goods, raw materials, components, construction materials, stores, spares and loose tools & tackles at lower of cost or net realisable value.
- (b) Cost includes related overheads determined on the first in first out basis as per the AS-2, Valuation of Inventories, issued by the ICAI.

#### 12. Foreign exchange transactions and translations

- (a) The reporting currency of the Company is Indian Rupee. The Company translates foreign currency transactions into Indian Rupees at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities (for e.g. cash, receivables, payables etc.) denominated in foreign currency are translated into Indian Rupees at the rate of exchange prevailing at the balance sheet date. Non-monetary items (fixed assets, inventories, investments etc.) which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (b) All exchange differences arising on the settlement/restatement are recognised as income or expenses in the period in which they arise except those arising from investments in non-integral operations.
- (c) All transactions of integral foreign operations are translated as if the transactions of those foreign operations were the transactions of the Company itself. In translating the financial statements of a non-integral foreign operation for incorporating in financial statements, the Company translates the assets and liabilities at the rate of exchange prevailing at the balance sheet date. Income and expenses of non-integral operations are translated using rates at the date of transactions.

#### 13. Sales tax and excise duty on works contract

Where the Company has contractual right to claim amounts, invoiced as taxes, from the clients, the same are not charged as expenditure and in other case where liability would be on the Company, it is accounted for on accrual basis.

#### 14. Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income-tax and fringe benefit 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 the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the period, and quantified using the tax rates and laws enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### 15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period is adjusted for events of bonus issue, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares equity outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

#### 16. Provisions, contingent liabilities and contingent assets

- (a) Provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current estimates.
- (b) Contingent liabilities are disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.
- (c) Contingent assets are not recognised.

### B. NOTES TO THE FINANCIAL STATEMENTS

1. All amounts in the financial statements are presented in Indian Rupees except per share data, earnings per share and as otherwise stated. Figures/information in brackets (except the serial numbers) represent corresponding previous year figures/information in respect of profit & loss items and in respect of balance sheet items as at the balance sheet date of the previous year, unless specified otherwise. Figures for the previous year have been reworked/regrouped/rearranged/reclassified wherever considered necessary to conform to the figures presented in the current year.
2. Secured loans
  - (a) Working Credit facilities from banks are secured by way of:
    - i. *Pari passu* charge on whole of the current assets including stock of raw materials, stock-in-process, semi-finished & finished goods, consumables, stores, spares, book debts and all other movables both present and future.



## II. Collateral securities as follows:

i. *Pari passu* charge on the following assets of the Company:

- 20 office blocks – # 15 & 16 on ground floor, # 601 to 603 & # 610 to 624 on 6th floor at Swastik Chambers, Chembur, Mumbai, Maharashtra, India
- Factory land and building at Dabhasa, district Vadodara, Gujarat, India

ii. *Pari passu* charge on the following plant & machinery:

- Entire heavy plant & machinery and fixtures
- Amhoist Crawler crane model no. 11250 – [serial no. GS 17444]
- Amhoist Crawler crane model no. 9310 [serial no. GS 18442]

## iii. Corporate guarantee of the holding company – Petron Investments Private Limited

## (b) Term loans from banks are secured by:

## I. Hypothecation of plant &amp; machinery of Rs.98,242,281 acquired out of the said loan.

II. *Pari passu* charge on whole of the current assets including stock of raw materials, stock-in-process, semi-finished & finished goods, consumables, stores, spares, book debts and all other movables both present and future.

## 3. Fixed Assets

## (a) Revaluation of fixed assets

Based on the valuation carried out by approved valuer, certain categories of fixed assets [freehold land, office building at Swastik Chambers and heavy plant & machinery] have been revalued as at 31st March, 1994. The consequential incremental value of Rs.213,489,876 over the written down value [original cost less depreciation] as at 31st March, 1994 has been credited to revaluation reserve under Reserves and Surplus. The balance in revaluation reserve represents the above value as reduced by adjustments for sale of revalued assets and for depreciation element on the incremental value since the date of revaluation.

## (b) Details for fixed assets

## I. Cost of other buildings include:

## i. Temporary buildings at sites of gross block of Rs.95,240,382 and net block of Rs.48,819,977 (Rs.79,488,501 and Rs.56,154,910 respectively). These are written off over the expected duration of contract.

## ii. Cost of investments amounting to Rs.753 being the cost of shares in Swastik Chambers Owners' Co-operative Society Limited made in connection with the ownership rights of the office.

## II. In respect of certain vehicles, acquired under hire purchase agreements, the formalities for de-hypothecation are pending.

## 4. (a) Contingent liabilities not provided for [as certified by the management]

	As at 31st March, 2010	As at 31st March, 2009
i) Bank guarantees issued by the banks on behalf of the Company	1,930,497,467	1,716,233,015
ii) Inland/foreign letters of credit issued by the banks on behalf of the Company	38,779,794	121,199,132
iii) Sales tax matters in appeal	4,948,328	4,041,067
iv) Excise duty matters in appeal	690,954	1,486,891
v) Service tax matters in appeal and in respect of pending notices [excluding interest etc. the amount of which is unascertainable]	12,029,706	11,320,763
vi) Labour matters and other litigations	6,262,228	5,182,232

(c) The Company has challenged the applicability of labour welfare cess on the gross value of the contracts under the Building and Other Construction Workers Welfare Cess Act, 1996 before the Honorable High Court of Madhya Pradesh – the 'MP'. On the direction of the honorable High Court, company has filed an appeal to Appellate Authority in Indore. The appeal was subsequently dismissed by the Appellate Authority and being aggrieved by the said order, company is in the process of filing fresh writ petition before the Honorable High Court of MP. Accordingly provision of Rs.22,742,405 (Rs.15,748,000) has not been made for levy of cess.

The Company does not expect any material liability in respect of above contingent liabilities, the effect of which, if any, will be taken as and when these are settled/assessed.

## 5. Commitment for capital expenditure is Rs.93,600,776 (Rs 62,191,742).

## 6. In the opinion of the management, current assets and loans &amp; advances have a realisable value in ordinary course of the business at least equal to the amounts at which they are stated in the Balance Sheet.

## 7. Balances of certain debtors, creditors, loans &amp; advances [including those at closed sites] and other liabilities are in process of confirmation/reconciliation. The impact of consequential adjustments on the profit and assets/liabilities would not be material in the opinion of the management on such confirmation/reconciliation.

## 8. (a) During the year certain indirect tax liabilities [service tax, VAT, sales tax etc.] are accounted for on accrual basis which hitherto accounted for as and when fairly assessed/paid. Accordingly, charge to the Profit &amp; Loss a/c is higher by Rs.1,64,858,800 and 'Sales tax/works contract tax' and 'Service tax' are stated higher by that amount.

(b) As per the past practice, sales tax and service tax have been included in Sales and contracts revenue [gross]. Accordingly, gross revenue includes the said taxes amounting to Rs.380,751,097 (Rs.310,534,300) which has no impact on the profit of the respective years.

## 9. As per the past practice, material consumption is accounted for opening stock plus purchases less closing physical stock as physically verified by the management.

## 10. (a) There have been major delays and cost overruns on long-term fixed price contracts with Bharat Heavy Electricals Limited – the 'Client' – at Kahalgaon, Bihar – the 'project location' – on account of the Client's failure to provide the front, free issue materials and cranes/equipment. This was further aggravated by the labour unrest at the Client's project location. The Company had represented to the Client for relief and compensation; however the Client unilaterally and arbitrarily rejected the same and called the bonds for advance payments and performance. The Company had, as per the terms of the tender document, asked Client to appoint a Sole Arbitrator to settle various claims which inter alia include compensation of Rs.32,550,000 for its assets detained having WDV [net of assets charged off] of Rs.8,542,550 (Rs.9,772,344) and outstanding payment of Rs.21,503,907. During the year, the statements of facts &amp; claims were submitted by the Company and Client before the Arbitrator.

- (b) The Company had also filed a petition before honorable High Court of Calcutta u/s 9 of the Arbitration & Conciliation Act, 1996 for an interim relief and release of Company's assets – detained by the Client as stated in para (a) above. The honorable High Court of Calcutta appointed a Special Officer vide its order dated 3rd February, 2010 who made an inventory of the equipment, plant & machinery, tools, tackles etc. so detained and the Company has forwarded Special Officer's report to the Arbitrator on 24th May, 2010 to initiate necessary action. The matter is pending before the Arbitrator, therefore, no provision has been considered necessary by the Company at this stage.

#### 11. Micro, small and medium enterprises

The management has initiated the process of identifying enterprises which qualify under the Micro, Small and Medium Enterprises Development Act, 2006 and have provided goods and services to the Company. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31st March, 2010 is made based on the information received from and available with the Company:

	2009-10	2008-09	
a	(i) Principal amount remaining unpaid to supplier as on 31st March, 2010	753,424	-
	(ii) Interest on a(i) above	-	-
b	(i) The amount of principal paid beyond the appointed date	-	-
	(ii) The amount of interest paid beyond the appointed date	-	-
c	Amount of interest due and payable on delayed payments	-	-
d	Amount of interest accrued and due as at 31st March, 2010	-	-
e	Amount of further interest remaining due and payable even in succeeding years (in case of entities registered prior to 31st March, 2008)	-	-
f	Total outstanding dues to micro and small enterprises	<b>753,424</b>	-

#### 12. In terms of the disclosures required to be made under AS-7 (revised 2002), Construction Contracts, issued by the ICAI, the amounts considered in the financial statements up to the balance sheet date are as follows:

	2009-10	2008-09	
a)	Contract revenue recognised during the year	5,007,958,745	4,284,359,022
b)	Aggregate amount of cost incurred and recognised profits [less recognised loss]*	5,938,089,674	5,707,241,247
c)	Amount of customer advances outstanding*	489,716,481	603,641,032
d)	Gross amount due from customers*	411,257,348	659,909,771
e)	Gross amount due to customers*	308,362,480	169,587,074
f)	Retention money*	<b>148,160,461</b>	<b>125,377,393</b>

\*for contracts in progress as at 31st March, 2010

#### 13. Employee benefits

##### (a) Defined contribution plans

The Company has recognised the following amounts in the Profit and Loss Account for the year:

	2009-10	2008-09	
a)	Contribution to employees' provident fund	32,774,394	22,515,583
b)	Contribution to employees' superannuation fund	6,237,345	5,614,069
c)	Contribution to employees' state insurance	1,824,924	319,723
	Total	<b>40,836,663</b>	<b>28,449,375</b>

##### (b) Defined benefit plans

- I. Gratuity: The Company operates gratuity plan which is administered through a trustary trust for its employees as per the provisions of the Payment of Gratuity Act, 1972 [Amended]. The gratuity

plan envisages annual contribution by employer to the trust as per actuarial valuation. The payment of gratuity to the employees are payable as per the Payment of Gratuity Act, 1972 [Amended] at the time of separation from service or retirement, whichever is earlier, subject to completion of the minimum qualifying service of 5 years. The payment of gratuity to the eligible employees by the trust is guaranteed by the Company. The Guidance issued by the Accounting Standard Board – the 'ASB' – on implementing AS-15, Employee Benefits [Revised 2005] states that employee benefits fund set up by employers which guarantees any shortfall to be made good by the employer is treated as defined benefit plan.

- II. Leave Encashment: The Company's employees are entitled for privilege leaves which are allowed to be accumulated and encashed as per the Company rules.

##### III. Gratuity and leave encashment as per actuarial valuation as at 31st March, 2010:

	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>A. Changes in the present value of obligation</b>		
a)	Present value of obligation as at 1st April, 2009	9,065,358 (34,720,367)
b)	Interest cost	725,229 (2,777,629)
c)	Current service cost	3,520,324 (4,989,950)
d)	Curtailment cost/(credit)	- (-)
e)	Settlement cost/(credit)	- (-)
f)	Less: Benefits paid during the year	(4,634,493) (7,358,911)
g)	Interest guarantee (if relevant)	- (-)
h)	Actuarial [gain]/loss	3,665,715 (1,790,204)
	Present value of obligation as at 31st March, 2010	44,364,398 (36,919,239)
<b>B. Changes in the fair value of plan assets</b>		
a)	Present value of plan assets as at 1st April, 2009	- (16,155,808)
b)	Add: Expected return on plan assets	2,542,793 (1,050,698)
c)	Actuarial [gain]/loss	2,089,673 (3,258,939)
d)	Employer's contributions	16,485,459 (19,590,964)
e)	Less: Benefits paid during the year	(4,634,493) (4,413,589)
	Present value of plan assets as at 31st March, 2010	45,608,464 (29,125,032)
<b>C. Amount recognised in the balance sheet including a reconciliation of the present value of defined benefit obligation and the fair value of assets</b>		
a)	Present value of defined benefit obligation as at 31st March, 2010	44,364,398 (36,919,239)
b)	Less: Fair value of plan assets as at 31st March, 2010	(45,608,464) (29,125,032)
	Net liability recognised in the balance sheet (as at 31st March, 2010)	(1,244,066) (7,794,207)
		12,756,448 (9,065,358)

	Gratuity Funded	Leave Encashment Unfunded
<b>D. Expenses recognised in the profit and loss account</b>		
a) Current service cost	5,460,398 (4,989,950)	3,520,324 (3,428,379)
b) Interest cost	2,953,539 (2,777,629)	725,229 (407,325)
c) Less: Expected return on plan assets	2,542,793 (1,050,698)	- (-)
d) Curtailment cost/(credit)	-	-
e) Settlement cost/(credit)	-	-
f) Net actuarial [gain]/loss	[1,576,042] (902,933)	620,679 (496,481)
Present value of obligation as at 31st March, 2010	7,447,186 (7,619,814)	4,866,232 (43,32,185)
<b>E. Actual return on plan assets [(gain)/loss]</b>		
	4,632,466 (2,208,241)	- (-)
<b>F. The composition of plan assets [i.e. percentage of each category of plan assets to total fair value of plan assets as at 31st March, 2010]</b>		
a) Government of India securities	12.44% (14.33%)	N.A. (N.A.)
b) Corporate bonds	60.79% (62.12%)	N.A. (N.A.)
c) Special deposit scheme	5.12% (6.11%)	N.A. (N.A.)
d) Equity shares of listed companies	-	N.A. (N.A.)
e) Property	-	N.A. (N.A.)
f) Insurance managed funds	-	N.A. (N.A.)
g) State government securities	21.65% (17.44%)	N.A. (N.A.)
Total	100% (100%)	N.A. (N.A.)
<b>G. Actuarial assumptions</b>		
a) Retirement age	60 (60)	
b) Discount rate (p.a.)	8% (8%)	
c) Mortality	LIC (1994-96) ultimate mortality rates	
d) Employee turnover	1% (1%)	
e) Salary escalation (p.a.)	7% (7%)	
<b>H. Notes</b>		
a)	The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion, and other relevant factors such as supply and demand in employment market.	
b)	The overall expected rate of return on assets is based on the expectation of the average long-term rate of return expected on the investments of the plan/fund during the estimated term of the obligation.	

## 14. Segment reporting

## (a) Business segment

The Company operates in only one business segment, i.e. 'Engineering, Procurement & Construction' based on the nature of the services and products, the risks and returns etc.

## (b) Geographical segment

In respect of the secondary segment information, the Company has identified its geographical segments as (a) within India; and (b) outside India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary. Accordingly, the geographic segment information for the year ended 31st March, 2010 has been disclosed as follows:

	Within India	Outside India	Total
a) Segment revenue	5,271,298,609 (4,336,826,397)	48,395,072 (280,819,446)	5,319,693,681 (4,617,645,843)
b) Segment assets	3,321,106,300 (2,670,502,723)	45,075,178 (227,840,461)	3,366,181,568 (2,898,343,184)
c) Capital expenditure	182,091,112 (158,492,977)	- (7,170,005)	182,091,112 (165,662,982)

## 15. Related party disclosures

Information regarding related party transactions as per AS-18, Related Party Disclosures, issued by the ICAI is given below:

## (a) Related parties and their relationships [as certified by the management]

## I. Enterprises having control over the Company

- Petron Investments Private Limited – Holding Company
- KazStroyService Limited, U.K. – Holding Company of Petron Investments Private Limited<sup>a</sup>
- KazStroyService Holdings Limited, British Virgin Island – Holding Company of KazStroyService Limited, U.K.<sup>a</sup>
- KazStroyService Infrastructure Limited, British Virgin Island – Holding Company of KazStroyService Holdings Limited<sup>a</sup>

<sup>a</sup> w.e.f. 30th June, 2009 the beneficial ownership of shares of KazStroyService Limited, U.K. is with KazStroy Engineering (UK) Limited

<sup>b</sup> w.e.f. 3rd January, 2008 by virtue of acquisition of controlling interest by KazStroyService Limited in the Company

## II. Fellow Subsidiaries

- KazStroy Engineering India Private Limited
- Petron Civil Engineering Private Limited
- KazStroyService Infrastructure India Private Limited

## III. Other Entities

- Petron Engineering Construction Limited Employees' Gratuity Fund [entity over which key managerial personnel have significant influence]

## IV. Key managerial personnel – the 'KMP'

- i. Mr. T S Das – Managing Director  
 ii. Mr. K L Swami – Director (Finance) [From 30th June, 2008 to 31st October, 2008]

## (b) Transactions between the Company and related parties for the year ended 31st March, 2010

	Holding Company	Fellow Subsidiaries	Other Entities
<b>I. Purchase of fixed assets</b>			
(i) Petron Investments Private Limited	7,771,000 (-)	- (-)	- (-)
<b>II. Loans taken</b>			
(i) Petron Civil Engineering Private Limited	- (-)	- (200,000,000)	- (-)
<b>III. Loan given</b>			
(i) Petron Civil Engineering Private Limited	- (-)	20,000,000 (-)	- (-)
<b>IV. Advance given</b>			
(i) Petron Civil Engineering Private Limited	- (-)	10,000 (-)	- (-)
<b>V. Advance received against common expenses</b>			
(i) Petron Civil Engineering Private Limited	- (-)	- (15,000,000)	- (-)
<b>VI. Other receipts/payments</b>			
(i) Petron Engineering Construction Limited Employees' Gratuity Fund	- (-)	- (-)	16,035,187 (19,590,964)
<b>VII. Interest on loans taken</b>			
(i) Petron Investments Private Limited	1,590,000 (1,590,000)	- (-)	- (-)
(ii) Petron Civil Engineering Private Limited	- (-)	24,000,000 (25,827,945)	- (-)
<b>VIII. Interest on Loan given</b>			
(i) Petron Civil Engineering Private Limited	- (-)	210,411 (-)	- (-)
<b>IX. Commission paid</b>			
(i) Petron Investments Private Limited	- (500,000)	- (-)	- (-)
<b>X. Expenses incurred by the Company on behalf of</b>			
(i) Petron Investments Private Limited	1,959,003 (46,126)	- (-)	- (-)
(ii) Petron Civil Engineering Private Limited	- (-)	- (9,513,928)	- (-)
<b>XI. Expenses incurred on behalf of the Company by</b>			
(i) KazStroy Engineering India Private Limited	- (-)	- (43,698)	- (-)
(ii) KazStroyService Infrastructure India Private Limited	- (-)	21,700 (15,585)	- (-)
(iii) Petron Civil Engineering Private Limited	- (-)	102,361 (5,487,030)	- (-)

## Disclosure of outstanding balances as at 31st March, 2010:

	Holding Company	Fellow Subsidiaries	Other Entities	The KMP*
<b>I. Loans &amp; advances received (including interest)</b>				
(i) Petron Investments Private Limited	15,806,890 (14,516,887)	- (-)	- (-)	- (-)
(ii) Petron Civil Engineering Private Limited	- (-)	237,596,680 (218,124,973)	- (-)	- (-)
<b>II. Advance received against common expenses</b>				
(i) Petron Civil Engineering Private Limited	- (-)	15,000,000 (15,000,000)	- (-)	- (-)
<b>III. Other receivable – for goods, services &amp; other items</b>				
(i) Petron Civil Engineering Private Limited	- (-)	4,123,907 (4,026,898)	- (-)	- (-)
(ii) KazStroy Engineering India Private Limited	- (-)	- (57,280)	- (-)	- (-)
<b>IV. Other payables – for goods, services &amp; other items</b>				
(i) Petron Investments Private Limited	21,622,282 (23,581,285)	- (-)	- (-)	- (-)
(ii) KazStroy Service Infrastructure India Private Limited	- (-)	21,700 (12,135)	- (-)	- (-)
(iii) Petron Civil Engineering Private Limited	- (-)	- (-)	- (-)	- (-)
(iv) Petron Engineering Construction Limited Employees' Gratuity Fund	- (-)	- (-)	1,244,067 (7,310,306)	- (-)

\* Details of remuneration to key management personnel are given in note II. 20 below

## 16. Earnings per share has been computed as under

	2009-10	2008-09
Profit computation for both basic and diluted earnings per share of Rs 10 each		
(a) Net profit available for equity shareholders	238,832,714	64,670,500
(b) Weighted average number of equity shares for computation of basic & diluted earnings per share	7,538,400	7,538,400
(c) Basic earnings per share	31.68	8.58
(d) Diluted earnings per share	31.68	8.58

## 17. Components of deferred tax assets and liabilities

	As at 31st March, 2010	As at 31st March, 2009
<b>(a) Deferred tax liability</b>		
Excess of tax depreciation over book depreciation	46,069,893	47,761,398
Others	35,495,799	28,695,391
<b>Total deferred tax liability</b>	<b>81,565,692</b>	<b>76,456,789</b>
<b>(b) Deferred tax assets</b>		
Provision for doubtful debts, advances, and employee benefits, indirect taxes etc.	13,705,002	7,085,536
Others	-	-
<b>Total deferred tax assets</b>	<b>13,705,002</b>	<b>7,085,536</b>
<b>(c) Net deferred tax liability</b>	<b>67,860,690</b>	<b>69,371,253</b>

18. In the opinion of the management there are no indications that the assets of the Company may be impaired as at the balance sheet date.

19. Auditors' remuneration (inclusive of service tax)

	2009-10	2008-09
(a) Audit fees	716,950	716,950
(b) Tax audit fee	220,600	220,600
(c) Other services	297,810	269,664
(d) Expenses reimbursed	156,350	140,185

20. (a) Computation of net profit for the purpose of calculating managerial remuneration

	2009-10
Profit as per profit & loss account	358,650,259
Add: Remuneration to managing director	7,069,455
Director's commission	600,000
Director's sitting fee	590,000
Depreciation	90,320,057
Donation	112,500
Loss on sale/discard of fixed assets [net]	21,268,664
	478,610,935
Less: Depreciation	90,320,057
Profit on sale of fixed assets	19,014,074
Net profit for the purpose of managerial remuneration u/s 349	<b>369,276,804</b>

Commission @ 1% to non-executive directors is restricted to Rs.600,000

(b) Managerial remuneration

	2009-10	2008-09
I Salaries	3,000,000	8,062,356
II Monetary value of perquisites	3,709,455	1,294,727
III Contribution to provident and superannuation funds	360,000	443,200
Total	<b>7,069,455</b>	<b>9,800,283</b>

[refer note (c) below]

Perquisites include amounts evaluated as per rules of Income-tax Act, 1961 in respect of certain items. As the future liability for gratuity and leave encashment is evaluated on an actuarial basis for the Company as a whole, the separate amounts pertaining to directors is not ascertainable and is therefore not included above.

(c) The managerial remuneration of one of the two executive directors was in excess of the limit as specified in Sections 198 & 201 [read with Schedule XII] of the Act and accordingly, the Company had made an application to the Central Government for its approval. The Company has sought certain clarification, on the approval granted by the Central Government vide its letter dated 9th February, 2010.

21. Disclosures pursuant to clause 32 of the listing agreement with stock exchanges: Nil (Nil)  
For this purpose, the loans to employees as per the Company's policy, security deposits paid towards premises taken on leave and license basis have not been considered.

22. The determination of revenue as per the percentage completion method and provision of foreseeable loss necessarily involve making estimates by the management of the future cost, and this – being technical in nature – has been relied upon by the auditors.

23. Capital work-in-progress includes machinery in stock, construction/erection material, advances for construction and machinery and also include the following pre-operation expenses pending allocation:

	2009-10	2008-09
I Rates & taxes	35,943	-
II Legal & professional fee	898,680	-
III Salary, wages and bonus etc.	345,121	-
IV Power & Fuel	25,711	-
Total	<b>1,305,455</b>	-

24. Additional information under part II of Schedule VI to the Act

(a) Capacities, production & sales

	2009-10		2008-09	
	Units/ Contracts		Units/ Contracts	
I Licensed capacity	N.A.	N.A.	N.A.	N.A.
II Installed capacity	N.A.	N.A.	N.A.	N.A.
III Actual production	N.A.	N.A.	N.A.	N.A.
<b>Engineering &amp; Construction division</b>				
Supply, fabrication, piping, erection and maintenance	59	5,011,257,483	71	4,302,463,152
<b>Mechanical division [PM]</b>				
Crane & crane accessories	9	81,294,724	13	7,006,812
Structural fabrication & Erection	5	17,369,238	14	35,835,939
Others	2	29,913,932	-	-
<b>Refractory &amp; Insulation division [Rockwool]</b>				
Refractory jobs	29	118,334,480	25	156,144,669
<b>Fabrication division [Petrofab]</b>				
Manufacturing of equipment	48	61,523,824	56	69,911,988

According to the Company, engineering & construction activities are service activities and, therefore, the same are covered under paragraph 3(ii)(c) of part II of Schedule VI to the Act.

(b) Raw materials consumption & stock of goods produced

	2009-10	2008-09
I Value of raw materials consumption and spares*	-	-
II Opening & closing stock of goods produced [quantity]*	-	-

\* There are numerous & different sizes and natures of items which also include spares and consumables. Therefore, it is not feasible to give quantitative information in respect thereof.

\*The Company has filed application with Central Government for seeking exemption from disclosure as per Para 3(i)(a)(1) & (2) of Part II of Schedule VI to the Act and the approval is awaited.

## (c) Consumption of raw materials, stores, spares and components

	2009-10		2008-09	
	%		%	
I Indigenously procured	89.04	1,235,091,063	91.19	1,083,905,321
II Imported	10.96	151,981,985	8.81	104,701,412

## (d) Value of imports calculated on CIF basis

	2009-10	2008-09
I Capital goods	5,612,141	18,400,054
II Raw materials & Components	151,981,985	104,701,412

## (e) Earnings and expenditure in foreign currency

	2009-10	2008-09
I Earnings in foreign currency on overseas contracts	59,363,803	239,868,025
II Expenditure in foreign currency		
(a) On	12,671,721	215,181,256
(b) Others	1,069,415	449,089

As per our report of even date  
For **Lodha & Co**  
Chartered Accountants

For and on behalf of the Board

**N K Lodha**  
Partner  
Membership No. 85155

**T S Das**  
Managing Director

**Ravi Keswani**  
Director

Mumbai, 31st May, 2010

**R N Pandey**  
Chief Financial Officer

**Naresh Shah**  
Sr. VP (Legal) & Company Secretary

## I Registration Details:

Registration No. : 11 - 19135  
State Code No. : 11  
Balance Sheet Date : 31-03-2010

## II Capital Raised during the year (Amount in Rs. '000)

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

## III Position of Mobilisation and Deployment of funds (Amount in Rs.'000)

Total Liabilities (Net)	1,552,809	Total Assets (Net)	1,552,809
Source of Funds			
Paid up Capital	75,384	Reserves & Surplus	910,599
Secured Loans	245,561	Unsecured Loans	253,404
Deferred Tax Liability	67,861		
Application of Funds			
Net Fixed Assets	660,008	Investments	1
Net Current Assets	892,800	Miscellaneous Expenditure	-
Accumulated Losses	NIL		

## IV Performance of Company (Amount in Rs.'000)

Turnover	5,337,551	Total Expenditure	4,978,901
(Includes other Income)			
Profit before Tax	358,650	Profit after Tax	238,833
Earning per Share in Rs.	31.68	Dividend Rate	20%

## V Generic name of three Principal Products/Services of the Company (As per monetary terms)

Item Code No. None

Product Description: Mechanical Engineering, Fabrication, Construction and Refractories.

# SUMMARISED FINANCIAL STATEMENTS FOR LAST 5 YEARS



Composite Mechanical Work for Implementation of Euro-IV Project for Chennai Petroleum Corporation Ltd.,  
Chennai (Tamilnadu)

Rupees in Lakhs

	2009-10	2008-09	2007-08	2006-07	2005-06
<b>RECEIPTS</b>					
1 Net Earnings on Contract Execution	53,196.94	45,713.63	27,972.70	23,933.33	26,098.48
2 Miscellaneous Receipts	178.57	462.83	42.59	87.67	102.66
3 Share of Revenue Surplus/(Deficit) of Hotel Division	-	-	-	4.66	5.46
Total Receipts	<b>53,375.51</b>	<b>46,176.46</b>	<b>28,015.29</b>	<b>24,025.66</b>	<b>26,206.60</b>
<b>EXPENDITURE</b>					
1 Cost of Contract Execution	38,264.20	33,569.28	19,830.15	14,749.95	16,961.46
2 Human Resources Cost	8,451.50	8,019.40	5,605.72	6,099.34	5,792.30
3 Administration charges	478.97	447.08	235.42	846.15	859.35
4 Financial Charges	675.06	708.87	730.75	702.90	891.06
5 Directors Remuneration	70.69	98.00	101.94	49.64	31.86
6 Bad Debts	945.37	1,504.92	-	253.63	136.37
	<b>48,885.80</b>	<b>44,347.54</b>	<b>26,503.98</b>	<b>22,701.61</b>	<b>24,672.40</b>
<b>PROFIT BEFORE DEPRECIATION, TAX AND TRANSFER</b>	<b>4,489.71</b>	<b>1,828.93</b>	<b>1,511.32</b>	<b>1,324.05</b>	<b>1,534.20</b>
<b>FROM REVALUATION RESERVE</b>					
Less: Depreciation	903.20	682.77	621.10	389.18	405.18
<b>PROFIT BEFORE TAX AND REVALUATION RESERVE</b>	<b>3,586.51</b>	<b>1,146.16</b>	<b>890.22</b>	<b>934.87</b>	<b>1,129.02</b>
Add: Transfer from Revaluation Reserve	-	-	-	66.38	-
<b>PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS</b>	<b>3,586.51</b>	<b>1,146.16</b>	<b>890.22</b>	<b>1,001.25</b>	<b>1,129.02</b>
Less: Provision for Tax	1,213.28	253.16	363.66	363.00	274.29
	2,373.23	893.00	526.56	638.25	854.73
Less: Deferred Tax for the year	(15.11)	246.29	87.03	(1.52)	39.55
	2,388.33	646.70	439.53	639.77	815.18
Less: Loss on sale/transfer of Resort Division	-	-	-	0.59	-
	<b>2,388.33</b>	<b>646.70</b>	<b>439.53</b>	<b>639.18</b>	<b>815.18</b>
<b>APPROPRIATIONS/TRANSFERS</b>					
1 Proposed Dividend	150.77	-	-	90.46	75.38
2 Corporate Tax thereon	25.04	-	-	15.38	10.57
3 General Reserve	240.00	-	-	225.00	205.74
4 Surplus/(Deficit)	1,972.52	646.70	439.53	308.34	523.49
	<b>2,388.33</b>	<b>646.70</b>	<b>439.53</b>	<b>639.18</b>	<b>815.18</b>

## BALANCE SHEET FOR THE LAST FIVE YEARS

		Rupees in Lakhs				
		2009-10	2008-09	2007-08	2006-07	2005-06
<b>A</b>	<b>ASSETS OWNED BY COMPANY</b>					
1	Net Fixed Assets					
	Gross Fixed Assets	14,298.62	13,466.90	11,604.93	10,751.58	9,681.99
	Total Depreciation	7,698.54	7,102.25	6,554.24	5,893.59	5,672.94
		6,600.08	6,364.65	5,050.69	4,857.99	4,009.05
2	Investments	0.01	0.01	0.01	0.01	0.06
3	Other Current Assets	27,061.73	22,618.77	20,517.48	15,935.36	16,046.41
	<b>Total</b>	<b>33,661.82</b>	<b>28,983.43</b>	<b>25,568.18</b>	<b>20,793.36</b>	<b>20,055.52</b>
<b>B</b>	<b>(i) DUES TO BE PAID BY THE COMPANY</b>					
	1 Loans and Deposits	4,575.61	5,316.27	4,273.80	3,732.09	3,053.32
	2 Other Liabilities	18,547.76	15,311.89	13,817.86	9,897.58	10,287.23
	3 Deferred Tax Liabilities	678.61	693.71	447.42	360.40	361.91
	<b>Total</b>	<b>23,801.98</b>	<b>21,321.87</b>	<b>18,539.08</b>	<b>13,990.07</b>	<b>13,702.46</b>
	<b>(ii) THEREFORE, COMPANY'S NET WORTH REPRESENTED BY</b>					
	1 Equity Share Capital	753.84	755.08	755.08	755.08	755.08
	2 Reserves and Surplus	9,106.00	6,906.48	6,274.02	6,048.21	5,597.98
		<b>9,859.84</b>	<b>7,661.56</b>	<b>7,029.10</b>	<b>6,803.29</b>	<b>6,353.06</b>

## PETRON ENGINEERING CONSTRUCTION LIMITED

Regd. Office: Swastik Chambers, 8th Floor, Sion Trombay Road,  
Chembur, Mumbai 400 071

## ATTENDANCE SLIP

(TO BE FILLED-IN / SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my / our presence at the 34th ANNUAL GENERAL MEETING of the above named Company at "OASIS", Opp. Tata Institute of Social Science, Deonar, Mumbai 400 088 on Tuesday, the 3rd August, 2010 at 3.30 p.m.

NAMES(S) OF THE MEMBERS:

Regd. Folio No.....

DP ID No.....

CL ID No.....

Name of Proxy (in block letters)

To be filled in if the Proxy attends instead of the Member.

Member's/Proxy's Signature

Note : The copy of the Annual Report may please be brought to the Meeting Hall.

CUT HERE

## PETRON ENGINEERING CONSTRUCTION LIMITED

Regd. Office: Swastik Chambers, 8th Floor, Sion Trombay Road,  
Chembur, Mumbai 400 071

## PROXY FORM

Registered Folio No.....

DP-ID No.....

Client ID No.....

I/We.....of.....  
being a member/members of the above named Company do hereby appoint .....  
of.....or failing him .....of.....as my /our proxy to vote for /not to vote for /our  
behalf at the 34th ANNUAL GENERAL MEETING of the Company to be held at 3.30 p.m. on 3rd August, 2010 and at any  
adjournment thereof

Affix Re.1  
Revenue Stamp

Signed on \_\_\_\_\_ Day of \_\_\_\_\_, 2010

Signature

Note : The Form should be signed across the stamp as per the specimen. Signature recorded with the Company. The Proxy Form duly completed must reach the Company's Registered Office / Share Department not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.







Lump Sum Turnkey Project for CDU / VDU Heaters at Guru Gobind Singh Refinery Project for HPCL - Mittal Energy Ltd., Bathinda (Punjab)

