PETRON ENGINEERING CONSTRUCTION LIMITED

MINUTES OF THE FORTIETH ANNUAL GENERAL MEETING HELD ON FRIDAY, THE 23RD SEPTEMBER, 2016 AT 4.00 P.M.

Minutes of the **Fortieth Annual General Meeting** of **Petron Engineering Construction Limited,** held at The Bombay Presidency Golf Club Ltd., Dr. Choithram Gidwani Road, Chembur, Mumbai – 400 074, on **Friday,** the **23rd September, 2016** at **4.00 p.m.**

DIRECTORS PRESENT :

Mr. Ajay Hans	-	**Managing Director**
Mr. Sanjay Jain	-	**Director**
Mr. Sudhir Kumar Jain	-	**Director**

IN ATTENDANCE:

Mr. Naresh Shah	-	**Sr. V. P. (Legal) & Company Secretary**
Mr. Himanshu Mohapatra	-	**Chief Financial Officer**

AUDITORS REPRESENTING LODHA & CO., CHARTERED ACCOUNTANTS :

Mr. Shyamal Kumar

Other than the above, there were 42 Members who attended the meeting including Two Corporate Representatives.

In accordance with Article 69 to 72 of the Articles of Association of the Company, Mr. Sudhir R. Rele representing KSS Petron Pvt. Ltd., proposed that Mr. Ajay Hans, Managing Director should chair the meeting which was also supported / seconded by Mr. Tushar Shoda, a Shareholder.

Thereafter, Mr. Ajay Hans, took the Chair.

The Chairman informed that two of the Board Members, Mr. Ravi Keswani and Mrs. Nandita Vijay Gupta could not attend the meeting on account of being pre-occupied.

The Chairman, having ascertained the above number of members present, announced that there was requisite quorum and began with the proceedings of the meeting.

The Chairman welcomed the members and thereafter gave a Speech which had been circulated to the Shareholders earlier.

The Chairman then stated that since the Notice convening the meeting and the Directors' Report and the accounts for the year ended 31st March, 2016 had been circulated to all the members and had been with them for quite some time and had been perused by them, he would, with their permission, take them, as read.

The Chairman informed the members that the Register of Directors' and Key Managerial Personnel and their Shareholding under section 170 of the Companies Act, 2013 was kept open and accessible to any member during the meeting.

On being called upon by the Chairman, the Company Secretary read the "Auditors' Report to the Shareholders" on the Accounts for the year ended 31st March, 2016.

The Chairman then took up the Agenda items as per the Notice and requested the Shareholders to propose and second the Resolutions as per the Notice of Annual General Meeting.

The Chairman informed that the Shareholders were given a platform for exercising their consent / dissent through e-Voting on each of the Resolutions proposed at the Annual General Meeting.

Further, it was informed that the Shareholders are allowed to cast their votes through Ballot Form here at the venue of the Annual General Meeting, at the end of the Meeting.

Mr. Pradeep Purwar of M/s. Pradeep Purwar and Associates, Company Secretaries will give the Report as regards passing of each resolution and announce the Results within 48 hours and the same will also be displayed on the website of the Company www.petronengineering.com

Thereafter, following resolutions were proposed and seconded by the Shareholders present:

ORDINARY BUSINESS:

ITEM NO. 1:

ADOPTION OF ACCOUNTS

Mr. Vinod Agarwal, Shareholder, proposed the following resolution as an Ordinary Resolution.

"RESOLVED that, the audited Balance Sheet of the Company as at 31st March, 2016 and the Profit and Loss Account for the year ended that date, together with the Directors' Report and Auditors' Report thereon, be and the same are hereby received, approved and adopted."

The above Resolution was seconded by Mr. Prakash Tamhane, Shareholder.

ITEM NO. 2 :

APPOINTMENT OF DIRECTOR BY ROTATION

Mr. Tushar Shoda proposed the following resolution as an Ordinary Resolution :

"RESOLVED that, **Mr. Ravi Keswani** who retires by rotation and is eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

The above resolution was seconded by Mr. M. J. Pawaskar, Shareholder.

ITEM NO. 3 :

RATIFY THE APPOINTMENT OF INDEPENDENT AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION

Mr. P. K. Agnihotri, Shareholder proposed the following resolution as an Ordinary Resolution :

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

The above resolution was seconded by Mr. Prakash Tamhane, Shareholder.

SPECIAL BUSINESS

ITEM NO. 4 :

AMENDMENT IN REMUNERATION OF MR. AJAY HANS AS MANAGING DIRECTOR OF THE COMPANY.

Mrs. Rita Raphael, Shareholder proposed the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 and Schedule V to the said Act as amended and subject to approval, if any, that may be required, the Company hereby accords its consent to the payment of one-time Bonus / Incentive to Mr. Ajay Hans upto Rs. 27,50,000/- to be paid during the FY 2016-17 as per the following details on the terms and conditions set out in the Agreement, which is hereby specifically approved with authority to the Board of

Directors to alter and vary the same within the limits prescribed under the provisions of the Companies Act, 2013 or any amendment thereof."

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

PERQUISITES:

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

Amenities :

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

OVERALL REMUNERATION :

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

MINIMUM REMUNERATION:

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

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

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

"**RESOLVED FURTHER** that, the Board of Directors of the Company be and is hereby authorized and empowered to make such improvements in the terms of remuneration to Mr. Ajay Hans, Managing Director, as may become permissible under any amendment to Schedule V to the Companies Act, 2013, or any amendment thereof or by way of any Government Guidelines or instructions, the intention being that no further approval of the Company will be required so long as remuneration of the Managing Director is not in excess of the maximum permissible under the relevant Law, Rules, Regulation, Guidelines or instructions as may be promulgated or issued after the date of this meeting."

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

The above resolution was seconded by Mr. Tushar Shoda, Shareholder.

ITEM NO. 5 :

AUTHORITY TO KEEP THE REGISTER AND INDEX OF MEMBERS, CERTIFICATES, DOCUMENTS ETC., WITH THE REGISTRARS AND SHARE TRANSFER AGENTS.

Mr. Vinod Agarwal, Shareholder proposed the following resolution as a Special Resolution :

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

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

The above resolution was seconded by Mr. Prakash Tamhane, Shareholder.

ITEM NO. 6 :

AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY - GRANTING EMPLOYEE STOCK OPTION.

Mr. P. K. Agnihotri, Shareholder proposed the following resolution as a Special Resolution :

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

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

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

The above resolution was seconded by Mr. Prakash Tamhane, Shareholder.

The Chairman, thereafter, enquired if the Shareholders had any queries/suggestions.

Shareholders, namely Mr. P. K. Agnihotri, Mr. Prakash Tamhane put forth some suggestions/ questions with regard to, future Orders, NOCL, ESSAR and suggestion for declaring Dividend / Interim Dividend.

The Chairman replied to the questions and also stated that the suggestion are also welcome but the suggestion to pay Interim Dividend / Dividend will be considered as and when the cash flow / fund flow situation improves.

Thereafter, Mr. Sudhir R. Rele, representing KSS Petron Pvt. Ltd., proposed the vote of thanks to the Chairman and the Chairman also thanked the Shareholders and thereupon the meeting was terminated.

CONSOLIDATED RESULTS OF E-VOTING

The Scrutinizer appointed for the said purpose, Mr. Pradeep Purwar of M/s. Pradeep Purwar & Associates gave his Report dated 26th September, 2016 regarding Consolidated Results of E-Voting, Poll at the Annual General Meeting on each of the following Resolutions proposed at the Annual General Meeting.

Item No.1 – Ordinary Resolution

To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2016 and the Reports of the Board of Directors and the Auditors of the Company.

Particulars	Number of			Number of Votes contained in			Percentage
	E-Votes	Poll	Total	E-Votes	Poll	Total	
Assent	8	32	40	2079	5464711	5466790	99.998%
Dissent	1	0	1	120	0	120	0.002%
Abstain	0	0	0	0	0	0	0%
Total	**9**	**32**	**41**	**2199**	**5464711**	**5466910**	**100%**

Item No. 2 – Ordinary Resolution

To appoint Director in place of Mr. Ravi Keswani, (DIN: 00034756) who retires by rotation and being eligible, offers himself for re-appointment

Particulars	Number of			Number of Votes contained in			Percentage
	E-Votes	Poll	Total	E-Votes	Poll	Total	
Assent	8	32	40	2079	5464711	5466790	99.998%
Dissent	1	0	1	120	0	120	0.002%
Abstain	0	0	0	0	0	0	0%
Total	**9**	**32**	**41**	**2199**	**5464711**	**5466910**	**100%**

Item No. 3- Ordinary Resolution

To ratify appointment of M/s Lodha & Co., Chartered Accountants, New Delhi, (Registration No. 301051E) as Independent Auditors of the Company to hold office until the conclusion of the 44th Annual General Meeting, subject to ratification by the members / shareholders at every Annual General Meeting, on a remuneration as may be mutually agreed between the Company and the Auditors

Particulars	Number of			Number of Votes contained in			Percentage
	E-Votes	Poll	Total	E-Votes	Poll	Total	
Assent	8	32	40	2079	5464711	5466790	99.998%
Dissent	1	0	1	120	0	120	0.002%
Abstain	0	0	0	0	0	0	0%
Total	**9**	**32**	**41**	**2199**	**5464711**	**5466910**	**100%**

Item No. 4 – Special Resolution

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

Particulars	Number of			Number of Votes contained in			Percentage
	E-Votes	Poll	Total	E-Votes	Poll	Total	
Assent	8	31	39	2079	5464702	5466781	99.998%
Dissent	1	1	2	120	9	129	0.002%
Abstain	0	0	0	0	0	0	0%
Total	**9**	**32**	**41**	**2199**	**5464711**	**5466910**	**100%**

Item No. 5

Authority to keep the Register and index of Members, certificates, documents etc., with the Registrar and Share Transfer Agents

Particulars	Number of			Number of Votes Contained in			Percentage
	E-Votes	Poll	Total	E-Votes	Poll	Total	
Assent	6	24	30	1410	5462037	5463447	99.99%
Dissent	2	0	2	121	0	121	0.01%
Abstain	0	0	0	0	0	0	0.00%
Total	**8**	**24**	**32**	**1531**	**5462037**	**5463568**	**100%**

Item No. 6

Amendment to the Articles of Association of the Company – Granting Employee Stock Option

Particulars	Number of			Number of Votes contained in			Percentage
	E-Votes	Poll	Total	E-Votes	Poll	Total	
Assent	8	32	40	2079	5464711	5466790	99.998%
Dissent	1	0	1	120	0	120	0.002%
Abstain	0	0	0	0	0	0	0%
Total	**9**	**32**	**41**	**2199**	**5464711**	**5466910**	**100%**

Dated :October 12, 2016

AJAY HANS
CHAIRMAN OF THE MEETING