S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of
Petron Engineering Construction Limited,

1. We have audited the quarterly financial results of Petron Engineering Construction Limited for the quarter ended March 31, 2013 and the financial results for the year ended March 31, 2013, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2013 and the published year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2013 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2012, the audited annual financial statements as at and for the year ended March 31, 2013, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2012 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2013; and the relevant requirements of Clause 41 of the Listing Agreement.

2. 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 results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. *We report that as at March 31, 2013 Trade receivables of Rs 1,278 Lacs (net of mobilization advance of Rs 2,926 Lacs), unbilled revenue, being dues receivable from a customer amounting to Rs 6,256 Lacs and trade payables of Rs 1,866 Lacs relating to a contract, are subject to final confirmation from the respective parties as the matter is under negotiation. In the absence of such confirmations and pending final outcome of the negotiations, we are unable to comment upon the amounts ultimately receivable/payable in respect of this contract and the consequential impact, if any, on the reported loss for the quarter ended March 31, 2013 and the reported profit for the year ended March 31, 2013 and corresponding Assets and Liabilities as at that date.*

S.R. BATLIBOI & CO. LLP
Chartered Accountants

4. *Except for the possible effects of matter described in paragraph 3 above*, In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

   i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
   ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2013 and net profit for the year ended March 31, 2013.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2013 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2013 and the published year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.

6. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

S.R. Batliboi & Co. LLP

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

Hemal Shah

per Hemal Shah
Partner
Membership No.: 42650
Place: Mumbai
Date: 29 May 2013

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Petron Engineering Construction Limited

Regd. Office: Swastik Chambers, Sion-Trombay Road, Chembur, Mumbai-400071

STATEMENT OF UNAUDITED/AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2013

Rupees in Lacs

Particulars	Quarter Ended			Year Ended	
	31st March 2013 (Audited) Refer Note 4	*31st December 2012 (Unaudited)*	*31st March 2012 (Audited) Refer Note 4*	*31st March 2013 (Audited)*	*31st March 2012 (Audited)*
1 Income from Operations					
(a) Net Sales/Income from Operations (net of service tax, sales tax & excise duty)	12,868	12,111	17,919	52,427	67,157
(b) Other Operating Income	-	-	-	-	-
Total Income Operations (Net)	**12,868**	**12,111**	**17,919**	**52,427**	**67,157**
2 Expenditure					
(a) Cost of Materials Consumed	5,402	4,132	7,691	20,697	27,063
(b) Changes in Project inventories	(7)	26	(97)	120	(128)
(c) Sub-contracting expenses	1,993	2,703	2,921	9,369	12,266
(d) Employees Benefits Expense	2,795	2,631	2,837	11,031	10,979
(e) Depreciation and Amortisation Expense	425	412	381	1,629	1,597
(f) Other expenditure	2,473	1,655	3,062	8,374	9,470
Total	**13,081**	**11,559**	**16,795**	**51,220**	**61,247**
3 Profit/(Loss) from Operations before Other income, Finance cost and Exceptional items	**(213)**	**552**	**1,124**	**1,207**	**5,910**
4 Other Income	497	116	53	1,340	134
5 Profit/(loss) from ordinary activities before Finance Cost and Exceptional items	**284**	**668**	**1,177**	**2,547**	**6,044**
6 Finance Cost	552	579	417	2,236	1,273
7 Profit/(Loss) from ordinary activities after Finance costs but before Exceptional items	**(268)**	**89**	**760**	**311**	**4,771**
8 Exceptional items	-	-	-	-	-
9 Net Profit / (Loss) from ordinary activities before tax	**(268)**	**89**	**760**	**311**	**4,771**
10 Tax Expenses					
(a) Current Tax	(78)	29	256	110	1,572
(b) Tax for earlier years	213	-	-	192	-
11 Net Profit/ (Loss) from ordinary activities after tax	**(403)**	**60**	**504**	**9**	**3,199**
12 Extraordinary items (net of Tax expense Rs NIL)	-	-	-	-	-
13 Net Profit/ (Loss) for the period	**(403)**	**60**	**504**	**9**	**3,199**
14 Paid-up equity share capital (Face Value: Rs.10/- per equity share)	754	754	754	754	754
15 Reserve excluding Revaluation Reserves as per balance sheet of previous year				14,446	14,437
16 Earnings per Share (EPS) (of Rs 10/- each) (not annualised)					
(a) Basic and diluted EPS before Extraordinary items	(5.34)	0.80	6.69	0.12	42.44
(b) Basic and diluted EPS after Extraordinary items	(5.34)	0.80	6.69	0.12	42.44
(A) PARTICULARS OF SHAREHOLDING					
1 Public shareholding					
- Number of Shares	2,075,197	2,075,197	2,075,197	2,075,197	2,075,197
- Percentage of shareholding	27.53%	27.53%	27.53%	27.53%	27.53%
2 Promoters & Promoter Group Shareholding					
(a) Pledge / Encumbered					
- No of Shares	Nil	Nil	Nil	Nil	Nil
'- % of Shares (as a % of the total shareholding of promoter & promoter group)	Nil	Nil	Nil	Nil	Nil
-% of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
(b) Non encumbered					
- No of Shares	5,463,203	5,463,203	5,463,203	5,463,203	5,463,203
'- % of Shares (as a % of the total shareholding of promoter & promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
-% of Shares (as a % of the total share capital of the Company)	72.47%	72.47%	72.47%	72.47%	72.47%

Particulars	Three months ended 31/3/2013
(B) INVESTOR COMPLAINTS	
Pending at the beginning of the Quarter	NIL
Received during the Quarter	NIL
Disposed of During the Quarter	NIL
Remaining unresolved at the end of Quarter	NIL

Cont.....2

SIGNED FOR IDENTIFICATION BY
S.R. BATLIBOI & CO. LLP
MUMBAI

Particulars	As at 31/03/2013 (Audited)	As at 31/03/2012 (Audited)
A EQUITY AND LIABILITES		
1 Shareholders' funds		
(a) Share Capital	754	754
(b) Reserves and surplus	15,017	15,023
Sub-total- Shareholders' funds	**15,771**	**15,777**
2 Non-current liabilities		
(a) Long-term borrowings	4,079	959
(b) deferred tax liabilities (net)	221	282
(c) Other long-term liabilities	1,312	4,645
(d) Long-term provisions	145	142
Sub-total- Non-current liabilities	**5,757**	**6,028**
3 Current liabilities		
(a) Short-term borrowings	13,463	12,563
(b) Trade Payable	10,808	12,081
(b) Other Current liabilities	9,534	10,261
(c) Short term provisions	734	699
Sub-total Current liabilities	**34,539**	**35,604**
TOTAL - EQUITY AND LIABILITIES	**56,067**	**57,409**
B ASSETS		
1 Non-current assets		
(a) Fixed assets	9,746	10,630
(b) Non-current Investments (Cost Rs. 1,000)	0	0
(c) Long-term loans and advances	42	206
(d) Other non-current assets	3,192	2,605
Sub-total- Non-current assets	**12,980**	**13,441**
2 Current assets		
(a) Inventories	110	208
(b) Trade receivables	11,522	16,786
(c) Cash and cash equivalents	894	1,036
(d) Short-term loans and advances	4,216	3,556
(e) Other current assets	26,345	22,382
Sub-total- Current assets	**43,087**	**43,968**
TOTAL - ASSETS	**56,067**	**57,409**

Notes:

1 The above audited financial results have been reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on the 29th May, 2013.

2 The Company is primarily engaged in the business of "Engineering, Procurement & Construction" and operates in a single business segment based on the nature of the products and services, the risks and returns etc. Accordingly, these financial results have been prepared for this single segment.

3 The figures for the last quarter of the current year and the previous year are the balancing figures between the audited figures in respect of the full financial year ended 31st March 2013 and the unaudited published year to date figures up to the third quarter ended 31st December 2012, which were subjected to limited review.

4 The previous year's / period figures have been regrouped/reclassified to make them comparable with the current year's / period figures wherever necessary.

5 The Auditors have commented on,

Auditors' Qualification	Company's Response
We report that as at March 31, 2013 Trade receivables of Rs. 1,278 lacs (net of mobilization advance of Rs. 2,926 Lacs), unbilled revenue being dues receivable from a customer amounting to Rs. 6,256 Lacs and trade payables of Rs. 1,866 Lacs relating to a contract, are subject to final confirmations from the respective parties as the matter is under negotiation. In the absence of such confirmation and pending final outcome of the negotiations, we are unable to comment upon the amounts ultimately receivable / payable in respect of this contract and the consequential impact, if any, on the reported loss for the quarter ended March 31, 2013 and the reported profit for the year ended March 31, 2013 and corresponding Assets and Liabilities as at that date.	The Company has received a written communication in May, 2013 from the customer affirming their intent to revive the subject mega project (the largest private investment in the region) – which is nearly 60% complete – within this year, which had hit a temporary roadblock because of the cost escalation, natural disaster and financial constraints. As per the communication, the customer is persistently endeavoring to get required equity infusion from current and/or new investors to eventually do a financial closure. Apart from the above letter, the same has also been reaffirmed by the top executives of the customer in discussions. As qualified by the auditors in their report on the realization of trade receivables and unbilled revenue, the management hereby informs that the amount outstanding in the form of trade receivables is duly confirmed by the customer as payable while the unbilled revenues are in the form of unfinished works and inventories, most of which are marketable, if required. The management is confident of its recovery in due course of time. Further, the accounts payable shall be subject to the reconciliation of the work performed at the said project and can be accurately ascertained after re-negotiation upon restart of the project or otherwise, as the case may be.

Mumbai, 29th May, 2013

For Petron Engineering Construction Limited

Ajay Hans
Managing Director

SIGNED FOR IDENTIFICATION BY
S.R. Batliboi & Co. LLP
S.R. BATLIBOI & CO. LLP
MUMBAI

29/05 2013 22:02 FAX 912267973509 PETRON 001