Petron Engineering Construction Limited

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

STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2013

(Rupees in Lacs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31st December 2013 (Unaudited)	*30th September 2013 (Unaudited) (refer note 4)*	*31st December 2012 (Unaudited)*	*31st December 2013 (Unaudited) (refer note 4)*	*31st December 2012 (Unaudited)*	*31st March 2013 (Audited)*
1 Income from Operations						
(a) Net Sales/Income from Operations (net of service tax, sales tax & excise duty)	8,865	9,065	12,111	28,663	39,558	52,427
(b) Other Operating Income	-	-	-	-	-	-
Total Income Operations (Net)	**8,865**	**9,065**	**12,111**	**28,663**	**39,558**	**52,427**
2 Expenditure						
(a) Cost of Materials Consumed	2,199	2,116	4,132	7,940	15,317	20,697
(b) Changes in Project inventories	10	(0)	26	20	104	120
(c) Sub-contracting expenses	1,765	1,906	2,703	5,606	7,376	9,369
(d) Employees Benefits Expense	2,131	2,413	2,631	7,003	8,236	11,031
(e) Depreciation and Amortizations Expense	423	425	412	1,272	1,205	1,629
(f) Other expenditure	1,654	1,724	1,655	5,175	5,669	8,374
Total	**8,182**	**8,584**	**11,558**	**27,016**	**37,906**	**51,220**
3 Profit/(Loss) from Operations before Other income, Finance cost and Exceptional items	**683**	**481**	**552**	**1,647**	**1,652**	**1,207**
4 Other Income	26	126	116	251	611	1,340
5 Profit/(loss) from ordinary activities before Finance Cost and Exceptional items	**709**	**607**	**668**	**1,898**	**2,263**	**2,547**
6 Finance Cost	661	577	579	1,760	1,685	2,236
7 Profit/(Loss) from ordinary activities after Finance costs but before Exceptional items	**48**	**30**	**89**	**139**	**578**	**311**
8 Exceptional items	-	-	-	-	-	-
9 Net Profit / (Loss) from ordinary activities before tax	**48**	**30**	**89**	**139**	**578**	**311**
10 Tax Expenses	15	9	29	45	167	302
11 Net Profit/ (Loss) from ordinary activities after tax	**33**	**21**	**60**	**94**	**411**	**9**
12 Extraordinary items (net of taxes Rs.Nil)	-	-	-	-	-	-
13 Net Profit/ (Loss) for the period	**33**	**21**	**60**	**94**	**411**	**9**
14 Paid-up equity share capital (Face Value: Rs.10/- per equity share)	754	754	754	754	754	754
15 Reserve excluding Revaluation Reserves as per balance sheet of previous year	-	-	-	-	-	14,446
16 Earnings per Share (EPS) (of Rs 10/- each) (not annualized)						
(a) Basic and diluted EPS before Extraordinary items	0.44	0.27	0.80	1.25	5.46	0.12
(b) Basic and diluted EPS after Extraordinary items	0.44	0.27	0.80	1.25	5.46	0.12
(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	2,075,197
- Percentage of shareholding	27.53%	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	Nil
'- % of Shares (as a % of the total shareholding of promoter & promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
-% of Shares (as a % of the total share capital of the Company)	Nil	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	5,463,203
'- % of Shares (as a % of the total shareholding of promoter & promoter group)	100%	100%	100%	100%	100%	100%
-% of Shares (as a % of the total share capital of the Company)	72.47%	72.47%	72.47%	72.47%	72.47%	72.47%

Particulars	Three months ended 31st December 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

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S.R. BATLIBOI & CO. LLP
MUMBAI

PETRON ENGINEERING CONSTN. LTD. CHEMBUR MUMBAI-71

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 14th February, 2014.

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

4 Income from operations for the quarter ended 30th September 2013 and nine months ended 31st December 2013 includes income of earlier period of Rs.79 lacs.

5 The Auditors have commented on,

Auditors' Qualification	Company's Response
In respect of a contract, as at December 31, 2013, trade receivables (net of mobilization advance of Rs 2,926 Lacs), unbilled revenue and trade payables of Rs. 1,267 Lacs, Rs. 6,256 Lacs and Rs. 1,844 Lacs respectively, are subject to final confirmation as the said contract 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 profit for the quarter ended December 31, 2013 and corresponding assets and liabilities as at that date. Our Audit Report on the financial statements for the year ended March 31, 2013 and our review reports on results for the quarters ended June 30, 2013 and September 30, 2013 were modified in respect of the above matter.	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.
The Company has recognised revenue of approximately Rs. 4,425 Lacs on certain projects arising out of design changes and scope variations which are awaiting final acceptances by the clients. Based on management's assessments, the Company would collect the above stated amount after completion of certain pending formalities. Due to uncertainty over the ultimate collection and recoverability of the said amounts, we are unable to comment on the amounts ultimately receivable in respect of these contracts and consequential impact, if any, on the reported profit for the quarter ended December 31, 2013 and corresponding assets as at that date.	The Management is confident of receiving the recognised revenue on receiving approval from clients in due course of time. Therefore, there will not be any impact on reported profit for the quarter ending 31st December, 2013 / period ending 31st December, 2013 and on corresponding assets as at that date.

Mumbai, 14th February, 2014

For Petron Engineering Construction Limited

PETRON ENGINEERING CONSTN. LTD. CHEMBUR MUMBAI-71

Ajay Hans
Managing Director

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S.R. BATLIBOI & CO. LLP
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