



Precision Electronics Limited

Dated: May 24, 2019

PEL/BSE-19-20-05
Bombay Stock Exchange Limited
25th Floor, P J Towers,
Dalal Street,
Mumbai 400 001

Stock Code: 517258

Sub: Outcome of Board Meeting held on May 24, 2019

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Sub-Para 4 of Para A of Part A of Schedule III of the said Regulations, this is to intimate that the Board of Directors in their meeting held today, i.e. May 24, 2019 considered and approved Audited Financial Results along with Auditors' Report of the Company for the year ended March 31, 2019.

Please take the same on your records.

Thanking you,

Yours Truly,
For Precision Electronics Limited

Veenita Puri
Veenita Puri
Company Secretary &
Compliance Officer



Encl. 1. Audited Financial Results
2. Auditors' Report

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CIN: L32104DL1979PLC009590.



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PRECISION ELECTRONICS LTD.
 Regd. Office: D-1081, New Friends Colony,
 New Delhi-110 065

Statement of Audited Result for the Quarter and Year ended 31st March, 2019

CIN : L32104DL1979PLC009590

Rs. In Lakhs

Particulars	3 months ended on 31.03.2019 Audited	3 months ended on 31.12.2018 Un-Audited	3 months ended on 31.03.2018 Audited	Year ended on 31.03.2019	Year ended on 31.03.2018
I. Revenue from Operations	627	609	1,450	2,895	3,545
II. Other Income	2	2	1	9	9
III. Total Revenue (I+II)	629	611	1,451	2,904	3,554
IV. Expenses					
Cost of Material consumed	288	177	352	1,285	1,128
Purchase of stock in trade	-	-	-	-	29
Changes in inventory of finished goods, work in progress and stock in trade	(113)	143	31	420	20
Excise duty, VAT, Sales tax and Service tax on Sales of Goods	-	-	-	-	109
Infra services expenses	37	31	364	165	1,027
Employee benefit expenses	182	191	161	758	670
Finance costs	55	58	48	216	148
Depreciation and amortization expenses	21	21	21	85	93
Other expenses	169	101	200	509	549
Total Expenses	639	722	1,177	3,437	3,773
V. Profit/ (Loss) before exceptional items and extraordinary items and tax (III-IV)	(10)	(111)	274	(533)	(219)
VI. Exceptional Items	-	-	-	-	-
VII. Profit/ (Loss) before extraordinary items and tax (V-VI)	(10)	(111)	274	(533)	(219)
VIII. Extraordinary items	-	-	-	-	-
IX. Profit/ (Loss) before tax (VII-VIII)	(10)	(111)	274	(533)	(219)
X. Tax expenses					
Current Tax expenses	-	-	-	-	-
Deferred Tax expenses	33	(11)	73	(59)	(67)
XI Profit/(Loss) for the period (IX-X)	(44)	(100)	201	(474)	(152)
XII Other Comprehensive Income/(Loss) (net of taxes)	(7)		(15)	(9)	(12)
XIII Total Comprehensive Income (XI-XII)	(50)	(100)	186	(483)	(164)
XIV Paid up Equity Share Capital (Face Value Rs. 10 per share)	1,385	1,385	1,385	1,385	1,385
XV Earning per share (EPS) (in Rs.)					
- Basic and Diluted before extraordinary items	(0.31)	(0.72)	1.45	(3.42)	(1.10)
- Basic and Diluted after extraordinary items	(0.31)	(0.72)	1.45	(3.42)	(1.10)

II. Segmentwise Revenue, Results & Capital Employed alongwith the quarterly results

Particulars	3 months ended on 31.03.2019 Audited	3 months ended on 31.12.2018 Un-Audited	3 months ended on 31.03.2018 Audited	Year ended on 31.03.2019	Year ended on 31.03.2018
1. Segment Revenue					
Telecom	595	440	527	2,633	1,756
Infra services	31	169	923	262	1,789
Unallocated	9		1	9	9
Total	635	609	1,451	2,904	3,554
Less: Inter Segment Revenue		-			-
Net Sales/Income from Operations	635	609	1,451	2,904	3,554
2. Segment results(Profit before Tax and Interest)					
Telecom	47	(17)	463	(99)	89
Infra services	16	(13)	(146)	(124)	(114)
Unallocated	22	(22)	9		9
Total	85	(52)	326	(223)	(15)
Less:					
i. Finance costs	55	58	48	216	148
ii. Other Unallocable Expenditure net off.	40		4	94	56
Total Profit/(Loss) before tax	(10)	(111)	274	(533)	(219)
3. Capital Employed :					
Telecom	2,872	2,911	2,232	2,872	2,232
Infra services	74	75	208	74	208
Unallocated	-	-	1,078		1,078
Total	2,946	2,987	3,518	2,946	3,518

Note :

- The above results have been approved by the Audit Committee and approved by the Board of Directors at their meeting held on 24th May 2019
- These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) Prescribed under Section 133 of the companies Act 2013 (Act) and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind AS with the transition date of April 1, 2016. The transition was carried out from accounting standards as prescribed under section 133 of the act read with rule 7 of the companies (Accounts) Rules 2014 (Indian GAAP). The impact of transition has been accounted for in the opening reserve and comparative periods have been restated accordingly.
- Figures of the quarter ended March 31, 2019 and March 31, 2018 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
- Figures of the previous periods have been regrouped wherever considered necessary to confirm with the current period figures.
- The Certificate obtained from the Managing Director and CFO in respect of above results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before Board of Directors.

For and on behalf of the Board
For Precision Electronics Ltd


Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Date : 24.05.2019
Place : Noida

PRECISION ELECTRONICS LIMITED
AUDITED BALANCE SHEET AS AT MARCH 31, 2019

		(Amount in Lakhs)	
Particulars	As at 31.03.2019	As at 31.03.2018	
A. ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipments	801	856	
(b) Capital work-in-progress			
(c) Intangible assets	0	0	
(d) Intangible assets under development	148	148	
(e) Financial Assets			
i) Loans			
ii) Other financial assets	86	71	
(f) Deferred tax assets (Net)	361	299	
(g) Other non-current assets	8	1	
Sub Total	<u>1,404</u>	<u>1,376</u>	
2 Current Assets			
(a) Inventories	1,348	1,614	
(b) Financial Assets			
i) Investments			
ii) Trade receivables	1,294	1,556	
iii) Cash and Cash Equivalents	13	26	
iv) Bank balances other than Cash and Cash Equivalents	96	60	
v) Loans	-	-	
vi) Other financial assets	111	68	
(c) Current tax assets	146	108	
(d) Other current assets (Net)	81	88	
Sub Total	<u>3,088</u>	<u>3,519</u>	
TOTAL ASSETS	<u>4,492</u>	<u>4,894</u>	
B. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share Capital	1,385	1,385	
(b) Other Equity	17	500	
Sub Total	<u>1,402</u>	<u>1,884</u>	
Liabilities			
2 Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	1,066	966	
ii) Other financial liabilities	-	-	
(b) Provisions	93	114	
(c) Deferred tax liability (Net)	-	-	
(d) Other Non current liabilities	8	8	
	<u>1,168</u>	<u>1,089</u>	
3 Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	832	667	
ii) Trade payables	852	993	
iii) Other financial liabilities	4	2	
(b) Other current liabilities	213	256	
(c) Provisions	21	3	
(d) Current tax Liability (Net)	-	-	
Sub Total	<u>1,923</u>	<u>1,921</u>	
TOTAL LIABILITIES	<u>4,492</u>	<u>4,894</u>	

**Pursuant to Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Friday, 24 May 2019

We have audited the standalone financial results of **Precision Electronics Limited** (the 'Company') for the year ended 31 March 2019, attached herewith and being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These quarterly financial results as well as the financial results for the year ended 31 March 2019 have been prepared on the basis of interim financial statements which are the responsibility of the Company's management.

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in **Accounting Standard for Interim Financial Reporting (Ind AS 34)**, prescribed under Section 133 of the Companies Act, 2013 ('the Act')] read with relevant rules issued thereunder, other accounting principles generally accepted in India and in accordance with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016.

Our responsibility is to express an opinion on these financial results based on our audit of the interim financial statements for the year ended 31 March 2019 and our review of standalone financial results for the nine months period ended 31 December 2018.

Attention is drawn to Note 3 to the financial results regarding the figures for the quarter ended 31 March 2019 as reported in these financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to 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 results are free of material misstatements. 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.



in our opinion and to the best of our information and according to the explanations given to us, the financial results for the quarter as well as for the year ended on 31 March 2019 :

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard ;

and

- (ii) give a true and fair view of the net Loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS 34 prescribed under Section 133 of the Act for the quarter ended 31 March 2019 and year-to-date results from 1 April 2018 to 31 March 2019.

For **Nemani Garg Agarwal & Co.,**

Chartered Accountants

Firm Reg. No. 010192N



SK Nemani

Partner

Membership no. 037222



Place : New Delhi

Date : 24 May 2019

Friday, 24 May 2019

Opinion

We have audited the accompanying stand-alone financial statements of Precision Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as *Standalone Financial Statements*).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, the Loss and total comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone



financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

A. Evaluation of uncertain Sales Tax positions

The Company has uncertain Sales Tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 37 to the Standalone Financial Statements.

Auditor's Response

We obtained from the Company's management, details of the status as of 31 March 2019 concerning these tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

B. Company's business model

The existing business model has been impacted by uncertainty due to high dependence on government contracts which have been going down over the years, resulting in lower capacity utilisation and recurring losses leading to difficulty in bank financing and increasing dependence on loans from others.

Auditor's response

The Company has diversified into infrastructure services which has the potential to give better contributions in the medium and long term ; however, the Company should proactively explore changes to the business model which can reduce dependence on government contracts and enable higher capacity utilisation on a sustained basis thereby contributing to improved profitability.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and



Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with **Ind AS** and other accounting principles generally accepted in India.

This responsibility also includes 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 frauds and other irregularities
- selection and application of appropriate accounting policies
- making judgments and estimates that are reasonable and prudent and
- design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in



our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in ;

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the



adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, based on our audit, we report that :

a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate Report in "**Annexure 2**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion & to the best of our information & according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions of section 197 of the Act.



h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Nemani Garg Agarwal & Co.,**

Chartered Accountants

Firm Reg. No.010192N



SK Nemani

Partner

Membership no. 037222



Place : New Delhi

Date : 24 May 2019

Annexure 1

(Referred to in the "Report on other Legal and Regulatory requirements" section in our Report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in a phased manner, 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 nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii) (a) The inventories excluding material in transit have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) The discrepancies noticed on physical verification of Inventory as compared to book records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013. Therefore the provisions of this clause do not apply.

vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2019 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, there are disputed dues of Sales Tax aggregating to Rs. 15,75,129 which have not been deposited as at 31st March, 2019 are mentioned hereunder:

Name of the Statute	Nature of Dues	Period / Year	Amount	Forum Before which dispute is pending
Central Sales Tax Act 1956	Central Sales Tax	2012-2013	10,00,000	Additional Commissioner, Sales Tax Appeals
Central Sales Tax Act 1956	Central Sales Tax	2014-2015	1,70,000	Additional Commissioner, Sales Tax Appeals
Central Sales Tax Act 1956	Central Sales Tax	2016-2017	4,05,129	Deputy Commissioner, Sales Tax

viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions.

ix) Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys



during the year by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon.

- x) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanation given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- xiv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not



commented upon.

For **Nemani Garg Agarwal & Co.,**
Chartered Accountants
Firm Reg. No.010192N


SK Nemani
Partner
Membership no. 037222



Place : New Delhi
Date : 24 May 2019

Annexure – 2

(Referred to in paragraph "f" under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Precision Electronics Ltd. ("the Company") as of 31 March 2019 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Nemani Garg Agarwal & Co.,**

Chartered Accountants

Firm Reg. No.010192N



SK Nemani

Partner

Membership no. 037222



Place : New Delhi




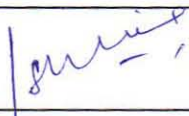
Date : 24 May 2019



Precision Electronics Limited

ANNEXURE X

FORM A (For Audit Report with Unmodified Opinion)

1	Name of the Company	Precision Electronics Limited
2	Annual Financial Statement for the year ended	31-03-2019
3	Type Of Audit Observation	NIL
4	Frequency of Observation	ANNUAL
5	To be signed by-	
	Managing Director	
	CFO	
	Auditor of the Company	
	Audit Committee chairman	

Noida Office :

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Uttar Pradesh, India

Tel.: +91-120-2551556 / 1557 / 5176 / 5177

Fax: +91-120-2524337

CIN: L32104DL1979PLC009590.



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Fax: +91-1332-229155

PRECISION ELECTRONICS LTD.
Regd. Office: D-1081, New Friends Colony,
New Delhi-110 025

Extract of Audited Financial Results (Standalone) for the Quarter and year ended 31st March 2019
CIN : L32104DL1979PLC009590

PART-I

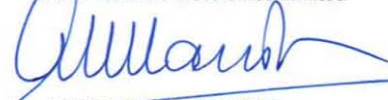
S.NO	Particulars	Quarter ended on 31.03.2019 Audited	Quarter ended on 31.03.2018 Audited	Year ended on 31.03.2019 Audited	Year ended on 31.03.2018 Audited
1	Total Income from Operations (net)	629	1,451	2,904	3,554
2	Net Profit/(Loss) for the period (before tax, exceptional and/or extraordinary items)	(10)	274	(533)	(219)
3	Net Profit/(Loss) for the period before tax (after exceptional and/or extraordinary items)	(10)	274	(533)	(219)
4	Net Profit/(Loss) for the period after tax (after exceptional and/or extraordinary items)	(44)	201	(474)	(152)
5	Total Comprehensive Income for the period [Comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	(50)	186	(483)	(164)
6	Paid up Equity Share Capital	1,385	1,385	1,385	1,385
	Earning per share (EPS) after extraordinary items (of Re.10/-each) (not annualised).				
	Basic :	(0.31)	1.45	(3.42)	(1.10)
	Diluted :	(0.31)	1.45	(3.42)	(1.10)

Notes:

- 1) The above is an extract of the detailed format of results Quarter and year ended on March 31, 2019 filed with the stock exchanges under Regulation 33 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015. The full format of the standalone Quarterly/Yearly Financial results are available on Company's Websites www.pel-india.com and on the Website of the Stock Exchanges www.bseindia.com
- 2) The detailed financial results have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the company held on May 24, 2019
- 3) Figures of the quarter ended March 31, 2019 and March 31, 2018 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of respective financial year.
- 4) These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) Prescribed under Section 133 of the companies Act 2013 (Act) and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2017 the Company has for the first time adopted Ind AS with the transition date of April 1, 2016. The transition was carried out from accounting standards as prescribed under section 133 of the act read with rule 7 of the companies (Accounts) Rules 2014 (Indian GAAP).

DATE: 24.05.2019
PLACE: NOIDA

On Behalf of the Board
For Precision Electronics Limited



ASHOK KUMAR KANODIA
Managing Director
DIN : 00002563