



Precision Electronics Limited

Date: June 28, 2021

PEL/BSE/2021-22/02

To,
Bombay Stock Exchange Limited,
Dept. Of Investor Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 517258

Sub: Outcome of Board meeting held on June 28, 2021
Ref.: Precision Electronics Limited

Dear Madam/Sir,

Pursuant to the provisions of Regulation 30(6) of SEBI (LODR) Regulations, 2015 read with Sub-Para 4 of Para A of Part A of Schedule III of the said Regulations and SEBI circular bearing no. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021, this is to intimate that Board of Directors in their meeting held today i.e. June 28, 2021, considered and approved Audited Financial Results along with Auditors report of the Company for the year ended 31.03.2021.

Please take the same on your records.

Thanking You,
For Precision Electronics Limited

Veenita Puri
Company Secretary cum
Compliance Officer

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Uttar Pradesh, India
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Fax: +91-120-2524337
CIN : L32104DL1979PLC009590
Udyog Aadhaar No.: UK06B0000393



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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, 2021
CIN : L32104DL1979PLC009590

Rs. In Lakhs

| Particulars | 3 months ended on 31.03.2021 Audited | 3 months ended on 31.12.2020 Un-Audited | 3 months ended on 31.03.2020 Audited | Year ended on 31.03.2021 Audited | Year ended on 31.03.2020 Audited |
|--|--|---|--|--|--|
| I. Income from Operations | 1,009 | 2,200 | 796 | 4,153 | 3,724 |
| II. Other Income | 7 | 47 | 15 | 79 | 45 |
| III. Total Income (I+II) | 1,015 | 2,247 | 811 | 4,231 | 3,769 |
| IV. Expenses | | | | | |
| Cost of Material consumed | 704 | 1,586 | 445 | 2,643 | 1,453 |
| Purchase of stock in trade | - | - | - | - | - |
| Changes in inventory of finished goods, work in progress and stock in trade | (136) | (17) | (150) | (160) | 26 |
| Infra services expenses | 168 | 108 | 152 | 313 | 375 |
| Employee benefit expenses | 140 | 163 | 240 | 611 | 895 |
| Finance costs | 48 | 50 | 60 | 187 | 242 |
| Depreciation and amortization expenses | 19 | 20 | 21 | 80 | 80 |
| Other expenses | 181 | 136 | 176 | 502 | 660 |
| Total Expenses | 1,125 | 2,046 | 943 | 4,177 | 3,731 |
| V. Profit/ (Loss) before exceptional items and extraordinary items and tax (III-IV) | (110) | 202 | (132) | 55 | 39 |
| VI. Exceptional Items | - | - | - | - | - |
| VII. Profit/ (Loss) before extraordinary items and tax (V-VI) | (110) | 202 | (132) | 55 | 39 |
| VIII. Extraordinary items | - | - | - | - | - |
| IX. Profit/ (Loss) before tax (VII-VIII) | (110) | 202 | (132) | 55 | 39 |
| X. Tax expenses | | | | | |
| Current Tax expenses | (43) | 43 | - | - | - |
| Deferred Tax expenses | (3) | - | (50) | (2) | (6) |
| XI Profit/(Loss) for the period (IX-X) | (64) | 159 | (82) | 57 | 45 |
| XII Other Comprehensive Income/(Loss) (net of taxes) | (14) | - | 9 | (14) | 9 |
| XIII Total Comprehensive Income (XI-XII) | (78) | 159 | (73) | 42 | 54 |
| 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 | (0.46) | 1.14 | (0.59) | 0.41 | 0.32 |
| - Basic and Diluted after extraordinary items | (0.46) | 1.14 | (0.59) | 0.41 | 0.32 |



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

| Particulars | 3 months ended on 31.03.2021 Audited | 3 months ended on 31.12.2020 Un-Audited | 3 months ended on 31.03.2020 Audited | Year ended on 31.03.2021 Audited | Year ended on 31.03.2020 Audited |
|---|--|---|--|--|--|
| 1. Segment Income | | | | | |
| Telecom | 695 | 2,006 | 551 | 3,541 | 3,113 |
| Infra services | 315 | 194 | 245 | 612 | 611 |
| Unallocated | - | - | - | - | - |
| Total | 1,010 | 2,200 | 796 | 4,153 | 3,724 |
| Less: Inter Segment Income | | - | | | - |
| Net Sales/Income from Operations | 1,010 | 2,200 | 796 | 4,153 | 3,724 |
| 2. Segment results (Profit before Tax and Interest) | | | | | |
| Telecom | 44 | 264 | 2 | 441 | 448 |
| Infra services | (55) | (6) | (45) | (84) | (51) |
| Unallocated | - | - | - | - | - |
| Total | (12) | 258 | (43) | 356 | 398 |
| Less: | | | | | |
| i. Finance costs | 48 | 50 | 60 | 187 | 242 |
| ii. Other Unallocable Expenditure net off. | 51 | 7 | 31 | 115 | 117 |
| Total Profit/(Loss) before tax | (110) | 202 | (132) | 55 | 39 |
| 3. Capital Employed : | | | | | |
| Telecom | 2,897 | 2,728 | 2,449 | 2,897 | 2,449 |
| Infra services | 282 | 266 | 196 | 282 | 196 |
| Unallocated | - | - | - | - | - |
| Total | 3,179 | 2,994 | 2,645 | 3,179 | 2,645 |

Note :

- The above results have been approved by the Audit Committee and approved by the Board of Directors at their meeting held on 28th June 2021
- 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, 2021 and March 31, 2020 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 Nemani Garg Agarwal & Co.
Firm Regn. No. 010192N
Chartered Accountants

S.K. Nemani
Partner
M.No.: 037222

Date : 28.06.2021
Place : Noida



For and on behalf of the Board
For Precision Electronics Ltd

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

PRECISION ELECTRONICS LIMITED

AUDITED BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|------------------|------------------|
| A. ASSETS | | |
| 1 Non-Current Assets | | |
| (a) Property, Plant and Equipments | 770 | 787 |
| (b) Capital work-in-progress | - | 0 |
| (c) Intangible assets | - | 0 |
| (d) Intangible assets under development | 49 | 99 |
| (e) Financial Assets | | |
| i) Loans | | |
| ii) Other financial assets | 117 | 52 |
| (f) Deferred tax assets (Net) | 371 | 364 |
| (g) Other non-current assets | 6 | 4 |
| Sub Total | 1,314 | 1,306 |
| 2 Current Assets | | |
| (a) Inventories | 1,368 | 1,188 |
| (b) Financial Assets | | |
| i) Investments | | |
| ii) Trade receivables | 2,583 | 845 |
| iii) Cash and Cash Equivalents | 35 | 111 |
| iv) Bank balances other than Cash and Cash Equivalents | 84 | 75 |
| v) Loans | - | - |
| vi) Other financial assets | 65 | 93 |
| (c) Current tax assets | 123 | 198 |
| (d) Other current assets (Net) | 187 | 131 |
| Sub Total | 4,445 | 2,641 |
| TOTAL ASSETS | 5,758 | 3,947 |
| B. EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity share Capital | 1,385 | 1,385 |
| (b) Other Equity | 113 | 71 |
| Sub Total | 1,498 | 1,455 |
| 2 Liabilities | | |
| Non Current Liabilities | | |
| (a) Financial Liabilities | | |
| i) Borrowings | 949 | 658 |
| ii) Other financial liabilities | - | - |
| iii) Lease liabilities | 9 | 8 |
| (b) Provisions | 108 | 132 |
| (c) Deferred tax liability (Net) | - | - |
| (d) Other Non current liabilities | - | - |
| | 1,065 | 798 |
| 3 Current Liabilities | | |
| (a) Financial Liabilities | | |
| i) Borrowings | 1,103 | 890 |
| ii) Trade payables | 1,940 | 623 |
| iii) Other financial liabilities | 6 | 6 |
| iv) Lease liabilities | - | - |
| (b) Other current liabilities | 146 | 174 |
| (c) Provisions | 0 | - |
| (d) Current tax Liability (Net) | - | - |
| Sub Total | 3,195 | 1,693 |
| TOTAL LIABILITIES | 5,758 | 3,947 |

For Nemani Garg Agarwal & Co.
Firm Regn. No. 010192N
Chartered Accountants

S.K. Nemani
Partner
M.No.: 037222

Date : 28.06.2021
Place : Noida



For and on behalf of the Board
For Precision Electronics Ltd

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Cash Flow Statement for the year ended March 31, 2021

(Amount in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|--------------------------------------|
| I. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Total Comprehensive Income | 42 | 54 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 80 | 80 |
| Gain on disposal of property, plant and equipment | 3 | (0) |
| Changes in fair value of financial assets at fair value through profit or loss | | |
| Dividend and interest income classified as investing cash flows | (21) | (9) |
| Finance costs | 187 | 242 |
| | <u>291</u> | <u>366</u> |
| Change in operating assets and liabilities | | |
| (Increase) / decrease in trade and other receivables | (1,738) | 449 |
| (Increase) / decrease in inventories | (180) | 160 |
| Increase/(decrease) in trade payables | 1,317 | (230) |
| (Increase) / decrease in other financial assets | (37) | 52 |
| (Increase)/decrease in other non-current assets | (2) | 4 |
| (Increase)/decrease in other current assets | (56) | (50) |
| Increase/(decrease) in provisions | (24) | 18 |
| Increase/(decrease) in Other non current Liabilities | 0 | 0 |
| Increase/ (decrease) in other current liabilities | 185 | 22 |
| | <u></u> | <u></u> |
| Cash generated from operations | (244) | 789 |
| Income taxes paid | 67 | (55) |
| Prior period adjustments | | |
| Net cash inflow from/(used) operating activities | <u>(176)</u> | <u>734</u> |
| II. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (69) | (75) |
| Payment for software development costs | 50 | 50 |
| Proceeds from sale of property, plant and equipment | 4 | 8 |
| Interest received | 21 | 9 |
| Decrease / (Increase) in Term Deposits with Banks | (9) | 21 |
| Net cash flow from / (used) in investing activities | <u>(4)</u> | <u>14</u> |
| III. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 284 | (404) |
| Repayment of borrowings | 7 | (5) |
| | <u></u> | <u></u> |
| Interest Paid (net) | (187) | (242) |
| Net cash flow from / (used) in financing activities | <u>104</u> | <u>(650)</u> |
| IV. NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (I+II+III) | (76) | 98 |
| V. CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 111 | 13 |
| Effects of exchange rate changes on cash and cash equivalents | | |
| VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>35</u> | <u>111</u> |
| NOTES | | |
| Change in Equity | | |
| 1 The Statement of cash flow has been prepared under the indirect method as set out in the IND AS -7 " Statement of Cash Flow" issued by the institute of Chartered Accountants of India. | | |
| 2 Figures in bracket indicate cash outflow. | | |
| 3 Cash and Cash equivalents (note) | | |
| Cash on hand | 2 | 4 |
| Cheques in hand | | |
| Balances with Scheduled banks in | 10 | 34 |
| Current accounts | | |
| Fixed Deposits with Bank. | 23 | 73 |
| Balances per statement of cash flows | <u>35</u> | <u>111</u> |



Nemani Garg Agarwal & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

*On Quarterly Financial Results & Year to date financial results
To the Board of Directors of Precision Electronics Limited*

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**To
The Board of Directors
Precision Electronics Limited**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Precision Electronics Limited (the "Company") for the quarter ended 31st March 2021 and for the year ended 31st March, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- I. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- II. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and for the year ended 31st March, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income/loss and other financial information of the company in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles



generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 control 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Other Matter

The Statement includes the results for the quarter ended 31st March, 2021 being the balancing figure between the audited figures in respect of the full financial year ended 31st March 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For Nemani Garg Agarwal & Co.
Chartered Accountants
Firm's Registration No. 010192N


SK Nemani
Partner
M. No. 037222



Date: 28.06.2021
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

Monday, 28 June 2021

Opinion

We have audited the accompanying stand-alone financial statements of Precision Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year 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 31st March, 2021, the Profit 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 there under, 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



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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 31st March 2021 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 have 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.



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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

INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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.

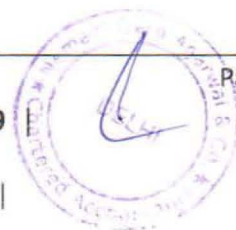
Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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.



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

- 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.



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 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



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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 read with schedule -V 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 : 28 June 2021

INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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.

INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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.

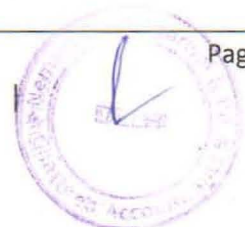
vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service 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 2021 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. 11,70,000 which have not been deposited as at 31st March, 2021 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 |

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.



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

- 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.



INDEPENDENT AUDITOR'S REPORT

To the members of Precision Electronics Limited

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 : 28 June 2021

INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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 2021 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



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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.



INDEPENDENT AUDITOR'S REPORT
To the members of Precision Electronics Limited

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 2021, 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 : 28 June 2021

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 2021
CIN : L32104DL1979PLC009590

PART-I

| S.NO | Particulars | Quarter ended on 31.03.2021 Audited | Quarter ended on 31.03.2020 Audited | Year ended on 31.03.2021 Audited | Year ended on 31.03.2020 Audited |
|------|--|-------------------------------------|-------------------------------------|----------------------------------|----------------------------------|
| 1 | Total income from Operations (net) | 1,015 | 811 | 4,231 | 3,769 |
| 2 | Net Profit/(Loss) for the period (before tax, exceptional and/or extraordinary items) | (110) | (132) | 55 | 39 |
| 3 | Net Profit/(Loss) for the period before tax (after exceptional and/or extraordinary items) | (110) | (132) | 55 | 39 |
| 4 | Net Profit/(Loss) for the period after tax (after exceptional and/or extraordinary items) | (64) | (82) | 57 | 45 |
| 5 | Total Comprehensive Income for the period [Comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)] | (78) | (73) | 42 | 54 |
| 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 : | (0.46) | (0.59) | 0.41 | 0.32 |
| | Diluted : | (0.46) | (0.59) | 0.41 | 0.32 |

Notes:

- The above is an extract of the detailed format of results Quarter and year ended on March 31, 2021 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.in and on the Website of the Stock Exchanges www.bseindia.com
- 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 June 28, 2021
- Figures of the quarter ended March 31, 2021 and March 31, 2020 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.
- 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).

For Nemani Garg Agarwal & Co.
Firm Regn. No. 010192N
Chartered Accountants

S.K. Nemani
Partner
M.No.: 037222

DATE: 28.06.2021
PLACE: NOIDA



On Behalf of the Board
For Precision Electronics Limited

(Signature)
ASHOK KUMAR KANODIA
Managing Director
DIN : 00002563



Precision Electronics Limited

We hereby declare that the audit report of the Company for the financial year ended 31.03.2021 is with unmodified opinion.

Signed By:

| | | |
|---|---------------------------|--|
| Managing Director | Mr. Ashok Kumar Kanodia | |
| Chairperson of Audit Committee and Independent Director | Mr. Sharvan Kumar Kataria | |
| CFO | Mr. Jagjit Singh Chopra | |
| Statutory Auditor | Mr. S K Nemani | |

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CIN : L32104DL1979PLC009590
Udyog Aadhaar No.: UK06B0000393



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