

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

Statement of Audited Financial Result for the Quarter and Year ended on 31<sup>st</sup> March , 2015

PART-I	(Rs. in Lac)				
I. For Company as a whole	3months ended on 31.03.2015	3months ended on 31.12.2014 Unaudited	3months ended on 31.03.2014	Year ended on 31.03.2015	Year ended on 31.03.2014
<b>Particulars</b>					
<b>Income from Operations</b>					
1) Net Sales and Services/Income from operation	810	546	407	2,749	1,155
2) Other Operating Income	-	-	1	-	171
<b>Total Income from Operations (1+2)</b>	<b>810</b>	<b>546</b>	<b>408</b>	<b>2,749</b>	<b>1,326</b>
<b>Expenditures</b>					
(a) Increase(-)/Decrease(+) in stock	(158)	(14)	(154)	(19)	(23)
(b) Consumption of Raw materials	249	259	237	918	457
(c) Purchase of traded goods	-	-	-	13	-
(d) Purchase of infra services	197	47	-	405	-
(e) Employee Cost	183	173	167	686	614
(f) Depreciation and Amortization Expenses	38	34	30	155	123
(g) Other Expenditures	148	118	151	508	556
<b>Total Expenses</b>	<b>657</b>	<b>617</b>	<b>431</b>	<b>2,666</b>	<b>1,727</b>
<b>Profit/ ( Loss) from operations before other income, finance cost &amp; Exceptional Items</b>	<b>153</b>	<b>(71)</b>	<b>(23)</b>	<b>83</b>	<b>(401)</b>
Other Income	3	9	7	21	22
Finance costs	19	19	13	82	63
Exceptional/ Prior period Items	1	-	3	1	3
<b>Profit/(Loss) before tax</b>	<b>136</b>	<b>(81)</b>	<b>(32)</b>	<b>21</b>	<b>(445)</b>
Tax expenses	(45)	(25)	(91)	(4)	(218)
<b>Net Profit/(Loss) from ordinary activities after tax</b>	<b>181</b>	<b>(56)</b>	<b>59</b>	<b>25</b>	<b>(227)</b>
Extraordinary Items (net of tax expenses)	-	-	-	-	-
<b>Net Profit/(Loss)</b>	<b>181</b>	<b>(56)</b>	<b>59</b>	<b>25</b>	<b>(227)</b>
Paid-up Equity Share Capital(face value of Rs 10/-each)	1,385	1,385	1,385	1,385	1,385
Reserves & Surplus excluding revaluation reserves	859	678	871	859	871
<b>Basic &amp; diluted earnings per share (Rs.)</b>	<b>1.31</b>	<b>(0.40)</b>	<b>0.43</b>	<b>0.18</b>	<b>(1.64)</b>
<b>PART-II</b>					
<b>A. PARTICULARS OF SHAREHOLDING</b>					
<b>1. Public Shareholding :</b>					
Number of shares	3514917	3514917	3514917	3514917	3514917
Percentage of Shareholding	25.38%	25.38%	25.38%	25.38%	25.38%
<b>2. Promoters &amp; Promoter group Shareholding</b>					
<b>(a) Pledged/Encumbered</b>					
-Number of shares	-	-	-	-	-
-Percentage of Shares (as a % of the total of shareholding of promoters & promoter group)	-	-	-	-	-
-Percentage of shares (as a % of total share capital of the Co.)	-	-	-	-	-
<b>(b) Non-encumbered</b>					
-Number of shares	10333595	10333595	10333595	10333595	10333595
-Percentage of Shares (as a % of the total of shareholding of promoters & promoter group)	100%	100%	100%	100.00%	100%
-Percentage of shares (as a % of total share capital of the Co.)	74.62%	74.62%	74.62%	74.62%	74.62%
<b>PARTICULARS</b>					
<b>B. INVESTOR COMPLAINTS</b>					
Pending at the beginning of the quarter	NIL				
Received during the quarter	1				
Disposed of during the quarter	1				
Remaining unresolved at the end of the quarter	NIL				

II. Segmentwise Revenue, Results & Capital Employed alongwith the quarterly results					
Particulars	3months ended on 31.03.2015	3months ended on 31.12.2014 Unaudited	3months ended on 31.03.2014	Year ended on 31.03.2015	Year ended on 31.03.2014
<b>Segment Revenue</b>					
Telecom	310	211	408	1,366	1,308
Infra services	505	335	-	1,390	18
Others	-	-	-	-	-
<b>Total</b>	<b>815</b>	<b>546</b>	<b>408</b>	<b>2,756</b>	<b>1,326</b>
Less: Inter Segment Revenues	5	-	-	7	-
<b>Net Sales/Income from Operations</b>	<b>810</b>	<b>546</b>	<b>408</b>	<b>2,749</b>	<b>1,326</b>
<b>Segment results(Profit before Tax and Interest )</b>					
Telecom	61	(172)	20	(269)	(325)
Infra services	94	121	(12)	396	(39)
Others	-	-	-	-	-
<b>Total</b>	<b>155</b>	<b>(51)</b>	<b>8</b>	<b>127</b>	<b>(364)</b>
Less: Finance costs	19	19	13	82	63
Other Net Unallocable Expenditure/(Income)	-	11	27	24	18
<b>Total Profit/(Loss) before tax</b>	<b>136</b>	<b>(81)</b>	<b>(32)</b>	<b>21</b>	<b>(445)</b>
<b>Capital Employed :</b>					
Telecom	3,137	2,736	2,980	3,137	2,980
Infra services	334	322	161	334	161
Other unallocable Assets/(liabilities)	-	-	-	-	-
<b>Total</b>	<b>3,471</b>	<b>3,058</b>	<b>3,141</b>	<b>3,471</b>	<b>3,141</b>

**Statement of Assets and Liabilities as at 31.03.2015**

	31.03.2015	31.03.2014
<b>EQUITY &amp; LIABILITIES</b>		
<b>Shareholder's Funds</b>		
Share Capital	1385	1385
Reserves and Surplus	1649	1675
<b>Non-Current Liabilities</b>		
Long term borrowings	224	225
Long-term provisions	71	68
<b>Current Liabilities</b>		
Short term borrowings	460	81
Trade Payables	548	541
Other current liabilities	149	296
Short-term Provisions	9	9
<b>Total</b>	<b>4495</b>	<b>4280</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<b>Fixed assets</b>		
(i) Tangible assets	1949	2151
(ii) Intangible assets	1	1
(iii) Capital work-in-progress	0	0
Deferred Tax Assets (Net)	248	227
Long term loans and advances	97	164
Other Non current assets	1	2
<b>Current Assets</b>		
Inventories	1176	1141
Trade receivables	755	283
Cash and Bank balance	113	151
Short-term loans and advances	108	111
Other current assets	47	49
<b>Total</b>	<b>4495</b>	<b>4280</b>

**NOTES :**

- The Audited Financial Results of the Company for the Financial Year 2014-15 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting scheduled held on 28<sup>th</sup> May, 2015.
- Sales and service revenue have been shown net off of Sales tax, Vat, Excise duty, Service tax and sales return.
- Effective from April 01, 2014, depreciation has been provided on fixed assets as per the useful life specified in Schedule II of the Companies Act 2013. In case of those assets whose useful life has already been exhausted as on 1st April 2014, an amount of Rs.52.71 lacs (after retaining the residual value) and deferred tax credit of Rs.16.29 lacs thereon has been recognized in the opening balance of retained earnings. Depreciation expense for the quarter ended March 31, 2015 is higher by Rs.6.01 lacs and for the year ended on that date is higher by Rs.43.72 lacs due to this revision.
- The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the year to date figures up to the third quarter of the financial year.
- Previous period figures have been regrouped / rearranged wherever necessary.

On Behalf of the Board  
For Precision Electronics Limited



*Ashok Kanodia*  
ASHOK KANODIA  
Managing Director  
DIN : 00002563

DATE: 28.05.2015  
PLACE: NOIDA



## Independent Auditors' Report

To  
The Members of  
Precision Electronics Limited  
D-1081, New Friends Colony  
New Delhi-110025

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Precision Electronics Limited** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Profit and its cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015('the order'), issued by the Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we give in the Annexure - 'A' statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) 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, in our opinion and to the best of our information and according to the explanations given to us, we report that:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27.1 to the financial statements,
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For Rajendra K. Goel & Co.  
Chartered Accountants  
FRN-001457N

R.K. Goel  
(Partner)

Membership No: 006154

Place: New Delhi  
Date : 28<sup>th</sup> May, 2015





**ANNEXURE -'A' TO INDEPENDENT AUDITORS REPORT**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at regular intervals. No material discrepancies were noticed during such verification;
- 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 procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of Inventories, wherever material, have been properly dealt with in the books of account;
- iii. The Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, the provisions of clause (iii)(a) & (b) of the paragraph 3 & 4 of the order are not applicable;
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system;
- v. The Company has not accepted any deposit within the meaning of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Therefore the provisions of clause (v) of the paragraph 3 & 4 of the order are not applicable;
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records with a view to determining whether they are accurate and complete;
- vii. (a) Undisputed statutory dues including Provident Fund, Employees' State Insurance, and Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable;



- (b) According to the records of the Company and explanations given to us, there are disputed dues of Income Tax, Service Tax, Entry Tax & Cess aggregating to Rs. 6,61,591 which have not been deposited. The details of the disputed dues as at 31<sup>st</sup> March, 2015 are mentioned hereunder:

Name of the Statute	Nature of Dues	Period / Year	Amount (Rs. in Lakhs)	Forum Before which dispute is pending
The Central Excise Act 1944	Availment of Cenvat Credit	04/2009 – 03/2011	1,89,918	Custom Excise and Service Tax Appellate Tribunal
Central Sales Tax Act 1956	Central Sales Tax	2010-2011	34,473	Additional Commissioner Sales Tax Appeals
Central Sales Tax Act 1956	Central Sales Tax	2011-2012	1,25,000	Additional Commissioner Sales Tax Appeals
Central Sales Tax Act 1956	Central Sales Tax	2011-2012	77,200	Additional Commissioner Sales Tax Appeals
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	2011-2012	2,35,000	Additional Commissioner Sales Tax Appeals

- (c) The Company is not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.


- viii. The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit; however the company has incurred cash loss in the immediately preceding year.
- ix. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to a Financial Institution or Banks;
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or Financial Institutions;



- xi. In our opinion, the term loans have been applied for the purpose for which they were obtained;
- xii. Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.



For Rajendra K. Goel & Co.  
Chartered Accountants  
FRN-001457N

  
R.K. Goel  
(Partner)  
Membership No: 006154

Place: New Delhi  
Date : 28<sup>th</sup> May, 2015