

June 10, 2021

The Manager - Listing Department  
National Stock Exchange of India Ltd  
'Exchange Plaza', C 1, Block G  
Bandra – Kurla Complex, Bandra (E)  
Mumbai 400 051

Dear Sir/ Madam,

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") - Outcome of the Board Meeting of the Company held on June 10, 2021 – reg.**

**Symbol: PRECOT**

The Board of Directors of the Company at their meeting held today i.e. June 10, 2021, has inter alia considered and approved the following matters:-

1. The Board has approved and taken on record the standalone and consolidated audited financial results for the quarter and financial year ended on March 31, 2021 under Regulation 33 of the Listing Regulations - **Annexure I**
2. Recommended reappointment of Mr Vijay Raghunath (DIN: 00002963) as Independent Director of the Company for a second term of five years from June 01, 2022 to May 31, 2027, subject to the approval of shareholders at the ensuing Annual General Meeting by passing a Special Resolution pursuant to Section 149 (10) read with Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Brief Profile of Mr Vijay Raghunath is enclosed in **Annexure II**.
3. The Board has appointed Mr A.R. Ramasubramania Raja, Cost Accountant (ICWAI Membership No:32458) as Cost Auditor of the Company to audit cost accounts for the financial year 2021-22. His profile is provided in **Annexure II**.
4. Approved the Director's Report along with its annexures and attachments including Management Discussion and Analysis Report and Corporate Governance Report.



Precot Limited (Formerly Precot Meridian Limited)  
Registered Office, D Block, 4th Floor, Hanudev Info Park, Nava India Road,  
Udaiyampalayam, Coimbatore - 641 028  
Tel: 0091 422 4321100 | Fax: 0091 422 4321200 | Email: co@precot.com  
CIN: L17111TZ1962PLC001183 | Website: www.precot.com



5. Approved the notice of the Annual General Meeting for the year 2021.

The above said results, together with Annexures are enclosed with this letter. These are also being made available on the website of the company <http://www.precot.com/investor-relations/>.

The board meeting concluded by 12.05 PM. This is for your information and records.

Thanking you,

**For Precot Limited**

A handwritten signature in blue ink, appearing to read 'S. Kavitha', written over the printed name.

**S.Kavitha**

**Company Secretary**



## ANNEXURE I

June 10, 2021

The Manager - Listing Department  
National Stock Exchange of India Ltd  
'Exchange Plaza', C 1, Block G  
Bandra – Kurla Complex, Bandra (E)  
Mumbai 400 051

Dear Sir/ Madam,

**Sub: Audited Financial Results (Standalone and Consolidated) for the Quarter and Financial Year ended March 31, 2021, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

**Symbol: PRECOT**

This has reference to our intimation dated May 31, 2021, we would like to inform you that the Board of Directors of the Company at their meeting held today i.e. June 10, 2021, has inter alia approved the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2021.

Pursuant to Regulation 33 of the Listing Regulations, we are enclosing the following:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2021
2. Declaration for Audit Report with unmodified opinion for Standalone and Consolidated Financial Results for the financial year ended on March 31, 2021
3. Auditors Report on the Audited Financial Results (Standalone and Consolidated)

The above said results are enclosed with this letter. These are also being made available on the website of the company <http://www.precot.com/investor-relations/>.

Thanking you,

**For Precot Limited**

A handwritten signature in blue ink, appearing to read 'Ashwin Chandran', with a stylized flourish at the end.

**Ashwin Chandran**

**Chairman and Managing Director**



June 10, 2021

The Manager - Listing Department  
National Stock Exchange of India Ltd  
'Exchange Plaza', C 1, Block G  
Bandra – Kurla Complex, Bandra (E)  
Mumbai 400 051

Dear Sir,

**Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") – reg.**

Pursuant to Regulation 33 of the Listing Regulations, we hereby confirm and declare that the statutory auditors of the company, M/s VKS Aiyer & Co, Chartered Accountants, have issued an Audit Report with unmodified opinion on Audited financial results of the company (Standalone and Consolidated) for the quarter and financial year ended on March 31, 2021.

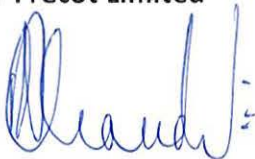
This declaration is submitted pursuant to Regulation 33 (3)(d) of the Listing Regulations.

This is for your information and records.

Thanking you,

Yours truly,

**For Precot Limited**

A handwritten signature in blue ink, appearing to read 'Ashwin Chandran', with a small mark to the right.

**Ashwin Chandran**  
**Chairman and Managing Director**

### PROFILE OF MR.VIJAY RAGHUNATH

Mr Vijay Raghunath possesses more than 29 years' experience in legal profession. He has been in the Board of the Company since 2017. In the opinion of the Board Mr Vijay Raghunath fulfils conditions specified in the Companies Act, 2013 for an Independent director and he is independent of the management. He is holding registration certificate issued by Indian Institute of Corporate Affairs (data bank of Independent Directors).

He is also holding directorship in Elgi Rubber Company Limited, Elgi Ultra Industries Limited, Elgi Ultra Limited and Space Ventures India Private Limited. He is a member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of Elgi Rubber Company Limited. He is not related with any other directors of the Company.

### PROFILE OF COST AUDITOR

Name: A.R. RAMASUBRAMANIA RAJA

Membership no: 32458

Experience: 40+ years' experience in the industry. Handled various Cost Audits and Special assignment works for Industries like Engineering, Textiles, Electricals, Foundry, Hospital, Plastics & Polymers, Paper, Wind energy, Jewelry, Poultry, Food, Animal Feed and Steel.

President & Company Secretary

Ten years in The Arya Vaidya Pharmacy (Coimbatore) Limited, Coimbatore an Internationally known manufacturer of 400 Ayurvedic medicines and formulations and running Ayurvedic Hospitals and Treatment Centers in India and abroad.

General Manager & Company Secretary

Twenty years in M/s Akshaya Textiles Limited, Coimbatore, as GM & Company Secretary- 28000 spindle mills processing cotton and polyester blends.

Membership in Professional / Academic Institutions:

1. Chairman-Coimbatore chapter of the Institute of Cost Accountants of India 2013-15 and Member-National Advisory committee of SIRC for Cost Audit Record Rules 2014
2. Chairman-Coimbatore Chapter of the Institute of Company Secretaries of India 2004 & 2016-17.
3. Hon. Costing consultant in Southern India Engineering Mfrs Association( SIEMA)
4. Member-Technical Studies Sub-committee of Southern India Mills' Association (SIMA), Coimbatore 1991- 2000
5. Member – Preparation of Textile Mills Handbook (Electricity & Cost of production) by SIMA.



## Statement of audited financial results for the Quarter and year ended 31-March-21

in lakhs

S.No	Particulars	Standalone					Consolidated				
		For the Quarter ended			Year ended		For the Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Unaudited			Audited		Unaudited			Audited	
1	<b>Income from operations</b>										
	(a) Revenue from operations	21,117	17,191	17,457	64,237	69,642	21,117	17,191	17,457	64,237	69,642
	(b) Other operating revenue	752	661	674	2,277	2,970	752	661	674	2,277	2,970
	(c) Other income	203	165	685	570	1,065	203	165	685	570	1,065
	<b>Total Income</b>	<b>22,072</b>	<b>18,017</b>	<b>18,816</b>	<b>67,084</b>	<b>73,677</b>	<b>22,072</b>	<b>18,017</b>	<b>18,816</b>	<b>67,084</b>	<b>73,677</b>
2	<b>Expenses</b>										
	(a) Cost of materials consumed	10,704	9,803	9,037	34,052	41,519	10,704	9,803	9,037	34,052	41,519
	(b) Purchase of stock in trade	-	-	89	77	476	-	-	89	77	476
	(c) Changes in inventories of finished goods, stock in trade and work-in-progress	113	(104)	1,193	1,726	1,015	113	(104)	1,193	1,726	1,015
	(d) Employee benefits expense	2,250	1,997	1,555	7,358	7,164	2,250	1,997	1,555	7,358	7,164
	(e) Finance costs	830	790	1,793	3,272	3,919	830	790	1,793	3,272	3,919
	(f) Depreciation and amortisation expense	823	822	845	3,317	3,274	823	822	845	3,317	3,274
	(g) Other expenses	4,447	3,767	4,385	13,987	17,606	4,447	3,767	4,385	13,987	17,606
	<b>Total expenses</b>	<b>19,167</b>	<b>17,075</b>	<b>18,897</b>	<b>63,789</b>	<b>74,973</b>	<b>19,167</b>	<b>17,075</b>	<b>18,897</b>	<b>63,789</b>	<b>74,973</b>
3	Profit / (Loss) before exceptional items and tax (1-2)	2,905	942	(81)	3,295	(1,296)	2,905	942	(81)	3,295	(1,296)
4	Exceptional items	-	-	-	-	-	-	-	-	-	-
5	<b>Profit / (Loss) before tax (3+4)</b>	<b>2,905</b>	<b>942</b>	<b>(81)</b>	<b>3,295</b>	<b>(1,296)</b>	<b>2,905</b>	<b>942</b>	<b>(81)</b>	<b>3,295</b>	<b>(1,296)</b>
6	Tax expenses	-	-	0.00	-	357	-	-	0	-	357
	Current tax	-	-	-	-	-	-	-	-	-	-
	For earlier years	-	-	0.00	-	357	-	-	0	-	357
	MAT credit entitlement / (written off)	-	-	-	-	-	-	-	-	-	-
	Deferred Tax	-	-	-	-	-	-	-	-	-	-
7	<b>Profit / (Loss) for the period (5-6)</b>	<b>2,905</b>	<b>942</b>	<b>(81)</b>	<b>3,295</b>	<b>(1,653)</b>	<b>2,905</b>	<b>942</b>	<b>(81)</b>	<b>3,295</b>	<b>(1,653)</b>
8	Other Comprehensive Income										
	A (i) Items that will not be reclassified to profit or Loss	(69)	(25)	(811)	(149)	(898)	(69)	(25)	(811)	(149)	(898)
	(ii) Income tax relating to items that will not be reclassified to profit or Loss	-	-	-	-	-	-	-	-	-	-
	B (i) Items that will be reclassified to profit or Loss	-	-	-	-	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or Loss	-	-	-	-	-	-	-	-	-	-
9	<b>Total Comprehensive Income for the period (7+8)</b>	<b>2,836</b>	<b>917</b>	<b>(892)</b>	<b>3,146</b>	<b>(2,551)</b>	<b>2,836</b>	<b>917</b>	<b>(891)</b>	<b>3,146</b>	<b>(2,551)</b>
10	Paid-up equity share capital (Face value Rs. 10/- each)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
11	Earnings Per Share (EPS) (Basic & Diluted) of Rs. 10/-each (not annualised)	24.21	7.85	(0.67)	27.46	(13.78)	24.21	7.85	(0.67)	27.46	(13.78)
12	Earnings Per Share (EPS) (Basic & Diluted) of Rs. 10/-each (not annualised)										







Statement of assets and liabilities:					
Particulars		Standalone		Consolidated	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
ASSETS					
(1)	Non-current Assets				
	( a ) Property, Plant and Equipment	41,323	43,828	43,744	46,249
	( b ) Right of use of assets	591	724	591	724
	( c ) Capital work-in-progress	256	139	256	139
	( d ) Intangible assets	38	42	38	42
	( e ) Intangible assets under development	8	-	8	-
	( f ) Financial Assets				
	(i) Investments	1,086	1,099	1,076	1,089
	(ii) Loans	1,061	826	990	755
	( g ) Deferred tax assets (net)			-	-
	( h ) Other non-current assets	460	187	460	187
	Total Non Current Assets	44,823	46,845	47,163	49,185
(2)	Current assets				
	( a ) Inventories	13,120	12,432	13,120	12,432
	( b ) Financial Assets				
	(i) Trade receivables	10,198	8,931	10,198	8,931
	(ii) Cash and cash equivalents	109	38	110	38
	(iii) Bank balances other than (ii) above	787	764	787	764
	(iv) Loans	78	56	78	56
	(v) Other Financial Assets	48	51	48	51
	( c ) Other current assets	4,696	1,701	4,696	1,701
	Total Current Assets	29,036	23,973	29,036	23,973
	TOTAL ASSETS	73,859	70,818	76,199	73,158
EQUITY AND LIABILITIES					
EQUITY					
	( a ) Equity Share capital	1,200	1,200	1,200	1,200
	( b ) Other Equity	30,622	27,476	32,962	29,816
		-	-	-	-
	Equity Attributable to owners of Precot Ltd	-	-	34,162	31,016
	Non controlling Interests	-	-	0	0
	Total Equity	31,822	28,676	34,162	31,016
(1)	LIABILITIES				
	Non-current liabilities				
	( a ) Financial Liabilities				
	(i) Borrowings	10,460	12,265	10,460	12,265
	(ii) Other financial liabilities	194	701	194	701
	( b ) Provisions	1,947	1,800	1,947	1,800
	( c ) Other non-current liabilities	195	278	195	278
	Total Non Current Liabilities	12,796	15,044	12,796	15,044
(2)	Current liabilities				
	( a ) Financial Liabilities				
	(i) Borrowings	16,920	17,345	16,920	17,345
	(ii) Trade payables	2,901	4,532	2,901	4,532
	(iii) Other financial liabilities	8,318	4,408	8,318	4,408
	( b ) Other current liabilities	878	632	878	632
	( c ) Provisions	224	181	224	181
	Total Current Liabilities	29,241	27,098	29,241	27,098
	TOTAL LIABILITIES	42,037	42,142	42,037	42,142
	TOTAL EQUITY AND LIABILITIES	73,859	70,818	76,199	73,158

CASH FLOW FROM OPERATING ACTIVITIES	Standalone				Consolidated			
	31-Mar-21		31-Mar-20		31-Mar-21		31-Mar-20	
<b>Net Profit / (Loss) Before Tax</b>		<b>3,295</b>		<b>(1,296)</b>		<b>3,295</b>		<b>(1,296)</b>
Adjustments for :								
Depreciation and amortization expense	3,317		3,274		3,317		3,274	
Interest income (including fair value change in financial instruments)	(154)		(255)		(154)		(255)	
(Profit)/Loss on sale of Property, Plant and Equipment (net)	(75)		(87)		(75)		(87)	
Unrealised foreign exchange loss/(gain)	(289)		21		(289)		21	
Liabilities no more payable	(7)		(627)		(7)		(627)	
Finance cost (including fair value change in financial instruments)	3,272		3,919		3,272		3,919	
Allowance for credit loss (net)	239		(4)		239		(4)	
Provision/(reversal) of doubtful advances	(24)		31		(24)		31	
Bad debts written off	-		23		-		23	
Irrecoverable advances written off	22		-		22		-	
Other adjustments	116		131		116		131	
		<b>6,417</b>		<b>6,426</b>		<b>6,417</b>		<b>6,426</b>
<b>Operating Profit before working capital changes</b>		<b>9,712</b>		<b>5,130</b>		<b>9,712</b>		<b>5,130</b>
Adjustments for :								
(Increase) / Decrease in Inventories	(687)		843		(687)		843	
(Increase) / Decrease in Trade Receivables	(1,628)		(784)		(1,628)		(784)	
(Increase) / Decrease in Loans	(256)		(102)		(256)		(102)	
(Increase) / Decrease in Other Assets	(2,986)		35		(2,986)		35	
Increase / (Decrease) in Trade Payable	(1,584)		1,574		(1,584)		1,574	
Increase / (Decrease) in Other Financial Liabilities	(249)		184		(249)		184	
Increase / (Decrease) in Other Liabilities and Provisions	301		(705)		301		(705)	
		<b>(7,089)</b>		<b>1,045</b>		<b>(7,089)</b>		<b>1,045</b>
<b>Cash generated from Operations</b>		<b>2,623</b>		<b>6,175</b>		<b>2,623</b>		<b>6,175</b>
Direct Taxes Refund / (Payable)		(23)		(41)		(23)		(41)
<b>Net Cash Flow from operating activities</b>		<b>2,600</b>		<b>6,134</b>		<b>2,600</b>		<b>6,134</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>								
Purchase of Property, Plant and Equipment (Including WIP)	(892)		(1,018)		(892)		(1,018)	
Advance settled for purchase of Property, Plant and Equipment	(254)		8		(254)		8	
Sale of Property, Plant and Equipment	161		2,863		161		2,863	
Interest Received	158		259		158		259	
<b>Net Cash flow from / (used in) Investing activities</b>		<b>(827)</b>		<b>2,112</b>		<b>(827)</b>		<b>2,112</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:-</b>								
Unclaimed dividends paid	(2)		0		(2)		0	
Interest Paid	(3,299)		(3,258)		(3,299)		(3,258)	
Proceeds / (Repayment) of Long Term Borrowings	2,055		(4,449)		2,055		(4,449)	
Repayment of lease liability	(109)		(29)		(109)		(29)	
Proceeds / (Repayments) of Unsecured Loan	119		(1,938)		119		(1,938)	
Proceeds / (Repayments) of loans repayable on demand	(443)		1,440		(443)		1,440	
<b>Net Cash Flow used in Financing Activities</b>		<b>(1,679)</b>		<b>(8,234)</b>		<b>(1,679)</b>		<b>(8,234)</b>
<b>Net Increase/Decrease in Cash and Cash Equivalent</b>		<b>94</b>		<b>12</b>		<b>94</b>		<b>12</b>
Cash and Bank Balances as at								
01.04.2020 and 01.04.2019 (Opening balance)		<b>802</b>		<b>790</b>		<b>802</b>		<b>790</b>
Less: Bank balances not considered as Cash and Cash Equivalents as per IndAS7		<b>787</b>		<b>764</b>		<b>787</b>		<b>764</b>
Cash and Cash Equivalents as at								
31.03.21 and 31.03.20 (Closing balance)		<b>109</b>		<b>38</b>		<b>109</b>		<b>38</b>





## Notes

- 1 The audited results have been subject to review by the statutory auditors, reviewed by the audit committee and approved by the board at its meeting held on 10-June-21.
- 2 The operations of the company primarily relate to only one reportable operating segment namely Textiles. Hence the results are reported under one segment as per Ind AS 108 - "Operating Segments".
- 3 Other Income includes foreign exchange gain arising out of restatement of foreign currency assets and liabilities amounting to Rs.274.84 Lakhs for the current three months ended 31.03.2021 and Rs.288.77 Lakhs for the year ended 31.03.2021.
- 4 Figures for the earlier period have been regrouped / reclassified to correspond to the figures for the current period.
- 5 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said code becomes effective and the rules framed thereunder are published.
- 6 The figures of the last quarter are the balancing figures between audited figures for the full financial year and unaudited year to date figures up to the third quarter of the respective financial year.

Place : Coimbatore  
Date : 10-June-2021

By order of the Board  
  
Ashwin Chandran (DIN : 00001884)  
Chairman & Managing Director

**Precot Limited (formerly Precot Meridian Limited) (CIN: L17111TZ1962PLC001183)**

SF No.559/4, D Block, 4th Floor, Hanudev Info Park, Nava India Road, Udayampalayam, Coimbatore - 641 028

Tel: 0422-4321100 Fax: 0422-4321200 Email: secretary@precot.com Website: www.precot.com

**Statement of audited financial results for the Quarter and Year ended 31-March-21**

Particulars	in Lakhs							
	Quarter ended		Year ended		Quarter ended		Year ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Unaudited		Audited		Unaudited		Audited	
	Standalone				Consolidated			
Total income from operations (net)	22,072	18,816	67,084	73,677	22,072	18,816	67,084	73,677
Net profit/(Loss) for the period (before tax and exceptional items)	2,905	(81)	3,295	(1,296)	2,905	(81)	3,295	(1,296)
Net profit/(Loss) for the period before tax (after exceptional items)	2,905	(81)	3,295	(1,296)	2,905	(81)	3,295	(1,296)
Net profit/(Loss) for the period after tax (after exceptional items)	2,905	(81)	3,295	(1,653)	2,905	(81)	3,295	(1,653)
Total Comprehensive income for the period (comprising profit / (loss) for the period (after tax) and other Comprehensive income (after tax) )	2,836	(892)	3,146	(2,551)	2,836	(891)	3,146	(2,551)
Equity Share Capital	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Earnings Per Share of Rs.10/- each (Basic & Diluted)	24.21	(0.67)	27.46	(13.78)	24.21	(0.67)	27.46	(13.78)

**Notes:**

The above is an extract of the detailed format of the financial results filed with the Stock Exchanges under regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results are available on the company's website (www.precot.com) and Stock Exchange website (www.nseindia.com).

Place : Coimbatore

Date : 10-June-2021

By order of the Board



Ashwin Chandran (DIN : 00001884)

Chairman & Managing Director



Independent Auditor's Report on the Audit of Annual Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

**PRECOT LIMITED (formerly PRECOT MERIDIAN LIMITED)**

Report on the audit of the Standalone Annual Financial Results

### Opinion

1. We have audited the accompanying standalone annual financial results ("the Statement") of **Precot Limited (formerly Precot Meridian Limited)** (the company) for the year ended 31<sup>st</sup> March, 2021 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 ("Listing Regulations").
2. 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 Regulation 33 of the Listing Regulations in this regard; and
  - ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information for the year ended 31<sup>st</sup> March, 2021.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* 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 ('the ICAI') 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 and Board of Directors Responsibilities for the Statement**

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Management and Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit, other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 including SEBI Circular. 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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Management and 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.
6. The Management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

7. 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.



8. As part of an audit in accordance with the Standards on Auditing, 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 in place an adequate internal financial controls system over financial reporting 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 management and board of directors;
  - Conclude on the appropriateness of the management and 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 Statement 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; and
  - 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.
9. 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.
10. 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**

11. This Statement includes the standalone financial results for the quarter ended 31<sup>st</sup> March 2021 and quarter ended 31<sup>st</sup> March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of those financial years, which were subject to limited review by us.

**For VKS Aiyer & Co.**

Chartered Accountants

ICAI Firm Registration No. 000066S

**Kaushik Sidartha**

Partner

Membership No. 217964

UDIN : 21217964AAAAACV3145

Place : Coimbatore

Date : 10<sup>th</sup> June 2021



**Independent Auditor's Report on the Audit of Consolidated Annual Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors**

**PRECOT LIMITED (formerly PRECOT MERIDIAN LIMITED)**

**Report on the audit of the Consolidated Annual Financial Results**

**Opinion**

1. We have audited the accompanying Consolidated annual financial results ("the Statement") of **Precot Limited (formerly Precot Meridian Limited)** (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") for the year ended 31<sup>st</sup> March, 2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements/ financial information of subsidiaries, the aforesaid statement:
  - i. includes the annual financial results of the following entity

S. No.	Name of the Entity	Relationship	% of Holding
1.	Precot Limited (formerly Precot Meridian Limited)	Parent	
2.	Suprem Associates (Partnership Firm)	Subsidiary	99%

- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
  - iii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax, other comprehensive income and other financial information of the Group for the year ended March 31<sup>st</sup>, 2021.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') 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 and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a reasonable basis for our opinion.

### **Management and Board of Directors Responsibilities for the Statement**

4. This Statement, has been prepared on the basis of the Consolidated annual financial statements / financial information and has been approved by the Company's Board of Directors. The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these statement that gives a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the Indian 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, including SEBI circular. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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. which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Management and Board of directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Statement**

7. 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 Standards on Auditing specified, under Section 143(10) of the Act, 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.
8. As part of an audit in accordance with Standards on Auditing, 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 group 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 Management and Board of Directors;
  - Conclude on the appropriateness of the Management and 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 ability of the Group 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 Statement 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 Group 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 represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. Our responsibilities in this regard is as described in “Other Matters” paragraph in this audit report.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.
10. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matters**

11. The statement includes the unaudited financial results of a subsidiary whose financial statements reflects Group’s share of total assets of ₹ 2,421.57 Lakhs as at March 31, 2021, Group’s share of total revenues of ₹ NIL, Group’s share of total profit (including other comprehensive income) after tax of ₹ NIL, and net cash flows of ₹ NIL for the year ended on that date, as considered in the statement. These unaudited interim financial information have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

We draw attention to the following:

The Statement includes results for the quarter ended 31<sup>st</sup> March, 2021 and quarter ended 31<sup>st</sup> March, 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of those financial years, which were subject to limited review by us.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

**For VKS Aiyer & Co.**

Chartered Accountants

ICAI Firm Registration No.000066S

**Kaushik Sidartha**

Partner

Membership No.: 217964

UDIN: 21217964AAAACW6957

Place: Coimbatore

Date: 10<sup>th</sup> June 2021