Military

Healthcare

Oil & Gas

43rd Annual Report
2021 - 2022

Precision

Precision Electronics Limited

"we always know who we're working for"

Precision

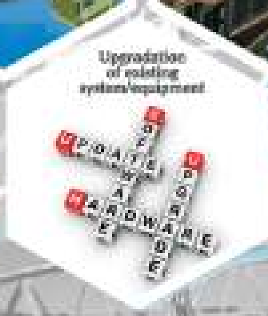
Services for Turnkey Communication Projects

Implementation of Telecom Networks

Customer Acceptance

Maintenance Depot

Testing Infrastructure



Value-Added Solutions

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BOARD OF DIRECTORS & COMMITTEE

BOARD OF DIRECTORS

Mr. Ashok Kumar Kanodia	Managing Director
Mr. Nikhil Kanodia	Whole Time Director and President
Mr. Harbir Singh Banga	Director
Mr. Neeraj Bajaj	Director
Mr. S.K. Kataria	Director
Mr. Deepto Roy	Director
Mr. Rahul Goenka	Director
Ms. Preeti Grover	Director

AUDIT COMMITTEE

Mr. S.K. Kataria	Chairperson
Mr. Neeraj Bajaj	Member
Mr. Deepto Roy	Member

STAKEHOLDES RELATIONSHIP COMMITTEE

Mr. S.K. Kataria	Chairperson
Mr. Rahul Goenka	Member
Ms. Preeti Grover	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. S.K. Kataria	Chairperson
Mr. Neeraj Bajaj	Member
Mr. Deepto Roy	Member

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Ms. Vrinda Mohan Gupta

CHIEF FINANCIAL OFFICER

Mr. Jagjit Singh Chopra

STATUTORY AUDITORS

M/s Nemani Garg Agarwal & Co.

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153/A First Floor,
Okhla Industrial Area, Phase – I
New Delhi – 110 020
Contact No. – 011- 64732681

BANKER OF THE COMPANY
South Indian Bank, Noida Branch

LISTED ON
Bombay Stock Exchange

CORPORATE IDENTITY NUMBER (CIN)
L32104DL1979PLC009590

ISIN No.
INE143C01024

STOCK CODE
517258

PLANTS

AT NOIDA
D-10, Sector 3, Gautam Budh Nagar,
Noida – 201 301, (U.P.)

UDYAM REGISTRATION NUMBER
UDYAM-UP-28-0002995

REGISTERED OFFICE
D – 1001, New Friends Colony,
New Delhi – 110025

CORPORATE OFFICE
D-10, Sector 3, Gautam Budh Nagar,
Noida – 201 301, (U.P.)

PRECISION ELECTRONICS LIMITED

CIN: L32104DL1979PLC009590
Regd. Office: D – 1081, New Friends Colony, New Delhi – 110025
Phone: 120 2551556/7, **Fax:** 120 2524337
Email: cs@pel-india.in, **Website:** www.pel-india.in

NOTICE OF THE 43RD ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the **43rd Annual General Meeting (AGM)** of Precision Electronics Limited (the Company) will be held on **Wednesday, September 28, 2022, at 12:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022, together with the Reports of Board of Directors and the Auditor's thereon.

2. To appoint a director in place of Mr. Harbir Singh Bangu (DIN: 05313332), who retires by rotation and being eligible, offers himself for reappointment.

3. To re-appoint M/s Nemani Garg Agarwal& Co (Chartered Accountants) as Statutory Auditors of the Company.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to provision of Section 139 and 142 of the Companies Act 2013 (as amended or re-enacted from time to time) and other applicable provisions of the Companies Act 2013 read with Rules made there under and considering the recommendations made by the Audit Committee of the Company and the Board, M/s Nemani Garg Agarwal & Co Chartered Accountants (FRN : 010192N) be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of consecutive five (5) years, from the conclusion of the 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting, at a remuneration to be decided in consultation between the Company and M/s Nemani Garg Agarwal & Co Chartered Accountants.

RESOLVED FURTHER THAT Mr. Ashok Kumar Kanodia, Managing Director of the Company be and is hereby authorized to sign and execute the letter of appointment of M/s Nemani Garg Agarwal & Co Chartered Accountants as the Statutory Auditor of the Company.

RESOLVED FURTHER THAT Mr. Ashok Kumar Kanodia, Managing Director of the Company and Ms. Vrinda Mohan Gupta, Company Secretary cum Compliance Officer be and are hereby authorized severally to file the necessary forms with the Registrar of Companies, NCT of Delhi & Haryana, and to do all such other act, deeds and things as may be considered necessary to give effect to the above said resolution."

SPECIAL BUSINESS:

4. **RE-APPOINTMENT OF MR. ASHOK KUMAR KANODIA AS THE MANAGING DIRECTOR OF THE COMPANY:**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 of the Companies Act 2013 (as amended or re-enacted from time to time) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Act, the consent of the members, be and is hereby accorded for re-appointment of Mr. Ashok Kumar Kanodia (DIN: 00002563) as the Managing Director of the Company for a period of two(2) years, with effect from August 14, 2022, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the above said resolution."

5. **RE-APPOINTMENT OF MR. NIKHIL KANODIA AS THE WHOLE TIME DIRECTOR AND PRESIDENT OF THE COMPANY.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 of the Companies Act 2013 (as amended or re-enacted from time to time) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Act, the consent of the members, be and is hereby accorded for re-appointment of Mr. Nikhil Kanodia (DIN: 03058495), as a Whole Time Director and President of the Company for a period of two (2) years , with effect from August 12, 2022, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the above said resolution."

By Order of the Board **For Precision Electronics Limited**

Sd/-
Vrinda Mohan Gupta
Company Secretary cum Compliance Officer

Place: Noida
Date: August 08, 2022

Notes

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the Special Business of this notice is annexed hereto.

2. In view of the Covid-19 Pandemic, the Ministry of Corporate Affairs (MCA) vide MCA General Circular No. 03/2022 dated May 05, 2022 read with MCA General Circular No. 20/2020 May 05, 2020, General Circular No. 02/ 2021 dated January 13, 2021 General Circular No. 19/2021 dated December 08, 2021 and 21/2021 dated December 14, 2021 and SEBI vide Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated June 03, 2022, permitted companies to hold their AGM through Video Conferencing/Other Audio Visual Means without the physical presence of the Members at common venue.

3. Since this AGM is being held pursuant to MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the 43rd Annual General Meeting (AGM) and hence the proxy form and attendance slip are not annexed to this notice. However, the Body Corporate is entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first serve basis.

5. As per the provisions under the MCA General Circular No. 03/2022 dated May 05, 2022 read with general circular 10/2021 dated June 23, 2021 and General Circular No. 14/2020, dated April 08, 2020, Members attending the 43rd AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated May 05, 2022, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

7. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-Voting and e-Voting during the AGM. The process of remote e-Voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-Voting facility is in addition to voting that will take place at the 43rd AGM being held through VC/OAVM.

8. Members joining the Meeting through VC, who have not already cast their vote by means of remote e-Voting, shall be able to exercise their right to vote through e-Voting at the AGM. The Members who have cast their vote by remote e-Voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

9. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2022 to September 28, 2022, (both days inclusive).

10. All documents referred to in the accompanying Notice and the Explanatory Statement and other statutory register will be available for inspection by the Members during the AGM. Members may access the same by writing to the Company at its email id cs@pel-india.in

11. Members seeking further information about the accounts are requested to write at least 7days before the date of the Meeting so that it may be convenient to get the information ready at the Meeting.

12. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice and the Annual Report calling the 43rd AGM has been uploaded on the website of the Company at www.pel-india.in. The Notice can also be accessed from the websites of the Stock Exchange, BSE Limited atwww.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e.www.evoting.nsdl.com.

13. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited, compliances@skylinerta.com.

14. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 21, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.inor contact Registrar and Share Transfer Agent (Skyline Financial Services Private Limited). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you may generate new password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting.

16. The Board of Directors has appointed Adv. Munish Kumar Sharma, Advocate & Insolvency Professional as the Scrutinizer for scrutinizing the e-Voting process in a fair and transparent manner.

    I. The Scrutinizer, after the conclusion of voting at the AGM, will first count the e-votes cast at the Meeting and thereafter the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

    II. The results declared along with the report of the Scrutinizer shall be placed on the Company's website www.pel-india.in and on the website of the NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be intimated to the Bombay Stock Exchange within two (2) working days of the conclusion of the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-Voting period begins on September 23, 2022, (09:00 AM) and ends on September 27, 2022 (05:00 PM). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on September 21, 2022 (cut-off date) may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) <u>Login method for e-Voting and joining Virtual Meeting for Individual shareholders holding securities in demat mode</u>

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting& voting during the Meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e., NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting& voting during the Meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat account. After successful authentication, user will be provided links for their respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders holding securities in demat mode with NSDL.	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting& voting during the Meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) **Login Method for e-Voting and joining Virtual Meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e., IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for the shareholder other than Individual Shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your 'initial password', you need to enter the "initial password" and the system will force you to change your password.
   c) How to retrieve your "initial password"?
      I. If your email id is registered in your demat account or with the Company, your "initial password" is communicated to you on your email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., .pdf files. Open the .pdf file. The password to open the pdf file is your 8 digit client id for NSDL account, last 8 digits of client for CDSL account or folio number for shares held in physical form. The .pdf files contain your 'User ID' and your 'initial password'.
      II. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forget User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "Physical User Reset Password?" (If you are holding share in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send the request at evoting@nsdl.com.in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
   d) Members can also use OTP (One Time Password) based login for casting the votes on the e-Voting systems of NSDL.

7. After, entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. No, you will have to click on "Login" button.
9. After you click on the "Login" button, Homepage of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

<u>How to cast your vote electronically and join General Meeting on NSDL e-Voting system?</u>

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual Meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes casted by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

<u>General Guidelines for shareholders</u>

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@pel-india.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company's email address cs@pel-india.in

Process for those shareholders whose E-mail ids are not registered with the depositories for procuring user id and password and registration of E-mail ids for e-Voting for the resolutions set out in this notice.

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@pel-india.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@pel-india.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e., **<u>Login method for e-Voting and joining Virtual Meeting for Individual shareholders holding securities in demat mode</u>**.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.infor procuring user id and password for e-Voting by providing above mentioned documents.
4. <u>In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and Email ids correctly in their demat account in order to access e-Voting facility.</u>

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THEAGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGHVC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General Meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@pel-india.com, at least 7 days before the date of Meeting. The same will be replied by the Company suitably.

6. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker, may send their request mentioning their name, demat account number/folio number, email id, mobile number at cs@pel-india.com, at least 7 days before the date of Meeting. These shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND IN TERMS OF REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Only for Item 3, this explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, however the same is strictly not required as per Section 102 of the Act.

Item 3:

The Members of the Company at the 38th Annual General Meeting (AGM) held on September 25, 2017, at Bipin Chandra Pal Memorial Auditorium, A -81, C.R Park, New Delhi-110019 had approved the appointment of M/s Nemani Garg Agarwal & Co, Chartered Accountants (FRN: 010192N), as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 38th AGM until the conclusion of the 43rd AGM.

Accordingly, M/s Nemani Garg Agarwal &Co would be completing its first term of five years at the conclusion of this 43rd AGM. In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, the Company can appoint or reappoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years. M/s Nemani Garg Agarwal & Co is eligible for reappointment for a further period of five years.

The Board of Directors, at its meeting held on August 08, 2022, based on the recommendation of the Audit Committee, approved the re-appointment of M/s Nemani Garg Agarwal & Co for the second term of five years to hold office from the conclusion of the 43rd AGM till the conclusion of the 48th AGM to be held in the year 2027, at a remuneration as may be mutually agreed between Board and the Auditors and proposed the same for approval of the members.

M/s Nemani Garg Agarwal & Co, Chartered Accountants (FRN: 010192N) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139 and Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the resolution set forth in item No. 3 of the notice for approval of the members. None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item 4:

Pursuant to a Special Resolution passed in the Annual General Meeting held on September 24, 2020, Mr. Ashok Kumar Kanodia was re-appointed as the Managing Director of the Company with effect from August 14, 2020 for a period of 2 years at a salary of Rs. 26,19,720 per annum plus perquisites.

Mr. Ashok Kumar Kanodia is 71 years old and hence as per Section 196 of the Companies Act 2013, his appointment will require Special Resolution by the Shareholders of the Company. He is a graduate of Massachusetts Institute of Technology (MIT), USA and is the Founder of the Company. He has deep understanding of the business segments that the Company operates in and is a well-known figure in the industry both in India and abroad for his contribution in policy formulations. The Board recommends reappointing him as the Managing Director of the Company for a period of 2 years.

The Board recommends his appointment and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Nikhil Kanodia, Whole Time Director and President and he himself is interested in passing of this resolution except as ordinary shareholders/directors of the Company.

The terms and conditions of his re-appointment are as under:

1. Salary: Rs. 28, 81,692 per annum.
2. In addition to the Salary, he shall be entitled to the following perquisites:
   a) Medical Reimbursement: Medical expenses incurred for self and his family, as per rules of the Company; however not exceeding Rs. 1,32,000 /- per year.
   b) Leave Travel Allowance: For self and his family, as per rules of the Company; however not exceeding Rs. 2,75,000 once in two years.
3. Managing Director shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in Point "1" above:
   a) Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under The Income Tax Act 1961.
   b) Encashment of leave at the end of tenure.
   c) Provision for use of chauffeur driven Company Car for official duties and Cellular phone (including payment for local and overseas official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
   d) He will be entitled for Reimbursement of expenses incurred for the business of the Company in any manner whatsoever.

4. For aforesaid purpose a family means the spouse, dependent children.
5. The perquisites to be evaluated as per The Income Tax Rules wherever applicable.
6. 10% per annum increase in salary subject to Nomination and Remuneration Committee recommendation and Board of Directors approval.

   Further, in case of loss or inadequacy of profits, he shall be eligible for his entire remuneration provided that total remuneration shall not exceed limits as stated in Schedule V of Companies Act, 2013 as amended from time to time.

   The Board recommends his appointment and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Nikhil Kanodia, Whole Time Director and President and he himself is interested in passing of this resolution except as ordinary shareholders/directors of the Company.

Item 5:

Mr. Nikhil Kanodia was appointed as a Whole Time Director and President of the Company, for a period of 5 years with effect from August 11, 2017, in the AGM held on September 25, 2017. Mr. Nikhil Kanodia is a second generation technocrat industrialist who graduated from Carnegie Mellon University (CMU), USA where he obtained his B.S. and M.S. degrees in Electrical and Computer Engineering. As an M.S. student, he worked as a Research Assistant under Prof. Dave Johnson who is credited to be the father of "Mobile Ad-Hoc Networking". As an Engineer in the late 90's he contributed to the research of Gigabit Ethernet Technology and holds an Intellectual Patent for his work done on "Gigabit Ethernet Link Aggregation" during his tenure at Fujitsu Network Communications in Texas, USA.

He moved back home to India in 2002 and developed several products in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers. Under his leadership and initiative, the Company is now doing business in Israel, USA and France and has developed new vistas in the market segments of Telecom, Defence, Homeland Security, Healthcare and Cyber security.

The Board recommends his appointment and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Ashok Kumar Kanodia, Managing Director and he himself is interested in passing of this resolution except as Ordinary Shareholders/Directors of the Company.

The terms and conditions of his re-appointment are as under:

1. Salary: Rs. 59, 44,132/- per annum.
2. Commission @ 1% net profits of the Company.
3. In addition to Salary, he shall be entitled to the following perquisites:
   a) Medical reimbursement: Medical expenses incurred for self and his family, as per rules of the Company rules.
   b) Leave Travel Allowance: For self and his family, as per rules of the Company rules.
4. He shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration as specified above:
   a) Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under the Income Tax Act 1961.
   b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
   c) Encashment of leave at the end of tenure.
   d) Provision for use of chauffeur driven Company car for official duties and cellular phone (including payment for local and overseas official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
   e) He will be entitled for reimbursement of expenses incurred for the business of the Company.
5. For aforesaid purpose a family means the spouse and dependent children.
6. The perquisites to be evaluated as per The Income Tax Rules wherever applicable.

   Further, in case of loss or inadequacy of profits, he shall be eligible for his entire remuneration provided that total remuneration shall not exceed limits as stated in Schedule V of Companies Act 2013 as amended from time to time.

   The Board recommends his appointment and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Ashok Kumar Kanodia, Managing Director and he himself is interested in passing of this resolution except as Ordinary Shareholders/Directors of the Company.

Precision

Annexure to the Notice

Notes on Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and additional Information required by Secretarial Standard -2 (SS-2) issued by The Institute of Company Secretaries of India is as under:

Particulars/ Names	Mr. Harbir Singh Banga (DIN: 05313332)	Mr. Ashok Kumar Kanodia (DIN: 00002563)	Mr. Nikhil Kanodia (DIN: 03058495)
Date of Birth	April 15, 1990	January 07, 1951	November 12, 1976
Date of 1st Appointment on Board of the Company	February 12, 2021 (As an Additional Director)	Since inception	August 11, 2017 (As a Whole Time Director and President)
Qualification	B. Tech in manufacturing Engineering and MBA in Finance	B.Sc Physics Honours, Graduate in Electrical Engineering& Business Management from Massachusetts Institute of Technology(MIT), USA	B.S. and M.S. degrees in Electrical and Computer Engineering from Carnegie Mellon University(CMU), USA
Expertise in specific functional areas	In depth knowledge of manufacturing business	In depth knowledge of the Company's business	Developed several products in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers
Directorship of other Companies (excluding Foreign Companies and Section 8 Companies)	1. Bon Voyage Tavern Pvt. Ltd. 2. Victora Auto Pvt. Ltd. 3. Bhumi Engineering Co. Pvt. Ltd. 4. S M Industrial Consultants Pvt. Ltd. 5. J H A Infratech Pvt. Ltd.	1. VM Farms Pvt. Ltd., 2. SNK Electronics Pvt. Ltd.	1. Nabewell Networks Pvt. Ltd.
Chairmanship/ Membership of Committees of other Public Companies	-	-	-
Number of shares held in the Company in his own name	0	1,02,806 equity shares	34,15,901 equity shares
Number of Board Meetings attended during 2021-22	3	7	7
Remuneration (CTC) drawn during Financial Year 2021-22	0	Rs. 29,90,736/-	Rs. 63,49,800/-
Directors' inter se relationship with other Directors, Manager/Key Managerial Personnel	None	Father of Mr. Nikhil Kanodia, Whole Time Director and President	Son of Mr. Ashok Kumar Kanodia, Managing Director

By Order of the Board
For Precision Electronics Limited

Place: Noida
Date: August 08, 2022

Sd/-
Vrinda Mohan Gupta
Company Secretary cum Compliance Officer

DIRECTORS' REPORT

To
The Members
Precision Electronics Limited,

Your Directors have pleasure in presenting the 43rd Annual Report on the Business and Operations of the Company along with the Audited Statements of Accounts for the Financial Year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

Your Company's performance during the year as compared with that during the previous year is summarized below:

(Rs. in millions)

PARTICULARS	CURRENT YEAR (FY 2021-22)	PREVIOUS YEAR (FY 2020-21)
Revenue*	387.5	423.1
Profit before Depreciation, Interest, & Tax	17.4	32.10
Depreciation	7.3	8.0
Finance Cost	27.6	18.6
Net profit before Tax	(17.5)	5.5
Provision for Tax	(0.7)	(0.2)
Net profit after tax	(16.8)	5.7

*Revenue is net of Excise duty, VAT, Sales tax & Service Tax.

DIVIDEND

As the Company did not earn any profit during the financial year 2021-2022, the Board does not recommend payment of any dividend for the financial year under review.

TRANSFER TO RESERVES

The Board does not recommend transferring any amount to the General Reserve.

2. REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Overall revenue of the Company for the year ended March 31, 2022, was recorded at about Rs. 387.5 million which is 9.2% lower as compared to previous Financial Year 2020-21 revenue of Rs. 432.1 million. Consequently, your Company suffered a loss of Rs.16.8 million as against profit of Rs.5.7 million in the previous financial year 2020-21. Project execution suffered during the first quarter of financial year 2021-22 due to Covid pandemic and movement restrictions thereof. In effect first quarter was a write off. This further resulted in delay of placement of repeat Satcom equipment orders.

The Company has restructured its business segments from the erstwhile "Electronics & Telecom" and "Infra Services" to "Masts & Pedestals", "Electro-Mechanical Manufacturing", "ICT Solutions" and "Engineering Services." The purpose of this restructuring is to more accurately represent your Company's focus, efforts and intuitively simplify revenue stream between Supply and Services.

2.1 Masts & Pedestals:

Revenue for the year ended March 31, 2022, is Rs. 40.5 million as against Rs. 60.9 million in the previous financial year 2020-21. Dedicated efforts are being made in this segment to address the Domestic as well as Export market of Defence & Security customers. Manufacturing plant is located at Noida, Gautam Budh Nagar, U.P. 201301.

2.2 Electro-Mechanical Manufacturing:

Revenue for the year ended March 31, 2022, is Rs. 128.7 million as against Rs. 61.8 million in the previous financial year 2020-21. In addition to existing clientele from the Defence and Healthcare industry, we are targeting Automotive, E-Mobility and Telecom (5G) sectors for turnkey Box Build (Built-to-Print) and Power Electronics (Built-to-Spec). Manufacturing plant is located at Noida, Gautam Budh Nagar, U.P. 201301.

2.3 ICT (Information and Communication Technology) Solutions:

Revenue for the year ended March 31, 2022 is Rs. 98.3 million as against Rs. 201.2 million in the previous financial year 2020-21. We are enhancing our portfolio from SATCOM and Last mile networking solutions to include 4G/5G Cellular, Cyber Security, Surveillance and Anti-Drone solutions.

2.4 Engineering Services:

Revenue for the year ended March 31, 2022, is Rs. 85.9 million as against Rs. 90.4 million in the previous financial year 2020-21. Engineering Services includes Turnkey Installation & Commissioning (previously known as "Infra Services"), Warranty-AMC Services and Lab Testing Services. All Services related revenues of the Company will be captured under this vertical henceforth.

3. **MANAGEMENT DISCUSSION AND ANALYSIS**

INDUSTRY STRUCTURE AND DEVELOPMENTS

A. For most procurements by Government of India (GoI) entities (Defence & Security, Telecom) and associated PSUs there is more support and push for MAKE IN INDIA than ever before. Class I suppliers having 50% or more Indian content can get up to 20% purchase preference.

B. DEFENCE SECTOR: GoI has set a target of $5Billion Defence Exports by 2025. Ministry of Defence (MoD) and Ministry of External Affairs (MEA) are supporting Indian Exporters via their Embassies in 45 targeted countries to provide a Government umbrella for lead generation, evaluation and contract closure. NATO and Middle East (Arab countries) are expected to significantly increase their Defence spending for the next 3-4 years due to emerging geopolitics situations and threat perceptions thereof. These geographies are friendly for Indian Defence export.

C. ANTI-DRONE MARKET: GoI under the Ministry of Aviation has created a separate sector for Drones which is expected to become a $2Billion industry by 2025. The business of Anti-Drone systems is part of the Drone sector. Incidentally, Drones also represent big security challenges for Military, Paramilitary, Police and Critical Infrastructure entities and a significant market for Anti-Drone Systems or Counter Unmanned Aerial Systems (C-UAS) exists in India and globally.

D. 5G CELLULAR NETWORKS: It is expected that 40% of all mobile users in India by 2027 will be on 5G and 40% of all 5G traffic will be from Enterprises. India has formally set the ball rolling for building captive private 5G networks by issuing rules which state that enterprises seeking spectrum directly from the Telecom Department would be given a renewable license for 10 years without the need to pay any entry or license fee. Furthermore, the advent of Open Radio Access Network (ORAN) creates the possibility of massive democratization of 5G equipment and will bring in many new players that will require Manufacturing support and Systems Integration, thereby creating new business opportunities.

E. CHINA+1 SOURCING: We expect India to benefit greatly in the space of electronic/ electrical/ electro-mechanical assemblies for Automotive, Battery Electric Vehicles, Hi-tech machines (for Healthcare, Printing, and Manufacturing sectors) and Telecom. With India being a big and competitive market, incumbent OEMs are showing greater interest in larger Indian content in their products and new OEMs are looking to create Indian supply chains.

SEGMENT-WISE/ PRODUCT-WISE OUTLOOK

The Company has restructured its Electronics & Telecom Segment into multiple segments to provide more clarity, granularity and focus to each segment. They segments include:

A. Masts & Pedestals: Your Company addresses requirements for Tactical Elevation and Positioning in Military, Paramilitary, Homeland Security and Telecom sectors with its wide and growing portfolio of Telescopic Masts, Tripods and Pedestals which are designed, developed and manufactured in-house. Our customers for this product family include OEMs of ground based Radars, Signal Intelligence, Jammers, RF communications, Electro-Optics; and Systems Integrators dealing with ground based Anti-Drone, Electronic Warfare, Border/ Perimeter Security and TACCOMS. This product line has a lot of relevance for the Export Market and your Company expects 30-35% of its overall revenues to come from this segment.

B. Electro-Mechanical Manufacturing: Your Company has had long standing relationships with several large Israeli Aerospace & Defence (A&D) companies and a major global Healthcare equipment manufacturer (GE) for the better part of the last 10 years. We have unique multi-disciplinary strengths in Production Engineering, Fabrication and Assembly of turnkey Box builds including Electronics (RF, Power, Mixed Signal and Digital), Electricals (Wiring, Panels) and Metal Forming (CNC Milling, CNC Turning, Sheet Metal and Casting). Your Company is embarking on a strategy to go after more major OEMs in A&D, Telecom (5G), Automotive, E-Mobility and Industrial sectors for business of Metal Parts, Cable Harnesses, Power Distribution Units and turnkey Box Builds. This revenue segment has a significant Export component and your Company expects 30-35% of its overall revenues to emanate from here.

C. ICT Solutions: Your Company has been an ICT (Information and Communication Technology) specialist for the last 30+ years in India, serving customers in Telecom, Railways, Oil & Gas, Defence, Homeland Security (HLS), Government (Non-Defence/ Non-HLS) and Critical Infrastructures. Our capabilities for Product Development, Production, Complex Integration and Engineering Services all come together to provide turnkey solutions for:

#	Description	Customers
1	Private LTE/ 5G Networks	Telecom, Defence, HLS, Public Enterprises
2	SATCOM	Telecom, ISRO, Defence, HLS
3	SIGINT &Cyber Security	Defence, HLS, Government (Non-Defence/ Non-HLS)
4	Integrated Perimeter Security System	Defence, HLS, Critical Infrastructures
5	Anti-Drone Systems	Defence, HLS, Critical Infrastructures

The solutions above are targeted for the Government, Public Enterprises and Critical Infrastructures in India. Your Company works with several best in class technology partners to obtain Prime Contracts directly from end users. This segment represents 25-30% of overall revenues.

D. Engineering Services: Your Company provides Comprehensive Engineering Services to Critical Infrastructures and Government customers in the areas of Tactical Networks, Strategic Networks, Electronic Warfare, Critical Infrastructure Protection, Airfield Modernization and Cyber Security. Engineering Services are inclusive of:

- SITIC (Supply, Install, Test, Integrate and Commission): inclusive of erstwhile Works/ EPC contracts

- Warranty & AMC Depot: to support serviceability of Telecom, RF, Power, Digital Electronics, Cable Harnesses and Motor/ Drive based systems
- Environmental Testing Services: against requirements of Military and Telecom standards.

This segment targets large Domestic/ Foreign OEMs and Domestic/ Foreign Systems Integrators that require in-country support for highly sophisticated technologies and represents 10-15% of overall revenues.

OPPORTUNITIES, THREATS, RISK & CONCERNS

Opportunities

1. Big emerging market in India, NATO and Middle East for Tactical Elevation and Positioning products due to the surge of military spending and more specifically in Anti-Drone solutions and Border Surveillance.

   Masts, Tripods, Pedestals and Built-to-Spec Power Electronics & Interconnectivity devices are typically offered by different vendors. Your Company provides the ability to simplify supply chains for customers looking for all of the above under one roof.
2. Plethora of new players in e-Mobility and 5G need to rapidly develop their supply chains for Built-to-Print and Built-to-Spec Manufacturing
3. Demand of MAKE IN INDIA by the GoI for almost any Public procurement is encouraging large Foreign OEMs to set up, shop and/or enhance local content. Providing great opportunities for Manufacturing and Engineering Services.

Threats, Risk & Concerns

a) Global shortage of semiconductor chips.

b) Highly volatile geopolitics due to extended conflict in Europe (Ukraine) and possibility of new potential conflicts in the Indo-Pacific / South China Sea could negatively affect the export market.

c) COVID pandemic.

d) Talent shortage for developing globally competitive technologies in India.

e) Timely sanction of Government budgets.

f) Dependence on tender driven businesses.

The following are the significant changes in the key financial ratios:

Ratio Analysis (2021-22)				REMARKS
Sl. No.	**Particulars**	**FY 2021-22**	**FY 2020-21**	
1	Debt Service Coverage Ratio	0.09	0.12	Since the Company has incurred losses during the current financial year, the ratio have been impacted as compared to the previous financial year.
2	Return on Equity Ratio	-0.12	0.03	
3	Inventory Turnover Ratio	1.71	2.19	
4	Receivables turnover	3.61	1.61	
5	Trade Payable Turnover Ratio	3.36	1.37	
6	Net Capital Turnover Ratio	3.08	3.87	
7	Net Profit Margin Ratio (%)	-4.68	1.02	
8	Return on Capital Employed	0.03	0.09	
9	Return on Investment (%)	1.38	4.46	

Internal Financial Control & Others

The Company has in place adequate internal financial controls with reference to financial statements. During the year no reportable material weakness in the system was observed. The Audit Committee, Internal Auditors and the Senior Management periodically examine, analyse and evaluate the internal controls prevalent in the Company. The internal control provides reasonable assurance about the integrity and reliability of the Company.

Human Resource Development

The total number of employees of the Company as on March 31, 2022, stood at 140.

Your Company believes that employees are the most valuable assets of an organization and the optimum utilization of the skill, knowledge and attitude they possess are instrumental to the growth of the organization. Your Company has lived and encouraged meritocracy, entrepreneurship, teamwork and performance driven culture. The focus has been on creating reserves through cross functional and interdisciplinary exposure at all levels to ensure redundancy and robustness in the organization. Efforts were made to support your Company's family including the extended family during the COVID times and assistance wherever required was provided.

Financial Facilities

The Company continues to enjoy the support of its bankers South Indian Bank, Noida branch for both fund and non-fund based facilities.

4. **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013 that:

a) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2021-22 and of the Profit and Loss of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a 'going concern' basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. **CORPORATE GOVERNANCE**

In compliance with the requirements of Regulation 27 read with Schedule II Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance along with the certificate from M/s Munish K Sharma & Associates, Company Secretaries on its compliance forms a part the Annual Report.

6. **ANNUAL SECRETARIAL COMPLIANCE REPORT**

In compliance with SEBI circular dated February 8, 2019; bearing Reference No. CIR/CFD/CMD1/27/2019, an Annual Secretarial Compliance Report by Practicing Company Secretary M/s Munish K Sharma & Associates, Company Secretaries is attached as "**Annexure I**".

7. **CORPORATE SOCIAL RESPONSIBILITY(CSR):**

The Company is not covered for Corporate Social Responsibility, pursuant to the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

8. **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

There were contracts or arrangement with related parties, on arm's length basis, referred to in Section 188 (1) of the Companies 2013 during the financial year under review.

Form AOC-2 is attached herewith as "**Annexure II**" for the related party transactions. The transaction entered was on arm's length basis and in ordinary course of business, for the period beginning from April 2021 to March 2022.

Mr. Ashok Kumar Kanodia, Managing Director and Mr. Nikhil Kanodia, Whole Time Director cum President form part of promoter group. The transactions with them during the financial year 2021-22 are given in Note 42 of Balance sheet.

9. **RISK MANAGEMENT**

Your Company has formulated a Risk Assessment and Management Plan which includes procedures to assess and curtail risk. The factors that affect the Company's profitability and operations are regularly monitored.

10. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board is well balanced with professionals, legal experts and persons with business background who are connected with the industry and have the requisite expertise and experience to guide the Company.

The present Directors and Key Managerial Personnel of the Company are: Mr. Ashok Kumar Kanodia (Managing Director), Mr. Nikhil Kanodia (Whole Time Director and President), Mr. Jagjit Singh Chopra (Chief Financial Officer) and Ms. Vrinda Mohan Gupta (Company Secretary cum Compliance Officer).

Ms. Veenita Puri and Mr. Mohit Kumar Goel resigned from the Company as Company Secretary cum Compliance officer with effect from October 15, 2021 and June 18, 2022 respectively and Ms. Vrinda Mohan Gupta was appointed as Company Secretary cum Compliance officer with effect from July 14, 2022.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 Non-Executive Independent Directors are not liable to retire by rotation. As per the disclosure received from the Directors, none of the Directors are disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

Mr. Harbir Singh Banga, Non-Executive Director retires by rotation and has offered himself for re-appointment.

Mr. Ashok Kumar Kanodia, was re-appointed as Managing Director of the Company, with effect from August 14, 2020 for a period of 2 (two) years. Pursuant to the terms of appointment, his term expired on August 13, 2022. Based on the recommendations of Nomination and Remuneration Committee, the Board of the Company in its meeting held on August 08, 2022 recommended his re-appointment for a period of two (2) years to the shareholders.

Mr. Nikhil Kanodia was appointed as Whole Time Director and President of the Company with effect from August 11, 2017, for a period of 5 (five) years. Pursuant to the terms of appointment, his term expired on August 10, 2022. Based on the recommendations of Nomination and Remuneration Committee, the Board in its meeting held on August 08, 2022 recommend his re-appointment for a period of two (2) years to the shareholders.

11. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board confirming that they continue to fulfill all the requirements to qualify for their appointment as Independent Director under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities & Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has devised an evaluation matrix for the performance evaluation and an external consultant Adv. Munish Kumar Sharma, Advocate & Insolvency Professional, was engaged to collate and evaluate the results. He presented the Board Evaluation Result in the Meeting of Nomination and Remuneration Committee held on July 30, 2022.

A Meeting of Independent Directors was held on July 30, 2022, without the attendance of other directors (Non-Independent) to review the performance of Non-Independent Directors, the Board as a Whole and the Chairperson for the Meetings and to assess the flow of information between Company Management and the Board.

Pursuant to the performance evaluation carried on by the Board, the Board is of the opinion that the Independent Directors are expert in their fields and have relevant experience to serve the Company in the long run.

Mr. Deepto Roy, Independent Director is exempt from online proficiency test vide notification no. G.S.R 774(E) dated 18th December 2020. Mrs. Preeti Grover, Mr. Sharvan Kumar Kataria and Mr. Neeraj Bajaj, Independent Directors have cleared the online proficiency self-assessment test for Independent Director's databank conducted by Indian Institute of Corporate Affairs.

13. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The requisite detail as required by Section 134(3) (e) is disclosed under the Corporate Governance Report.

14. AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDIT

At the Annual General Meeting held on September 25, 2017, M/s Nemani Garg Agarwal, & Co., Chartered Accountants, bearing (F.R.N. 010192N) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 43rd Annual General Meeting. They are being proposed to be re-appointed as the Statutory Auditors of the Company for a period of five (5) Years till the conclusion of 48th Annual General Meeting. The Company has received a Certificate from them to the effect that their appointment, if made, would be as per the requirements specified under Section 141 of the Act and the Rules framed there under.

The notes on financial statements referred to in the Auditor's report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

The Board appointed M/s Munish K Sharma & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith marked as Annexure III to this Report. The observations in the Secretarial Audit Report are explained point-wise by your directors asunder:

a) Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd. were informed to get their shares dematerialized by the Company but no communication is received so far from either of them.

b) Delay in submission of Financial Results by few minutes was due to improper net connectivity experienced during that time.

c) The link of Company website and stock exchange in the newspaper publication, for the quarter ended September 2021 were not given because of a typographical error

d) The delayed payment of dues to MSME suppliers are as per the agreed terms and conditions with the management of the Company.

INTERNAL AUDIT

The Board of Directors has pursuant to Section 138 of the Companies Act, 2013 and on recommendation of the Audit Committee has appointed M/s Rajendra K. Goel & Co., Chartered Accountants, as the Internal Auditors of the Company for the financial year 2021-22.

15. DISCLOSURES

VIGIL MECHANISM

A Vigil Mechanism of the Company which also includes a Whistle Blower Policy pursuant to Section 177(9) & 10 of Companies Act, 2013, has been established and can be accessed on the Company website www.pel-india.in.

AUDIT COMMITTEE

The Audit Committee comprises of following Three (3) Independent Directors and during the Financial Year 2021-22, Five (5) Meeting(s) of the committee were convened, the attendance record of members of the committee is as follows:

S. No.	*Name of Directors*	*Category*	*Status*	*Meeting Attended*
1.	Mr. Sharvan Kumar Kataria	NEID	Chairman	5
2.	Mr. Neeraj Bajaj	NEID	Member	5
3.	Mr. Deepto Roy	NEID	Member	2

The recommendations, if any made to the Board by the Audit Committee during the year under review were accepted.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of following members and during the Financial Year 2021-22 two (2) Meeting of the Committee were convened, the attendance record of members of the committee are as follows:

S. No.	*Name of Directors*	*Category*	*Status*	*Meeting Attended*
1.	Mr. Sharvan Kumar Kataria	NEID	Chairperson	2
2.	Mr. Neeraj Bajaj	NEID	Member	2
3.	Mr. Deepto Roy	NEID	Member	0

The recommendations, if any made to the Board by the Nomination and Remuneration Committee during the year under review were accepted. Nomination and Remuneration Policy of the Company can be accessed on the Company website www.pel-india.

There was no change in the Nomination and Remuneration Policy during the year.

Your Board has approved "The Terms and Conditions of Appointment of Independent Directors" which is available on Company's website "www.pel-india.in"

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of following Three(3) Directors out of which Two(2) Directors are Independent Directors and One (1) Director is Non-Independent Non-Executive Director and during the financial year 2021-22, One (1) Meeting of the committee was convened, the attendance record of members of the committee is as follows:

S. No.	*Name of Directors*	*Category*	*Status*	*Meeting Attended*
1.	Mr. Sharvan Kumar Kataria	NEID	Chairman	1
2.	Mr. Rahul Goenka	NED	Member	1
3.	Ms. Preeti Grover	NEID	Member	1

MEETINGS OF THE BOARD

The Board of Directors met Five (5) times on June 10, 2021, June 28, 2021, August 13, 2021, November 2, 2021, and February 11, 2022. For further details, please refer Report on Corporate Governance, which is part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

There were no transactions of the nature covered under Section 186 of the Companies Act, 2013.

ANNUAL RETURN

Pursuant to Section 134 of the Companies Act, 2013, Annual Return in MGT-7 is available at the Company's website at www.pel-india.in

PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as required to be disclosed under the Act, is provided in "**Annexure III**" to this Report.

PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as "Annexure IV" to this Report.

The Company does not have any employees employed throughout the financial year and in receipt of remuneration of Rs. 1.02 Crore, or employed for part of the year and in receipt of Rs. 8.50 Lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The list of top ten employees of the Company in terms of their remuneration is as follows:

Mr. Ashok Kumar Kanodia (71), Managing Director, 01.05.1979, 0.74% equity shares, Rs. 29,90,736/-, B.E. Electrical (43); Mr. A. Babu (45) Project Manager EW, 31.03.2021, Rs. 15,72,156, B.Sc and B.Tech (Communication) (26), Indian Army, Corps of Signals; Mr. Amit Kumar Mittal (52), Senior Deputy General Manager, 14.02.2006, Rs. 19,20,000/-, B.E (E&C) (28), Punjab Wireless System Ltd. ;Mr. Deepak Jagga (50), Senior Vice President Marketing, 01.04.2002, Rs. 26,30,916/-, B.E (Electronics) (34); Mr. Jagjit Singh Chopra (53), Chief Financial Officer, 25.04.2014,Rs.23,79,996/-, Chartered Accountant (24), Blessings Advertising Pvt. Ltd.; Mr. Nikhil Kanodia (45), Whole Time Director and President, 24.67% equity shares, Rs. 63,49,800/-, M.S. Electrical & Computer Engineering (24), Fujitsu Network Communications; Mr. Piyush Mehrotra (57) General Manager BD, 17.10.2020, Rs. 14,52,000, B.Tech Mechanical (34), Kunta International; Mr. Pritam Chand (57) Team Lead EW, 31.03.2021, Rs. 12,00,000, Diploma in Science and Communication (31), Indian Army, Corps of Signals; Ms. Puneet Kaur Arora (39) AGM HR &Administration, 01.06.2009, Rs. 12,90,240, MBA (HR) (13), Digi Tech Information Technologies Private Limited; Mr. Yogesh Singh (40) Sr. Manager - Production, 03.10.2007, Rs. 12, 00,000, MBA (Operations) (21), Ahuja Radios Private Limited.

Please note that none of the above employee is employed on contractual basis.

FIXED DEPOSITS

The Company has not invited or accepted any deposits during the year under review or in the past and hence no amount of principal or interest was outstanding as on the Balance Sheet date.

SIGNIFICANT & MATERIAL ORDERS

There are no significant or material orders for the period under review i.e. financial year 2021-22, impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Company has constituted Internal Complaints Committee for reporting of cases, if any, related to sexual harassment. Committee Meetings are held at regular intervals and employees are sensitized on the issue on regular interval. No case was reported and/or filed during the year under the aforesaid Act. The Annual Return for the Sexual Harassment of Women at Workplace (Prevention, Prohibition &Redressal) Act, 2013 was filed by the Company for the year ended December 31, 2021.

INSOLVENCY AND BANKRUPTCY CODE 2016

The Company has no proceedings made or any proceeding pending under the Insolvency and Bankruptcy Code 2016 for the financial year 2021-2022.

VALUATION

Disclosure w.r.t. difference between the amounts of the valuation executed at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions is not applicable.

16. LISTING OF SECURITIES

The Shares of the Company are listed with The Bombay Stock Exchange Limited, Pheruze Jeejeebhoy Towers, Dalal Street, Mumbai. (Scrip Code: 517258). It is confirmed that the Company has paid Annual Listing Fee for the financial year 2021-22 to BSE.

17. ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY

The Safety & Health of employees and external stakeholders are embedded in the core organizational values of the Company. This aims to ensure safety of public, employees, plant & equipment, ensure compliance with all statutory rules and regulations, imparting training to its employees, carrying out safety audits of its facilities, and promoting eco - friendly activities.

The Company continues to maintain excellent track record on safety. The site had no accidents during the year 2021-22. Your Company also has a Workman Safety Committee under Section 41G of Factories Act 1948. This Committee meets at regular intervals to take measures for Worker's Protection in order to make your Company a safe place to work.

18. CAUTIONARY STATEMENT

Certain statements made in Management Discussion & Analysis Report relating to the Company objectives, projections, outlook, expectations, estimates etc. may constitute 'forward looking statements' within the meaning of applicable laws & regulations. Actual results may differ from such expectations, projections etc. whether express or implied.

19. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB- SECTION (12) OF SECTION 143

During the year under review, there has been no instance of fraud reported by Auditors under Section 143(12) of the Companies Act, 2013.

20. SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES DURING THE YEAR

The Company is not having any subsidiary/joint venture/associate Company during the year under review. Hence, Form AOC-1 is not required to be attached.

21. CAPITAL STRUCTURE

The Paid Up Share Capital of the Company is Rs.13,84,87,620/- (Rupees Thirteen Crore Eighty Four Lakhs Eighty Seven Thousand Six Hundred and Twenty Only) comprising of 1,38,48,512 fully paid up equity shares of Rs.10/- each amounting to Rs.13,84,85,120/- and Rs.2500/- on account of forfeited shares. The Company has neither made any issue/allotment nor made any buy back of securities during the Financial Year 2021-22.

22. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has duly complied with the provisions of applicable Secretarial Standards (SS) as issued by Institute of Company Secretaries of India (ICSI).

23. MAINTENANCE OF COST RECORDS:

As per the provisions of Section 148(1) of the Companies Act, 2013 and Rules made there under, the Company being classified as "Small" Company under Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), was not required to make a disclosure of maintenance of cost records as specified by the Central Government.

24. RECEIPT OF AMOUNT FROM DIRECTORS:

During the Financial Year 2021-22, the Company has received no amount from the Directors as referred in Sub-Clause (viii) of Clause (c) of Sub-Rule (1) of Rule 2 of Companies (Acceptance of Deposits) Rules, 2014.

25. ACKNOWLEDGMENTS:

Your Directors express their deep appreciation and gratitude for the valuable support received from South Indian Bank, Noida branch, its Customers, Business Associates, Government Departments and Shareholders and look forward to similar support and co-operation in future. Your directors appreciate the sincere efforts put in by the employees at all levels.

FOR AND ON BEHALF OF THE BOARD

Place: Noida
Date: August 08, 2022

Ashok Kumar Kanodia
Managing Director
DIN: 00002563
Add: D-1081, New Friends Colony, Delhi-110025

Nikhil Kanodia
Whole Time Director and President
DIN: 03058495
Add: D-1081, New Friends Colony, Delhi -110025

Annexure II
FORM NO. AOC -2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's Length Basis:

Name(s) of the related party and nature of relationship	NIL
Nature of contract/ arrangements/transactions	
Duration of contract/ arrangements/transactions	
Salient terms of contract or Arrangements or transactions including value, if any	
Justification for entering in to such contract or Arrangements or transactions	
Date(s) of approval by the Board	
Amount paid as advance, if any	
Date on which special resolution was passed in General Meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's Length Basis.

Sl. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Mr. Harbir Singh Banga, Director - Victora Auto Pvt. Ltd., Director - S M Industrial Consultants Pvt. Ltd. Director - Bon Voyage Tavern Pvt. Ltd. Director - Bhunit Engineering Co. Pvt. Ltd. Director - J H A Infratech Pvt. Ltd.
2	Nature of contract/arrangement / transactions.	The services were for purchase of raw material, taking office space on lease and taking loan pursuant to ordinary resolution passed in AGM held on 26.09.2019.
3	Duration of the contract/ arrangement / transactions	April 2021 to March 2022
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The loan of Rs. 5,35,00,000/- was taken from Victora Stock Invest Pvt. Ltd. and Rs. 20,00,000 was taken from Victora Auto Pvt. Ltd during the financial year 2021-22. The same was repaid during the Year. Purchase order of Rs. 40,15,431 has been entered with Victora Auto Pvt. Ltd.
5	Date of approval by the Board	The transactions were at arm's length basis and approved by Audit Committee and by the Board on June 10, 2021.
6	Amount paid as advances, if any	NIL

Annexure I

Secretarial Compliance Report of Precision Electronics Limited for the financial year ended 31st March, 2022

We, M/s. Munish K Sharma & Associates, Practising Company Secretaries have examined:

a. all the documents and records made available to us, and explanation provided by **Precision Electronics Limited** ("the listed entity"),

b. the filings/ submissions made by the listed entity to the stock exchange,

c. website of the listed entity,

d. any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the financial year ended 31st March, 2022, ("Review Period") in respect of compliance with the provisions of:

a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued there under; and

b. the Securities Contracts (Regulation) Act, 1956 ("SCRA") and rules made there under and the regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:

a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable

c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable

e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable

f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable

h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018,

And circulars/ guidelines issued there under;

And based on the above examination, we hereby report that, during the Review Period:

a. The listed entity has complied with the provisions of the above applicable regulations and circulars/ guidelines issued there under, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Shareholding of promoter(s) and promoter group in dematerialized form	High	Shares held by Mr. Hans Jurgen Wagner* and Knowledge Holdings & Investments Pte. Ltd.* (Promoter and Promoter Group) are not in dematerialized form. *Disclosure under Regulation 30(2) of SEBI (SAST) Regulation 2011, by Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd was not made.
2.	Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Outcome of Board Meeting	Low	The listed entity has filed the outcome of the Board Meetings in which financial results were discussed and approved for the quarter ended March 2021 and June 2021 by delay of few minutes with the stock exchange, which was required to be submitted to the stock exchange within 30 Minutes of the conclusion of Board Meeting.

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
3.	Regulation 47(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Reference in Newspaper Publication	Low	The listed entity has not given reference of the link of website of listed entity and stock exchange in the newspaper publication, where full details of financial results are available for the quarter ended September 2021.
4.	Disclosure under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI (Prohibition of Insider Trading) Regulations, 2015 – Disclosures of Directors	Medium	The listed entity has not provided disclosures of Directors i.e., Mr. Rahul Goenka, Mr. Sharvan Kumar Kataria, and Ms. Preeti Grover required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI (Prohibition of Insider Trading) Regulations, 2015.
5.	Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI (Prohibition of Insider Trading) Regulations, 2015 – Disclosures of Key Managerial Personnel and Senior Management	Medium	The listed entity has not provided disclosures of Key Managerial Personnel and Senior Management required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI (Prohibition of Insider Trading) Regulations, 2015.
6.	Regulation 30(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure of events submitted to stock exchange on website	Low	The listed entity has not disclosed the event of cessation of Ms. Veenita Puri from the post of Company Secretary cum Compliance Officer and appointment of Mr. Mohit Kumar Goel as Company Secretary cum Compliance Officer on its website.
7.	Regulation 22, 23 and 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Policy of Vigil Mechanism, Policy for Related Party Transaction and Policy of Materiality of events.	Medium	The listed entity has not updated Policy of Vigil Mechanism, Policy for Related Party Transaction and Policy of Materiality of events.

b. The listed entity has maintained proper records under the provisions of the above applicable Regulations and circulars/ guidelines issued there under insofar as it appears from our examination of those records.

c. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under.

Sr. No	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.

d. The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	Shares held by Mr. Hans Jurgon Wagner* and Knowledge Holdings & Investments Pte. Ltd. (Promoter and Promoter Group) are not in dematerialized form. *Disclosure under Regulation 30(2) of SEBI (SAST) Regulation 2011, by Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd was not made.		
2.	Not Applicable	Stakeholder Relationship Committee has two members during the period under review instead of three members.		
3.	Not Applicable	Delay of three days in submission of voting results of the Annual General Meeting in XBRL mode to the Stock Exchange.		

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
4.	Not Applicable	The Annual Report for the period ended March 31, 2020 did not disclose the directorship and the category of directorship of one of the independent director of the Company held in another listed company.		
5.		The Company has not filed Annual Report for the period ended 31st March, 2020, in XBRL Mode to the Stock Exchange.		

For Munish K. Sharma & Associates
Company Secretaries

Sd/-
CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No. 12387
UDIN: F009924D000426043

Place: Kaushambi, Ghaziabad
Date: 30th May, 2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members of
Precision Electronics Limited
(CIN: L32104DL1979PLC009590)
Regd. Office: D-1081, New Friends Colony,
New Delhi-110065

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Precision Electronics Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

The Company has informed that there are no laws which are specifically applicable to the Company except mentioned above.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange ('BSE').

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. *Shares held by Mr. Hans Jurgen Wagner* and Knowledge Holdings & Investments Pte. Ltd.* (Promoter and Promoter Group) are not in dematerialized form.*

**Disclosures under Regulation 30(2) of SEBI (SAST) Regulation 2011, by Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd. was not made.*

2. *The Company has filed the outcome of the Board Meeting in which financial results were discussed and approved for the quarter ended March 2021 and June 2021 by delay of few minutes with the stock exchange, which has required to be submitted to the stock exchange within 30 Minutes of the conclusion of Board Meeting.*
3. *The Company has not given reference of the link of website of the Company and stock exchange in the newspaper publication, where full details of financial results are available for the quarter ended September 2021.*
4. *The Company has delayed the payments of outstanding dues to Micro or Small Enterprises suppliers in few cases. However, Management has explained that the delayed payments are as per the agreed terms and conditions.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for the meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
We further report that during the audit period the Company has no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For Munish K. Sharma & Associates
Company Secretaries

Sd/-
CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No. 12387
UDIN: F009924D000747531

Date: **05th August, 2022**
Place: **Kaushambi, Ghaziabad**

Note: *This report is to be read with our letter of even date which is annexed as 'ANNEXURE-A' and forms an integral part of this report.*

Precision

Annexure-A'

To,
The Members of
Precision Electronics Limited
(CIN: L32104DL1979PLC009590)
Regd. Office: D-1081, New Friends Colony,
New Delhi-110065

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Munish K. Sharma & Associates
Company Secretaries

Sd/-
CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No. 12387
UDIN: F009924D000747531

Date: **05th August, 2022**
Place: **Kaushambi, Ghaziabad**

ANNEXURE-III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

Information as required under the Companies Act, 2013 is given hereunder:

(A) CONSERVATION OF ENERGY

1. **The Steps taken or impact on conservation of energy :**

   The Company continues to follow a regular schedule of preventive maintenance and servicing of all its energy intensive machine and equipment to ensure their optimum operation.

2. **The Steps taken by the Company for utilizing alternate sources of energy:**

   Due to financial crunch, the proposed roof top solar energy generation has been put on hold for the time being.

3. **The Capital investment on energy conservation equipment:**

   No capital expenditure has been incurred on energy conservation equipment during the Financial Year 2021-22.

(B) TECHNOLOGY ABSORPTION

1. **Efforts, in brief**

   With the renewed policy initiative of the Government to promote MSMEs and provide preferential market access to "Indigenous Design Developed and Manufactured", our design and development efforts are geared towards increasing the local content in all our products and developing products asked for by customers. The Company's R&D initiatives during the year were focused in following areas:

   i. Man-portable light masts and Tripods sought by the armed forces and homeland security agencies.

   ii. Motorized electronically controlled Pedestals family for precision alignment of payload viz. Antenna, Radar, Electro-optical devices, laser gun etc.

   iii. Power Distribution Units for the healthcare sector

2. **Benefits**

   i. PEL will have ownership of the design which will lead to control on cost, quality and the supply chain

   ii. Ability to enhance the product, in line with global customer expectations which will result in higher revenues and better margin.

   iii. Product portfolio will get expanded and export potential has increased.

3. **Information regarding technology imported during last 3 years**

   No new technology has been imported during the last 3 years.

4. **Expenditure on R&D:**

a.	Capital	Rs. NIL
b.	Recurring	Rs. 88.64 L
c.	Total	Rs. 88.64 L

Total R&D as a Percentage of total turnovers: 2.30 %

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The detailed information in respect of Foreign Exchange Earnings and Outgo has been given in 'Note on Accounts' forming part of "Annual Accounts 2021-22".

ANNEXURE IV

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The percentage increase in remuneration of Executive Directors, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY 2021 - 2022	% of increase /Decrease of remuneration in FY 2021-22	Ratio of remuneration to each Director/KMP to median remuneration of employees	Comparison of the Remuneration of the Director/ KMP against the performance of the Company
1	Mr. Ashok Kumar Kanodia, Managing Director	29,90,729	Nil	9.4	The remuneration of Director/ KMP is slightly low in comparison to the market scenario.
2	Mr. Nikhil Kanodia, Whole Time Director and President	63,49,800	Nil	19.8	
3	Mr. Jagjit Singh Chopra Chief Finance Officer	23,79,996	Nil	7.45	
4	Ms. Veenita Puri* Company Secretary cum Compliance Officer	5,62,488	Nil	1.76	
5	Mr. Mohit Kumar Goel** Company Secretary cum Compliance Officer	6,36,000	Nil	1.9	

* Ms. Veenita Puri was the Company Secretary cum Compliance Officer of the Company for the period from April 01, 2021 to October 15, 2021.

** Mr. Mohit Kumar Goel was appointed as the Company Secretary cum Complince Officer of the Company on November 02, 2021.

ii. The median remuneration of employees of the Company during the financial year was INR 3, 19,464.

iii. In the financial year, there was an increase of 8.7% in the median remuneration of employees.

iv. There were 140 permanent employees on the rolls of Company as on March 31, 2022.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 0%.

vi. The remuneration is as per the remuneration policy of the Company.

CORPORATE GOVERNANCE REPORT

Corporate Governance is a code of conduct that guides and instructs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to the interest of the Shareholders, the Creditors, the Government, and Society at large.

A. MANDATORY DISCLOSURES

1. PRECISION'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a good corporate citizen, your Company is committed to good Corporate Governance and believes in the attainment of the highest level of transparency, accountability, and integrity in all its operations, and emphasizes responsible conduct. The Disclosure relating to Company's Operations and Financial Performance are made to stakeholders.

2. BOARD OF DIRECTORS

Composition

The composition of the Board of Directors of the Company is guided by the requirements of The Companies Act 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2022, the Board of the Company consists of Eight (8) Directors comprising of Two (2) Executive Directors, Two (2) Non-Executive Non- Independent Directors and Four (4) Non-Executive Independent Directors including a Woman Director. The ratio between the Executive and Non-Executive Directors is 2:6.

None of the Directors on the Board is a Member of more than 10 Committees or Chairperson of more than 5 Committees [pursuant to the requirement of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] across all the Public Companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public Companies for the year ended March 31, 2022, have been made by the Directors and taken note in the Board Meeting held on May 24, 2022.

The composition of the Board of Directors together with their brief profile as on March 31, 2022, is given as under:

Mr. Ashok Kumar Kanodia – Managing Director (Promoter & Promoter Group)

Mr. Ashok Kumar Kanodia has over 42 years of experience in the field of Electronics and is the Founder, Promoter and Director of "Precision Electronics Ltd.". He completed B.Sc. with Physics honors' from St. Xavier College, Kolkata (Calcutta University) in 1970 and thereafter went for higher education at the prestigious Massachusetts Institute of Technology (MIT), USA where he graduated in Electrical Engineering and Business Management. He has always been associated with various committees formulated for policy making. His leadership extends to shaping National Policies and Regulations as a Member of the IT/Telecom Hardware Task Force set up by the Prime Minister of India and as President of the Telecommunication Equipment Manufacturers Association (TEMA) of India; the only Government recognized association of domestic telecom equipment manufacturers. He served back-to-back terms from 1999-2001.

He was one of the four industry representatives in the "Kelkar Committee" set up by the Defence Minister 'Towards strengthening self-reliance in Defence preparedness', where the focus of the committee was to recommend policy measures and procedures to facilitate the participation of the Private industry in The National Defence capability building.

He is currently the Chairman of the Specialist Group on Defence Information & Communication Technology (ICT) in the Society of Indian Defence Manufacturers (SIDM) and a National Defence Committee Member of the Federation of Indian Chambers of Commerce and Industry (FICCI) apex Forums for Industry in India and has made several contributions as industry representative in Defence international seminars, exhibitions and led industry delegations around the world. He is an acknowledged spokesperson of the Defence MSME units in India. He is highly qualified and extremely well regarded in the industry, both in India as well as internationally.

Mr. Nikhil Kanodia – Whole Time Director cum President (Promoter & Promoter Group)

Mr. Nikhil Kanodia is a second-generation technocrat industrialist who graduated from Carnegie Mellon University, USA where he obtained his B.S. and M.S. degrees in Electrical and Computer Engineering. As an M.S. student, he worked as a Research Assistant under Prof. Dave Johnson who is credited to be the father of "Mobile Ad-Hoc Networking". As an Engineer in the late 90's he contributed to the research of Gigabit Ethernet Technology and holds an Intellectual Patent for his work done on "Gigabit Ethernet Link Aggregation" during his tenure at Fujitsu Network Communications in Texas, The USA.

He moved back home to India in 2002 and as the Chief Technology Officer of Precision Electronics Ltd (PEL), he developed several products in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers. He is currently the Whole Time Director and President of PEL and is responsible for the Business Development and Operations of the company. Under his leadership and initiative, the Company is now doing business in Israel, USA, and France and has developed new vistas in the market segments of Healthcare, Hi-Tech equipment, and Railway Signaling.

Mr. Harbir Singh Banga – Non - Executive Director

Mr. Harbir Singh Banga is an engineer with B. Tech in Manufacturing Engineering and MBA in Finance from NMIMS Mumbai. He has rich experience in operations in the Auto industry. He looks after the day to day affairs of his company with a focus on quality and adaptability to market dynamics. He is committed to offering excellent products to the customers with a high standard of quality. With his technical background and experience, he always shoulders responsibility readily. He is deeply involved in the marketing activities of his company and has a very fruitful and trustworthy relationship with all their customers in India and overseas.

Mr. Neeraj Bajaj – Non - Executive Independent Director

Mr. Neeraj Bajaj is a Practicing Chartered Accountant with more than two decade(s) of experience in the field of project financing, techno-commercials appraisals and valuations, specialist technical services to Corporate, Small, and Medium Enterprises, and high net worth Individuals in the fields of Finance, Auditing, Taxation, Accounting & MIS and other areas. He works in close association with several Nationalized, Private Sectors Banks and Financial Institutions.

Mr. Sharvan Kumar Kataria – Non- Executive Independent Director

Mr. Sharvan Kumar Kataria is a Practicing Chartered Accountant since 1983 and has expertise in Corporate Laws, Income Tax, Direct Taxes, Indirect Taxes, Accounts and Audit Laws, Tax Planning, Tax Management, and Tax Jurisprudence and has many publications to his credit in the above subjects.

Mr. Deepto Roy – Non-Executive Independent Director

Mr. Deepto Roy is a graduate with a BA, LLB Hons. from the West Bengal National University of Juridical Sciences and has been admitted to the Bar Council of Maharashtra and Goa since 2005. He is a corporate lawyer specializing in projects, infrastructure, Companies Law, and Foreign Direct Investment. His acumen on his subject proved highly beneficial during his span of association with the Company.

Mrs. Preeti Grover - Non -Executive Independent Director

Mrs. Preeti Grover is a post-graduate in commerce from Delhi University and Law graduate from Delhi University. She is a fellow member of ICSI and a Practicing Company Secretary with more than two decades of vast experience in Public, Private and Listed Companies. She is a seasoned corporate sector professional with a specialization in Company Law Compliances, Consultancy, and Secretarial Audit. She is the Immediate Past Chairperson of Noida Chapter of NIRC-ICSI.

Mr. Rahul Goenka – Non- Executive Director

Mr. Rahul Goenka has been a Director on the Board of the Company since September 25, 2004. He is a Commerce graduate and is a MBA from Clark University, Worcester, USA. Presently he is a Director with Apparel & Textiles manufacturing and export company that employs over 1000 people across 3 manufacturing sites and exports their products to some of the best-known brands in UK. Mr. Rahul Goenka has in-depth knowledge and experience in Manufacturing and International Trade.

The Company's Board is well balanced and has an optimum combination of skills and competencies as follows:

Precision Electronics Limited designs and manufactures Communication & Electronics Products and Solutions for Mission Critical & Critical Infrastructure customers. In addition, it undertakes turnkey installation and support services including Works Contracts.	
Core Competencies required by the Board of Directors	Core Competencies available with the Board
Experience and Knowledge of industry and finance, Specialist Technical skills of its industry segments, Integrity, Commitment and Passion towards the company, understanding of Legal/Corporate law, Interpersonal Skills and experience in Risk Management	The Board of Directors has in whole all the competencies as required .

The names of the Directors with such *skills / competencies* as follows:

Director(s)	Skills/ Competencies
Mr. Ashok Kumar Kanodia	Vast experience in the field of Electronics and Telecommunication and also an active member in various committees formed by Government, CII, FICCI, etc, in policy formulation for promotion of business.
Mr. Nikhil Kanodia	Vast technical knowledge and experience in Communications, Networking and Cyber Technologies. He is responsible for the Business Development and Operations of the Company.
Mr. Harbir Singh Banga	Rich experience in operations of manufacturing industry and has acumen for strategizing marketing activities of the company.
Mr. Neeraj Bajaj	Practicing Chartered Accountant with more than two decade(s) of experience in the field of project financing, techno-commercials appraisals and valuations, specialist technical services to Corporate, Small and Medium Enterprises and high net worth Individuals in the fields of Finance, Auditing, Taxation, Accounting & MIS and other areas.
Mr. Deepto Roy	Corporate lawyer specializing in projects, infrastructure, Companies Law and Foreign Direct Investment.
Mr. Sharvan Kumar Kataria	Practicing Chartered Accountant since 1983 and has an expertise in Corporate Laws, Income Tax, Direct Taxes, Indirect Taxes, Accounts and Audit Laws, Tax Planning, Tax management and Tax Jurisprudence and has many publications to his credit in the above subjects.

Director(s)	Skills/ Competencies
Mrs. Preeti Grover	A fellow member of ICSI and a Practicing Company Secretary with more than two decades of vast experience in Public, Private and Listed Companies. A seasoned corporate sector professional with specialization in Company Law compliances, consultancy and Secretarial Audit. She is also the Immediate Past Chairperson of Noida, Chapter of NIRC-ICSI.
Mr. Rahul Goenka	Vast experience of manufacturing and international trade.

Meetings & Attendance of the Board of Directors

Dates of Board Meetings were fixed in advance and agenda papers were circulated to Directors within time as stipulated under various provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-1 on Board Meetings.

During the financial year 2021-22, Five (5) Board Meetings were held on June 10, 2021, June 28, 2021, August 13, 2021, November 02, 2021, and February 11, 2022. The intervening period between Board Meetings were within the maximum time gap prescribed under Companies Act 2013 read with Secretarial Standard - 1 on Board Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Directors' Attendance Records and Directorships held:

Name of Directors	Category	No. of Board Meeting Attended	Attended last AGM	No. of other Director-ships	No of other Board Committees in which he is member/ Chairperson.	
					Chairman	Member
Mr. Ashok Kumar Kanodia	MD	5	Yes		-	-
Mr. Nikhil Kanodia	WTD and President	5	Yes		-	-
Mr. Harbir Singh Banga	NED	3	No	-	-	-
Mr. Neeraj Bajaj	NEID	5	No	-	-	2
Mr. Sharvan Kumar Kataria	NEID	5	Yes	-	3	-
Mr. Deepto Roy	NEID	3	No	-	-	2
Mr. Rahul Goenka	NED	2	Yes	-	-	1
Mrs. Preeti Grover	NEID	5	Yes	-	-	1

Note 1: MD-Managing Director, WTD-Whole Time Director, NED-Non-Executive Director & NEID- Non-Executive Independent Director.

Note 2: Number of other directorship includes directorship in other listed companies only and other committees refers to their positions as chairman / member in audit / stakeholder committees only.

The Board pursuant to evaluation carried out of all the Directors confirms that the Independent Directors fulfils the conditions specified in these regulations and are independent of the management.

Mr. Ashok Kumar Kanodia, Managing Director is father of Mr. Nikhil Kanodia, Whole Time Director cum President.

The Last Annual General Meeting was held on September 28, 2021.

During the year, all the relevant information required to be placed before the Board of Directors as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were considered and taken on record/approved by the Board. Further, the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

The details of familiarization programs imparted to Independent Directors is given at company's website at www.pel-india.in

3. AUDIT COMMITTEE Powers

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference

The Audit Committee has been entrusted with the job of reviewing the reports of the Internal Auditors and the Statutory Auditors periodically and discussing their findings and suggesting corrective measures. The role of the Audit Committee is as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Recommending for the appointment, remuneration and terms of appointment of the Auditor.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to :
  - a) Matters required to be included in the Directors Responsibility Statements to be included in the Board's report in terms of Clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the Financial Statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to Financial Statements.
  - f) Disclosure of any Related Party Transactions.
  - g) Qualifications in the draft audit report.
- Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussing with Internal Auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications experience and background, etc. of the candidate
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Review of information by Audit Committee

The Audit Committee reviews the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by management;
- Management letters/letters of internal control weakness issued by the statutory auditors;
- Internal auditors reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings and Attendance of Audit Committee

During the Financial Year Five (5) Audit Committee Meeting were held on June 10, 2021, June 20, 2021, August 13, 2021, November 02, 2021 and February 11, 2022.

The intervening period between the Audit Committee meetings were within the maximum time gap as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition and Attendance of each member at the Audit Committee Meetings:

S. No.	*Name of Directors*	*Category*	*Status*	*Attended*
1.	Mr. Sharvan Kumar Kataria	NEID	Committee Chairman	5
2.	Mr. Neeraj Bajaj	NEID	Member	5
3.	Mr. Deepto Roy	NEID	Member	2

The Company Secretary cum Compliance Officer acted as Secretary to the Committee.

The Committee is vested inter alia with the aforesaid powers and terms of references as prescribed under relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The role of the committee shall inter alia, include the following:

- Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Director and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of Independent Directors, on the basis of report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

During the year 2021-22, Two (2) Nomination and Remuneration committee meetings were held on July 23, 2021 and November 02, 2021. The Nomination and Remuneration Committee consists of following members:

S. No.	*Name of Directors*	*Category*	*Status*	*Meeting Attended*
1.	Mr. Sharvan Kumar Kataria	NEID	Chairman	2
2.	Mr. Neeraj Bajaj	NEID	Member	2
3.	Mr. Deepto Roy	NEID	Member	0

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIALPERSONNEL AND OTHER EMPLOYEES

1. Introduction

Precision Electronics Limited (PEL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

ii. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

iii. Ensuring that remuneration involves a balance between fixed and incentive pays reflecting short and long term performance objectives appropriate to the working of the company and its goals.

iv. Ensuring that Remuneration and Compensation offered by the Company is in compliance with Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 **"Director"** means a director appointed to the Board of the Company.

3.2 **"Key Managerial Personnel" means**

I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director.

II. Company Secretary

III. Chief Finance Officer

3.3 **"Nomination and Remuneration Committee"** means the committee constituted by PEL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Remuneration to Managing Director and Key Managerial Personnel

i. The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Managing Director and other Whole Time Director of the Company within the overall limits approved by the shareholders.

ii. The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company as per provisions of the Companies Act, 2013.

iii. The Nomination and Remuneration Committee shall carry out evaluation of performance of Executive Director and Key Managerial Personnel yearly as may be considered necessary.

5. Remuneration to Non-Executive/Independent Directors

The Non-Executive Directors and Independent Directors may receive sitting fees as per section 197(5) of the Companies Act, 2013 and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be approved by the Board of Directors.

6. Remuneration to other employees

Employees shall be assigned objectives according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate objectives and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

7. Loan to Employees

Loan to Employees will be granted according to the guidelines drafted in respect thereof.

Your Board has approved policy on the terms and conditions of appointment of Independent Directors which is available on Company's website "www.pel-india.in".

Nomination and Remuneration Committee has formulated criteria for evaluation of Board as a whole and every director including Independent Directors. The criterion has been approved by the Board and an external agent, namely, Advocate & Insolvency Professional, Munish Kumar Sharma, is engaged for assisting in performance evaluation and collation of result.

Details of remuneration and perquisites paid to directors for the year 2021-22 (In Rs.)

Directors	Salary	Perquisites	Commission	Sitting Fees	Total
Mr. Ashok Kumar Kanodia	26,19,720	1,59,600	-	-	27,79,320
Mr. Nikhil Kanodia	54,03,756	1,59,600	-	-	55,63,356
Mr. Harbir Singh Banga	Nil	Nil	Nil	45,000	45,000
Mr. Neeraj Bajaj	Nil	Nil	Nil	1,85,000	1,85,000
Mr. Rahul Goenka	Nil	Nil	Nil	34,000	34,000
Mr. Sharvan Kumar Kataria	Nil	Nil	Nil	1,09,000	1,09,000
Mr. Deepto Roy	Nil	Nil	Nil	75,000	75,000
Mrs. Preeti Grover	Nil	Nil	Nil	94,000	94,000

Elements of Mr. Ashok Kumar Kanodia's salary, the Managing Director of the Company:

i. Salary: Rs. 28,81,692/- per annum.

In addition to Salary, he shall be entitled to the following facilities:

a) Medical reimbursement: Medical expenses incurred for self and his family, as per rules of the Company; however not exceeding Rs. 1,20,000/- per year.

b) Leave Travel Allowance: For self and his family, as per rules of the Company; however not exceeding Rs. 2,50,000 once in two years.

Managing Director shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in paragraph 1 above:

a) Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under the Income Tax Act 1961.

b) Encashment of leave at the end of tenure.

c) Provision for use of chauffeur driven Company Car for official duties and Cellular phone (including payment for local and overseas official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

d) He will be entitled for Reimbursement of expenses incurred for the business of the Company in any manner whatsoever.

For aforesaid purpose a family means the spouse, dependent children.

The perquisites to be evaluated as per Income Tax Rules wherever applicable.

10% per annum increase in salary subject to Nomination and Remuneration Committee recommendation and Board of Directors approval.

Further, in case of loss or inadequacy of profits, he shall be eligible for his entire remuneration provided that total remuneration shall not exceed limits as stated in Schedule V of Companies Act 2013 as amended from time to time.

For aforesaid purpose a family means the spouse, dependent children.

Elements of Mr. Nikhil Kanodia salary, Whole Time Director and President of the Company:

i. Salary: Rs. 59,44,132/- per month

ii. Commission @ 1% net profits of the Company.

In addition to Salary, he shall be entitled to the following perquisites:

a) Medical reimbursement: Medical expenses incurred for self and his family, as per rules of the Company.

b) Leave Travel Allowance: For self and his family, as per rules of the Company

Whole Time Director and President shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in paragraph 1 above:

a) Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under the Income Tax Act 1961.

b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, Encashment of leave at the end of tenure.

c) Provision for use of chauffeur driven Company car for official duties and cellular phone (including payment for local and overseas official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

d) He will be entitled for reimbursement of expenses incurred for the business of the Company.

Note: For aforesaid purpose a family means the spouse, dependent children.

The perquisites to be evaluated as per Income Tax Rules wherever applicable.

Further, in case of loss or inadequacy of profits, he shall be eligible for his entire remuneration provided that total remuneration shall not exceed limits as stated in Schedule V of Companies Act 2013 as amended from time to time.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year, One (1) meeting of the Shareholder's Relationship Committee was held. The composition and Attendance of members at Shareholder's relationship Committee as on March 31, 2022 is as follows:

S. No.	*Name of Directors*	*Category*	*Status*	*Meeting Attended*
1.	Mr. Sharvan Kumar Kataria	NEID	Committee Chairman	1
2.	Mrs. Preeti Grover	NEID	Member	1
4.	Mr. Rahul Goenka	NED	Member	1

Company Secretary cum Compliance Officer Acts as the Secretary to the Committee. The Complaints received during the year are as follows:

PARTICULARS	Q1	Q2	Q3	Q4	TOTAL
NUMBER OF COMPLAINTS					
At the beginning of the quarter	0	0	0	0	0
Received during the quarter	0	0	0	1	1
Resolved during the quarter	0	0	0	1	1
At the end of the quarter	0	0	0	0	0

7. GENERAL MEETINGS OF SHAREHOLDERS

Details of the location of the last three Annual General Meeting (AGMs) and details of the resolutions passed or to be passed by Postal Ballot:

Financial Year	Date	Time	Venue	Special Resolution Passed
2018-2019	26.09.2019	02:30 P.M.	B.C. Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi – 110019	Yes
2019-2020	24.09.2020	12:00 P.M.	VC/OAVM	Yes
2020-2021	28.09.2021	12:00 P.M.	VC/OAVM	No

- No Special Resolution was passed in the previous AGM held on September 28, 2021.
- No special resolution passed last year through postal ballot
- One Special Resolution is proposed to be conducted through postal ballot in ensuing AGM.

8. MEANS OF COMMUNICATION

a) The Quarterly, Half Yearly and Annual Financial Results of the Company were published in "Financial Express" in English Newspaper and "Jansatta" in Hindi Newspaper. The results are made available on Company's website www.pel-india.in.

b) The Company keeps on updating its website to provide comprehensive relevant information. The Company believes that all the stakeholders should have access to adequate information about the Company and in today's electronics age website is the best media for such dissemination of information. All information, which could have a material bearing on the share prices, is released at the earliest.

c) The Company has not made any formal presentations to the institutional investors or to the analysts during the year.

9. GENERAL SHAREHOLDER INFORMATION

i)	**AGM -Date, Time and Venue**	:	September 28, 2022 at 12:00 P.M. Through Video Conferencing/Other Audio Visual Means
ii)	**Financial Year**	:	2021-22
iii)	**Dividend payment**	:	No Dividend is recommended
iv)	**Listing on Stock Exchanges**	:	Equity Shares are listed on The Bombay Stock Exchange, Mumbai. The Company has paid the Listing fee for the period April 1, 2021 to March 31, 2022
v)	**Stock Code**	:	517258
vi)	**Share Price Data**	:	High, Low during last year.

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Month	BSE INDEX		PRECISION	
	High	Low	High Price (In Rs.)	Low Price (In Rs.)
Apr-21	50,375.77	47,204.50	36.15	28.75
May-21	52,013.22	48,028.07	37.45	30.55
Jun-21	53,126.73	51,450.58	41.45	30.60
Jul-21	53,290.81	51,802.73	39.80	28.50
Aug-21	57,625.26	52,804.08	33.80	22.80
Sep-21	60,412.32	57,263.90	27.65	23.05
Oct-21	62,245.43	58,551.14	29.15	23.50
Nov-21	61,036.56	56,382.93	29.50	23.25
Dec-21	59,203.37	55,132.68	41.35	24.40
Jan-22	61,475.15	56,409.63	41.00	32.30
Feb-22	59,618.51	54,383.20	38.50	32.00
Mar-22	58,890.92	52,260.82	39.20	32.30

Share Price Performance of Precision Electronics Limited (PEL) in comparison with

BSE Sensex for the period April 1, 2021 to March 31, 2022

vii) **Registrar & share Transfer Agent** : Skyline Financial Services Pvt. Ltd.

D- 153/A First Floor Okhla Industrial Area Phase - 1 New Delhi - 110020

viii) **Share Transfer System:** The Company's shares are traded in the stock exchange(s) in demat form. All valid transfers lodged with the Company/Registrar and Transfer Agent are processed and returned to the Shareholders within the stipulated period.

ix) Distribution of shareholding: Shareholding Pattern as on March 31, 2022.

Category Code	Category of Shareholder	Number of shareholders	Total number of shares
(A)	**Promoter and Promoter Group**		
(1)	**Indian**		
(a)	Individuals / Hindu Undivided Family	6	3626540
(b)	Central Government / State Government(s)	0	0
(c)	Bodies Corporate	2	21592
(d)	Financial Institutions / Banks	0	0
(e)	Any Other (specify)	0	0
	Sub-Total (A)(1)	**8**	**3648132**
(2)	**Foreign**		
(a)	Individuals(Non Resident Individuals/Foreign Individuals)	1	189730
(b)	Bodies Corporate	1	3179905
(c)	Institutions	0	0
(d)	Any Other (specify)	0	0
	Sub-Total (A)(2)	**2**	**3369635**
	Total Shareholding of Promoter and Promoter group(A)= (A)(1)+(A)(2)	**10**	**7017767**
(B)	**Public shareholding**		
(1)	**Institutions**		
(a)	Mutual Funds	4	8700
(b)	Venture Capital funds	0	0
(c)	Alternative investment funds	0	0
(d)	Foreign Venture Capital Investors	0	0
(e)	Foreign portfolio investors	0	0
(f)	Financial institutions/ banks	5	3050
(g)	Insurance Companies	0	0
(h)	Provident fund/ pension funds	0	0
	Any other specify		
	Sub-Total (B)(1)	**9**	**11750**
(2)	Central Government / State Government(s)/ president of India	0	0
	Sub-Total (B)(2)	**0**	**0**
(3)	**Non-Institutions**		
(a)	Individual shareholders holding nominal share capital up to Rs. 2lakh.	13248	1018081
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2lakh.	16	5389169
(b)	NBFCs registered with RBI	0	0
	Employee trusts	0	0
	Overseas depositories (holding DRs) (balancing figure)	0	0
	Any other specify	175	411745
	Sub-Total (B)(3)	**13439**	**6818995**
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	**13448**	**6830745**
	Total (A) + (B)	**13457**	**13848512**

x) As on March 31, 2022 of the total eligible shares 1,02,11,509 were held in dematerialized form and the balance 36, 37,003 shares in physical form

xi) Outstanding GDR/ADR : NIL

xii) Commodity Price Risk or Foreign Exchange Risk and hedging activity : NIL

xiii) Plant Location : **a) Noida Plant**

D-10, Sector-3, Gautam Budh Nagar, Noida – 201301 Uttar Pradesh

b) Roorkee Plant

Plot No. 9&10, KIE Industrial Estate, Village Mundiyaki (Manglore), Roorkee Haridwar-249406, Uttrakhand. (The premises is leased out as on March 31, 2022)

xiv) **Address for correspondence** : **Registered Office:**

D-1081, New Friends Colony, New Delhi-110025

Corporate Office:

D-10, Sector-3, Gautam Budh Nagar, Noida-201301

10. OTHER DISCLOSURES.

a. **Related Party Transactions:**

All transactions entered into with the Related Parties as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act. There are no material significant related party transactions with the related parties that may have potential conflict with the interest of the Company at large, except as given in Directors report.

Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements. The Policy for dealing with Related Party Transactions has been uploaded on the Company's website at the following link: https://pel-india.in/wp-content/uploads/2022/08/Related-Party-Transaction-Policy.pdf

b. **Details of the Non-compliance by the Company, penalties, strictures imposed on the Company by the Stock exchange or SEBI or any statutory authority or any matter related to capital markets, during last Three (3) years.**

There were no instances of non-compliances by the Company or penalties, strictures imposed on the Company by the Stock exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last Three (3) years, except the fine levied for non-compliance with the constitution of stakeholders relationship committee pursuant to Regulation 20(2)/(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has made representation to the BSE for its waiver. And the other penalty which was imposed by BSE for the delay in filing of the disclosure relating to Related Party Transaction for the half year ended March 31, 2022 by one day which was duly submitted by the Company.

c. The Company has formulated and implemented a vigil mechanism/ Whistle Blower Policy and no personnel is denied access to the audit committee. The Vigil Mechanism/Whistle Blower Policy has also been uploaded on Company's website at the following link: https://pel-india.in/wp-content/uploads/2022/08/Vigil-MechanismWhistle-Blower-Policy.pdf

d. The **company** has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

e. **Demat Suspense Account-Nil**

f. The Company does not have any subsidiary. Shareholders can reach for Company's policies and the business information at www.pel-india.in, which is regularly updated in order to meet the corporate governance requirement and for the benefit of shareholders/ investors.

g. A certificate from the Company Secretary in practice is obtained that none of the directors on the Board of the Company have been debarred or **disqualified** from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

h. The total fees **paid** to the statutory auditors of the Company for the financial year 2021-2022 is Rs. 5,00,000 per annum.

i. There is no **complaint** filed in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

j. The Company **complies** with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

DECLARATION ON COMPLAINCE WITH THE CODE OF CONDUCT

Dear Members,

Pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Directors have laid down a Code of Conduct for Directors and Senior Management. The same has been posted on the website of the Company.

It is hereby certified that the members of the Board and Senior Management personnel have confirmed their compliance with the "Code of Conduct for the Members of the Board and Senior Management".

FOR AND ON BEHALF OF THE BOARD

Sd/-
Ashok Kumar Kanodia
Managing Director

Place: Noida
Date: June 06, 2022

CERTIFICATION UNDER REGULATION 17(8) AND PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Ashok Kumar Kanodia, Managing Director and Jagjit Singh Chopra, Chief Financial Officer, responsible for the finance certify that:

a) We have reviewed financial statement and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

   I. These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

   II. These statement together present a true and fair view of the Company's affair and are in compliance with existing accounting standard, applicable laws and regulation.

b) These are, to the best our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 are fraudulent, illegal or in violation of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal control fir financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the audit committee:

   I. There have not been any significant changes in internal control over financial reporting during the year.

   II. There has not been any significant changes in accounting policies and the same have been disclosed in the notes to the financial statement; and

   III. We are not aware of any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR AND ON BEHALF OF THE BOARD

Place: Noida
Date: June 28,2022

Sd/-
Ashok Kumar Kanodia
Managing Director

Sd/-
Jagjit Singh Chopra
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with clause (10)(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,

Precision Electronics Limited

Regd. Office: D-1081, New Friends Colony,

New Delhi-110065

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Precision Electronics Limited (CIN: L32104DL1979PLC009590) having its registered office at D-1081, New Friends Colony, New Delhi-110065 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the directors of the Company as stated below for the financial year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority(s).

S. No.	Name of the Directors	DIN	Date of appointment in Company*
1.	Mr. Rahul Goenka	00002440	25/09/2004
2.	Mr. Ashok Kumar Kanodia	00002563	01/05/1979
3.	Mr. Neeraj Bajaj	00035778	29/12/2017
4.	Ms. Preeti Grover	00128513	19/12/2019
5.	Mr. Deepto Roy	01241534	27/09/2014
6.	Mr. Nikhil Kanodia	03058495	11/08/2017
7.	Mr. Sharvan Kumar Kataria	03399949	05/02/2011
8.	Mr. Harbir Singh Banga	05313332	12/02/2021

**The date of appointment is as per the MCA Portal.*

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Munish K. Sharma & Associates
Company Secretaries

CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No: 12387
UDIN: F009924D000765129

Date :09th August, 2022
Place: Kaushambi, Ghaziabad

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) read with Para E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of

Precision Electronics Limited

CIN: L32104DL1979PLC009590

Regd. Office: D-1081, New Friends Colony,

New Delhi-110065

We have examined the compliance of conditions of Corporate Governance by **Precision Electronics Limited** ('the Company') for the year ended on 31st March, 2022 as stipulated in Regulations 17 to 20, 22, 23, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and Para C, D & E of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The Compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of procedures and implementations thereof, as adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management and considering the relaxation granted by Ministry of Corporate Affairs and Securities Exchange Board of India warranted due to spread of COVID-19 pandemic, we certify that the Company has complied with the various conditions as specified in Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.

We state that in respect of investor grievances received and pending during the period under review, no such grievances is pending against the Company as per the information furnished by the Company's Registrar, other than those which are a subject matter of litigation.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Munish K. Sharma & Associates
Company Secretaries
Sd/-
CS Vijay Kumar Sharma
Partner
M. No.: F9924
C.P. No. 12387
UDIN: F009924D000765151

Date: 09th August, 2022
Place: Kaushambi, Ghaziabad

INDEPENDENT AUDITOR'S REPORT

To
The Members Of
Precision Electronics Limited
D-1081, New Friends Colony
New Delhi – 110 025

Tuesday, 24 May 2022

Opinion

We have audited the accompanying stand-alone financial statements of Precision Electronics Limited ("the Company"), which comprise the Balance Sheet as at31March 2022, 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 31 March, 2022, the Loss and total comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Opinion

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

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

A. Evaluation of uncertain Sales Tax positions

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

Auditor's Response

We obtained from the Company's management, details of the status as of 31 March 2022 concerning these tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

B. Company's business model

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

Auditor's response

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

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

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

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

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

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

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

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

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

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

We consider quantitative materiality and qualitative factors in ;

I. planning the scope of our audit work and in evaluating the results of our work; and

II. to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

  I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

  II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

  III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

  IV.

    a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered as on able and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that there presentations under sub-clause (i) and (ii) of Rule11(e),as provided under (a) and(b) above, contain any material misstatement.

V. The company has not declared or proposed dividend during the year.

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

Sd/-
S.K. Nemani
Partner
Membership no. 037222
UDIN: 22037222AJMTWD4199

Place: New Delhi
Date : 24 May, 2022

ANNEXURE '1' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

b) The Company has maintained proper records showing full particulars of intangible assets.

c) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

d) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

e) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

II.

a) Physical verification of inventory has been conducted at reasonable intervals by the; management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10%or more in the aggregate for each class of inventory were noticed and if so whether they have been properly dealt with in the books of account

b) The Company has sanction of working capital limits in excess of ₹5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets , and quarterly returns or statements filed by the company with banks are in agreement with the books of accounts of the Company.

III. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and has not granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii) (a) to (f)of the order are not applicable to the company.

IV. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

V. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

VI. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable of the Company.

VII. In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

c) Details of statutory dues referred to in sub-clause(a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs in lac)
Central Sales Tax Act,1956	Central Sales Tax	Additional Commissioner Sales Tax Appeals	2012-13	10.00
Central Sales Tax Act,1956	Central Sales Tax	Additional Commissioner Sales Tax Appeals	2014-15	1.70
Goods and Service Tax	Goods and Service Tax Act	Additional Commissioner Grade 11, GST-Appeal	FY 2017-18	32.82
Goods and Service Tax Act	Goods and Service Tax	Additional Commissioner Grade 11, GST-Appeal	FY 2017-18	18.70
Goods and Service Tax Act	Goods and Service Tax	Additional Commissioner Grade 11, GST-Appeal	FY 2020-21	20.50
Goods and Service Tax Act	Goods and Service Tax	Deputy Commissioner GST	FY 2021-22	20.08

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

IX.

a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest from any lender.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has applied the term loan for the purpose for which the loans were obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The Company has not raised any loans on the pledge of securities held in its subsidiary, joint ventures or associates companies.

X.

a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

XI.

a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

XIII. In our opinion, the Company is in compliance with Section177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the stand alone financial statements as required by the applicable accounting standards.

XIV.

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

XV. In our opinion during the year the Company has not entered in to any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI.

a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

XVII. The Company has incurred cash loss during the financial year covered by our audit but no cash loss incurred during the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors of the Company during the year.

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX.

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.

b) No Corporate Social Responsibility (CSR) amount was payable by the company during the current financial year.

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

Sd/-
S.K. Nemani
Partner
Membership no. 037222
UDIN: 22037222AJMTWB4199

Place: New Delhi
Date: 24 May, 2022

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 2022 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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

Sd/-
S.K. Nemani
Partner
Membership no. 037222
UDIN: 22037222AJMTWB4199

Place: New Delhi
Date: 24 May, 2022

Independent Auditors' Report on the Quarterly and Year to Date Financial Results of Precision Electronics Limited pursuant to 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 Statement

Opinion

We have audited the accompanying Statement of quarterly and year to date financial results of Precision Electronics Limited ("the Company") for the quarter and year ended 31 March 2022 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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

a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss, other comprehensive income and other financial information for the quarter ended 31 March 2022 and net loss, other comprehensive income and other financial information for the year ended 31 March 2022.

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 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 Statement under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the audited 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 loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down under Indian Accounting Standards prescribed under Section 133 of the Act 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 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.

Auditors' Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 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 through a separate report on the complete set of
- financial statements on whether the 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 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.
- 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 Matters

Attention is invited to Note No. 6 to the Statement. As stated therein, the Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the annual audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

Sd/-
S.K. Nemani
Partner
Membership no. 037222
UDIN: 22037222AJMTKA8153

Place: New Delhi
Date: 24 May, 2022

Precision

BALANCE SHEET AS AT MARCH 31, 2022

(Amount in Rs.)

Particulars	Note No(s)	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	4	698.11	769.72
(b) Intangible Assets	5	-	-
(c) Intangible assets under developments	6	-	49.25
(d) Deferred tax assets (Net)	7	380.96	371.47
(e) Financial Assets			
i. Investments		-	-
ii. Others financial assets	8	78.08	117.36
(f) Other non-current assets	9	2.83	6.06
Total non-current assets		**1,159.97**	**1,313.86**
Current Assets			
(a) Inventories	10	1,458.88	1,367.76
(b) Financial assets			
i. Investments		-	-
ii. Trade receivables	11	980.03	2,583.17
iii. Cash and cash equivalents	12	374.58	34.90
iv. Bank balance other than (iii) above	13	53.23	83.84
v. Other financial assets	14	64.53	64.85
(c) Current Tax Assets (Net)	15	108.15	123.44
(d) Other current assets	16	168.43	186.65
Total Current Assets		**3,207.82**	**4,444.62**
Total Assets		**4,367.79**	**5,758.48**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share Capital	17	1,384.88	1,384.88
(b) Other Equity	18	(52.64)	112.97
Total Equity		**1,332.24**	**1,497.84**
Liabilities			
Non-Current liabilities			
(a) Financial Liabilities			
i. Borrowings	19	817.14	850.20
ii. Other financial liabilities		-	-
iii. Lease liabilities	20	8.59	8.53
(b) Provisions	21	100.83	107.80
(c) Other non-current liabilities		-	-
Total non-current liabilities		**926.56**	**966.53**

Precision

BALANCE SHEET AS AT MARCH 31, 2022

(Amount in Rs.)

Particulars	Note No(s)	As at March 31, 2022	As at March 31, 2021
(a) Financial liabilities			
i. Borrowings	22	1,271.06	1,305.95
ii. Trade payables	23	642.13	1,835.82
iii. Other financial liabilities	24	0.80	5.82
iv. Lease liabilities		-	-
(b) Other current liabilities	25	194.99	146.40
(c) Provisions	26	-	0.11
Total Current Liabilities		**2,108.99**	**3,294.10**
Total liabilities		**3,035.55**	**4,260.63**
Total equity and liabilities		**4,367.79**	**5,758.40**

As per our report of even date attached

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

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

Place: New Delhi
Dated: 24 May 2022

For and on behalf of the Board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Mohit Goel
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Rs.)

	Particulars	Note No(s)	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	INCOME			
	Income from operations	27	3,539.40	4,152.66
	Other Income	28	336.06	81.14
	Total Income		3,875.46	4,233.80
II.	EXPENSES			
	Cost of materials consumed	29	2,021.13	2,643.42
	Purchase of Traded Goods			
	Changes in inventories of workin-progress, stock-in-trade and finished goods	30	46.61	-159.69
	Other Direct Costs	31	350.23	312.80
	Employee benefit expenses	32	707.10	610.58
	Finance costs	33	276.47	186.95
	Depreciation and amortisation expenses	4,5	73.48	80.07
	Other expenses	34	576.41	504.96
	Total Expenses(II)		4,051.44	4,179.08
III.	Profit / (Loss) before exceptional items and income tax (I-II)		(175.98)	54.72
IV.	Exceptional items (net of tax)		-	-
V.	Profit/ (Loss) before tax (III-IV)		(175.98)	54.72
VI.	Tax Expenses			
	Current tax		-	-
	Earlier years tax		2.90	-
	MAT Credit Entitlement		-	-
	Deferred tax		(10.47)	(2.18)
	Total tax expenses		(7.57)	(2.18)
VII.	Profit / Loss for the year (V -VI)		(168.40)	56.90
VIII.	Other Comprehensive Income:			
	A.) Items that will not classified to profit or loss		-	-
	(i) Re-measurement of Gain/(Loss) defined benefit plans.		3.79	(19.43)
	(ii) Equity Instruments through OCI.		-	-
	B.) Items that will be re classified to profit or loss		-	-
	C) Income tax effect on such items		(0.98)	5.00
	Other comprehensive income for the year after tax (VIII)		2.80	(14.43)
IX.	Total comprehensive income for the year (VII+VIII)		(165.60)	42.47
	Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year.			
	Basic earnings per share	35	-1.22	0.41
	Diluted earnings per share	35	-1.22	0.41

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

For Nemani Garg Agarwal & Co.
Firm Regn. No. 010192N
Chartered Accountants
S.K. Nemani
Partner
M.No.: 037222
Place : New Delhi
Dated: 24 May 2022

For and on behalf of the Board.

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Mohit Goel
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

Precision

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	CASH FLOW FROM OPERATING ACTIVITIES		
	Total Comprehensive Income	(165.60)	42.47
	Adjustments for:	-	-
	Depreciation and amortization expenses	73.40	80.07
	Loss on disposal of property, plant and equipment	1.21	2.56
	Changes in fair value of financial assets at fair value through profit or loss	-	-
	Dividend and interest income classified as investing cash flows	(12.25)	(20.57)
	Finance costs	276.47	186.95
		173.31	291.47
	Change in operating assets and liabilities	-	-
	(Increase) / decrease in trade and other receivables	1,603.15	(1,738.11)
	(Increase) / decrease in inventories	(91.12)	(180.11)
	Increase/(decrease) in trade payables	(1,190.69)	1,317.31
	(Increase) / decrease in other financial assets	39.59	(37.25)
	(Increase)/decrease in other non-current assets	3.23	(1.83)
	(Increase)/decrease in other current assets	10.22	(55.64)
	Increase/(decrease) in provisions	(7.07)	(24.17)
	Increase/(decrease) in Other non-current Liabilities	0.05	0.06
	Increase/ (decrease)in other current liabilities	48.59	184.60
	Cash generated from operations	594.27	(243.65)
	Income taxes paid	5.81	67.26
	Prior period adjustments	-	-
	Net cash inflow from/(used) operating activities	600.08	(176.40)
II.	CASH FLOW FROM INVESTING ACTIVITIES	-	-
	Payments for property, plant and equipment	(4.30)	(69.11)
	Payment for software development costs	49.25	49.65
	Proceeds from sale of property, plant and equipment	1.22	3.91
	Interest received	12.25	20.57
	Decrease /(Increase) in Term Deposits with Banks	30.62	(9.25)
	Net cash flow from /(used) in investing activities	89.03	(4.24)
		-	-
III.	CASH FLOW FROM FINANCING ACTIVITIES	-	-
	Proceeds from borrowings	1,024.51	284.40
	Repayment of borrowings	(1,097.47)	7.03
		-	-
	Interest Paid (net)	(276.47)	(186.95)
	Net cash flow from /(used) in financing activities	(349.43)	104.49
IV.	NET INCREASE /(DECREASE) IN CASH & CASH EQUIVALENTS (I+II+III)	339.67	(76.15)
V.	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	34.90	111.06
	Effects of exchange rate changes on cash and cash equivalents	-	-

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
VI.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	374.58	34.90

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	9.90	2.11
Cheques in hand	-	-
Balances with Scheduled banks in	360.35	9.72
Current accounts	-	-
Fixed Deposits with Bank.	4.32	23.07
Balances per statement of cash flows	374.58	34.90

As per our report of even date attached.

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

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

Place : New Delhi
Dated: 24 May 2022

For and on behalf of the Board.

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Shorvan Kumar Kotaria
Director
DIN: 03399949

Mohit Goel
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts in financial statements and notes are in Rs in Lakh unless otherwise mentioned)

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1384.88				1384.88

(1) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1384.88				1384.88

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

B. Other Equity

(1) Current reporting period

	Share application money pending allotment	**Equity component of compound financial instruments**	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Re-measurement of defined benefit plan-Other items of Other Comprehensive Income	**Money received against share warrants**	**Total**
Balance at the beginning of the current reporting period					84.09	40.12						-11.24		112.97
Changes in accounting policy or prior period errors														
Restated balance at the beginning of the current reporting period														
Total Comprehensive income for the current year						-168.40						2.80		-165.60
Dividends														
Transfer to retained earnings														
Any other change (to be specified)														
Balance at the end of the current reporting period					84.09	-128.28						-8.44		-52.64

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

(1) Previous reporting period

	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Re-measurement of defined benefit plan-Other items of Other Comprehensive Income	Money received against share warrants	Total
Balance at the beginning of the current reporting period					84.09	-16.77						3.19		70.50
Changes in accounting policy or prior period errors														
Restated balance at the beginning of the current reporting period														
Total Comprehensive Income for the current year						56.90						-14.43		42.47
Dividends														
Transfer to retained earnings														
Any other change (to be specified)														
Balance at the end of the current reporting period					84.09	40.12						-11.24		112.97

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note

Value of Noida lease hold land has been re-measure at fair value of lease payment and accordingly revaluation reserve has been adjusted fully.

As per our report of even date attached.

For and on behalf of the Board.

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

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

Place : New Delhi
Dated: 24 May 2022

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Mohit Goel
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2022

NOTE 1. CORPORATE INFORMATION

Precision Electronics Limited ('PEL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at D 1081, New Friends Colony, New Delhi -110025. The Company's shares are listed and traded on Stock Exchanges in India. Established in 1979, Precision Electronics Limited (PEL) is a diverse telecom infrastructure enabler with active interest spanning telecom infrastructure development, system integration, and manufacture and supply of high-end telecom equipment.

The financial statements are approved for issue by the Company's Board of Directors on May 24, 2022.

NOTE 2. APPLICATION OF NEW AND REVISED IND -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

Accounting policies not specifically referred to otherwise, are consistent and in accordance with Indian generally accepted accounting practices comprising of the mandatory Accounting Standard, Guidance notes and other pronouncements issued by ICAI and the provision of the Companies Act, 2013.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Compliance with Ind AS

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017 the Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Historical Cost Convention

The Standalone Financial Statements have been prepared on the historical cost convention, on accrual basis and on the principal of going concern.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Standalone Financial Statements are presented in Indian Rupees except where otherwise stated.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

a. Expected to be realised or intended to be sold or consumed in normal operating cycle.

b. Held primarily for the purpose of trading, or

c. Expected to be realised within twelve months after the reporting period other than for above, or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a. It is expected to be settled in normal operating cycle

b. It is held primarily for the purpose of trading

c. It is due to be settled within twelve months after the reporting period other than for (a) above, or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Fair value measurement

The Company measures financial assets at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

- Level 1 — Quoted (unadjusted)

  This hierarchy includes financial instruments measured using quoted prices.

- Level 2

  Level 2 inputs include the following:

  a. quoted prices for similar assets or liabilities in active markets.

  b. quoted prices for identical or similar assets or liabilities in markets that are not active.

  c. inputs other than quoted prices that are observable for the asset or liability.

  d. Market – corroborated inputs.

- Level 3

  They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Non-current assets held for sale

Non-current assets and disposal group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property Plant and Equipment

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date except leasehold land which is re-measured at fair value based on the lease payments and amortized over the period of lease.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided for on PPE on straight line method on the basis of useful life. On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The useful life of property, plant and equipment are as follows: -

Asset Class	Useful Life
Freehold Buildings	Office Building: 60 years
	Factory Building: 30 years
Leasehold Buildings	Over the period of lease
Plant & Machinery	15 years
Furniture & Fixtures	10 years

Asset Class	Useful Life
Electrical Installations	10 years
Computers	3 – 6 years
Office Equipment's	5 years
Vehicles	8 -10 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the company will obtain ownership at the end of the lease term.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Fixed Assets costing below Rs. 5,000 is fully depreciated in year of purchase.

Intangible Assets

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets

Recognition of intangible assets

Research and development

Research and development expenditure that do not meet the criteria as below, are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

The company initially recognizes development expenses as intangible assets when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use.

It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc, payable periodically is charged to the Statement of Profit & Loss.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets under development

All costs incurred in development, are initially capitalized as Intangible assets under development till the time these are either transferred to Intangible Assets on completion or expensed as Software Development cost (including allocated depreciation) as and when determined to be of no further use.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

De-recognition

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Lease receivables under Ind AS 17
d. Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18
e. Loan commitments which are not measured at FVTPL
f. Financial guarantee contracts which are not measured at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables and
- All lease receivables resulting from transactions within the scope of Ind AS 17.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

Financial liabilities

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Precision

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period, which remain unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost Method.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on Weighted Average Cost Method.

Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Contract Work in Progress: It is valued at estimated cost.

Loose Tools (Consumable): It is valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Revenue recognition

Sale of Goods and Rendering of Services

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue includes sales during trial run but does not include GST. Liquidated damages are accounted for as and when they are ascertained.

Infra revenue and costs are recognized by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the infra cannot be estimated reliably, revenue is recognized to the extent of the infra costs incurred if it is probable that they will be recoverable. In the case of contracts with defined milestones and assigned prices for each milestone, it recognizes revenue on transfer of significant risks and rewards which coincides with achievement of milestone and its acceptance by its customers. Provision is made for all losses incurred to the balance sheet date. Any further losses that are foreseen in bringing contracts to completion are also recognised. Variations in contract work, claims and incentive payments are recognized to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue in excess of billing is reflected as unbilled revenue and billing in excess of contract revenue is reflected as unearned revenue.

Revenue in respect of long term turnkey works contracts is recognised under percentage of completion method subject to such contracts having progressed to a reasonable extent. Revenue in respect of other works contracts and services is recognised on completed contract method

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using EIR.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease term and is included in other non- operating income in the statement of profit and loss.

Insurance Claims and Export Incentives

Insurance claims and Export incentives are accounted for on receipts basis.

Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the economic environment in which it operates.

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the profit and loss account as income or expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on such assets and liabilities carried at fair value are reported as part of fair value gain or loss.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting /settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/expense for the period.

Employee Obligations

Short term employee benefits:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Long-Term employee benefits

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Post-employment obligations

Defined contribution plans

Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

Defined benefit plans

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Indian Accounting Standard 19 (revised), "Employee Benefits". The Company makes annual contributions to Life Insurance Corporation of India for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation.

Defined retirement benefit plans comprising of gratuity, un-availed leave, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Leave Encashment

The company has provided for the liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Actuarial gains and losses are recognized in OCI as and when incurred.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts; unless possibility of an outflow of resources embodying economic benefit is remote.

Cash Flow Statement

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

Input Tax Credit (ITC)

The ITC available on purchase of raw materials, other eligible inputs and capital goods is adjusted against GST duty payable on sale of goods and supply of services. The unadjusted ITC is shown under the head "short term loans and advances".

Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Dividend distribution tax paid on the dividends is recognized consistently with the presentation of the transaction that creates the income tax consequence.

Segment Accounting:

i) Segment Revenue & Expenses:

Joint revenue & expenses of the segments are allocated among them on reasonable basis. All other segment revenue and expenses are directly attributed to the segments.

j) Segment Assets & liabilities:

Segment assets include plant & machinery, Inventory, security deposit, earnest money and material in transit and segment liabilities include sundry creditors.

k) Inter Segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-4. PROPERTY,PLANT AND EQUIPMENT	Land Freehold Roorkee	Land Leasehold Noida	Building Freehold	Plant and Machinery	Lab Equipments and other Fixed assets	Computers	Office Equipments	Furnitures and fixtures	Vehicles	Mould and dies	Total
As at March 31,2020	133.99	24.44	696.55	680.66	59.16	127.15	78.19	122.15	80.56	2.86	2,005.71
Additions	-	-	42.73	0.69	0.04	2.65	8.65	0.10	14.26	-	69.11
Disposal/Adjustments	-	-	-	15.95	-	1.27	2.02	3.66	22.25	-	45.14
As at March 31,2021	133.99	24.44	739.28	665.41	59.19	128.53	84.83	118.59	72.57	2.86	2,029.69
Additions	-	-	-	1.18	-	2.46	0.53	0.13	-	-	4.30
Disposal/Adjustments	-	-	-	1.40	-	-	-	-	0.33	2.86	4.59
As at March 31,2022	**133.99**	**24.44**	**739.28**	**665.19**	**59.19**	**130.99**	**85.36**	**118.72**	**72.24**	-	**2,029.40**
	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2020	-	1.16	365.58	461.28	43.00	118.79	70.68	110.55	46.18	1.41	1,218.64
Depreciation for the year	-	0.39	21.58	42.74	3.74	1.99	1.97	3.23	4.19	0.17	80.00
Disposal/Adjustments	-	-	-	11.12	-	1.21	1.91	3.29	21.13	-	38.67
Reversal of op bal adjs	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2021	-	1.55	387.17	492.90	46.74	119.57	70.74	110.49	29.23	1.58	1,259.97
Depreciation for the year	-	0.39	22.20	37.53	3.70	2.04	2.10	1.27	4.22	0.04	73.48
Disposal/Adjustments	-	-	-	0.22	-	-	-	-	0.32	1.62	2.16
Reversal of op bal adjs	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2022	-	**1.94**	**409.37**	**530.21**	**50.44**	**121.61**	**72.83**	**111.77**	**33.13**	-	**1,331.29**
	-	-	-	-	-	-	-	-	-	-	-
Net Book Value	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2020	133.99	23.28	330.97	219.39	16.16	8.36	7.52	11.59	34.38	1.44	787.07
As at March 31,2021	133.99	22.89	352.11	172.51	12.46	8.96	14.09	8.10	43.34	1.28	769.72
As at March 31,2022	**133.99**	**22.50**	**329.91**	**134.98**	**8.76**	**9.37**	**12.53**	**6.96**	**39.10**	-	**698.11**

1 Gross Block and Net Block of Fixed assets are net of provision for impairment.

2 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date except for decommissioning liabilities included in the cost of other Property, Plant and Equipment (PPE) which has been adjusted in terms of para D 21 of IND AS 101 and leasehold land at Noida.

3 Significant estimate : useful life of tangible assets.

The company has estimated the useful life of the tangible assets based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life taken, depending on technical innovations and competitor actions.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-5. OTHER INTANGIBLE ASSETS	As at March 31, 2022		As at March 31, 2021	
Application Software				
Cost or Deemed cost				
Opening Balance	-	-	156.22	-
Addition during the year	-	-	-	-
Disposal/adjustment/transfer	-	-	0.01	156.23
Accumulated amortization		-	-	-
Opening Balance	-	-	156.15	-
Additions during the year	-	-	0.07	-
Disposal/adjustment/transfer	-	-	0.01	156.23
		-	-	-

1. The Company has elected to continue with the carrying value of its Intangible Assets, recognized as of April , 2016(transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date.

2. Significant estimate: Useful life of intangible assets.

The Company estimates the life of the software to be 3 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 3 years, depending on technical innovations and competitor actions.

NOTE-6. INTANGIBLE ASSETS UNDER DEVELOPMENT	As at March 31, 2022		As at March 31, 2021	
Application Software				
Gross Cost				
Opening Balance	49.25	-	98.89	-
Expenditure during the year	-	-	-	-
Less: Sale Proceeds	49.25	-	49.65	49.25
	-	-	-	-
Intangible Assets under Development				

Significant estimate: Useful life of intangible assets.

The Company estimates the life of the software to be 3 years based on the expected technical obsolescence of such assets . However , the actual useful life may be shorter or longer than 3 years, depending on technical innovations and competitor actions.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-7. DEFERRED TAX ASSETS (NET)	As at March31, 2022	As at March31, 2021	As at March31, 2020
Deferred Tax Assets (Net)			
A) Deferred Tax Assets			
Provision for doubtful receivable & Advances	8.78	0.68	12.93
Expenses disallowed u/s 43B of Income Tax Act, 1961	26.22	27.79	34.01
Accumulated losses and unabsorbed depreciation as per Income Tax Act.	427.48	428.12	407.81
	462.48	456.59	454.75
	-	-	-
B) Deferred Tax Liability	-	-	-
Difference between WDV of Income tax and Companies Act	81.52	85.11	90.46
	81.52	85.11	90.46
C) Deferred Tax Assets/(Liability) Net (A-B)	**380.96**	**371.47**	**364.29**

Significant estimate:

The Company has recognised deferred tax assets on carried forward tax losses. The company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets . The losses can be carried forward for a period of 8 years as per local tax regulations and the company expects to recover the losses.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Movement in Deferred tax assets

	Tax Losses	Defined Benefit Obligation	Provisions	Other Items	Total
As at March 31,2020	414.36	-6.55	12.93	-56.45	364.29
(Charged) / credited					
- to profit or loss	15.31	-	-12.26	-0.88	2.18
- to other comprehensive income	-	5.00	-	-	5.00
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31,2021	429.67	-1.55	0.68	-57.33	371.47
(Charged) / credited					
- to profit or loss	0.34	-	8.10	2.02	10.47
- to other comprehensive income	-	-0.98	-	-	-0.98
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31,2022	**430.01**	**-2.53**	**8.78**	**-55.30**	**380.96**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

	CONSOLIDATED	
NOTE-8. NON CURRENT FINANCIAL ASSETS OTHER	**As at March 31, 2022**	As at March 31, 2021
Fixed deposits with Bank (Maturity more than twelve months) (Lien with bank against BG limits)	50.89	91.51
Security Deposits	27.18	25.85
Total	**78.08**	**117.36**

Note:

Financial assets like security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset at the date of transition.

NOTE-9. OTHER NON CURRENT ASSETS	**As at March 31, 2022**	As at March 31, 2021
Prepaid Expenses	**2.83**	6.06
Total	**2.83**	**6.06**

NOTE-10 INVENTORIES	**As at March 31, 2022**	As at March 31, 2021
Inventories (As certified and valued by the management)		
Raw Materials & Components	**701.06**	563.34
Goods-in-process (Manufacturing)	**406.22**	670.39
Goods-in-process (Intra Services)	**351.59**	134.03
Finished Goods	-	-
Traded Goods	-	-
Stores & Spare Parts	-	-
Total	**1,458.88**	**1,367.76**

NOTE-11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES	**As at March 31, 2022**	As at March 31, 2021
Unsecured - Considered good	**1,013.80**	2,585.00
Less:- Provision for doubtful debts	**33.78**	2.63
Total	**980.03**	**2,583.17**

Precision

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-11.1 AGE OF RECEIVABLES AS ON 31.03.2022

Particulars	Outstanding for following periods from the due date of payment					
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	767.58	25.67	186.78	0.08		980.03
(ii) Undisputed Trade receivables - considered doubtful.	-	-	-	-	33.78	33.78
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful.	-	-	-	-	-	-

NOTE-11.1 AGE OF RECEIVABLES AS ON 31.03.2021

Particulars	Outstanding for following periods from the due date of payment					
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,486.43	38.17	35.14	23.43	-	2,583.17
(ii) Undisputed Trade receivables - considered doubtful.	-	-	-	-	2.63	2.63
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful.	-	-	-	-	-	-

NOTE-12 CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS	As at March 31, 2022	As at March 31, 2021
Balances with Banks (Including balance in escrow a/c with bank Rs. 3,59,70,051/-)	360.35	9.72
Cheques , drafts on hand	-	-
Cash on Hand	9.90	2.11
Fixed deposits with bank (Original maturity less than 3 months) (Lien with bank against BG limits)	4.32	23.07
Total	**374.58**	**34.90**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES	As at March 31, 2022	As at March 31, 2021
Fixed Deposit with Bank (Maturity less than 12 months) (Lien with bank against BG limits)	53.23	83.84
Total	**53.23**	83.84

NOTE-14 CURRENT FINANCIAL ASSETS - OTHER ASSETS/ADVANCES	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
a. Security Deposits		
Secured - Considered good;	4.38	11.69
b. Other advances		
Secured - Considered good;	60.16	53.15
Total	**64.53**	64.85

NOTE-15 CURRENT TAX ASSETS (NET)	As at March 31, 2022	As at March 31, 2021
Advance tax/TDS(net of tax)	**47.19**	62.48
MAT credit entitlement	**60.96**	60.96
Total	**108.15**	123.44

NOTE-16 OTHER CURRENT ASSETS	As at March 31, 2022	As at March 31, 2021
Balance with Central Excise, GST , VAT and custom authorities	**138.87**	146.38
Interest Receivable	**2.58**	5.93
Prepaid expenses	**17.02**	26.47
Others	**9.96**	7.87
Total	**168.43**	186.65

NOTE-17 EQUITY SHARE CAPITAL	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
At the beginning of the period	**2,000.00**	2,000.00
(2,00,00,000 no. of equity share of Rs. 10 each)		
Increase during the year	-	-
As at end of the period	**2,000.00**	2,000.00

(i) ISSUED , SUBSCRIBED AND PAID UP	As at March 31, 2022	As at March 31, 2021
1,38,48,512 no. of Equity shares of Rs 10/- each fully paid up.	**1,384.85**	1,384.85
Add: Forfeited Shares (Amount paid up)	**0.03**	0.03
Total	**1,384.88**	1,384.88

(ii) MOVEMENT IN EQUITY SHARE CAPITAL	As at March 31, 2022	As at March 31, 2021
	No. of shares held	No. of shares held
At the beginning of the period	**138.49**	138.49
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year.	-	-
Less: Shares bought back during the year	-	-
As at end of the period	**138.49**	138.49

The Company has only one class of Equity Shares having a par value of Rs.10 per equity share . The holders of the equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholdings at the meeting of shareholders.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

(iii) Shares held by promoters at the end of the year

S.NO	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	NIKHIL KANODIA	34.16	24.67	-
2	ASHOK KANODIA	1.03	0.74	-
3	ASHOK KANODIA (HUF)	0.80	0.58	-
4	GAURI KANODIA	0.20	0.15	-
5	VEENA KANODIA	0.08	0.06	-
6	VM FARMS PRIVATE LIMITED	0.15	0.11	-
7	SNK ELECTRONICS PVT LTD	0.06	0.05	-
8	HANS JURGEN WAGNER	1.90	1.37	-
9	KNOWLEDGE HOLDINGS & INVESTMENTS PTE. LTD.	31.80	22.96	-
	Tota	70.18	50.69	-

(iv) Shareholders holding more than 5 percent of Equity Shares	As at March 31, 2022 No. of shares held	As at March 31, 2021 No. of shares held
Knowledge Holding and Investment Pte Ltd.	31.80	31.80
Percentage of Holdings	22.96%	22.96%
Mr. Nikhil Kanodia	34.16	34.16
Percentage of Holdings	24.67%	24.67%
Mr. Hardeep Singh Bunga	34.46	34.46
Percentage of Holdings	24.88%	24.88%

NOTE-10 OTHER EQUITY	As at March 31, 2022	As at March 31, 2021
(i) General Reserve	84.09	84.09
(ii) Retained Earnings	(136.72)	28.88
	(52.64)	112.97

(i) RETAINED EARNINGS	As at March 31, 2022	As at March 31, 2021
Opening Balance	28.88	-13.59
Changes in accounting policy or prior period items	-	-
Net Profit for the period	(168.40)	56.90
Items of Other Comprehensive Income recognised directly in Retained Earnings	-	-
Re-measurement of Defined Benefit plans	2.80	-14.43
Closing Balance	(136.72)	28.88

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at March 31, 2022	As at March 31, 2021
Secured Loan		
Vehicle Loans*	**5.01**	6.34
Unsecured Loan	-	-
Loans from Director	**731.30**	698.36
MSME Loan (SIB)**	**80.83**	145.50
Total	**817.14**	**850.20**

Security

*Hypothecation of Car

Terms of Repayment

*The vehicle loans to be repaid up to 5th June 2023 in equated monthly installment.

** Principal Monthly Repayment amount Rs. 5,38,889 from 06.07.2021 onwards for 36 Months.

NOTE-20 NON CURRENT FINANCIAL LIABILITIES-LEASE LIABILITIES	As at March 31, 2022	As at March 31, 2021
Leasehold Obligations	**8.59**	8.53
Total	**8.59**	**8.53**

NOTE-21 PROVISIONS	As at March 31, 2022	As at March 31, 2021
Provisions for Employee Benefits	**100.83**	107.80
Total	**100.83**	**107.80**

NOTE-22 CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at March 31, 2022	As at March 31, 2021
Secured Loan		
(i) from Banks- Secured*	**774.60**	708.85
(ii) from NSIC**	**231.80**	248.60
Unsecured Loan	-	-
(i) MSME Loan (SIB)	**64.67**	48.50
(ii)Inter Corporate Deposit	**200.00**	300.00
	1,271.06	**1,305.95**

* Working capital facilities from The South Indian Bank Limited is secured by way of hypothecation of stock of raw materials, finished and semi finished goods, stores and spares, debtors, present and future, other current assets, fixed, movable assets, equitable mortgage of immovable's of company and are also personally guaranteed by Managing Director and Whole Time Director cum President of the company.

**Raw Material Assistance Scheme from NSIC against BG issued by SIB

NOTE-23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES	As at March 31, 2022	As at March 31, 2021
For Goods & Services		
Trade payables due for payment	**642.13**	1,835.82
	642.13	**1,835.82**

Precision

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note 23.1 as on 31.03.2022

Particulars	Outstanding for following periods from the due date of payment				
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	142.32	0.20	5.03	-	147.55
(ii) Others	1,449.55	15.21	24.03	199.49	1,688.27
(iii) Disputed dues- MSME	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-

NOTE-24 CURRENT LIABILITIES - OTHER FINANCIAL LIABILITIES	As at March 31, 2022	As at March 31, 2021
a) Current maturities of long term debts		
Secured		
Loans from others	-	-
Kotak Mahindra Prime Ltd.	-	1.95
ICICI Bank	**0.80**	3.87
b) Interest Accrued	-	-
	0.80	**5.82**

NOTE-25 CURRENT LIABILITIES - OTHER CURRENT LIABILITIES	As at March 31, 2022	As at March 31, 2021
a) Advances from customers	**7.96**	54.53
b) Others	-	-
i) Creditors for capital goods	-	-
ii) Expenses Payable	**28.49**	20.37
iii) Other Employees related liabilities	**30.33**	32.83
iv) Statutory Liabilities	**113.21**	23.68
v) Security Received - Factory Rent	**15.00**	15.00
	194.99	**146.40**

NOTE-26 CURRENT LIABILITIES - PROVISIONS	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	-	0.11
Provision - Others	-	-
	-	**0.11**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-27. REVENUE FROM OPERATIONS	For the year ended March31, 2022	For the year ended March31, 2021
Sale of products	2,567.50	3,204.97
Sale of Services	966.60	937.89
	3,534.10	4,142.86
Other Operating Revenue		
Duty Drawback	5.30	9.52
Sales of Scrap	-	0.28
Total	3,539.40	4,152.66

NOTE-28. OTHER INCOME	For the year ended March31, 2022	For the year ended March31, 2021
Other non operating income		
Interest Income	12.25	20.57
Others	323.81	60.57
Total	336.06	81.14

NOTE-29. COST OF MATERIAL CONSUMED	For the year ended March31, 2022	For the year ended March31, 2021
Opening Stock	563.34	542.67
Add: Purchases during the year	2,158.85	2,664.09
	2,722.19	3,206.76
Less: Closing Stock	701.06	563.34
Total	2,021.13	2,643.42

NOTE-30 CHANGES IN INVENTORIES OF WORK IN PROGRESS, STOCK IN TRADE AND FINISHED GOODS	For the year ended March31, 2022	For the year ended March31, 2021
Valued and as certified by Management		
Opening Stock		
- Finished Goods (Manufacturing)	-	-
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	670.39	605.54
- Goods-in-process (Infra Services)	134.03	39.19
Closing Stock		
- Finished Goods (Manufacturing)	-	-
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	406.22	670.39
- Goods-in-process (Infra Services)	351.59	134.03
Total	46.61	-159.69

NOTE-31. OTHER DIRECT COSTS	For the year ended March31, 2022	For the year ended March31, 2021
Project and labour service charges	340.31	288.63
Consumption of Stores and Spares Parts.	6.87	7.12
Die Making Charges	0.08	1.27
Job Work Expenses	2.98	15.79
Total	350.23	312.80

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-32. EMPLOYEE BENEFIT EXPENSES	For the year ended March31, 2022	For the year ended March31, 2021
Salaries, wages and allowances*	656.65	564.40
Contribution to Provident and ESI Funds	19.31	18.36
Workmen and staff welfare expenses	31.15	27.81
Total	**707.10**	**610.58**

*Including Directors Remuneration for the FY Rs. 80.23 Lakhs and PY. Rs. 80.85 Lakh)

NOTE-33. FINANCE COSTS	For the year ended March31, 2022	For the year ended March31, 2021
Bank Loan Interest	111.15	76.11
Other Interest*	128.98	66.01
Bank Charges	9.02	10.29
Other Borrowing costs	27.32	34.53
Total	**276.47**	**186.95**

*Including Interest payable to Directors for the FY Rs. 52.66Lakhs and PY. Rs. 58.59 Lakh)

NOTE-34. OTHER EXPENSES	For the year ended March31, 2022	For the year ended March31, 2021
Power and fuel	40.89	37.09
Rent	40.27	76.51
Security Services	24.84	27.75
Directors Sitting Fees	6.22	7.41
Repairs & Maintenance	-	-
- Building	2.00	14.20
- Plant & Machineries	3.53	8.73
- Others	9.99	13.74
Insurance	12.65	11.06
Telephone & Internet expenses	5.40	5.82
Legal and professional fee	57.53	60.82
Technical Consultancy	42.29	18.08
Testing fee	6.87	20.31
Foreign exchange fluctuation	25.11	-
Auditor fees	-	-
Statutory Audit	4.50	4.50
Tax audit	0.50	0.50
Other matters	-	-
Reimbursement of expenses	-	-
Travelling & Conveyance expenses (including foreign travel)*	76.56	65.64
Marketing & Distribution expenses	47.91	48.52
Loss on sales/ written off of Fixed assets	1.21	2.56
Vehicle Running Maintenance	16.36	16.26
Miscellaneous expenses	67.83	62.84
Bad Debts written off	52.20	-
Provision for Trade receivables	31.75	2.63
Total	**576.41**	**504.96**

*Including Directors foreign Travelling for the FY Rs. 7.53 Lakh and PY nil

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

NOTE-35. EARNINGS PER SHARE (EPS) - IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARD (IND AS -33)	For the year ended March31, 2022	For the year ended March31, 2021
(A) Basic & Diluted Earnings per share before extra ordinary items		
Profit /(Loss) after tax	(168.40)	56.90
Profit attributable to ordinary shareholders	(168.40)	56.90
Weighted average number of ordinary shares	138.49	138.49
(used as denominator for calculating basic EPS)	-	-
Weighted average number of ordinary shares	138.49	138.49
(used as denominator for calculating diluted EPS)		
Nominal value of ordinary share (Rs.)	10.00	10.00
Earnings per share basic (Rs.)	(1.22)	0.41
Earnings per share diluted (Rs.)	(1.22)	0.41
(B) Basic & Diluted Earnings per share after extra ordinary items		
Profit /(Loss) after tax	(168.40)	56.90
Profit attributable to ordinary shareholders	(168.40)	56.90
Weighted average number of ordinary shares	138.49	138.49
(used as denominator for calculating basic EPS)	-	-
Weighted average number of ordinary shares	138.49	138.49
(used as denominator for calculating diluted EPS)		
Nominal value of ordinary share (Rs.)	10.00	10.00
Earnings per share basic (Rs.)	(1.22)	0.41
Earnings per share diluted (Rs.)	(1.22)	0.41

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note 36. Critical Accounting Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

1. Note 4 : useful life of tangible assets
2. Note 5 : useful life of intangible assets
3. Note 6 : useful life of intangible assets under development.
4. Note 7 : Deferred Tax Assets
5. Note 37 : contingent liabilities
6. Note 43 : defined benefit obligation

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 37. Contingent Liabilities, Capital and Other Commitments

		Amount as at 31.03.2022	Amount as at 31.03.2021
A.	Contingent Liabilities not provided for:		
	i) Guarantees and LC	**566.82**	1005.40
	Less: Bank balances in restricted Fixed Deposits, held under lien as margin money	**91.50**	187.14
		475.32	818.26
	ii) Disputed demands in respect of Central Sales Tax and Value Added Tax	**11.70**	11.70
	Less: - Deposit for Above Demand	**11.70**	11.70
		0.00	0.00
	iii) Disputed demands in respect of GST	**92.11**	-
	Less: Deposit for GST	**4.34**	-
B.	Commitments		
	i) Capital Commitments net of Advances	-	-
	ii) Other Commitments	-	-

Note 38. Balances of Trade Receivables, Short Term Loans & Advances, Long Term Loans & Advances, Other Current Assets, Other borrowings, Trade Payables are subject to confirmation from the parties.

Note 39. Income from operations for the year ended 31 March 2022 is net of Goods and Service Tax (GST).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note 40. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
a. Principal amount due	139.27	147.55
Interest due on above	Nil	Nil
b. Interest paid during the period beyond the appointed day	Nil	Nil
c. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil
d. Amount of interest accrued and remaining unpaid at the end of the period	Nil	Nil
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	Nil	Nil

Note: The above information and that given in Note No. 23 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined based on information available with the Company.

Note 41. Lease payments under cancellable operating leases have been recognized as an expense in the Statement of Profit & Loss. Maximum obligation on lease amount payable as per rentals stated in respective agreements are as follows: -

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Not later than one year	-	-
Later than one year but not later than five years	-	-
More than five years	-	-

Note 42. Related Party Disclosure

Information about Related Parties as required by Accounting Standard -18.

A) List of Related Parties

i) Relatives of Key Management Personnel and their Enterprises/ Associates where Transactions have taken place.

a) Ashok Kanodia (HUF) - (HUF of Managing Director)

b) Mr. Nikhil Kanodia - (Son of Managing Director)

c) Mr. Harbir Singh Banga (Non-Executive Director)

ii) Key Management Personnel

a) Mr. Ashok Kanodia - (Managing Director of the Company)

b) Mr. Nikhil Kanodia – (Whole Time Director cum President)

c) Mr. Jagjit Singh Chopra (Chief Financial Officer of the Company)

d) Miss. Veenita Puri (Company secretary of the Company) Resigned w.e.f from 15.10.2021

e) Mr. Mohit Goel (Company secretary of the Company) appointed *w.e.f.* 02.11.2021

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

B) **Transactions with Related Parties.** **(Amt in Lakh)**

i) **Relatives of Key Management Personnel and their Enterprises/Associates where transactions have taken place.**

	Current Year	Previous Year
Rent	21.53	61.40
Interest	14.99	-
Purchase	41.39	
	Current Year	**Previous Year**
Amount payable	27.27	11.27
Unsecured loan taken during the year	515.00	-
Unsecured loan repaid during the year	515.00	-
Unsecured loan at year-end	-	
ii) Key Management Personnel		
Remuneration including perquisites	83.43	84.04
Interest	52.66	53.59
Salary including Perquisites	28.50	26.49
Unsecured loan taken during the year		1,950
Unsecured loan repaid during the year	10.00	-
Unsecured loan at year – end	584.26	594.26
Amount payable other than unsecured loan	177.84	111.10

Note 43. Report Under AS -19 Employee Benefits (Revised 2005)

During the year, Company has recognised the following amounts in the financial statements as per Ind AS - 19 "Employees Benefits" issued by ICAI.

a) Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged during the year.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	4.63	4.34
Employer's Contribution to Pension Scheme	10.51	9.40

b) Defined Benefit Plan

The employees' gratuity fund scheme is managed by Life Insurance Corporation of India which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

1. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Discount Rate	7.18%	7.00%	7.18%	6.76%
Salary Escalation	7.00%	7.00%	7.00%	4.00%
Mortality Table	2012-14 (IALM)	2012-14 (IAL Ultimate)	2012-14 (IALM)	2012-14 (IAL Ultimate)

The Present value of Obligation is as per Projected Unit Credit Method.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

2. **Table showing changes in present value of obligations**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	**Current year**	Previous year
Present value of obligations as at beginning of year	**110.29**	122.30	**14.87**	21.33
Interest cost	**7.72**	8.87	**1.00**	1.24
Current Service Cost	**10.40**	13.26	**4.01**	6.56
Benefits Paid	**(11.71)**	(14.71)	**(3.48)**	(5.84)
Actuarial (gain)/Loss on Obligations	**(11.71)**	(19.43)	**7.05**	(8.13)
Present value of obligations as at end of year	**104.99**	110.29	**23.45**	15.16

3. **Table showing changes in the fair value of plan assets.**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	**Current year**	Previous year
Fair value of plan assets at beginning of years	**17.55**	11.56	-	-
Expected return on plan assets	**0.35**	1.57		
Contributions	**21.41**	19.11	-	-
Benefits paid	**(11.71)**	(14.71)	-	-
Actuarial (gain)/Loss on Plan Assets	**(0.87)**	-	-	-
Fair value of Plan assets as at end of year	**27.61**	17.55	-	-

4. **Table showing fair value of plan assets**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	**Current year**	Previous year
Fair value of plan assets at beginning of years	**17.55**	11.56	-	-
Actual return on plan assets	**0.35**	1.57	-	-
Contributions	**21.41**	19.11	-	-
Benefits paid	**(11.71)**	(14.71)	-	-
Fair value of Plan assets as at end of year	**27.61**	17.55	-	-
Present Value of obligation at the year end	**104.99**	110.29	**23.45**	15.16
Funded Status	**(77.38)**	(92.74)	**(23.45)**	(15.16)
Excess of actual over estimated return on Plan Assets.	**(0.87)**	-	-	-

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

5. **Actuarial Gain/Loss recognized**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Actuarial gain/Loss for the year Obligations	**11.71**	19.43	**(7.05)**	8.13
Actuarial gain/Loss for the year Plan assets	**0.87**	-	-	-
Total (gain) /Loss for the year	**(10.84)**	(19.43)	**7.05**	(8.13)
Actuarial (gain)/Loss recognized In the year	**(10.84)**	(19.43)	**7.05**	(8.13)
Unrecognized Actuarial (Gain)/Loss at the end of the IVP	-	-	-	-

6. **The amount to be recognized in the balance sheet**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Present value of obligations as at the end of year	**104.99**	110.29	**23.45**	15.16
Fair value of plan assets as at the end of the year	**27.61**	17.55	-	-
Funded status	**(77.38)**	(92.74)	**(23.45)**	(15.16)
Net assets / (liability) recognized in the balance sheet	**(77.38)**	(92.74)	**(23.45)**	(15.16)

7. **Expenses Recognized in statement of Profit & Loss**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Current Service cost	**10.40**	13.26	**4.01**	6.56
Interest Cost	**7.72**	8.86	**1.00**	1.24
Expected return on plan assets	**(1.23)**	(1.58)	-	-
Net Actuarial (gain)/Loss recognized in the year	**(10.84)**	(19.43)	**7.05**	(8.13)
Expenses recognized in statement of Profit & Loss	**6.05**	1.11	**(12.07)**	(0.32)

8. **Expenses Recognized in statement of Other Comprehensive Income**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Net Actuarial (gain)/Loss recognized in the year	**(10.84)**	(19.43)	**7.05**	(8.13)
Expenses recognized in statement of Profit & Loss	**16.89**	1.11	**5.02**	(0.32)

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

9. **Table showing the computation of Actuarial Gain/Loss (Rs.) via Experience Adjustment in respect of Leave Liability:**

	Consideration	Leave (Rs.)
(a)	Present Value of Obligations as on 31/03/2021	14.87
(b)	Interest Cost	1.00
(c)	Current Service Cost	4.01
(d)	Benefits Paid over I.V. P	3.49
(e)	Expected Present value of obligations as on 31/03/2022	
	(a)+(b)+©-(d)	16.40
(f)	Present value of obligations as on 31/03/2022 (based on the	
	basis adopted for 31/03/2021)	12.78
(g)	Present value of obligations as on 31/03/2022 (based on the	
	basis adopted for 31/03/2022)	23.45
(h)	Experience Adjustment (f)-(e)	-3.62
(i)	Difference in Present Value of Obligations (g)-(f)	10.67
(j)	Actuarial (Gain) / Loss (h)+(i)	7.05

6. This pertains only to leave encashment.

Note 44. Derivative instruments and unhedged foreign currency exposure

The Company has no outstanding derivative instrument at the year-end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

	Amount as at March 31, 2022		Amount as at March 31, 2021	
	USD	Rs.	USD	Rs.
Foreign trade payable	**4.36**	**329.72**	14.67	1076.22
Advance to Foreign Creditors	**0.29**	**22.07**		
Foreign trade receivable	**2.69**	**203.52**	1.47	106.84

Note 45. Disclosure of Movement in Provisions during the year as per Ind AS-37 'Provisions, Contingent Liabilities and Contingent Assets:

Particulars	Balance as on 01.04.2021	Provided during the year	Paid /Adjusted during the year	Balance as on 31.03.2022
Non-current provisions				
Gratuity	92.74	6.05	9.31	77.38
Accumulated leaves	15.05	12.07	3.67	23.45
Total	**107.79**			**100.83**
Current provisions				
Gratuity	-	-		-
Accumulated leaves	0.11	-	0.11	-
Total	-	-		

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note 46. Segment Reporting:

a) **Business Segments:** Based on guiding principles given in Ind AS - 108 "Segment Reporting "issued by the Institute of Chartered Accountants of India, the Company's Business Segments include: **Telecom and Infra Services.**

b) **Geographical Segments:** Since the Company's activities / operations are primarily within the Country & considering the nature of the products/services it deals in, the risk & returns are the same as such there is only one geographical segment.

c) Information about business segments

Particulars	TELECOM		INFRA SERVICES		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue						
External sales*	**3,236.25**	3,541.05	**303.15**	611.89	**3,539.40**	4,152.94
Inter segment sales	-	-	-	-	-	-
Total revenue	**3,236.25**	3,541.05	**303.15**	611.89	**3,539.40**	4,152.94
Segment results	**365.45**	440.75	**(156.73)**	(84.28)	**208.72**	356.48
Unallocated(expenses)/Income	-	-	-	-	**(100.22)**	(114.81)
Operating(loss)/profit	-	-	-	-	**88.25**	221.10
Finance expenses	-	-	-	-	**276.47**	186.95
Interest income	-	-	-	-	**12.25**	20.57
Profit/(Loss) before taxation	-	-	-	-	**(175.98)**	54.72
Wealth tax, Earlier years tax & Mat Credit Entitlement	-	-	-	-	-	-
Deferred Tax Assets	-	-	-	-	**(7.57)**	(2.18)
Provision for Income Tax	-	-	-	-	-	-
Net profit after tax	-	-	-	-	**(168.40)**	56.90
Other Comprehensive Income	-	-	-	-	**2.80**	(14.43)
Total Comprehensive Income	-	-	-	-	**(165.60)**	42.47
Segment Assets	**3,486.21**	4,990.52	**500.63**	396.48	**3,986.84**	5,387.00
Unallocated assets	-	-	-	-	**380.96**	371.47
Total assets	-	-	-	-	**4,367.79**	5,758.48
Segment Liabilities	**859.98**	1,911.02	**77.98**	179.11	**937.96**	2,090.13
Total Equity	-	-	-	-	**1,332.24**	1,497.84
Secured & Unsecured Loans	-	-	-	-	**2,089.01**	2,161.97
Unallocated Liabilities	-	-	-	-	**8.59**	8.53
Total liabilities	-	-	-	-	**4,367.79**	5,758.48
Depreciation	**70.90**	75.94	**2.59**	**4.42**	**73.48**	80.35

* Telecom sales include service receipts.

Note 47. Additional Regulatory Information:

(i) The title deed of freehold immovable properties are held in the name of the Company.

(ii) The Company has not revalued its Property, Plant and Equipments during the year.

(iii) The company has not made any advances or in the nature of loans to promoters, directors, KMPs, and the related parties.

(iv) The company do not own or hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45of 1988) and the rules made there under.

(v) The statements of current assets filed by the company with banks are in agreement with the books of accounts.

(vi) The company is not declared a Wilful Defaulter by any bank or financial institutions.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

(vii) The company do not have any transactions with companies stuck off under section 248 of the companies Act,2013 or section 560 of companies Act,1956.

(viii) All Registration of charges or satisfaction are registered with Registrar of Companies (ROC).

(ix) No Scheme(s) of Arrangements has been approved by the competent authority in terms of section 230 to 237of the companies Act,2013 .

(x) The company has utilised long them borrowed fund for long term purpose only and short term fund for short term purpose only.

(xi) During the year no income was surrendered or disclosed as income in the Tax Assessments

(xii) The company has not dealt in Crypto Currency during the year.

(xiii) The company is not having downstream companies or layers of companies prescribed under clause (87) of section 2 of the Act read with companies (Restriction on number of layers) Rules, 2017.

(xiv) The Company has not advanced or loaned or invested funds or provide any guarantee, security to any other person or entities including Foreign entities(Intermediatories) with an understanding that the intermediary will invest or provide any guarantee, security or the like to or on behalf of company (ultimate beneficiaries)

(xv) The Company has not received any fund from any person (s) or entity(s), including foreign entities

(Funding party) with the understanding that the company shall directly or indirectly invest or provide any guarantee, security or the like to or on behalf of funding party.

Note 48. All figures have been rounded off to the nearest rupee.

Note 49. Current year figures are shown in bold fonts.

Note 50. Previous year's figures have been regrouped / rearranged & reclassified where ever necessary to conform to Ind AS requirements to make them comparable with the current year.

Note 51. **FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and over sight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Key Financial Ratios *

Sl. No.	Particulars	Formula	FY 2021-22	FY 2020-21	% change in Ratio during the year
1	Current Ratio	Current Assets / Current Liability	1.52	1.37	11.01
2	Debt-to-Equity Ratio	Debts / Equity Shareholder Fund	0.61	0.60	2.01
3	Debt Service Coverage Ratio	EBDITA / Interest+Principal	0.09	0.12	-29.93
4	Return on Equity Ratio	PAT /Shareholder's Equity	-0.12	0.03	-538.35
5	Inventory Turnover Ratio	Cost of Goods Sold / Avg Inventory	1.71	2.19	-21.82
6	Receivables turnover	Sales / Trade Receivable	3.61	1.61	124.66
7	Trade Payable Turnover Ratio	Purchase / Trade Payable	3.36	1.37	144.81
8	Net Capital Turnover Ratio	Sales/Average Working Capital	3.08	3.87	-20.38
9	Net Profit Margin Ratio (%)	Net Income / Net Sales	(4.68)	1.02	-557.44
10	Return on Capital Employed	EBIT/ Total Assets - Current Liabilities	0.03	0.09	-62.78
11	Return on Investment (%)	EBIT/Average Operating Assets	1.38	4.46	-69.15

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Since the company has incurred losses during the current financial year, the ratio have been impacted as companied to previous year

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's Financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Rs. in Lakh

Particular	Carrying amount	Less then 12 month	More than 12month	Total
As at march 31,2022				
trade payables	642.13	404.58	237.55	642.13
other Liabilities Including borrowings	2393.42	1466.86	926.56	2393.42
As at March 31,2021				
trade payables	1835.82	1591.87	243.95	1835.82
other Liabilities Including borrowings	2424.81	1458.28	966.53	2424.81

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities(primarily trade receivables) and from its financing activities, including other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on past experience and market data available. Outstanding customer receivables a reneguiarly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed by the management on an annual basis and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Capital management

Capitalincludesissuedequitycapitalandsharepremiumandallotherequityreservesattributabletotheequityholders.Theprimary objective of the Company's capital management is to maximize share holder value.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Particulars	31-03-2022 Rs in Lakh	31-03-2021 Rs in Lakh
Borrowings (Excl preference shares)	2089.01	2161.97
Trade Payables	642.13	1835.82
Other Payables	194.99	146.51
Less: Cash and Cash equivalents	-370.26	-11.83
Deposits	-108.44	-198.43
Total Debt	**2447.44**	**3934.04**
Equity	1332.24	1497.84
Total Capital	**1332.24**	**1497.84**
Capital and Total debt		
Gearing Ratio	**1.84**	**2.63**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio within 2.00

There is no change in the objectives, policies or processes for managing capital during the year.

Note 52. FINANCIAL ASSETS BY CATEGORY (Rs in Lakh)

Particulars	Mar-22			Mar-21		
	FVTPL	FVTPL	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
1) Financial Assets						
I) Bank deposit		-	108.44			198.43
II) Trade receivables		-	980.03			2583.17
III) Cash and Cash Equivalents		-	370.26			11.83
IV) Other Bank balances			0.00			0.00
V) Security deposit for utilities and premises		-	31.56			37.54
VI) Other receivables			60.16			53.15
Total financial assets			**1550.44**			**2884.12**
2) Financial liabilities						
I) Borrowings						
A) From Banks	-	-	1157.71	-	-	1163.61
B) From Others	-	-	931.30	-	-	998.36
C) Preference Shares	-	-	-	-	-	-
II) Deposits	-	-	-	-	-	-
III) Trade payables	-	-	642.13	-	-	1835.82
IV) Other Liabilities	-	-	**0.00**	-	-	1163.61
Total Financial Liabilities	-	-	**2731.14**	-	-	**3997.79**

Fair Value measurement

Fair Value Hierarchy and valuation technique used to determine fair value

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3inputs. (See Fair Value measurement under Note 3 here in above).

All Non-Current Financial Assets are recognized at fair value, measured at Amortized Cost as per level 3 for which fair values are disclosed.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note 53. OVERALL PRINCIPLES:

The Company has prepared the opening balance sheet as per IndAS as of April1, 2016(the transition date) by recognizing all assets and liabilities whose recognition is required by IndAS, not recognizing items of assets or liabilities which are not permitted by IndAS, by reclassifying certain items from Previous GAAP to IndAS as required under the IndAS, and applying IndAS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Note 54. FIRST TIME ADOPTION OF IND AS

The accounting policies set out in Note 3 have been applied in preparing the FINANCIAL statements for the year ended March 31, 2022 and 2021.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IndAS as at the transition date, i.e. April 1, 2016.

A Ind- AS optional exemptions

Deemed cost

IndAS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to IndAS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities except leasehold land. This exemption can also be used for intangible assets covered by IndAS 38 Intangible Assets and Investment Property covered by IndAS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value except leasehold land.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts / arrangements.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of financial assets has been based on the facts and circumstances that existed at the date of transition to Ind AS.

Notes to Financial Statements for the year ending March 31, 2022

(All amounts in financial statements and notes are in Rs in Lakh unless otherwise mentioned)

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note 55.a) Revenue from Operations

Particulars	Sales Value	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	Lakh	Lakh
Interface Card, Converter, Modem & Routers, Digital Voice Data Recorder, Encryptors, Mast, Antenna, PDU and power supply and others	**2,456.34**	2,742.04
Export Sale Telecom	**111.16**	462.94
Services Charges Export	**66.29**	
Services	**597.16**	326.00
Infra Service Charges	**303.15**	611.89
Total	**3,534.10**	4,142.86
Less: Sales Return	-	-
	3,534.10	4,142.86
Other Operating Revenue		
Duty Drawback	**5.30**	9.52
Sale of Scrap	-	0.28
Total	**3,539.40**	4,152.66

Note 55.b) Raw Material Consumed

Particulars	VALUE	
	Current Year 2022	Current Year 2021
	Lakh	Lakh
Elect. Compo. & Modules	**1,099.55**	1,882.21
Mechanical H/W & Sub system	**4.33**	99.13
Others	**539.42**	121.67
Infra Service -Material	**377.82**	540.42
Total	**2,021.13**	2,643.42

Note 55.c) Value of Imported and Indigenous material consumed

Particulars	Current Year 2022		Current Year 2021	
	Percent	Value Lakh	Percent	Value Lakh
Raw Material & Components				
Imported	27.91	**564.14**	40.74	1,076.82
Indigenous	72.09	**1,456.99**	59.26	1,566.61
Stores and Spares				
Imported				
Indigenous	100	**6.87**	100.00	7.12
Total		**2,027.99**		2,650.54

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

Note 55.d) Value of imports on CIF basis

Particulars	Current Year 2022 Lakh	Current Year 2021 Lakh
Raw Material and Components	**602.58**	1,085.24
Capital Goods	-	-
Raw Material Traded Goods	-	-
Total	**602.58**	1,085.24

Note 55.e) Earnings in Foreign Exchange

Particulars	Current Year -2022 Lakh	Current Year -2021 Lakh
Export of Goods of F.O.B.	**111.16**	462.94
Others		
-Export Service in Foreign Currency	**66.29**	0.16
-Domestic Sales in Foreign Currency	-	0.00
-Domestic Services in Foreign Currency	**387.40**	98.25
Total	**564.86**	561.34

Note 55.f) Expenditure in Foreign Currency

Particulars	Current Year2022 Lakh	Current Year2021 Lakh
Technical Services	**48.23**	-
Others		
-Travelling	**10.01**	-
Total	**58.24**	-

As per our Report of even date attached to the Balance Sheet

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

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

Place : New Delhi
Dated: 24.05.2022

For and on behalf of the Board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Mohit Goel
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

Manufacturing and Assembly of Tactical C4I Systems

PEL NOIDA & ROORKEE BUILDING

INFRASTRUCTURE

SERVICES & CAPABILITIES

PROJECTS

PRODUCTS

Corporate Office & Noida Unit

D-10, Sector-3, Noida 201301,
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Tel: +91-120-2551556 / 1557, Fax: +91-120-2524337

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"we always know who we're working for"