

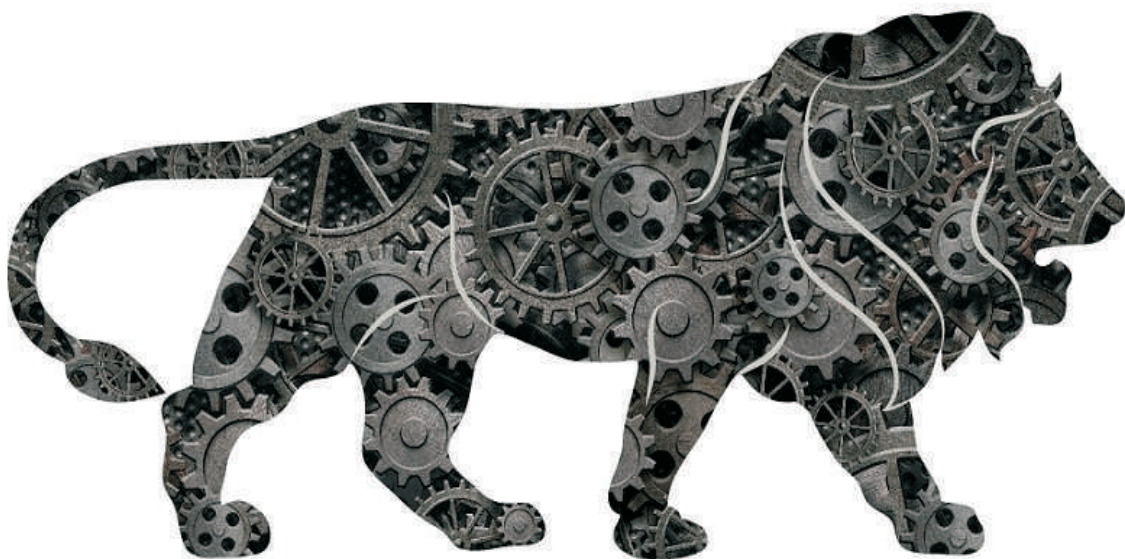
Military



Healthcare



Oil & Gas



# 44th ANNUAL REPORT 2022-2023

**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



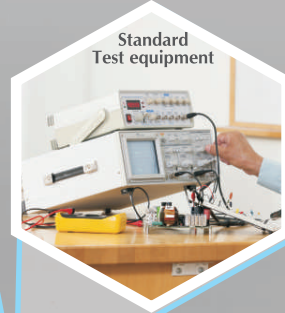
Entity  
Engineering



Integration of legacy  
sub-systems with new  
sub-systems



Automatic test  
Equipment



Standard  
Test equipment

## Testing Infrastructure

HW/SW  
development to meet  
customer specific requirements



Upgradation  
of existing  
system/equipment



## Value-Added Solutions

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## BOARD OF DIRECTORS & COMMITTEE

### BOARD OF DIRECTORS

Mr. Ashok Kumar Kanodia  
Mr. Nikhil Kanodia

Mr. Harbir Singh Banga  
Mr. Suresh Vyas  
Mr. S.K. Kataria  
Mr. Deepto Roy  
Mr. Rahul Goenka  
Ms. Preeti Grover

Managing Director  
Whole Time Director  
and President  
Director  
Director  
Director  
Director  
Director

### AUDIT COMMITTEE

Mr. S.K. Kataria  
Mr. Suresh Vyas

Mr. Deepto Roy

Chairperson  
Member

Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Chairperson  
Member  
Member

### NOMINATION AND REMUNERATION COMMITTEE

Mr. S.K. Kataria  
Mr. Suresh Vyas  
Mr. Deepto Roy

Chairperson  
Member  
Member

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### COMPANY SECRETARY CUM COMPLIANCE OFFICER

Ms. Vrinda Mohan Gupta

### CHIEF FINANCIAL OFFICER

Mr. Jagjit Singh Chopra

### STATUTORY AUDITORS

M/s Nemani Garg Agarwal & Co.

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### 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

### PLANT

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

### BANKER OF THE COMPANY

South Indian Bank, Noida Branch

### UDYAM REGISTRATION NUMBER

UDYAM-UP-28-0002995

### LISTED ON

Bombay Stock Exchange

### REGISTERED OFFICE

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

### CORPORATE IDENTITY NUMBER (CIN)

L32104DL1979PLC009590

### CORPORATE OFFICE

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

### ISIN No.

INE143C01024

### STOCK CODE

517258

**PRECISION ELECTRONICS LIMITED**  
CIN: L32104DL1979PLC009590  
**Redg. Office:** D – 1081, New Friends Colony, New Delhi – 110025  
**Phone:** 120 2551556/7, **Fax:** 120 2524337  
**Email:** [cs@pel-india.in](mailto:cs@pel-india.in), **Website:** [www.pel-india.in](http://www.pel-india.in)

**NOTICE OF THE 44<sup>th</sup> ANNUAL GENERAL MEETING (AGM)**

NOTICE is hereby given that the 44<sup>th</sup> Annual General Meeting ('AGM') of Precision Electronics Limited (the Company) will be held on Monday, September 25, 2023, at 12:00 Noon (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

**ORDINARY BUSINESS:**

1. To, consider, approve and adopt the Audited Financial Statements of the Company comprising the balance sheet as on March 31, 2023, Statement of Profit and Loss and Cash Flow statement and Notes thereto for the Financial Year ended on March 31, 2023, together with the Reports of Board of Directors and the Auditor's thereon.
2. To appoint a director in place of Mr. Rahul Goenka (DIN: 00002440), who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS:**

3. **APPOINTMENT OF LT GEN (DR) RAJESH PANT PVSM, AVSM, VSM (RETD.) (DIN:06969307) AS DIRECTOR AND NON-EXECUTIVE CHAIRMAN 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 the provision 149, 152, and 161 of the Companies Act, 2013 (including and amendments thereto or re-enactment thereof) ('the Act') read with rule 8 of the Companies (Appointment and Qualification of Directors) Rule, 2014, Lt Gen (Dr) Rajesh Pant PVSM, AVSM, VSM (Retd.) (DIN:06969307), who was appointed by the Board of Directors as an Additional Director and Non- Executive Chairman of the Company with effect from 11 August 2023, to hold office till the date of ensuring Annual General Meeting or due date of Annual General Meeting whichever is earlier be and is hereby appointed as Non- Executive Director cum Chairman of the Company and liable to retire by rotation"

**By Order of the Board**

Place: Noida  
Date: August 11, 2023

**For Precision Electronics Limited**

Sd/-  
Vrinda Mohan Gupta  
Company Secretary cum Compliance Officer

**Notes**

1. Due to the outbreak of COVID 19 MCA via General Circular No 10/2022 dated 28.12.2022 & General Circular No 11/2022 dated 28.12.2022 has extended the Time period for holding of AGM or passing of Ordinary/ Special Resolution through "Video Conferencing" till 30th September 2023 and SEBI vide Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio- Visual Means (OAVM). Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for the 44th Annual General Meeting (AGM). However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. 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 served 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 served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 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 April 08, 2020, April 13, 2020 and May 05, 2020 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 venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.pel-india.in](http://www.pel-india.in). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.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.nsd.com](http://www.evoting.nsd.com)
7. 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.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday September 19, 2023 to Monday September 25, 2023 (both days inclusive).
9. All documents referred to in the accompanying Notice 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](mailto:cs@pel-india.in).
10. Members seeking further information about the accounts are requested to write at least 7 days before the date of the Meeting so that it may be convenient to get the information ready at the Meeting.
11. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice and the Annual Report calling the 44th AGM has been uploaded on the website of the Company at [www.pel-india.in](http://www.pel-india.in). The Notice can also be accessed from the websites of the Stock Exchange, BSE Limited at [www.bseindia.com](http://www.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.nsd.com](http://www.evoting.nsd.com)
12. 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](mailto:compliances@skylinerta.com).
13. 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 19, 2023 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or 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.nsd.com](http://www.evoting.nsd.com).
14. 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.
15. The Board of Directors has appointed. Munish K Sharma and Associates LLP, as the Scrutinizer for scrutinizing the E-Voting process in a fair and transparent manner.
16. 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.
17. The results declared along with the report of the Scrutinizer shall be placed on the Company's website [www.pel-india.in](http://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 AND JOINING GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins on September 19, 2023 (Tuesday) at 09:00 AM and ends on September 25, 2023 (Monday) at 05:00 PM the remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 19, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 19, 2023.

**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) Login method for e-Voting and joining Virtual Meeting for Individual shareholders holding securities in demat mode**

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
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>   </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	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 above mentioned 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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?**

- 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, 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.*
- 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 in 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](http://www.evoting.nsdl.com).
  - b) “Physical User Reset Password?” (If you are holding share in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 the General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join the General Meeting on NSDL e-Voting system?**

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 also “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.

## **GENERAL GUIDELINES FOR SHAREHOLDERS**

- A) 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](mailto:scrutinizer@pel-india.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B) 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](http://www.evoting.nsdl.com) to reset the password.
- C) 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](http://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](mailto: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](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto: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](mailto: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 ID’S 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](mailto: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](mailto: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., Login method for e-Voting and joining Virtual Meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
4. 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.

## **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is the 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 THROUGH VC/OAVM ARE AS UNDER:**

1. Members 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. Those 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 Board of Directors, on the recommendation of the Nomination and Remuneration committee, had appointed Lt Gen (Dr) Rajesh Pant PVSM, AVSM, VSM (Retd.) as Additional Director and Non- Executive Chairperson of the Company on 11 August 2023 pursuant to provisions of Section 161 of the Companies Act, 2013 to hold the office up to the date of the Annual General Meeting

Lt Gen (Dr) Rajesh Pant PVSM, AVSM, VSM (Retd.) is Ph D in Information Security Metrics (2014), M. Tech in Telecom & Remote Sensing from IIT Kharagpur. Presented IEEE paper in UK, Master of Management Studies from Osmania University, Hyderabad, M. Phil in National Security from Chennai University, Qualified in Independent Directors Course from MDI, Gurgaon in 2014. Over forty years of unblemished and disciplined service to the Nation as a Leader and Mentor in the glorious Indian Army. Displayed outstanding integrity and superannuated after reaching highest rank of Lieutenant General in Signals on 30 June 2014. Elected on 01 Jul 2014 as Member National Governing Council of the Institution of Electronics and Telecom Engineers (IETE) India by about 20,000 eminent Scientists, Academicians and Scholars. Also nominated member of IETE Academic, eLearning, Skill Development and Publications Committee. Renowned Techno-scholar-warrior with experience of Sri Lanka & Kargil operations. Regularly invited to chair / address events of IIT, IIM, and International Conferences on Management, Technology, Electronic Warfare, GIS, and Information Warfare & Systems. Seminar appearances available in Google search and You Tube. Processed three patents in previous establishment through visionary and innovative academic leadership. Possess Independent Director Number 06969307.

From Last five years he was designated as the “National Cyber Security Coordinator”. He was the Head of National Centre of Excellence in ICT and Cyber Security with over 2000 trainees of B Tech and M Tech levels, including from 24 foreign countries. More than 10 years’ experience in top level defence IT and Telecom training centre, Founder member of India’s indigenous Electronic Warfare (EW) programme. Author of Indian Army’s Information Warfare Doctrine (2004). Evaluated EW Systems in France, Israel, South Africa, Argentina. Trained on EW in Hungary, Earlier leadership of large Military organization for communication networks covering eight states of India. Also initiator of Battlefield Management Systems for entire Indian Army, second largest in world and managed projects of over Rs 5,000 crore value.

He has been awarded on 26 Jan 2000 - Vishisht Sewa Medal (VSM) by President of India, 26 Jan 2013 - Ati Vishisht Sewa Medal (AVSM) by President of India, 20 July 2013 - IETE National Award for ICT & Cyber Training Initiatives, 15 Jan 2014 - Unit Citation (of excellence) for leadership of previous technical training organization, Military College of Telecom Engineering, Mhow (MP), 26 Jan 2015- Awarded Param Vishisht Seva Medal (PVSM) by President for distinguished service of the most exceptional order.

Your Board considers that in view of the experience and expertise possessed by Lt Gen (Dr) Rajesh Pant PVSM, AVSM, VSM (Retd.), it would be in the interest of your Company to appoint Lt Gen (Dr) Rajesh Pant PVSM, AVSM, VSM (Retd.) as Non-Executive Director cum Chairman of the Company.

## 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:

<b>Particulars/ Names</b>	Lt. Gen. Dr. Rajesh Pant (Retd.)
<b>Date of Birth</b>	06-06-1954
<b>Date of 1<sup>st</sup> Appointment on Board of the Company</b>	27-07-2015
<b>Qualification</b>	Ph D in Information Security Metrics (2014), M. Tech in Telecom & Remote Sensing from IIT Kharagpur. Presented IEEE paper in UK, Master of Management Studies from Osmania University, Hyderabad, M. Phil in National Security from Chennai University
<b>Expertise in specific functional areas</b>	In depth knowledge and Expert in various field of Business
<b>Directorship of other Companies (excluding Foreign Companies and Section 8 Companies)</b>	None
<b>Chairmanship/ Membership of Committees of other Public Companies</b>	None
<b>Number of shares held in the Company in his own name</b>	0
<b>Number of Board Meetings attended during 2022-23</b>	0
<b>Remuneration (CTC) drawn during Financial Year 2022-23</b>	0
<b>Directors' inter se relationship with other Directors, Manager/Key Managerial Personnel</b>	None

Place: Noida  
Date: August 11, 2023

By Order of the Board  
For Precision Electronics Limited

Sd/-  
Vrinda Mohan Gupta  
Company Secretary cum Compliance Officer

## DIRECTORS' REPORT

To  
The Members of  
Precision Electronics Limited,

Your Directors have pleasure in presenting the 44<sup>th</sup> Annual Report on the Business and Operations of the Company along with the Audited Statements of Accounts for the Financial Year ended March 31, 2023.

### 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 2022-2023)	PREVIOUS YEAR (FY 2021-2022)
Revenue*	361.7	387.5
Profit before Depreciation, Interest, & Tax	35.7	17.4
Depreciation	5.0	7.3
Finance Cost	21.59	27.6
Exceptional items	9.2	(17.5)
Net profit before Tax	9.1	(0.7)
Provision for Tax	0.08	(16.8)
Net profit after tax	361.7	387.5

\*Revenue is net of Goods and Services Tax.

### DIVIDEND

As the Company did not earn sufficient profit during the financial year 2022-2023, the Board does not recommend payment of any dividend for the Financial Year under review.

### TRANSFER TO RESERVES

Details of amount which the Company carries to reserves are provided in Note No. 18 to the Financial Statements.

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

Overall revenue of the Company for the year ended March 31, 2023 was recorded at about Rs. 361.7 million which is 6.8 % lower as compared to previous Financial Year 2021-22 revenue of Rs. 387.5 million. However, PEL was able to breakeven as against loss of Rs. 16.8 million in the previous Financial Year 2021-22 due to revenues from Services vertical during the year ended March 31, 2023.

The Company is structured in four business verticals detailed below. These verticals represent your Company's focus and efforts.

#### 2.1 Masts & Pedestals:

Revenue for the year ended March 31, 2023 is Rs. 76.6 million as against Rs. 40.5 million in the previous year FY 2021-22. 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, 2023 is Rs. 112.5 million as against Rs. 128.7 million in the previous year FY 2021-22. Revenues were hit due reduced off-take of Power Distribution Units by the Healthcare sector. 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, 2023 is Rs. 54.3 million as against Rs. 98.3 million in the previous year FY 2021-22. Your Company has enhanced its portfolio and with sustained business development activities being undertaken, the results are expected in the current financial year 2023-24.

#### 2.4 Engineering Services:

Revenue for the year ended March 31, 2023 is Rs. 112.1 million as against Rs. 85.9 million in the previous year FY 2021-22. Engineering Services includes Turnkey Installation & Commissioning, Warranty-AMC Services and Lab Testing Services.

### 3. **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

- A. **MAKE IN INDIA:** For most procurements by Government of India (GOI) entities (Defence & Security, Telecom) and associated PSUs there is continued support and push for MAKE IN INDIA. 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. MoD and 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 significantly increasing their Defence spending for the next 3-4 years due to emerging geopolitics situations and threat perceptions thereof. Number of enquiries has increased and business in the forthcoming years is expected to grow substantially from friendly Countries.
- C. **ANTI-DRONE MARKET:** Drones represent a big security challenge 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. Our enhanced product range of Masts, Tripods and Pedestals is bearing fruit.
- D. **4G/ 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 by developing its own 4G and 5G stack. The global market for Private Networks is growing rapidly with use cases that encompass Security, Enterprise and Industrial OT. 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. Multinational Companies are looking for assured supply base and India being a big and competitive market with availability of technical resources is in focus.

#### **SEGMENT-WISE/ PRODUCT-WISE OUTLOOK**

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

- A. **Masts & Pedestals:** PEL customers for its portfolio of Telescopic Masts, Tripods and Pedestals that are designed, developed and manufactured in-house are 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 PEL expects 30-35% of its overall revenues to come from this segment.
- B. **Electro-Mechanical Manufacturing:** Your Company has 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 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 PEL expects 25-30% 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. PEL 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:** PEL 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.
2. Masts, Tripods, Pedestals and Built-to-Spec Power Electronics & Interconnectivity devices are typically offered by different vendors. PEL provides the ability to simplify supply chains for customers looking for all of the above under one roof.
3. 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
4. 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. Provides great opportunities for Manufacturing and Engineering Services.

### Threats, Risk & Concerns

1. Supply Chain delays specifically related to Semiconductor Chips.
2. 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.
3. Talent shortage for developing globally competitive technologies in India.
4. Timely sanction of Government budgets.

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

Ratio Analysis (2022-23)				REMARKS
Sl. No.	Particulars	FY 2022-23	FY 2021-22	
1	Debt Service Coverage Ratio	0.07	0.09	Since the Company has incurred losses before exceptional profit during the current financial year, the ratio has been impacted as compared to the previous financial year.
2	Return on Equity Ratio	0.01	-0.12	
3	Inventory Turnover Ratio	1.40	1.71	
4	Receivables turnover	2.93	3.61	
5	Trade Payable Turnover Ratio	4.95	3.36	
6	Net Capital Turnover Ratio	2.60	3.08	
7	Net Profit Margin Ratio (%)	-6.05	-4.68	
8	Return on Capital Employed	0.02	0.03	
9	Return on Investment (%)	1.17	1.38	

### 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, analyze 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, 2023 stood at 136. 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 the PEL 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. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, it is confirmed that:

- a) In the preparation of the annual accounts for the Financial Year ended March 31, 2023, 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 2022-23 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 Munish K Sharma and Associates LLP, Company Secretaries on its compliance forms part of 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 CS Aditya Jain, Partner at Munish K Sharma and Associates LLP, Company Secretaries is attached herewith as **Annexure I**.

## 7. CORPORATE SOCIAL RESPONSIBILITY(CSR)

During the Financial Year under review provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014 with respect to Corporate Social Responsibility are not applicable.

## 8. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered into during the Financial Year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy is available on the Company's website [www.pel-india.in](http://www.pel-india.in)

The current and the future transactions will be deemed to be 'material' in nature as defined in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") if they exceed rupees 1000 Crore or 10 per cent of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower. All related party transactions and subsequent material modifications shall require prior approval of the audit committee as per Regulation 23 (2) of the SEBI (LODR) Regulations, 2015 and all material related party transaction shall require approval of shareholders through resolution and the related party shall abstain from voting on such resolution whether the Company is a related party to the particular transaction or not.

The related party transaction, referred to Section 188(1) of the Companies Act, 2013, entered and continued during the Financial Year are attached herewith in Form AOC-2 as Annexure II to this Report.

## 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 and offers/proposals submitted by the Company to its customers are modified accordingly. In the opinion of the Board, there is no risk which may threaten the existence of the Company.

## 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.

In accordance with Section 203 of the Companies Act 2013, Key Managerial Personnel of the Company are: Mr. Ashok Kumar Kanodia (Managing Director), Mr. Nikhil Kanodia (Whole Time Director cum President), Mr. Jagjit Singh Chopra (Chief Financial Officer) and Ms. Vrinda Mohan Gupta (Company Secretary cum Compliance Officer).

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. Rahul Goenka, Non-Executive Director who retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting of the Company.



Ms. Vrinda Mohan Gupta has been appointed as Company Secretary of the Company in Board Meeting dated 14<sup>th</sup> day of July 2022 consequent to the resignation of Mr. Mohit Kumar Goel from the post of Company Secretary of the Company, who has resigned w.e.f. 18<sup>th</sup> day of June 2022 to the Company.

Mr. Ashok Kumar Kanodia (DIN: 00002563), Managing Director of the Company has been re-appointed as a Managing Director of the company with effect from 14/08/2022 for a term of Two year pursuant to provisions of the Companies Act, 2013.

Mr. Neeraj Bajaj (DIN: 00035778) has resigned from the position of Independent Director of the Company due to personal and unavoidable circumstances, who has tendered his resignation vide letter dated 4<sup>th</sup> day of November 2022 to the Company and received by the Company on the same day and took note the same w.e.f., 07<sup>th</sup> day of November 2022.

Mr. Suresh Vyas (DIN: 00085571) has been appointed as a Non-Executive Independent Additional Director of the Company by the Board w.e.f., 04<sup>th</sup> February 2023 and has been appointed as Non-executive Independent Director by the Shareholders of the Company in their meeting held on 20<sup>th</sup> March 2023 for a term of five consecutive year.

However, after the closing the financial year but before the signing of this report the Board has appointed LT GEN. (DR) Rajesh Pant PVSM, AVSM, VSM (Retd) (DIN: 06969307) as an Additional Director and Non-executive Chairperson of the Company w.e.f., 11<sup>th</sup> August, 2023 and his appointment as Director and Non-executive Chairperson is to be approved by the Shareholders in the ensuing Annual General Meeting.

## **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 Act 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 Munish K Sharma and Associates LLP, was engaged to collate and evaluate the results.

The Board Evaluation Result were placed before the Nomination and Remuneration Committee meeting held on July 15, 2023.

A Meeting of Independent Director was held on July 15, 2023 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 Rule 8(iiiia) of The Companies (Accounts) Rules, 2014 and 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.

## **13. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

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

## **14. AUDITORS AND AUDITOR'S REPORT**

### **STATUTORY AUDITOR**

M/s. Nemani Garg Agarwal, & Co., Chartered Accountants, (F.R.N. 010192N) were appointed as a Statutory Auditors of the Company for a period of 5 years in the 43<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2022 till the conclusion of 48<sup>th</sup> Annual General Meeting.

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

### **SECRETARIAL AUDITOR**

The Board has appointed Munish K Sharma and Associates LLP, Company Secretaries to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as **Annexure III** to this Report and the explanation or comments by the Board on every qualification, reservation or adverse remark or disclaimer made are annexed hereto as **Annexure IV** to this report.

Particulars of Secretarial Auditors are as follows

Name of Secretarial Auditor	Munish K Sharma and Associates LLP
Address:	AAF-14, Shipra Krishna Azure, Near Wave Cinema, Kaushambi, Ghaziabad - 201012
E-mail id:	aditya@mksadvisors.com

#### INTERNAL AUDITORS

Pursuant to Section 138 of the Companies Act, 2013 and on recommendation of the Audit Committee, the Board of Directors appointed M/s Rajendra K. Goel & Co., Chartered Accountants, as the Internal Auditors of the Company for the financial year 2022-23.

Particulars of Internal Auditors are as follows

Name of Internal Auditor	Rajendra K. Goel & Co, Chartered Accountants
Address:	J - 288, Ground Floor, Saket, New Delhi - 110017
E-mail id:	rajendrakgoelco@gmail.com

## 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](http://www.pel-india.in).

#### AUDIT COMMITTEE

As on 31 March 2023, the Audit Committee comprises of following Independent Directors:

1. Mr. Sharvan Kumar Kataria (Chairman)
2. Mr. Deepto Roy (Member)
3. Mr. Suresh Vyas (Member)

Further, Mr. Neeraj Bajaj resigned in the month of November and Mr. Suresh Vyas was appointed as a member of Audit Committee in the month of February.

Five (5) Meetings of the committee were convened during the financial year 2022-23; 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 (resigned)	NEID	Member	3
3.	Mr. Deepto Roy	NEID	Member	4
4.	Mr. Suresh Vyas	NEID	Member	0

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

#### NOMINATION AND REMUNERATION COMMITTEE

As on 31 March 2023, the Nomination and Remuneration Committee consists of the following members;

1. Mr. Sharvan Kumar Kataria (Chairman)
2. Mr. Deepto Roy (Member)
3. Mr. Suresh Vyas (Member)

Further, Mr. Neeraj Bajaj resigned in the month of November and Mr. Suresh Vyas was appointed as a member in the month of February

Four (4) meetings of the Committee were convened during the financial year 2022-23 and 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	4
2.	Mr. Neeraj Bajaj (Resigned)	NEID	Member	3
3.	Mr. Deepto Roy	NEID	Member	4
4.	Mr. Suresh Vyas	NEID	Member	0

The recommendations, if any made to the Board by the Nomination and Remuneration Committee during the year under review were accepted. Also Nomination and Remuneration Policy of the Company can be accessed on the Company website at [www.pel-india.in](http://www.pel-india.in).

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

As on 31 March 2023, the Stakeholders Relationship Committee comprises of following Three (3) Directors;

1. Mr. Sharvan Kumar Kataria (Chairperson)
2. Ms. Preeti Grover (Member)
3. Mr. Rahul Goenka (Member)
- 4.

One (1) Meeting of the committee was convened during the financial year 2022-23, 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	0
3.	Ms. Preeti Grover	NEID	Member	1

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

#### MEETINGS OF THE BOARD

The Board of Directors met Five (5) times on May 24, 2022, July 14, 2022, August 08, 2022, November 07, 2022, and February 13, 2023. For further details, please refer report on Corporate Governance annexed with this Report.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

There was no transaction of the nature covered under Section 186 of the Companies Act, 2013.

#### WEB LINK OF ANNUAL RETURN

Pursuant to Section 134 of the Companies Act, 2013, Annual Return in Form MGT - 7 shall be made available at the Company's website at [www.pel-india.in](http://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 V** 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 VI 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 (72), Managing Director, 01.05.1979, 0.74% equity shares, Rs. 32,89,812/-, B.E. Electrical (44); Mr. Nikhil Kanodia (46), Whole Time Director and President, 24.67% equity shares, Rs. 69,84,780/-, M.S. Electrical & Computer Engineering (25), Fujitsu Network Communications; Mr. Deepak Jagga (51), Senior Vice President Marketing, 01.04.2002, Rs. 28,41,389/-, B.E (Electronics) (35); Mr. Jagjit Singh Chopra (54), Chief Financial Officer, 25.04.2014, Rs.25,70,400/-, Chartered Accountant (25), Blessings Advertising Pvt. Ltd.; Mr. Amit Kumar Mittal (53), Senior Deputy General Manager, 14.02.2006, Rs. 20,73,594/-, B.E (E&C) (29), Punjab Wireless System Ltd.; Mr. A. Babu (46) Project Manager EW, 31.03.2021, Rs. 18,23,994, B.Sc. and B. Tech (Communication) (27), Indian Army, Corps of Signals; Mr. Piyush Mehrotra (58) General Manager BD, 17.10.2020, Rs.15,24,600, B.Tech Mechanical (35), Kunta International; Mr. Pritam Chand (58) Team Lead EW, 31.03.2021, Rs. 14,52,000, Diploma in Science and Communication (32), Indian Army, Corps of Signals; Ms. Puneet Kaur Arora (40) AGM HR &Administration, 01.06.2009, Rs. 14,19,257, MBA (HR) (14), Digi Tech Information Technologies Private Limited; Mr. Yogesh Singh (40) Sr. Manager - Production, 03.10.2007, Rs. 12,95,987, MBA (Operations) (22), 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. Hence no amount of principal or interest was outstanding as of the Balance Sheet date.

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

The Company has constituted Internal Complain 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 Financial Year 2022-23.

#### **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 2022-23.

#### **VALUATION**

During the year under review, there was no instance of one-time settlement with any Bank or Financial Institution.

#### **16. LISTING OF SECURITIES**

The Shares of the Company are listed with BSE Limited, Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai. (Scrip Code: 517258). It is confirmed that the Company has paid Annual Listing Fee for the Financial Year 2022-23 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 2022-23. PEL 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 PEL 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**

As per the explanations given by the Auditors in their report no material fraud on or by the Company or any fraud in the Company by its officers or employees has been noticed or reported during the year.

#### **20. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES DURING THE YEAR**

No Company has become or ceased to be subsidiary/joint venture/associate Company of the Company during the year under review. Hence, Form AOC 1 containing salient features of the subsidiary/joint venture/associate Company is not required.

#### **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 2022-23.

#### **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. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

There are no significant material orders passed by the Regulators/ Court which would impact the going concern status of the Company and its future operations.

**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 & PROMOTERS:**

During the Financial Year 2022-23, the Company has received following amounts 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 along with declarations thereof:

Name of Director	Amount received by the Company
Mr. Ashok Kumar Kanodia (Managing Director)	Rs. 6,00,000

**25. DISCLOSURE OF AGREEMENTS ENTER BETWEEN THE COMPANY AND ITS SHAREHOLDERS/PROMOTERS/DIRECTORS/KMP**

As per regulation 30A read with clause 5A to para A of part A of schedule III of SEBI (LODR) regulations, 2015 the Company has not entered into any agreement with its shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

**26. DETAILS OF DEVELOPMENTS, ACQUISITION, AND ASSIGNMENTS OF MATERIAL INTELLECTUAL PROPERTY RIGHTS:**

During the period under review, the company has not made any developments, acquisition, or assignments in respect of any material intellectual property rights.

**27. 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 11, 2023

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

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

## ANNEXURE I

### Secretarial Compliance Report of Precision Electronics Limited for the financial year ended on 31 March 2023

We, Munish K Sharma & Associates LLP, Practicing 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 exchanges,
- (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 **31 March 2023** ('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 thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder and the regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('SEBI').

The specific regulations, whose provisions and the circulars/ guidelines issued thereunder, 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.
- (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 Non-Convertible Securities) Regulations, 2021: *Not applicable*.
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009: *Not applicable*.

and circulars/ guidelines issued thereunder.

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS*
1.	<p><b><u>Secretarial Standards</u></b></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	No	The listed entity has failed to maintain proof of circulation of signed minutes of all Board and Committee Meetings held during the financial year 2022-23.
2.	<p><b><u>Adoption and timely updation of the Policies:</u></b></p> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed and timely updated as per the regulations/ circulars/ guidelines issued by SEBI.</li> </ul>	Yes	

Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS*
3.	<p><b><u>Maintenance and Disclosures on Website:</u></b></p> <ul style="list-style-type: none"> <li>• The listed entity is maintaining a functional website.</li> <li>• Timely dissemination of the documents/ information under a separate section on the website.</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.</li> </ul>	No	The listed entity has not disclosed the policy on Vigil Mechanism, Related Party Transaction, Materiality of Events, Terms and Conditions for Appointment and Compensation of Independent Directors.
4.	<p><b><u>Disqualification of Directors:</u></b></p> <p>None of the Director(s) of the Company is/ are disqualified under section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	
5.	<p><b><u>Details related to Subsidiaries of listed entities have been examined w.r.t.:</u></b></p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Disclosure of material as well as other subsidiaries.</p>	NA	During the Review Period, the listed entity does not have any subsidiary.
6.	<p><b><u>Preservation of Documents:</u></b></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI (LODR) Regulations, 2015.</p>	Yes	
7.	<p><b><u>Performance Evaluation:</u></b></p> <p>The listed entity has conduct performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	Yes	
8.	<p><b><u>Related Party Transaction:</u></b></p> <p>a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes	

Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS*
9.	<p><b><u>Disclosures of events and information:</u></b></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI (LODR) Regulations, 2015 within the time limits prescribed thereunder.</p>	No	<ol style="list-style-type: none"> <li>1. The listed entity had filed the intimation of appointment of Ms. Vrinda Mohan Gupta as Company Secretary cum Compliance Officer to the stock exchange by delay of few days.</li> <li>2. The listed entity had filed the outcome of the Board Meeting in which financial result were discussed and approved for the quarter ended March 2022 and June 2022 by delay of few minutes with Stock Exchange.</li> <li>3. The listed entity had filed the proceedings of Annual General Meeting held on 28 September 2022 to the stock exchange(s) by delay of few hours.</li> <li>5. The listed entity has not filed the disclosure as required under sub para (7B) of para-A of part A of schedule III for the resignation of Mr. Neeraj Bajaj as Independent Director to the stock exchange.</li> <li>6. The listed entity has not filed the intimation regarding approval of disposal of Company's land and building situated at plot no. 9 &amp; 10, KIE Industrial Estate, Roorkee 249406, Uttarakhand to the stock exchange.</li> <li>7. The listed entity has not filed the intimation regarding copy of newspaper of Notices (including Notice of Record Date) of Annual General Meeting and Extraordinary General Meeting to the stock exchange.</li> <li>8. The listed entity has not filed the intimation regarding copy of newspaper advertisement of financial results published for the quarter ended March 2022, June 2022, September 2022, December 2022 to the stock exchange.</li> </ol>
10.	<p><b><u>Prohibition of Insider Trading:</u></b></p> <p>The listed entity is in compliance with the Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	
11.	<p><b><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></b></p> <p>No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.</p>	NA	



Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS*
12.	<b>Additional Non-compliances, if any:</b>  No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.	Yes	

We hereby further report that the compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 October 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	<b>Compliances with the following conditions while appointing/ re-appointing an auditor</b>		
	<p>I. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>II. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>III. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	NA	During the period under review, M/s Nemani Garg Aggarwal & Co., Chartered Accountants were re-appointed as the statutory auditors.
2.	<b>Other conditions relating to resignation of statutory auditor</b>		
	<p>I. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a) In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b) In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c) The Audit Committee/ Board of Directors, as the case may be,</p>	NA	During the period under review, M/s Nemani Garg Aggarwal & Co., Chartered Accountants were re-appointed as the statutory auditors.

	<p>deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>II. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/ NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>		
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a) The listed entity has complied with the provisions of the above applicable regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulation/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of action	Details of violation	Fine Amount	Observations/ Remarks of the PCS	Management Response	Remarks
1.	Reg. 31 of SEBI (LODR) Regulations, 2015 - Holding of specified securities and shareholding pattern.	Reg. 31(1)(b) of SEBI (LODR) Regulation, 2015	Low	No action taken	NA	Delay in submission of the shareholding pattern.	Nil	The listed entity had filed the intimation of holding of specified securities and shareholding pattern for the quarter ended December 2022 by delay of few days with Stock Exchange.		
2.	Reg. 44 of SEBI (LODR) Regulations, 2015 - Meetings of Shareholders and Voting	Reg. 44(3) of SEBI (LODR) Regulation, 2015 and BSE Circular DCS/COMP/20/2016-17 dated January 18, 2018	Low	No action taken	NA	Delay in intimation of filing voting Results in XBRL mode.	Nil	The listed entity had filed the voting results of Annual General Meeting and Extraordinary General Meeting held on 28 September 2022 and 20 March 2023 respectively to the stock exchange by delay of few days.		
3.	Reg. 34 of SEBI (LODR) Regulations, 2015 - Annual Report	Reg. 34(1)(a) of SEBI (LODR) Regulation, 2015	Low	No action taken	NA	Delay in submission of annual report to the stock exchange	Nil	The listed entity had submitted the annual report to the stock exchange by delay of few days		

Sr. No.	Compliance Requirement (Regulation/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of action	Details of violation	Fine Amount	Observations/Remarks of the PCS	Management Response	Remarks
4.	Reg. 31 of SEBI (LODR) Regulations, 2015 - Holding of specified securities and shareholding pattern.	Reg. 31(2) of SEBI (LODR) Regulation, 2015	High	No action taken	NA	Non maintenance of promoter's shareholding in dematerialized form	Nil	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.		
5.	Reg. 29 of SEBI (LODR) Regulations, 2015 - Prior Intimations	Reg. 29 of SEBI (LODR) Regulation, 2015	low	No action taken	NA	Delay in submission of prior intimations to the stock exchange	Nil	The listed entity had submitted the prior intimations of board meeting where financial results were to be approved for the quarter ended 30 June 2022, 30 September 2022 and 31 December 2022 has been filed to the stock exchange by delay of few days.		
6.	Reg. 27 of SEBI (LODR) Regulations, 2015 - Other corporate governance requirements	Reg. 27 of SEBI (LODR) Regulation, 2015	low	No action taken	NA	Wrong data submitted in Corporate Governance Report	Nil	Date of passing special resolution for the appointment of Mr. Suresh Vyas and composition of Stakeholder and Relationship Committee is wrongly reported in the Corporate Governance Report for the quarter ended March 2023 to the stock exchange.		

Sr. No.	Compliance Requirement (Regulation/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of action	Details of violation	Fine Amount	Observations/Remarks of the PCS	Management Response	Remarks
7.	Reg. 27 of SEBI (LODR) Regulations, 2015 – Other corporate governance requirements	Reg. 27 of SEBI (LODR) Regulation, 2015	low	No action taken	NA	Wrong data submitted in Corporate Governance Report	Nil	Composition of Stakeholder and Relationship Committee is wrongly reported in the Corporate Governance Report for the quarter ended December 2022 to the stock exchange.		
8.	Reg. 42 of SEBI (LODR) Regulations, 2015 – Record Date or Closure of transfer of books	Reg. 42 of SEBI (LODR) Regulation, 2015	High	No action taken	NA	Non-Submission of intimation of notice of record date	Nil	The listed entity has failed to submit the intimation regarding notice of record date of Annual General Meeting and Extraordinary General Meeting held on 28 September 2022 and 20 March 2023 to the stock exchange.		
9.	Reg. 47 of SEBI (LODR) Regulations, 2015 – Advertisement in Newspaper Publication	Reg. 47 (3) of SEBI (LODR) Regulation, 2015	High	No action taken	NA	Delay in publication of notice of Extraordinary General Meeting in the newspaper	Nil	The listed entity had published the notice of Extraordinary General Meeting in the newspaper by delays of few days.		
10.	Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI (Prohibition of Insider Trading) Regulations, 2015 – Disclosures by Directors	Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI (Prohibition of Insider Trading) Regulations, 2015 – Disclosures by Directors	low	No action taken	NA	Failure to provide disclosures directors	Nil	The listed entity has not provided disclosures of Mr. Harbir Singh Banga, Director, required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI (Prohibition of Insider Trading) Regulations, 2015.		

Sr. No.	Compliance Requirement (Regulation/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of action	Details of violation	Fine Amount	Observations/Remarks of the PCS	Management Response	Remarks
11.	Reg. 31 of SEBI (SAST) Regulations, 2011- Disclosure of encumbered shares	Reg. 31(4) of SEBI (SAST) Regulations, 2011	High	No action taken	NA	Non submission of yearly disclosure of no encumbrance made during the year to the stock exchange	Nil	The listed entity had failed to submit the yearly disclosure of no encumbrance made during the year for Mrs. Veena Kanodia, SNK Electronics Private Limited and other immediate relatives to the stock exchange		
12.	Reg. 9(1) of SEBI (PIT) Regulations, 201 and Schedule B Code of Conduct	SEBI (PIT) Regulations, 2015- And Schedule B	High	No action taken	NA	Non closure of trading window	Nil	The listed entity had failed to close the trading window for the quarter ended 30 June 2022, 30 September 2022 and 30 December 2022 in respect of securities to which such unpublished price sensitive information relates		

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance requirement (Regulations/Circulars/guidelines including specific cases)	Regulation / Circular No.	Deviations	Action taken by	Type of action	Details of violation	Fine Amount	Observations/Remarks of the PCS	Management Response	Remarks
1.	Reg. 31 of SEBI (LODR) Regulations, 2015 - Holding of specified securities and shareholding pattern.	Reg. 31(2)(b) of SEBI (LODR) Regulation, 2015	High	No action taken	NA	Non maintenance of promoter's shareholding in dematerialized form	Nil	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.	The Listed entity had tried to contact several times, but no response received.	-
2.	Reg. 30 of SEBI (LODR) Regulations, 2015 - Outcome of Board Meeting	Reg. 30 of SEBI (LODR) Regulation, 2015	Low	No action taken	NA	Delay in intimation of filing outcome of Board Meeting to stock exchange.	Nil	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	No action required	-

Sr. No.	Compliance requirement (Regulations/ Circulars/ guidelines including specific cases)	Regulation / Circular No.	Deviations	Action taken by	Type of action	Details of violation	Fine Amount	Observations/ Remarks of the PCS	Management Response	Remarks
								exchange within 30 Minutes of the conclusion of Board Meeting.		
3.	Regulation 47 of SEBI (LODR) Regulations, 2015 – Reference in Newspaper Publication	Reg. 47 (2) of SEBI (LODR) Regulation, 2015	Low	No action taken	NA	No reference of website of listing entity and stock exchange in newspaper publication	Nil	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.	No action required	-

**Assumptions & Limitation of scope and review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For Munish K. Sharma & Associates LLP**  
**Company Secretaries**  
**FRN: P2004UP077300**

Place: **Ghaziabad**  
Date: **30 May 2023**

Sd/-  
**CS Aditya Jain**  
**Partner**  
**M. No.: F11835**  
**C.P. No. 25426**  
**UDIN: F011835E000429043**

**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 of Victora Auto Pvt. Ltd., Partner of Cutting Edge Technologies.
2	Nature of contract/arrangement /transaction	The services were for purchase of machined parts and raw material.
3	Duration of the contracts/arrangements/transaction	April 2022 to March 2023
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase order of Rs.2,80,71,543/- has been entered with Victora Auto Pvt. Ltd. Purchase order of Rs. 6,17,636/- and Sales order of Rs. 1,33,843/-has been entered with Cutting Edge Technologies.
5	Date of approval by the Board	The transactions were at arm length basis and approved by Audit Committee and The Board.
6	Amount paid as advances, if any	NIL

**Annexure III**  
**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023**

[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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 BSE Limited ('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.*
2. *The listed entity has failed to circulate the signed minutes of all Board and Committee Meetings held during the period under review.*



3. *The listed entity has not disclosed updated policies on Vigil Mechanism, Related Party Transaction, Materiality of Events, Terms and Conditions for Appointment and Compensation of Independent Directors on its website during the period under review.*
4. *The listed entity had filed the intimation of appointment of Ms. Vrinda Mohan Gupta as Company Secretary cum Compliance Officer to the stock exchange by delay of few days.*
5. *The listed entity had filed the outcome of the Board Meeting in which financial result were discussed and approved for the quarter ended March 2022 and June 2022 by delay of few minutes with stock exchange.*
6. *The listed entity had filed the proceedings of Annual General Meeting held on 28 September 2022 to the stock exchange by delay of few hours.*
7. *The listed entity has not filed the disclosure as required under sub para (7B) of para-A of part A of schedule III for the resignation of Mr. Neeraj Bajaj as an Independent Director to the stock exchange.*
8. *The listed entity has not filed the intimation regarding approval of disposal of Company's land and building situated at plot no. 9 & 10, KIE Industrial Estate, Roorkee 249406, Uttarakhand to the stock exchange.*
9. *The listed entity has not filed the intimation regarding newspaper advertisement of Notices (including Notice of Record Date) of Annual General Meeting and Extraordinary General Meeting to the stock exchange.*
10. *The listed entity has not filed the intimation regarding copy of newspaper advertisement of financial results published for the quarter ended March 2022, June 2022, September 2022, December 2022 to the stock exchange.*
11. *The listed entity had filed the intimation of holding of specified securities and shareholding pattern for the quarter ended December 2022 by delay of few days with the stock exchange.*
12. *The listed entity had filed the voting results of Annual General Meeting and Extraordinary General Meeting held on 28 September 2022 and 20 March 2023 respectively to the stock exchange by delay of few days.*
13. *The listed entity had submitted the annual report to the stock exchange by delay of few days.*
14. *The listed entity had submitted the prior intimations of board meeting where financial results were approved for the quarter ended 30 June 2022, 30 September 2022 and 31 December 2022 to the stock exchange by delay of few days.*
15. *Date of passing special resolution for the appointment of Mr. Suresh Vyas and composition of Stakeholder and Relationship Committee is wrongly reported in the Corporate Governance Report for the quarter ended 31 March 2023 to the stock exchange.*
16. *Composition of Stakeholder and Relationship Committee is wrongly reported in the Corporate Governance Report for the quarter ended December 2022 to the stock exchange.*
17. *The listed entity has failed to submit the intimation regarding notice of record date of Annual General Meeting and Extraordinary General Meeting held on 28 September 2022 and 20 March 2023 respectively to the stock exchange.*
18. *The listed entity had published the notice of Extraordinary General Meeting in the newspaper by delay of three days.*
19. *The listed entity had failed to submit the yearly disclosure of no encumbrance made during the year for Mrs. Veena Kanodia, SNK Electronics Private Limited and other immediate relatives to the stock exchange.*
20. *The listed entity had failed to close the trading window for the quarter ended 30 June 2022, 30 September 2022 and 30 December 2022 in respect of securities to which unpublished price sensitive information relates.*
21. *The listed entity had failed to comply with the Regulation 9(4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to reviewal of verification of systems for internal control and operating efficiency in the Audit Committee.*
22. *The listed entity had failed to circulate the notice of Extra-Ordinary General Meeting held on 20 March 2023 at least twenty-one clear days in advance of the said Meeting.*
23. *There is a delay in publishing errata to the Notice of Extra-ordinary General Meeting held on 20 March 2023 in the newspaper by few days.*
24. *The Company has not filed intimation regarding newspaper publication of errata to the Notice of Extra-ordinary General Meeting held on 20 March 2023 to the stock exchange.*
25. *There is a delay in filing of Form MGT-14 (Filing of resolutions and agreements) with the Registrar of Companies, NCT of Delhi & Haryana for the following purpose: -*
  - a) *Board resolution for appointment of Ms. Vrinda Mohan Gupta as Company Secretary;*
  - b) *Board resolution for reappointment of Mr. Ashok Kumar Kanodia as Managing Director, reappointment of Mr. Nikhil Kumar Kanodia as Whole Time Director, appointment of Secretarial Auditor and for approval of Board Report for the FY ended 31 March 2022;*
  - c) *Resolutions passed at the Annual General Meeting of the Company held through video conferencing and special resolution passed for reappointment of Mr. Ashok Kumar Kanodia as Managing Director and ordinary resolution passed for reappointment of Mr. Nikhil Kumar Kanodia as Whole Time Director and President of the Company;*
  - d) *Special Resolution and resolutions passed at the Extra-ordinary General Meeting held through video conferencing for appointment of Mr. Suresh Vyas as an Independent Director of the Company.*

26. *There is a delay in filing of following forms with the Registrar of Companies, NCT of Delhi and Haryana:*
- Form DIR-12 for appointment of Mr. Suresh Vyas as an Additional Director and Independent Director;*
  - Form DIR-12 for regularisation of Mr. Suresh Vyas as an Independent Director in the Extraordinary General Meeting held on 20 March 2023;*
  - Form MR-1 for reappointment of Mr. Ashok Kumar Kanodia as Managing Director of the Company*
  - Form MR-1 (Return of appointment of managerial personnel) for reappointment of Mr. Nikhil Kanodia as Whole Time Director of the Company;*
  - Form MSME-1 (Half yearly return in respect of outstanding payments to Micro or Small Enterprises) for half year ended 31<sup>st</sup> March 2022 and 30<sup>th</sup> September 2022.*
27. *The Company has not filed Form DIR-12 for change in designation from Whole Time Director to Director of Mr. Nikhil Kanodia, as the term of Mr. Nikhil Kanodia as a Whole Time Director expired on 10 August 2022.*

**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  
**FRN: P2004UP077300**  
**Peer Review Certificate No.1059/2021**

**Sd/-**  
**CS Vijay Kumar Sharma**  
Partner  
M. No.: F9924  
C.P. No. 12387  
UDIN:F009924E000782058

Date: **10<sup>th</sup> August, 2023**  
Place: **Kaushambi, Ghaziabad**

**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  
**FRN: P2004UP077300**  
**Peer Review Certificate No.1059/2021**

**Sd/-**  
**CS Vijay Kumar Sharma**  
Partner  
M. No.: F9924  
C.P. No. 12387  
UDIN:F009924E000782058

Date: **10<sup>th</sup> August, 2023**  
Place: **Kaushambi, Ghaziabad**

**Annexure IV**

**Explanation or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Secretarial Audit Report**

<b>Sr. No.</b>	<b>Observations/ Remarks by the PCS</b>	<b>Management Response</b>
1.	Shares held by Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd. (Promoter and promoter group) are not in dematerialized form.	The listed entity had tried to contact several times, but no response received.
2.	The listed entity has failed to circulate the signed minutes of all Board and Committee Meetings held during the period under review.	The signed minutes of the Board and Committee meetings were circulated in the next meetings respectively. Also, the consent of the Board of directors had been received for the same.
3.	The listed entity has not disclosed updated policies on Vigil Mechanism, Related Party Transaction, Materiality of Events, Terms and Conditions for Appointment and Compensation of Independent Directors on its website during the period under review.	The listed entity has disclosed and updated the policies related to Vigil Mechanism, Related Party Transactions, Materiality of events and terms and conditions for appointment and compensation of independent directors on its website now and the same will be complied timely in future as well.
4.	The listed entity had filed the intimation of appointment of Ms. Vrinda Mohan Gupta as Company Secretary cum Compliance Officer to the stock exchange by delay of few days.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.
5.	The listed entity had filed the outcome of the Board Meeting in which financial result were discussed and approved for the quarter ended March 2022 and June 2022 by delay of few minutes with stock exchange.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.
6.	The listed entity had filed the proceedings of Annual General Meeting held on 28 September 2022 to the stock exchange by delay of few hours.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.
7.	The listed entity has not filed the disclosure as required under sub para (7B) of para-A of part A of schedule III for the resignation of Mr. Neeraj Bajaj as an Independent Director to the stock exchange.	It happened unintentionally and will not be repeated in the future.
8.	The listed entity has not filed the intimation regarding approval of disposal of Company's land and building situated at plot no. 9 & 10, KIE Industrial Estate, Roorkee 249406, Uttarakhand to the stock exchange.	It happened unintentionally and will not be repeated in the future.
9.	The listed entity has not filed the intimation regarding newspaper advertisement of Notices (including Notice of Record Date) of Annual General Meeting and Extraordinary General Meeting to the stock exchange.	It happened unintentionally by mistake and will not be repeated in the future.
10.	The listed entity has not filed the intimation regarding copy of newspaper advertisement of financial results published for the quarter ended March 2022, June 2022, September 2022, and December 2022 to the stock exchange.	It happened unintentionally and will not be repeated in the future.
11.	The listed entity had filed the intimation of holding of specified securities and shareholding pattern for the quarter ended December 2022 by delay of few days with the stock exchange.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.
12.	The listed entity had filed the voting results of Annual General Meeting and Extraordinary General Meeting held on 28 September 2022 and 20 March 2023 respectively to the stock exchange by delay of few days.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.

13.	The listed entity had submitted the annual report to the stock exchange by delay of few days.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.
14.	The listed entity had submitted the prior intimations of board meeting where financial results were approved for the quarter ended 30 June 2022, 30 September 2022 and 31 December 2022 to the stock exchange by delay of few days.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.
15.	Date of passing special resolution for the appointment of Mr. Suresh Vyas and composition of Stakeholder and Relationship Committee is wrongly reported in the Corporate Governance Report for the quarter ended 31 March 2023 to the stock exchange.	It was because of a clerical error and will be rectified.
16.	Composition of Stakeholder and Relationship Committee is wrongly reported in the Corporate Governance Report for the quarter ended December 2022 to the stock exchange.	The listed entity has considered this mistake and clarifies that it is because of a clerical error and will be taken care of in the future.
17.	The listed entity has failed to submit the intimation regarding notice of record date of Annual General Meeting and Extraordinary General Meeting held on 28 September 2022 and 20 March 2023 respectively to the stock exchange.	It happened unintentionally by mistake and will not be repeated in the future.
18.	The listed entity had published the notice of Extraordinary General Meeting in the newspaper by delay of three days.	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.
19.	The listed entity had failed to submit the yearly disclosure of no encumbrance made during the year for Mrs. Veena Kanodia, SNK Electronics Private Limited and other immediate relatives to the stock exchange.	It was because of a clerical error and was rectified by send the disclosures to BSE.
20.	The listed entity had failed to close the trading window for the quarter ended 30 June 2022, 30 September 2022 and 30 December 2022 in respect of securities to which unpublished price sensitive information relates.	It was due to some technical glitch and will not be repeated in the future.
21.	The listed entity had failed to comply with the Regulation 9(4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to reviewal of verification of systems for internal control and operating efficiency in the Audit Committee.	It was because of a clerical error and will not be repeated in the future.
22.	The listed entity had failed to circulate the notice of Extra-Ordinary General Meeting held on 20 March 2023 at least twenty-one clear days in advance of the said Meeting.	The listed entity clarifies that the delay was on the part of the newspaper agency due to which there had been a delay of a few days. The same will not be repeated in the future.
23.	There is a delay in publishing errata to the Notice of Extra-ordinary General Meeting held on 20 March 2023 in the newspaper by few days.	The listed entity clarifies that the delay was on the part of the newspaper agency due to which there had been a delay of a few days. The same will not be repeated in the future.
24.	The Company has not filed intimation regarding newspaper publication of errata to the Notice of Extra-ordinary General Meeting held on 20 March 2023 to the stock exchange.	The listed entity clarifies that it happened unintentionally by mistake and will not be repeated in the future.
25.	There is a delay in filing of Form MGT-14 (Filing of resolutions and agreements) with the Registrar of Companies, NCT of Delhi & Haryana for the following purpose: -  a) Board resolution for appointment of Ms. Vrinda Mohan Gupta as Company Secretary;	The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.

	<p>b) Board resolution for reappointment of Mr. Ashok Kumar Kanodia as Managing Director, reappointment of Mr. Nikhil Kumar Kanodia as Whole Time Director, appointment of Secretarial Auditor and for approval of Board Report for the FY ended 31 March 2022;</p> <p>c) Resolutions passed at the Annual General Meeting of the Company held through video conferencing and special resolution passed for reappointment of Mr. Ashok Kumar Kanodia as Managing Director and ordinary resolution passed for reappointment of Mr. Nikhil Kumar Kanodia as Whole Time Director and President of the Company;</p> <p>d) Special Resolution and resolutions passed at the Extra-ordinary General Meeting held through video conferencing for appointment of Mr. Suresh Vyas as an Independent Director of the Company.</p>	
26.	<p>There is a delay in filing of following forms with the Registrar of Companies, NCT of Delhi and Haryana:</p> <p>a. Form DIR-12 for appointment of Mr. Suresh Vyas as an Additional Director and Independent Director;</p> <p>b. Form DIR-12 for regularization of Mr. Suresh Vyas as an Independent Director in the Extraordinary General Meeting held on 20 March 2023;</p> <p>c. Form MR-1 for reappointment of Mr. Ashok Kumar Kanodia as Managing Director of the Company</p> <p>d. Form MR-1 (Return of appointment of managerial personnel) for reappointment of Mr. Nikhil Kanodia as Whole Time Director of the Company;</p> <p>e. Form MSME-1 (Half yearly return in respect of outstanding payments to Micro or Small Enterprises) for half year ended 31st March 2022 and 30th September 2022.</p>	<p>The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time.</p>
27.	<p>The Company has not filed Form DIR-12 for change in designation from Whole Time Director to Director of Mr. Nikhil Kanodia, as the term of Mr. Nikhil Kanodia as a Whole Time Director expired on 10 August 2022.</p>	<p>The delay and non-filings with respect to stock exchange and MCA was taken care of and certain delays were due to improper net connectivity experienced during that time</p>

**ANNEXURE-V**

**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 2022-23.

**(B) TECHNOLOGY ABSORPTION**

**1. Efforts, in brief**

With the renewed policy initiative of the Government to promote MSMEs, Make in India 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:

- a) Man-portable light masts and Tripods sought by the armed forces and homeland security agencies.
- b) Motorized electronically controlled Pedestals family for precision alignment of payload viz; Antenna, Radar, Electro-optical devices, laser gun etc.
- c) Power Distribution Units for the healthcare sector

**2. Benefits**

- a) PEL will have ownership of the design which will lead to control on cost, quality and the supply chain
- b) Ability to enhance the product, in line with global customer expectations which will result in higher revenues and better margin.
- c) 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	<b>Rs. NIL</b>
b) Recurring	<b>Rs. 69.64 L</b>
c) Total	<b>Rs. 69.64 L</b>

Total R&D as a Percentage of total turnovers: 1.96 %

**(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 2022-23”.

## ANNEXURE VI

### 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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 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 2022 - 2023	% of increase/decrease of remuneration in FY 2022-23	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	32,89,812	10%	9.6	The remuneration of Director/ KMP is slightly low in comparison to the market scenario.
2	Mr. Nikhil Kanodia, Whole Time Director cum President	69,84,780	10%	20.4	
3	Mr. Jagjit Singh Chopra Chief Finance Officer	25,70,400	8%	7.5	
4	Mr. Mohit Kumar Goel* Company Secretary cum Compliance Officer	6,36,000	Nil	1.86	
5	Ms. Vrinda Mohan Gupta** Company Secretary cum Compliance Officer	6,50,664	Nil	1.9	

\* Mr. Mohit Kumar Goel was the Company Secretary cum Compliance Officer of the Company for the period from April 01, 2022 to June 22, 2022.

\*\*Ms Vrinda Mohan Gupta was appointed as the Company Secretary cum Compliance Officer of the Company on July 14, 2022

- i) The median remuneration of employees of the Company during the financial year was **INR 3,42,000**.
- ii) In the financial year, there was an increase of **7%** in the median remuneration of employees.
- iii) There were **136 permanent employees** on the rolls of Company as on March 31, 2023.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23 was **8%**.
- v) 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, 2023, 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, 2023, have been made by the Directors and taken note in the Board Meeting held on May 26, 2023.

The composition of the Board of Directors together with their brief profile as on March 31, 2023, 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 holds 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. 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 appointed as the Treasurer of the Northern India Regional Council (NIRC)-ICSI and was also 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.

**Mr. Suresh Vyas - Non -Executive Independent Director**

Mr. Suresh Vyas is Chartered Accountant by profession and Managing Partner of the Snr. company, he has got about 30 years of experience in the Industry and Profession of handling a number of projects and companies of national and international level. He has mastered the activities relating to the corporate world such as corporate law matters, acquisitions and mergers, liaison with Government agencies etc. While in practice, he has assisted a number of international companies to set up their offices in India and was also associated with Indian companies acquiring projects overseas. Mr. Suresh Vyas was also an Independent Director of the Company.

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 : 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 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. 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. 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.
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 appointed as the Treasurer of the Northern India Regional Council (NIRC)-ICSI and was also Past Chairperson of Noida Chapter of NIRC-ICSI.
Mr. Suresh Vyas	Mr. Suresh Vyas is Chartered Accountant by profession and Managing Partner of the Snr. company, he has got about 30 years of experience in the Industry and Profession of handling a number of projects and companies of national and international level. He has mastered the activities relating to the corporate world such as corporate law matters, acquisitions and mergers, liaison with Government agencies etc.
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 2022-23, Five (5) Board Meetings were held on June 24, 2022, July 14, 2022, August 08, 2022, November 07, 2022, and February 13, 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 Directorships	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	2	No	-	-	-
Mr. Neeraj Bajaj (resigned)	NEID	4	No	-	-	2
Mr. Sharvan Kumar Kataria	NEID	5	Yes	-	3	-
Mr. Deepto Roy	NEID	3	No	-	-	2
Mr. Rahul Goenka	NED	1	Yes	-	-	1
Mrs. Preeti Grover	NEID	4	Yes	-	-	1
Mr. Suresh Vyas	NEID	0	No			2

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 position as chairman / member in audit / stakeholder committees only.

The Board pursuant to evaluation carried out of all the Directors confirms that the Independent Directors fulfil 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, 2022.

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](http://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 being 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 non payment 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 May 24, 2022, July 14, 2022, August 08, 2022, November 07, 2022 and February 13, 2023.

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:**

Sl.	Name of Directors	Category	Status	Attended
1.	Mr. Sharvan Kumar Kataria	NEID	Committee Chairman	5
2.	Mr. Neeraj Bajaj (Resigned)	NEID	Member	3
3.	Mr. Deepto Roy	NEID	Member	3
4.	Mr. Suresh Vyas(appointed on 04 February 2023)	NEID	Member	0

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 2022-23 Four (4) Nomination and Remuneration committee meetings were held on May 24, 2022, July 14, 2022, July 30, 2022, and February 13, 2023. 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	4
2.	Mr. Neeraj Bajaj (resigned)	NEID	Member	3
3.	Mr. Deepto Roy	NEID	Member	4
4.	Mr. Suresh Vyas (appointed on 04 February 2023)	NEID	Member	0

## **REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL 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](http://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 2022-23 (Rs.)**

<b>Directors</b>	<b>Salary</b>	<b>Perquisites</b>	<b>Commission</b>	<b>Sitting Fees</b>	<b>Total</b>
Mr. Ashok Kumar Kanodia	28,64,499	1,59,600	-	-	30,24,099
Mr. Nikhil Kanodia	61,00,429	1,59,600	-	-	62,60,029
Mr. Harbir Singh Banga	Nil	Nil	Nil	45,000	45,000
Mr. Neeraj Bajaj	Nil	Nil	Nil	1,65,000	1,65,000
Mr. Rahul Goenka	Nil	Nil	Nil	15,000	15,000
Mr. Sharvan Kumar Kataria	Nil	Nil	Nil	2,09,000	2,09,000
Mr. Deepto Roy	Nil	Nil	Nil	1,45,000	1,45,000
Mrs. Preeti Grover	Nil	Nil	Nil	79,000	79,000

**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:

- 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.
- 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.

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:

- Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under the Income Tax Act 1961.
- Encashment of leave at the end of tenure.
- 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.
- 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:**

- Salary: Rs. 59,44,132/- per month.
- Commission @ 1% net profits of the Company.

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

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

- Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under the Income Tax Act 1961.
- 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, 2023 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	0

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
<b>NUMBER OF COMPLAINTS</b>					
At the beginning of the quarter	0	0	0	0	0
Received during the quarter	0	0	0	0	0
Resolved during the quarter	0	0	0	0	0
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
2019-2020	24.09.2020	12:00 P.M.	VC/OAVM	Yes
2020-2021	28.09.2021	12:00 P.M.	VC/OAVM	No
2021-2022	28.09.2022	12:00 P.M.	VC/OAVM	Yes

- One Special Resolution was passed in the previous AGM held on September 28, 2022.
- One special resolution passed last year through postal ballot
- No 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](http://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

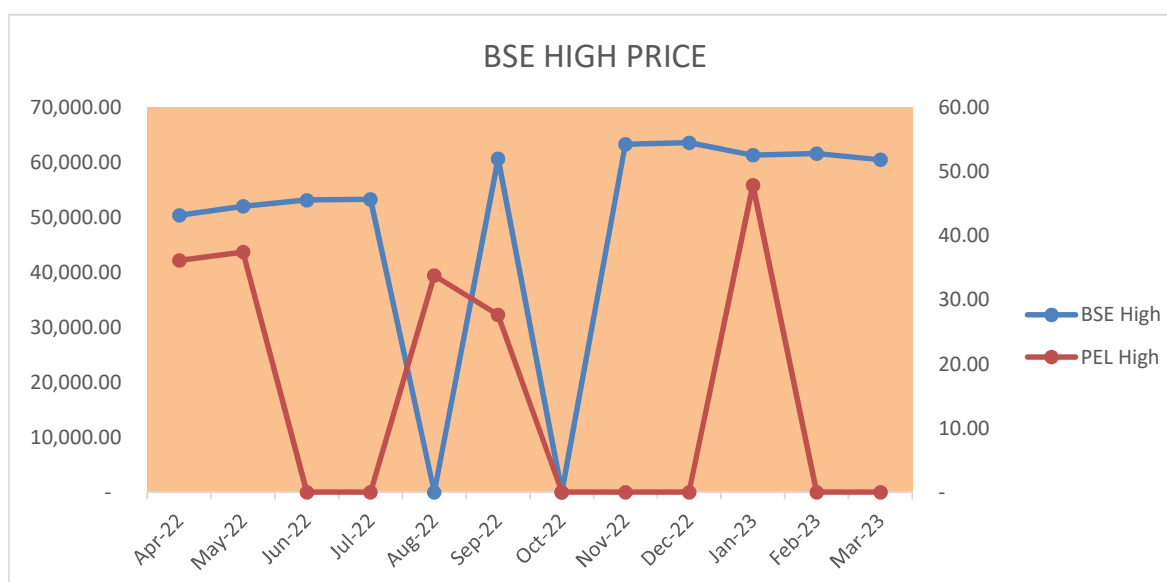
- i) **AGM -Date, Time and Venue** : September 26, 2022 at 12:00 P.M.  
Through Video Conferencing/Other Audio Visual Means
- ii) **Financial Year** : 2022-23
- iii) **Dividend payment** : No Dividend is recommended
- iv) **Listing on Stock Exchanges** : Equity Shares are listed on The Bombay Stock Exchange, Mumbai. The Company has paid the Listing fee for the period April 1, 2022 to March 31, 2023
- v) **Stock Code** : 517258
- vi) **Share Price Data** : High, Low during last year.



### INDEX

Month	BSE INDEX		PRECISION	
	High	Low	High Price (In Rs.)	Low Price (In Rs.)
Apr-22	50,375.77	47,204.50	36.15	28.75
May-22	52,013.22	48,028.07	37.45	30.55
Jun-22	53,126.73	51,450.58	41.45	30.60
Jul-22	53,290.81	51,802.73	39.80	28.50
Aug-22	60,341.41	57,367.47	33.80	22.80
Sep-22	60,676.72	56,147.23	27.65	23.05
Oct-22	60,786.70	56,683.70	53.00	42.70
Nov-22	63,303.01	60,425.47	52.65	44.44
Dec-22	63,583.07	60,479.06	49.00	40.85
Jan-23	61,327.77	58,669.20	47.90	41.40
Feb-23	61,628.25	58,795.97	47.85	32.75
Mar-23	60,498.68	57,158.00	35.12	27.62

### Share Price Performance of Precision Electronics Limited (PEL) in comparison with BSE Sensex for the period April 1, 2022 to March 31, 2023



vii) Registrar & share Transfer Agent :

Skyline Financial Services Pvt. Ltd.

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

**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.

viii) Distribution of shareholding: Shareholding Pattern as on March 31, 2023

Category Code	Category of Shareholder	Number of shareholders	Total number of shares
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
(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
	<b>Sub-Total (A)(1)</b>	<b>8</b>	<b>3648132</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	1	189730
(b)	Bodies Corporate	1	3179905
(c)	Institutions	0	0

Category Code	Category of Shareholder	Number of shareholders	Total number of shares
(d)	Any Other (specify)	0	0
	<b>Sub-Total (A)(2)</b>	<b>2</b>	<b>3369635</b>
	<b>Total Shareholding of Promoter and Promoter group (A)= (A)(1)+(A)(2)</b>	<b>10</b>	<b>7017767</b>
<b>(B)</b>	<b>Public shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(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		
	<b>Sub-Total (B)(1)</b>	<b>9</b>	<b>11750</b>
2	Central Government / State Government(s)/ president of India	0	0
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0</b>
<b>3</b>	<b>Non-Institutions</b>		
(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
	<b>Sub-Total (B)(3)</b>	<b>13439</b>	<b>6818995</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)</b>	<b>13448</b>	<b>6830745</b>
	<b>Total (A) + (B)</b>	<b>13457</b>	<b>13848512</b>

ix) As on March 31, 2023 of the total eligible shares 1,02,16,468 were held in dematerialized form and the balance 36, 32,044 shares in physical form

x) Outstanding GDR/ADR : NIL

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

xii) Plant Location : **Noida Plant**

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

Address for correspondence : **Registered Office:**

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

**Corporate Office:**

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

## 10. OTHER DISCLOSURES.

### a. Related Party Transactions:

All Related Party Transactions entered into during the Financial Year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy is available on the Company's website <https://pel-india.in/wp-content/uploads/2022/08/Related-Party-Transaction-Policy.pdf>

The current and the future transactions will be deemed to be 'material' in nature as defined in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") if they exceed rupees 1000 Crore or 10 per cent of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower. All related party transactions and subsequent material modifications shall require prior approval of the audit committee as per Regulation 23 (2) of the SEBI (LODR) Regulations, 2015 and all material related party transaction shall require approval of shareholders through resolution and the related party shall abstain from voting on such resolution whether the Company is a related party to the particular transaction or not.

**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. The Company has paid the fine and the other penalties which were imposed by BSE for the delay in filings were 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](http://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 2022-23 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 COMPLAINT 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, 2023**

**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, 2023 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 statements 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, 2023 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.

Place: Noida  
Date: May 22, 2023

Sd/-  
**Ashok Kumar Kanodia**  
Managing Director

**FOR AND ON BEHALF OF THE BOARD**

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**

CIN: L32104DL1979PLC009590

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 Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the directors of the Company as stated below for the financial year ending on 31 March 2023 have been debarred or disqualified from being appointed or continuing as director of the 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 Director	DIN	Date of appointment in Company*
1.	Mr. Rahul Goenka	00002440	25/09/2004
2.	Mr. Ashok Kumar Kanodia	00002563	05/06/2010
3.	Mr. Suresh Vyas	00085571	04/02/2023
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
9.	Mr. Neeraj Bajaj#	00035778	29/12/2017

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

#Resigned from the directorship of the Company w.e.f. 07 November 2022.

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 and Associates LLP**

**Company Secretaries**

**FRN: P2004UP077300**

Sd/-

**CS Aditya Jain**

**Partner**

**M. No.: F11835**

**C.P. No. 25426**

Date: **08 August 2023**

Place: **Kaushambi, Ghaziabad**

**UDIN: F011835E000764631**



**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

*(Pursuant to Regulation 34(3) read with Para E of Schedule V of SEBI (Listing Obligations and Disclosures 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 31 March 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 22, 23, 24A, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR 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, we certify that the Company has complied with the various conditions as specified in Corporate Governance as stipulated in the above-mentioned SEBI LODR Regulations.

We have to state that, no investor grievance is pending for a period exceeding one month 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 LLP**  
**Company Secretaries**  
**FRN: P2004UP077300**

**Sd/-**  
**CS Vijay Kumar Sharma**  
**Partner**  
**M. No.: F9924**  
**C.P. No. 12387**  
**UDIN: F009924E000782201**

Date: **10 August 2023**  
Place: **Kaushambi, Ghaziabad**

## INDEPENDENT AUDITOR'S REPORT

To  
The members of  
Precision Electronics Limited

Friday, 26 May 2023

### Opinion

We have audited the accompanying stand-alone financial statements of Precision Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, 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, 2023, the Profit and total comprehensive income, changes in equity and the cash flows for the year ended on that date.

### Basis for Opinion

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

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Key Audit Matters

##### A. Evaluation of uncertain Sales Tax positions

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

##### *Auditor's Response*

We obtained from the Company's management, details of the status as of 31 March 2023 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 businesses verticals of Telescopic mast, Tripod & Pedestal, high end engineering services both for the local market as well as export market. This has the potential to give better contributions in the medium and long term; and would reduce dependence on the Govt contracts that would 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, 2020 ("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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(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**

**J.M. Khandelwal  
Partner  
Membership no. 074267  
UDIN:- 23074267BGWK0Q8916**

**Place : New Delhi  
Date : 26 May, 2023**

## 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 PRECISION ELECTRONICS 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) (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.
  - (b) 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.
  - (c) 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.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 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 Sections185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. TheCompanyhasnotacceptedanydepositoramountswhicharedeemedtobedeposits.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 to 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.  
  
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, 2023 for a period of more than six months from the date they became payable.
  - (b) Detailsofstatutoryduesreferredtoinsub-clause(a)abovewhichhavenotbeendeposited as on March 31, 2023 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 Act	Goods and Service Tax	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 wilful 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 clause 3(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 upto 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 Section 177 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 standalone 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 into 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 not incurred cash loss during the financial year covered by our audit but cash loss of Rs.92.12 lac was 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 amount spent 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**

**J.M. Khandelwal  
Partner  
Membership no. 074267  
UDIN:- 23074267BGWK0Q8916**

**Place : New Delhi  
Date : 26 May, 2023**

## 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 2023 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 2023,

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

**J.M.Khandelwal**  
**Partner**  
**Membership no. 074267**  
**UDIN:- 23074267BGWK0Q8916**

**Place : New Delhi**  
**Date : 26 May, 2023**

## BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No(s)	Amount in Lakh	
		As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
Non-Current Assets			
(a) Property, Plant and Equipments	4	294.59	698.11
(b) Intangible Assets	5	5.00	-
(c) Capital assets under developments	6	7.74	-
(d) Deferred tax assets ( Net )	7	287.15	380.96
(e) Financial Assets			
i. Investments		-	-
ii. Others financial assets	8	35.59	78.08
(f) Other non-current assets	9	0.49	2.83
<b>Total non-current assets</b>		<b>630.56</b>	<b>1,159.97</b>
Current Assets			
(a) Inventories	10	1,547.19	1,458.88
(b) Financial assets			
i. Investments		-	-
ii. Trade receivables	11	1,215.71	980.03
ii. Cash and cash equivalents	12	45.29	374.58
iv. Bank balance other than (iii) above	13	29.16	53.23
v. Other financial assets	14	170.50	64.53
(c) Current Tax Assets (Net)	15	101.81	108.15
(d) Other current assets	16	127.33	168.43
Total Current Assets		3,237.00	3,207.82
Total Assets		3,867.56	4,367.79
<b>II. EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity share Capital	17	1,384.88	1,384.88
(b) Other Equity	18	(43.59)	(52.64)
Total Equity		1,341.29	1,332.24
Liabilities			
Non-Current liabilities.			
(a) Financial Liabilities		-	-
i. Borrowings	19	914.44	817.14
ii. Other financial liabilities		-	-
iii. Lease liabilities	20	8.64	8.59
(b) Provisions	21	82.88	100.83
(c) Other non-current liabilities		-	-
Total non-current liabilities		1,005.95	926.56



Particulars	Note No(s)	Amount in Lakh	
		As at March 31, 2023	As at March 31, 2022
Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	961.84	1,271.06
ii. Trade payables	23	360.53	642.13
iii. Other financial liabilities	24	13.99	0.80
iv. Lease liabilities		-	-
(b) Other current liabilities	25	174.32	194.99
(c) Provisions	26	9.63	-
Total Current Liabilities		<u>1,520.32</u>	<u>2,108.99</u>
Total liabilities		<u>2,526.27</u>	<u>3,035.55</u>
Total equity and liabilities		<u>3,867.56</u>	<u>4,367.79</u>

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

J.M. Khandelwal

Partner

M.No.: 074267

Place : New Delhi

Dated: 26 May 2023

Ashok Kumar Kanodia  
Managing Director  
DIN: 00002563

Sharvan Kumar Kataria  
Director  
DIN: 03399949

Vrinda Mohan Gupta  
Company Secretary

Jagjit Singh Chopra  
Chief Finance Officer

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023**

Particulars	Note No(s)	Amount in Lakh	
		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I. INCOME</b>			
Income from operations	27	3,557.78	3,539.40
Other Income	28	59.37	336.06
Total Income		<u>3,617.15</u>	<u>3,875.46</u>
<b>II. EXPENSES</b>			
Cost of materials consumed	29	1,709.92	2,021.13
Purchase of Traded Goods .		-	-
Changes in inventories of workin-progress, stock-in-trade and finished goods	30	(12.04)	46.61
Other Direct Costs	31	409.62	350.23
Employee benefit expenses	32	701.93	707.10
Finance costs	33	215.96	276.47
Depreciation and amortisation expenses	4,5	50.01	73.48
Other expenses	34	674.19	576.41
Total Expenses( II)		<u>3,749.59</u>	<u>4,051.44</u>
<b>III. Profit / (Loss) before exceptional items and income tax.( I-II )</b>		<b>(132.44)</b>	<b>(175.98)</b>
IV. Exceptional items (Profit on Sale of Land & Building of Roorkee Unit)		224.16	-
V. Profit/ (Loss) before tax ( III-IV)		<u>91.72</u>	<u>(175.98)</u>
VI. Tax Expenses			
Current tax		2.90	-
Earlier years tax		-	2.90
MAT Credit Entitlement		(2.90)	-
Deferred tax		90.91	(10.47)
Total tax expenses		90.91	(7.57)
VII. Profit / Loss for the year ( V -VI )		0.81	(168.40)
VIII. Other Comprehensive Income:			
A.) Items that will not classified to profit or loss		-	-
(i) Remeasurement of Gain/(Loss) defined benefit plans;		11.14	3.79
(ii) Equity Instruments through OCI.		-	-
B.) Items that will be re classified to profit or loss		-	-
C) Income tax effect on such items		(2.90)	(0.98)
Other comprehensive income for the year after tax (VIII)		8.24	2.80
IX. Total comprehensive income for the year (VII+VIII)		<u>9.05</u>	<u>(165.60)</u>
Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year,			
Basic earnings per share	35	0.01	-1.22
Diluted earning per share	35	0.01	-1.22

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

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

J.M. Khandelwal

Partner

M.No.: 074267

Place : New Delhi

Dated: 26 May 2022

Ashok Kumar Kanodia

Managing Director

DIN: 00002563

Vrinda Mohan Gupta

Company Secretary

Sharvan Kumar Kataria

Director

DIN: 03399949

Jagjit Singh Chopra

Chief Finance Officer

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	Amount in Lakh	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Total Comprehensive Income	9.05	(165.60)
Adjustments for:	-	-
Depreciation and amortization expenses	50.01	73.48
Profit on disposal of property, plant and equipment	(222.39)	1.21
	-	-
Deferred Tax	93.81	(9.48)
Dividend and interest income classified as investing cash flows	(8.45)	(12.25)
Finance costs	215.96	276.47
	137.99	163.83
Change in operating assets and liabilities	-	-
(Increase) / decrease in trade and other receivables	(235.68)	1,603.15
(Increase) / decrease in inventories	(88.32)	(91.12)
Increase/(decrease) in trade payables	(281.60)	(1,193.69)
(Increase) / decrease in other financial assets	(63.48)	39.59
(Increase)/decrease in other non-current assets	2.34	3.23
(Increase)/decrease in other current assets	47.43	33.51
Increase/(decrease) in provisions	(11.22)	(9.97)
Increase/(decrease) in Other non current Liabilities	0.05	0.05
Increase/ ( decrease )in other current liabilities	(20.68)	48.59
	-	-
Cash generated from operations	(513.16)	597.18
Income taxes paid	2.90	2.90
Prior period adjustments	-	-
Net cash inflow from/(used) operating activities	(510.26)	600.08
	-	-
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(111.35)	(4.30)
Payment for cwip	(7.74)	49.25
Proceeds from sale of property, plant and equipment.	682.25	1.22
Interest received	8.45	12.25
Decrease /(Increase) in Term Deposits with Banks	24.06	30.62
Net cash flow from /(used) in investing activities.	595.68	89.03
	-	-
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	357.23	1,024.51
Repayment of borrowings	(555.97)	(1,097.47)
	-	-
Interest Paid (net)	(215.96)	(276.47)
Net cash flow from /(used) in financing activities.	(414.70)	(349.43)
	-	-
<b>IV. NET INCREASE /(DECREASE) IN CASH &amp; CASH EQUIVALENTS (I+II+III)</b>	<b>(329.28)</b>	<b>339.67</b>
	-	-
<b>V. CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>374.58</b>	<b>34.90</b>
	-	-
Effects of exchange rate changes on cash and cash equivalents	-	-
	-	-
<b>VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>45.29</b>	<b>374.58</b>

**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

Cash on hand	12.08	9.90
Cheques in hand	-	-
Balances with Scheduled banks in	0.38	360.35
Current accounts	-	-
Fixed Deposits with Bank.	32.84	4.32
<b>Balances per statement of cash flows</b>	<b>45.29</b>	<b>374.58</b>

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

Ashok Kumar Kanodia

Managing Director

DIN: 00002563

Sharvan Kumar Kataria

Director

DIN: 03399949

J.M. Khandelwal

Partner

M.No.: 074267

Vrinda Mohan Gupta

Company Secretary

Jagjit Singh Chopra

Chief Finance Officer

Place : New Delhi

Dated: 26 May 2023

**Statement of Changes in Equity for the period ended 31st March ,2023**
**Amount in Lakh**
**EQUITY SHARE CAPITAL.**
**Amount**

<b>As at March 31, 2021</b>	<b>1,384.88</b>
<b>Changes in equity share capital.</b>	<b>-</b>
<b>As at March 31, 2022</b>	<b>1,384.88</b>
<b>Changes in equity share capital.</b>	<b>-</b>
<b>As at March 31, 2023</b>	<b>1,384.88</b>

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income		
	Share Application Pending allotment	Equity component of compound financial instruments	Securities Premium Reserve	General Reserve	Retained Earnings	Changes in fair value of FVOCI equity instruments	Remeasurement of defined benefit plan-Other comprehensive income	Total
Balance as at March 31, 2021	-	-	-	84.09	40.12	-	-11.24	112.97
				-	-	-	-	-
Changes in accounting policy or prior period errors				-	-	-	-	-
Restated balance at the beginning of the reporting period.				-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-168.40	-	2.80	-165.60
Transfer to retained earnings				-	-	-	-	-
Any other change to be specified.				-	-	-	-	-
Balance as at March 31, 2022	-	-	-	84.09	-128.28	-	-8.44	-52.64
				-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period.				-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	0.81	-	8.24	9.05
Transfer to retained earnings				-	-	-	-	-
Any other change to be specified.				-	-	-	-	-
Balance as at March 31, 2023	-	-	-	84.09	-127.48	-	-0.20	-43.59

**Note**

Value of Noida lease hold land has been remeasure 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

Ashok Kumar Kanodia

Managing Director

DIN: 00002563

Sharvan Kumar Kataria

Director

DIN: 03399949

J.M. Khandelwal

Partner

M.No.: 074267

Vrinda Mohan Gupta

Company Secretary

Jagjit Singh Chopra

Chief Finance Officer

Place : New Delhi

Dated: 26 May 2023

## Company Information and Significant Accounting Policies

### 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 26, 2023.

### 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 IndAS

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 "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The Financial Statements have been prepared in accordance with IndAS 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 principle 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading, or
- Expected to be realized within twelve months after the reporting period other than for above, or
- 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:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period other than for (a) above, or
- 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 an other market participant that would use the asset in its highest and best use.

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 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 IndAS, 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 remeasured 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 them as 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: -

<b>Asset Class</b>	<b>Useful Life</b>
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
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.

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 IndAS**

For transition to IndAS, 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.

##### **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 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-recognized 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 AS17
- d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of IndAS11 and IndAS18
- 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 IndAS17.

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 recognized 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 measure data mortised 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 recognized in the statement of profit and loss.

#### **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 recognized 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 recognized 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 unit's (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:

- 1 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.
- 2 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 including borrowing costs. Cost is determined on Weighted Average Cost Method.
- 3 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.
- 4 Contract Work in Progress: It is valued at estimated cost.
- 5 Loose Tools (Consumable): It is valued at cost.
- 6 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.

**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 recognized. 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 recognized 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 recognized 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 a receipts basis.

**Leases****As a lessee**

Leases in which a significant proportion of the risks and rewards of ownership are not transferred to the company as they are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis throughout 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 recognized in income on a straight-line basis during 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 transactions. Monetary items denominated in foreign currency at the year's 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 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 differences on such assets and liabilities carried at fair value are reported as part of fair value gain or loss.

In the 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 differences on such contracts i.e. the difference between the exchange rate at the reporting /settlement date and the exchange rate on the date of inception of the contract/the last reporting date, is recognized as income/expense for the period.

**Employee Obligations****Short term employee 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 the Gratuity Plan based on actuarial valuations by 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 the Project Unit Credit Method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures for 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 costs or included in the 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.

**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 is available on the purchase of raw materials, other eligible inputs, and capital goods is adjusted against GST duty payable on the 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 are 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.

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.

##### ii) Segment Assets & liabilities:

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

##### iii) Inter Segment sales:

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

#### NOTE-4. PROPERTY, PLANT AND EQUIPMENT

##### PRECISION ELECTRONICS LIMITED

PROPERTY, PLANT AND EQUIPMENT	Land Freehold Roorkee	Land Leasehold Noida	Building Freehold	Plant and Machinery	Lab Equipments and other Fixed assets	Computers	Office Equipments	Furniture s and fixtures	Vehicles	Mould and dies	Total
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
Additions	-	-	-	0.26	0.23	4.25	4.61	-	77.70	18.35	105.40
Disposal/Adjustments	133.99	-	534.01	114.65	0.98	6.54	11.75	3.10	17.38	-	822.39
As at March 31,2023	-	24.44	205.27	550.80	58.45	128.69	78.23	115.63	132.56	18.35	1,312.41
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-
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
Depreciation for the year	-	0.39	4.70	30.10	3.70	3.36	2.42	0.43	3.82	0.15	49.07
Disposal/Adjustments	-	-	219.06	105.39	0.93	6.39	11.17	3.08	16.51	-	362.53
Reversal of op bal adjs	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2023	-	2.33	195.01	454.92	53.21	118.58	64.08	109.11	20.44	0.15	1,017.83
Net Book Value	-	-	-	-	-	-	-	-	-	-	-
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
As at March 31,2023	-	22.11	10.26	95.89	5.24	10.11	14.15	6.51	112.11	18.20	294.59

- 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.

## Notes to the Financial Statements for the year ending 31<sup>st</sup> March 2023



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.

### NOTE-5. OTHER INTANGIBLE ASSETS

#### Precision Electronics Limited

NOTE-5. OTHER INTANGIBLE ASSETS	Amount in Lakh	
	As at March 31, 2023	As at March 31, 2022
Application Software		
Cost or Deemed cost		
Opening Balance	0	0
Addition during the year	5.95	-
Disposal/adjustment/transfer	-	5.95
Accumulated amortization	-	-
Opening Balance	-	-
Additions during the year	0.95	-
Disposal/adjustment/transfer	-	0.95
	-	5.00
		-

- 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.
- 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. Capital ASSETS UNDER DEVELOPMENT

Capital ASSETS UNDER DEVELOPMENT	As at March 31, 2023		As at March 31, 2022	
Gross Cost				
Opening Balance	-	-	49.25	-
Expenditure during the year	7.74	-	-	-
Less: Sale Proceeds	-	7.74	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.

### Capital Work-in Progress (CWIP)- Ageing Schedule as at 31 March 2023 /(31 March 2022)

Capital Work-in Progress (CWIP)	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress (CNC Machine)	7.74	-	-	-	7.74

### NOTE-7. DEFERRED TAX ASSETS (NET)

	As at March31, 2023	As at March31, 2022
<b>Deferred Tax Assets (Net)</b>		
<b>A) Deferred Tax Assets</b>		
Provision for doubtful receivable & Advances	8.78	8.78
Expenses disallowed u/s 43B of Income Tax Act, 1961	23.30	26.22
Accumulated losses and unabsorbed depreciation as per Income Tax Act.	259.62	427.48
	291.70	462.48
<b>B) Deferred Tax Liability</b>		
Difference between WDV of Income tax and Companies Act	4.55	81.52
	4.55	81.52

**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.

**Movement in Deferred tax assets**

	Tax Losses	Defined Benefit Obligation	Provisions	Other Items	Total
<b>As at March 31,2021</b>	428.12	27.79	0.68	-85.11	371.47
(Charged ) / credited	-	-	-	-	-
- to profit or loss	-0.64	-0.58	8.10	3.59	10.47
- to other comprehensive income	-	-0.98	-	-	-0.98
- Deferred tax on basis adjustments	-	-	-	-	-
<b>As at March 31,2022</b>	427.48	26.22	8.78	-81.52	380.96
(Charged ) / credited	-	-	-	-	-
- to profit or loss	-167.86	-0.02	-	76.97	-90.91
- to other comprehensive income	-	-2.90	-	-	-2.90
- Deferred tax on basis adjustments	-	-	-	-	-
<b>As at March 31,2023</b>	259.62	23.30	8.78	-4.55	287.15

**NOTE-8. NON CURRENT FINANCIAL ASSETS OTHER**

NON CURRENT FINANCIAL ASSETS OTHER	As at March 31, 2023	As at March 31, 2022
Fixed deposits with Bank ( Maturity more than twelve months) (Lien with bank against BG limits)	13.42	50.89
	-	-
Security Deposits	22.17	27.18
	-	-
<b>Total</b>	<b>35.59</b>	<b>78.08</b>

**NOTE-9. OTHER NON CURRENT ASSETS**

OTHER NON CURRENT ASSETS	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	0.49	2.83
<b>Total</b>	<b>0.49</b>	<b>2.83</b>

**NOTE-10 INVENTORIES**

INVENTORIES	As at March 31, 2023	As at March 31, 2022
Inventories (As certified and valued by the management)		
Raw Materials & Components	777.34	701.06
Goods-in-process (Manufacturing)	467.70	406.22
Goods-in-process (Infra Services)	302.16	351.59
Finished Goods	-	-
Traded Goods	-	-
Stores & Spare Parts	-	-
<b>Total</b>	<b>1,547.19</b>	<b>1,458.88</b>

**NOTE-11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**



CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES	As at March 31, 2023	As at March 31, 2022
Unsecured - Considered good:	1,249.49	1,013.80
Less;- Provision for doubtful debts	33.78	33.78
<b>Total</b>	<b>1,215.71</b>	<b>980.03</b>

## NOTE-11.1 AGE OF RECEIVABLES AS ON 31.03.2023

Particulars	Outstanding for following periods from the due date of payment					Total
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	993.32	146.70	70.99	4.69		1,215.71
(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 31.03.2022

Particulars	Outstanding for following periods from the due date of payment					Total
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	767.58	25.67	186.78	0.00		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-12 CURRENT FINANCIAL ASSETS - CASH &amp; CASH EQUIVALENTS

CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS	As at March 31, 2023	As at March 31, 2022
Balances with Banks	0.38	360.35
Cheques , drafts on hand	-	-
Cash in Hand	12.08	9.90
Fixed deposits with bank ( Original maturity less than 3 months) (Lien with bank against BG limits)	32.84	4.32
<b>Total</b>	<b>45.29</b>	<b>374.58</b>

## NOTE-13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

<b>CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Fixed Deposit with Bank (Maturity 3 -12 months) (Lien with bank against BG limits)	<b>29.16</b>	53.23
<b>Total</b>	<b>29.16</b>	<b>53.23</b>

#### **NOTE-14 CURRENT FINANCIAL ASSETS - OTHER ASSETS/ADVANCES**

<b>CURRENT FINANCIAL ASSETS - OTHER ASSETS/ADVANCES</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Advances other than capital advances		
a. Security Deposits		
Secured - Considered good;	<b>8.65</b>	4.38
b. Other advances		
Unsecured Considered good;	<b>161.84</b>	60.16
<b>Total</b>	<b>170.50</b>	<b>64.53</b>

#### **NOTE-15 CURRENT TAX ASSETS ( NET)**

<b>CURRENT TAX ASSETS ( NET)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Advance tax/TDS(net of tax)	<b>37.96</b>	47.19
MAT credit entitlement	<b>63.86</b>	60.96
<b>Total</b>	<b>101.81</b>	<b>108.15</b>

#### **NOTE-16 OTHER CURRENT ASSETS**

<b>OTHER CURRENT ASSETS</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balance with Central Excise, GST , VAT and custom authorities	<b>106.75</b>	138.87
Interest Receivable	<b>0.20</b>	2.58
Prepaid expenses	<b>13.17</b>	17.02
Others	<b>7.20</b>	9.96
<b>Total</b>	<b>127.33</b>	<b>168.43</b>

#### **NOTE-17 EQUITY SHARE CAPITAL**

<b>EQUITY SHARE CAPITAL</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Authorised Share Capital</b>		
<b>At the beginning of the period</b>	<b>2,000.00</b>	2,000.00
Increase during the year		
<b>As at end of the period</b>	<b>2,000.00</b>	<b>2,000.00</b>

<b>(i) ISSUED , SUBSCRIBED AND PAID UP</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
1, 38, 48, 512 Equity shares of Rs 10/- each fully paid up.	<b>1,384.85</b>	1,384.85
Add: Forfieted Shares ( Amount paid up)	<b>0.03</b>	0.03
<b>Total</b>	<b>1,384.88</b>	<b>1,384.88</b>

<b>(ii) MOVEMENT IN EQUITY SHARE CAPITAL</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	<b>No. of shares held</b>	<b>No. of shares held</b>
<b>At the beginning of the period</b>	<b>138.49</b>	138.49
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year.	-	-
Less: Shares bought back during the year	-	-
<b>As at end of the period</b>	<b>138.49</b>	<b>138.49</b>

## Notes to the Financial Statements for the year ending 31<sup>st</sup> March 2023



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.

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	-
	<b>Tota</b>	<b>70.18</b>	<b>50.69</b>	-

(iv) Shareholders holding more than 5 percent of Equity Shares	As at March 31, 2023	As at March 31, 2022
	No. of shares held	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 Banga	34.46	34.46
Percentage of Holdings	24.88%	24.88%

### NOTE-18 OTHER EQUITY

OTHER EQUITY	As at March 31, 2023	As at March 31, 2022
(i) General Reserve	84.09	84.09
(ii) Retained Earnings	-127.67	-136.72
	<b>-43.59</b>	<b>-52.64</b>
(i) RETAINED EARNINGS	As at March 31, 2023	As at March 31, 2022
Opening Balance	-136.72	28.88
Changes in accounting policy or prior period items	-	-
Net Profit for the period	0.81	-168.40
Items of Other Comprehensive Income recognised directly in Retained Earnings.	-	-
Remeasurement of Defined Benefit plans	8.24	2.80
Closing Balance	<b>-127.67</b>	<b>-136.72</b>

### NOTE-19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

NON CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at March 31, 2023	As at March 31, 2022
<b>Secured Loan</b>		
Vehicle Loans*	48.51	5.01
<b>Unsecured Loan</b>		
Loans from Director	752.76	731.30
MSME Loan (SIB)**	113.17	80.83
<b>Total</b>	<b>914.44</b>	<b>817.14</b>

Security

\*Hypothecation of Car

Terms of Repayment

\*\* Principal Monthly Repayment amount Rs. 5,38,889 from 06.07.2021 onwards for 36 Months.

\*\* The Repayment of Rs. 97 Lakh ECLG loan will start from 07.05.2024

**NOTE-20 NON CURRENT FINANCIAL LIABILITIES-LEASE LIABILITIES**

<b>NON CURRENT FINANCIAL LIABILITIES-LEASE LIABILITIES</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Leasehold Obligations	8.64	8.59
<b>Total</b>	<b>8.64</b>	<b>8.59</b>

**NOTE-21 PROVISIONS**

<b>PROVISIONS</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Provisions for Employee Benefits	82.88	100.83
<b>Total</b>	<b>82.88</b>	<b>100.83</b>

**NOTE-22 CURRENT FINANCIAL LIABILITIES - BORROWINGS**

<b>CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Secured Loan</b>		
(i) from Banks- Secured*	449.82	774.60
(ii) from NSIC**	272.36	231.80
<b>Unsecured Loan</b>		-
(i) MSME Loan (SIB)	64.67	64.67
(ii )Inter Corporate Deposit	175.00	200.00
	<b>961.84</b>	<b>1,271.06</b>

\* 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 immovables 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**

<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
For Goods & Services		
Trade payables due for payment.	360.53	642.13
	<b>360.53</b>	<b>642.13</b>

**Note 23.1 as on 31.03.2023**

<b>Particulars</b>	<b>Outstanding for following periods from the due date of payment</b>				<b>Total</b>
	<b>Less Than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) MSME	166.51	-	-	-	166.51
(II) Others	180.02	2.85	8.88	2.27	194.02
(iii) Disputed dues- MSME	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-

**Note 23.1 as on 31.03.2022**

<b>Particulars</b>	<b>Outstanding for following periods from the due date of payment</b>				<b>Total</b>
	<b>Less Than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) MSME	138.90	0.14	0.20	0.03	139.27
(II) Others	265.68	233.73	3.45	-	502.86
(iii) Disputed dues- MSME	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-

**NOTE-24 CURRENT LIABILITIES - OTHER FINANCIAL LIABILITIES**

<b>CURRENT LIABILITIES - OTHER FINANCIAL LIABILITIES</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
a) Current maturities of long term debts		
Secured		
Loans from others	-	-
South Indian Bank Vehicle Loan	13.18	-
ICICI Bank	0.80	0.80
b) Interest Accrued	-	-
	<u>13.99</u>	<u>0.80</u>

**NOTE-25 CURRENT LIABILITIES - OTHER CURRENT LIABILITIES**

<b>CURRENT LIABILITIES - OTHER CURRENT LIABILITIES</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
a) Advances from customers	78.61	7.96
b) Others:	-	-
i) Creditors for capital goods	-	-
ii) Expenses Payable	18.80	28.49
iii) Other Employees related liabilities	35.15	30.33
iv) Statutory Liabilities	41.76	113.21
v) Security Received - Factory Rent	-	15.00
	<u>174.32</u>	<u>194.99</u>

**NOTE-26 CURRENT LIABILITIES - PROVISIONS**

<b>CURRENT LIABILITIES - PROVISIONS</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Provision for Employee Benefits	6.73	-
Provision for Income Tax	2.90	-
	<u>9.63</u>	<u>-</u>

**NOTE-27. REVENUE FROM OPERATIONS**

<b>REVENUE FROM OPERATIONS</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Sale of products	2,342.76	2,567.50
Sale of Services	1,212.44	966.60
	<u>3,555.21</u>	<u>3,534.10</u>
Other Operating Revenue		
Duty Drawback	2.57	5.30
Sales of Scrap	-	-
<b>Total</b>	<u>3,557.78</u>	<u>3,539.40</u>

**NOTE-28. OTHER INCOME**

<b>OTHER INCOME</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Profit on Sale of Fixed Assets	-	-
Interest Income	8.45	12.25
Others	50.93	323.81
<b>Total</b>	<u>59.37</u>	<u>336.06</u>

**NOTE-29. COST OF MATERIAL CONSUMED**

<b>COST OF MATERIAL CONSUMED</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Opening Stock	701.06	563.34
Add: Purchases during the year	1,786.19	2,158.85
	<u>2,487.25</u>	<u>2,722.19</u>
Less: Closing Stock	777.34	701.06
<b>Total</b>	<b><u>1,709.92</u></b>	<b><u>2,021.13</u></b>

**NOTE-30 CHANGES IN INVENTORIES OF WORK IN PROGRESS, STOCK IN TRADE AND FINISHED GOODS**

<b>CHANGES IN INVENTORIES OF WORK IN PROGRESS, STOCK IN TRADE AND FINISHED GOODS</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Valued and as certified by Management		
Opening Stock	-	-
- Finished Goods (Manufacturing)	-	-
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	406.22	670.39
- Goods-in-process (Infra Services)	351.59	134.03
Closing Stock		
- Finished Goods (Manufacturing)	-	-
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	467.70	406.22
- Goods-in-process (Infra Services)	302.16	351.59
<b>Total</b>	<b><u>-12.04</u></b>	<b><u>46.61</u></b>

**NOTE-31. OTHER DIRECT COSTS**

<b>OTHER DIRECT COSTS</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Project and labour service charges	377.72	340.31
Consumption of Stores and Spares Parts.	18.09	6.87
Die Making Charges	-	0.08
Job Work Expenses	13.80	2.98
<b>Total</b>	<b><u>409.62</u></b>	<b><u>350.23</u></b>

**NOTE-32. EMPLOYEE BENEFIT EXPENSES**

<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Salaries, wages and allowances*	645.38	656.65
Contribution to Provident and ESI Funds	19.11	19.31
Workmen and staff welfare expenses	37.44	31.15
<b>Total</b>	<b><u>701.93</u></b>	<b><u>707.10</u></b>

\*Including Directors Remuneration for the FY Rs. 89,64,928/- and PY. Rs. 80,23,476/-)

**NOTE-33. FINANCE COSTS**

<b>FINANCE COSTS</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Bank Loan Interest	98.75	111.15
Other Interest	78.03	128.98
Bank Charges	21.67	9.02
Other Borrowing costs	17.51	27.32
<b>Total</b>	<b><u>215.96</u></b>	<b><u>276.47</u></b>

**NOTE-34. OTHER EXPENSES**

<b>OTHER EXPENSES</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
Power and fuel	39.49	40.89
Rent	30.20	40.27
Security Services	24.62	24.84
Directors Sitting Fees	6.58	6.22
Repairs & Maintenance		
- Building	3.98	2.00
- Plant & Machineries	7.74	3.53
- Others	11.39	9.99
Insurance	9.48	12.65
Telephone & Internet expenses	7.17	5.40
Legal and professional fee	74.96	57.53
Technical Consultancy	98.70	42.29
Testing fee	14.23	6.87
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)*	135.86	76.56
Marketing & Distribution expenses	95.18	47.91
Loss on sales/ written off of Fixed assets	1.77	1.21
Vehicle Running Maintenance	21.12	16.36
Miscellaneous expenses	86.72	67.83
Bed Debts writton off	0.00	52.20
Provision for Trade receivables	-	31.75
<b>Total</b>	<b>674.19</b>	<b>576.41</b>

\*Including Directors foreign Travelling for the FY Rs. 30,18,476/- and PY 7,52,661

**NOTE-35. EARNINGS PER SHARE (EPS) - IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARD (IND AS -33)**

<b>EARNINGS PER SHARE (EPS) - IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARD (IND AS -33)</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
<b>(A) Basic &amp; Diluted Earnings per share before extra ordinary items</b>		
Profit /(Loss) after tax	0.81	(168.40)
Profit attributable to ordinary shareholders	0.81	(168.40)
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	10	10
Earnings per share basic	0.01	(1.22)
Earnings per share diluted	0.01	(1.22)
<b>(B) Basic &amp; Diluted Earnings per share after extra ordinary items</b>		
Profit /(Loss) after tax	0.81	(168.40)
Profit attributable to ordinary shareholders	0.81	(168.40)
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)		

<b>EARNINGS PER SHARE (EPS) - IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARD (IND AS -33)</b>	<b>For the year ended March31, 2023</b>	<b>For the year ended March31, 2022</b>
<b>Nominal value of ordinary share</b>	<b>10</b>	<b>10</b>
<b>Earnings per share basic</b>	<b>0.01</b>	<b>-1.22</b>
<b>Earnings per share diluted</b>	<b>0.01</b>	<b>-1.22</b>

### **Note 36. Critical Accounting Estimates and Judgments (Amount in Lakh)**

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**

		<b>Amount as at 31.03.2023</b>	<b>Amount as at 31.03.2022</b>
<b>A.</b>	Contingent Liabilities not provided for:		
	i) Guarantees and LC	<b>556.28</b>	<b>566.82</b>
	Less: Bank balances in restricted Fixed Deposits. held under lien as margin money	<b>75.42</b> <b>480.86</b>	<b>91.50</b> <b>475.32</b>
	ii) Disputed demands in respect of Central Sales Tax and Value Added Tax	<b>11.70</b>	<b>11.70</b>
	Less:- Deposit for Above Demand	<b>11.70</b>	<b>11.70</b>
	iii) Disputed demands in respect of GST	<b>92.11</b>	<b>92.11</b>
	Less: Deposit for GST	<b>4.34</b>	<b>4.34</b>
<b>B.</b>	Commitments		
	i) Capital Commitments net of Advances	<b>347.54</b>	-
	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 2023 is net of Goods and Service Tax (GST).

**Note 40. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
a. Principal amount due	163.66	139.27
Interest due on above	2.86	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	2.86	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
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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, 2023	For the year ended March 31, 2022
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)
- d) 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) Mr. Mohit Kumar Goel (Company secretary of the Company) resign w.e.f 18.06.2022
- e) Ms. Vrinda mohan gupta (Company secretary of the Company) appointed w.e.f. 14.07.2022

**B) Transactions with Related Parties.**

**i) Relatives of Key Management Personnel and their Enterprises/Associates where transactions have taken place.**

	Current Year	Previous Year
Rent	1.60	21.53
Interest	-	14.99
Purchase	286.89	41.39
Sale	1.34	-
Amount payable 27.27	36.56	
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	92.84	83.43
Interest	53.01	52.66
Salary including Perquisites	29.44	28.50
Unsecured loan taken during the year	6.00	-
Unsecured loan repaid during the year	-	10.00
Unsecured loan at year – end	590.25	584.26

**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		For the year ended
	March 31, 2023		March 31, 2022
Employer's Contribution to Provident Fund	4.72		4.63
Employer's Contribution to Pension Scheme	10.51	10.51	

**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	7.36%	7.18%	7.36%	7.18%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
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.

**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	104.99	110.29	23.45	14.87
Interest cost	7.54	7.72	1.68	1.00
Current Service Cost	10.54	10.40	3.25	4.01
Benefits Paid	(4.22)	(11.71)	(2.09)	(3.27)
Actuarial (gain)/Loss on Obligations	(1.05)	(11.71)	(10.08)	6.84
Present value of obligations as at end of year	117.78	104.99	16.21	23.45

**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	27.61	17.55	-	-
Expected return on plan assets	1.94	1.23		
Contributions	19.16	21.41	-	-
Benefits paid	(4.23)	(11.71)	-	-
Actuarial (gain)/Loss on Plan Assets	(0.09)	(0.87)	-	-
Fair value of Plan assets as at end of year	44.39	27.61	-	-

**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	27.61	17.55	-	-
Actual return on plan assets	1.84	0.35	-	-
Contributions	19.16	21.41	-	-
Benefits paid	(4.23)	(11.70)	-	-
Fair value of Plan assets as at end of year	44.39	27.61	-	-
Present Value of obligation at the year end	117.78	104.99	16.22	23.45
Funded Status	(73.39)	(77.38)	(16.22)	(23.45)
Excess of actual over estimated return on Plan Assets.	(0.09)	(0.87)	-	-

**5. Actuarial Gain/Loss recognized**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Actuarial gain/Loss for the year Obligations	1.05	11.71	10.08	(6.83)
Actuarial gain/Loss for the year Plan assets	0.09	0.87	-	-
Total (gain) /Loss for the year	(0.96)	(10.84)	(10.08)	6.83
Actuarial (gain)/Loss recognized In the year	(0.96)	(10.84)	(10.08)	6.83
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	117.78	104.99	16.22	23.45
Fair value of plan assets as at the end of the year	44.39	27.61	-	-
Funded status	(73.39)	(77.38)	(16.22)	(23.45)
Net assets/ (liability) recognized In the balance sheet	(73.39)	(77.38)	(16.22)	(23.45)

**7. Expenses Recognized in statement of Profit & Loss**

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Current Service cost	10.54	10.40	3.25	4.01
Interest Cost	7.54	7.72	1.68	1.00
Expected return on plan assets	(1.94)	(1.23)	-	-
Net Actuarial (gain)/Loss recognized in the year	(0.96)	(10.84)	(10.08)	6.84
Expenses recognized in statement of Profit & Loss	15.17	6.05	(5.15)	11.86

### 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	(0.96)	(10.84)	(10.08)	6.84
Expenses recognized in statement of Profit & Loss	15.18	6.05	(5.15)	11.86

#### 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, 2023		Amount as at March 31, 2022	
	USD	Rs.	USD	Rs.
Foreign trade payable 329.72		-	-	4.36
Advance to Suppliers	1.43	117.45	-	-
Foreign trade receivable	5.32	437.21	2.98	225.60

#### 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 01.04.2022	Provided during the year.	Paid /Adjusted during the year	Balance as on 31.03.2023
<b>Non-current provisions</b>				
Gratuity	77.38	0.24	6.11	71.51
Accumulated leaves	23.45	(5.15)	6.94	11.36
<b>Total</b>	<b>100.83</b>			<b>82.87</b>
<b>Current provisions</b>				
Gratuity	-	5.88		5.88
Accumulated leaves	-	0.85		0.85
<b>Total</b>	<b>-</b>	<b>-</b>		<b>6.73</b>

#### 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
<b>Segment revenue</b>						
External sales*	3,140.39	3,236.25	417.39	303.15	3,557.78	3,539.40
Inter segment sales	-	-	-	-	-	-
<b>Total revenue</b>	<b>3,140.39</b>	<b>3,236.25</b>	<b>417.39</b>	<b>303.15</b>	<b>3,557.78</b>	<b>3,539.40</b>
<b>Segment results</b>	<b>437.55</b>	<b>365.45</b>	<b>(244.50)</b>	<b>(156.73)</b>	<b>193.05</b>	<b>208.72</b>
<b>Unallocated(expenses)/Income</b>					<b>(117.97)</b>	<b>(108.22)</b>
<b>Operating(loss)/profit</b>					<b>75.07</b>	<b>88.25</b>
Finance expenses					<b>215.96</b>	<b>276.47</b>
Interest income					<b>8.45</b>	<b>12.25</b>
Exceptional Income					<b>224.16</b>	
<b>Profit/(Loss) before taxation</b>					<b>91.72</b>	<b>(175.98)</b>
Wealth tax, Earlier years tax & Mat Credit Entitlement					-	-
Deferred Tax Assets					<b>90.91</b>	<b>(7.57)</b>

Particulars	TELECOM		INFRA SERVICES		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Provision for Income Tax					-	-
Net profit after tax					<b>0.81</b>	(168.40)
Other Comprehensive Income					<b>8.24</b>	2.80
Total Comprehensive Income					<b>9.05</b>	(165.60)
Segment Assets	<b>3,086.62</b>	3,486.21	<b>493.79</b>	500.63	<b>3,580.41</b>	3,986.84
Unallocated assets					<b>287.15</b>	380.97
Total assets					<b>3,867.56</b>	4,367.80
Segment Liabilities	<b>597.08</b>	868.57	<b>38.92</b>	77.98	<b>636.00</b>	946.55
Total Equity					<b>1,341.29</b>	1,332.24
Secured & Unsecured Loans					<b>1,890.27</b>	2,089.01
Unallocated Liabilities	<b>(1,002.73)</b>	(737.74)	<b>1,002.73</b>	737.74	-	
Total liabilities					<b>3,867.56</b>	4,367.80
Depreciation	<b>47.92</b>	70.90	<b>2.10</b>	<b>2.59</b>	<b>50.01</b>	73.48

\* Telecom sales include service receipts.

**Note 47. Additional Regulatory Information:**

- (i) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The company do not own or hold any Benami Property under the Benami Transactions (Prohibition) Act,1988(45of 1988) and the rules made thereunder.
- (iii) The company is not declared a Willful Defaulter by any bank or financial institutions.
- (iv) 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.
- (v) All Registration of charges or satisfaction are registered with Registrar of Companies (ROC).
- (vi) The company is not having downstream companies or layers of companies prescribed under clause (87) of 2 of the Act read with companies (Restriction on number of layers) Rules,2017.
- (vii) No Scheme(s) of Arrangements has been approved by the competent authority in terms of section 230 to 237 of the companies Act,2013 .
- (viii) The Company has not advanced or loaned or invested funds to any other person or entities with an understanding that the intermediary will invest or provide any guarantee, security or the like to or on behalf of ultimate beneficiaries .
- (ix) The company has not made any advances or in the nature of loans to promoters, directors, KMPs, and the related parties .
- (x) The statements of current assets filed by the company with banks are in agreement with the books of accounts.

**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 oversight 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 analyse 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.	Particulars	Formula	FY 2022-23	FY 2021-22	% change in Ratio during the year	Explanations thereof
1	Current Ratio	Current Assets / Current Liability	2.02	1.52	32.73	The said increase reflects the company's ability to meet the short-term obligations on time
2	Debt-to-Equity Ratio	Debts / Equity Shareholder Fund	0.62	0.61	1.06	
3	Debt Service Coverage Ratio	EBDITA / Interest+Principal	0.07	0.09	-13.53	
4	Return on Equity Ratio	PAT /Shareholder's Equity	0.01	-0.12	-105.43	The company has earned profit after tax.
5	Inventory Turnover Ratio	Cost of Goods Sold / Avg Inventory	1.40	1.71	-18.04	
6	Receivables turnover	Sales / Trade Receivable	2.93	3.61	-18.97	
7	Trade Payable Turnover Ratio	Purchase / Trade Payable	4.95	3.36	47.36	The company has paid the creditors more frequently and availed a shorter credit period .
8	Net Capital Turnover Ratio	Sales/Average Working Capital	2.60	3.08	-15.40	
9	Net Profit Margin Ratio (%)	Net Income / Net Sales	(6.05)	(4.68)	29.25	The company has earned loss before exceptional profit by way of sale of Roorkee unit plant and property.
10	Return on Capital Employed	EBIT/ Total Assets - Current Liabilities	0.02	0.03	-34.39	The decrease is due to the increase in cost and expenditure incurred primarily in the process of business enhancement .
11	Return on Investment (%)	EBIT/Average Operating Assets	1.17	1.38	-14.79	

### Note 51 A. Financial instruments

#### i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### ii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2023		March 31, 2022	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans and advances	Level 3	161.84	161.84	60.16	60.16
Trade receivable	Level 3	1,215.71	1,215.71	980.03	980.03
Cash and cash equivalents	Level 3	45.29	45.29	374.58	374.58
Other Bank balance	Level 3	42.58	42.58	104.12	104.12
Security deposit	Level 3	30.82	30.82	31.56	31.56
Other receivables	Level 3				
<b>Total financial assets</b>		<b>1,496.25</b>	<b>1,496.25</b>	<b>1,550.44</b>	<b>1,550.44</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	1,889.46	1,889.46	2,089.01	2,089.01

Particulars	Level	March 31, 2023		March 31, 2022	
		Carrying value	Fair value	Carrying value	Fair value
Trade payables	Level 3	360.53	360.53	642.13	642.13
Other financial liabilities	Level 3	97.41	97.41	36.45	36.45
<b>Total financial liabilities</b>		<b>2,347.41</b>	<b>2,347.41</b>	<b>2,767.59</b>	<b>2,767.59</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Other non-current financial assets and non-current borrowings bear a market interest rate and hence their carrying amounts are also considered a reasonable approximation of their fair values.

### iii) Financial instruments by category

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Loans and advances			161.84	-		60.16
Trade receivable			1,215.71	-		980.03
Cash and cash equivalents			45.29	-		374.58
Other Bank balance			42.58	-		104.12
Security deposit			30.82	-		31.56
Other receivables			-			
<b>Total</b>			<b>1,496.25</b>			<b>1,550.44</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,889.46	-	-	2,089.01
Trade payable	-	-	360.53	-	-	642.13
Other financial liabilities	-	-	97.41	-	-	36.45
<b>Total</b>	-	-	<b>2,347.41</b>	-	-	<b>2,767.59</b>

### Note 51 B. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

#### A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

Credit risk management

Credit risk rating

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2023	March 31, 2022
Low	Loans and advances	161.84	60.16
	Trade receivable	1,215.71	980.03
	Cash and cash equivalents	45.29	374.58
	Other Bank balance	42.58	104.12
	Security deposit	30.82	31.56
	Other receivables	-	-

#### Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### Trade receivables

Company's trade receivables are considered of high quality and accordingly no life time expected credit losses are recognised on such receivables.

#### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes advances to employees. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2023	Upto 1 year	More than 1 years	Total
Borrowings	975.03	914.44	1,889.46
Trade payable	360.53	-	360.53
Other financial liabilities	97.41	-	97.41
<b>Total</b>	<b>1,432.97</b>	<b>914.44</b>	<b>2,347.41</b>

31 March 2022	Upto 1 year	More than 1 years	Total
Borrowings	1,271.87	817.14	2,089.01
Trade payable	642.13	-	642.13
Other financial liabilities	36.45	-	36.45
<b>Total</b>	<b>1,950.44</b>	<b>817.14</b>	<b>2,767.59</b>

### C) Market risk

#### a) Interest rate risk

The Company is not exposed to changes in market interest rates as all of the borrowings are at fixed rate of interest. Also the Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### b) Price risk

Exposure

'The Company' is not exposure to price risk arises from marker rates of financial assets.

Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.



Notes to the Financial Statements for the year ending 31<sup>st</sup> March 2023



Particulars	March 31, 2023	March 31, 2022
Total borrowings	1,889.46	2,089.01
Less : cash and cash equivalent	45.29	374.58
<b>Net debt*</b>	<b>1,844.17</b>	<b>1,714.43</b>
Total equity	1,341.29	1,332.24
Net debt to equity ratio	<b>1.37</b>	<b>1.29</b>

\*Net debt = noncurrent borrowings + current borrowings + current maturities of long term borrowings - cash & cash equivalents

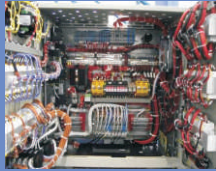
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## INFRASTRUCTURE



## SERVICES & CAPABILITIES



## PROJECTS



## PRODUCTS

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

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