



PEL NOIDA & ROORKEE BUILDING

INFRASTRUCTURE



SERVICES & CAPABILITIES



PROJECTS



PRODUCTS



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Uttar Pradesh, India
Tel: +91-120-2551556 / 1557 / 5176 / 5177,
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E-mail: info@pelindia.com, Website: www.pelindia.com

"we always know who we're working for"

Roorkee Office:
Plot No.9&10, K.I.E Industrial Estate,
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Tel: +91-1332-229154/55,
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32nd Annual Report

2010 - 2011

MOVING AHEAD

2011

"we always know who we're working for"

Mission Statement

To become our customers preferred partner for innovative communication solutions by constantly growing the value and scope of our deliverables, expanding our capabilities through partnerships and achieving total customer satisfaction.

Infrastructure

Precision Electronics Limited has its manufacturing facilities in Noida, U.P. having a covered area of 5000 m² and Rootkee, Uttarakhand (Covered area of 8000 m²). The strategically located plants are having state-of-art infrastructure to facilitate world class manufacturing of telecom systems.

Quality

- ISO 9001: 2000
- ISO 27001
- Underwriters Laboratory (UL), USA
- Directorate General of Aeronautical Quality Assurance (DGAQA), Ministry of Defence
- Directorate General of Quality Assurance (DGQA), Ministry of Defence
- Electronic Component Standardization Organization (ECSO)
- Telecommunication Engineering Center (TEC), Dept. Of Telecommunications
- Research Design & Standards Organization (RDSO), Indian Railway

Product Range

- Voice Loggers
- High Capacity Radio line of sight Radio Relay Systems
- Fixed Wireless Access
- Last Mile Wireline Solutions
- Multi-Service Platforms
- Metro Ethernet Switches
- Telephony Solutions
- Bulk Encryption Units
- Terminal End Secrecy Devices
- Network Security
- Tactical V/UHF Radios
- Ad-hoc Networked Data Radio
- Tank Harness
- Printed Circuit Boards
- Ruggedization and Containerization
- Telescopic, Pneumatic and Hydraulic Mast
- Power Supplies

Capabilities

- Proven expertise in Design and Engineering, Manufacturing and System Integration
- Product validation, verification and accreditation as per customer's specific needs
- State-of-Art instrumentation for repair and maintenance including life cycle support and in-country repairs
- Testing and Validation

Services

- Capability to offer overall Project co-ordination, Management and Turnkey project implementation
- Complete post-sales service support
- Systems Analysis based on customer requirement/ Request For Proposal to find solutions for system design/ System Integration
- Market survey and Product Strategizing
- Customer Product Evaluation
- Homologation
- Value Added Services
- COTS-to-MIL Engineering
- Repair and maintenance during warranty and Annual Maintenance Contracts
- Product Prototyping

Design and Development

PEL ensures that new technologies and design applications are applied to the demands and stringent requirements of customized communication systems and solutions. To this effect PEL adds tremendous value in re-engineering, interfacing and overall customization of products at both the system and component levels, thus ensuring that innovative and quality solutions are delivered to our customers at low costs.

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BOARD OF DIRECTORS & COMMITTEES**Board of Directors**

Mr. Ashok Kanodia	- Managing Director
Mr. Pradeep Kanodia	- Executive Director
Mr. Rahul Goenka	- Director
Mr. Anant Kanoi	- Director
Mr. S.C. Choudhary	- Director
Mr. Sharvan Kumar Kataria	- Director

Audit Committee

Mr. Sharvan Kumar Kataria	- Chairman
Mr. Rahul Goenka	- Member
Mr. Anant Kanoi	- Member
Mr. S.C. Choudhary	- Member

Share Transfer & Investor Grievance Committee

Mr. Rahul Goenka	- Chairman
Mr. Pradeep Kanodia	- Member
Mr. S.C. Choudhary	- Member
Mr. Sharvan Kumar Kataria	- Member

Remuneration cum Selection Committee

Mr. Sharvan Kumar Kataria	- Chairman
Mr. Rahul Goenka	- Member
Mr. Anant Kanoi	- Member
Mr. S.C. Choudhary	- Member

PLANTS**At Noida**

D-10, Sector-3, Noida-201301, (U.P.)

At Roorkee

Plot No. 9 & 10, KIE Industrial Estate, Village Mundiyaiki (Manglore), Roorkee Haridwar-249406, Uttarakhand (India)

OFFICES**REGISTERED OFFICE**

D-1081, New Friends Colony, New Delhi-110065

BRANCH OFFICE

134, Biplabi Rash Behari Basu Road, (Canning Street), Calcutta-700 001

COMPANY SECRETARY

Mrs. Neha Malik

AUDITORS

M/s Rajendra K. Goel & Company, New Delhi.

BANKERS

Punjab National Bank

LISTED ON

Bombay Stock Exchange

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Pvt. Ltd. D-153/A First Floor, Okhla Industrial Area New Delhi-110 020, Contact No.-011-30857575

NOTICE OF THE 32nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd Annual General Meeting of Precision Electronics Ltd. will be held on **Saturday, 10th September, 2011 at 11.00 a.m. at Bipin Chandra Pal Memorial Auditorium, 81, C.R Park, New Delhi** to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Directors' Report, Audited Balance Sheet as on 31st March, 2011 and the Profit and Loss A/c for the year ended on that date and the Auditors' Report thereon.
- To re-appoint Sh. Rahul Goenka who retires by rotation and being eligible, offers himself for reappointment.
- To re-appoint Sh. S. C. Choudhary who retires by rotation and being eligible, offers himself for reappointment.
- To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration. M/s Rajendra K. Goel & Co. Chartered Accountants, the retiring Auditors hold office till conclusion of this meeting and are eligible for reappointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to section 257 of the Companies Act, 1956 Sh. Sharvan Kumar Kataria be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
- Proxies in order to be effective should be duly completed and signed in the enclosed form and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- Members are requested:
 - Kindly notify the change of address, if any, to the Company/The Registrar & Transfer Agent/ depository participants, as the case may be.
 - To bring their copy of Annual Report.
 - Deposit duly completed Attendance slip at the meeting.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 5th September, 2011 to 10th September, 2011 (both inclusive).
- Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director / Company Secretary of the Company at-least seven days before the date of the meeting so that the information required may be made available at the meeting.
- Explanatory Statement(s) pursuant to Section 173(2) of the Companies Act, 1956 pertaining to the business contained in items 5 is annexed.
- The particulars of directors to be re-appointed/ appointed at the meeting are given in the Corporate Governance Section of this Annual Report.

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

**Place: New Delhi
Date: 18.05.2011**

**Neha Malik
Company Secretary**

EXPLANATORY STATEMENT

(Pursuant to the Section 173 (2) of the Companies Act, 1956)

In respect of Item No. 5

Sh. Sharvan Kumar Kataria was appointed as an Additional Director of the Company w.e.f. 5th February, 2011 by the Board of Directors under the provisions of section 260 of the Companies Act, 1956.

Sh. Sharvan Kumar Kataria is a Law Graduate and a Practising Chartered Accountant since 1983.

He has a expert Knowledge of Company Law, Corporate Law, Income Tax, Direct Taxes, Indirect Taxes, Accounts & Audit Laws, Tax Planning, Tax Management, Jurisprudence and Tax Practice.

Since Sh. Sharvan Kumar Kataria was appointed as Additional Director of the Company by Board of Directors at their meeting held on 5th February, 2011 under section 260 of the Companies Act 1956 and shall vacate the office of Additional Director automatically at the starting of the Annual General Meeting.

The Company has received the notice required under section 257 of the Companies Act 1956 proposing the appointment of Sh. Sharvan Kumar Kataria as Director.

The Board of Directors of your Company are of opinion that Sh. Sharvan Kumar Kataria will commensurate to his ability, qualification and experience. Hence the Board of directors of the Company proposes the above resolution.

Except Sh. Sharvan Kumar Kataria, none of the Director of the Company is concerned or interested in the said resolution.

The resolution is accordingly recommended for member's approval.

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

**Place: New Delhi
Date: 18.05.2011**

**Neha Malik
Company Secretary**

DIRECTORS' REPORT

To
The Members of
Precision Electronics Ltd.,

Your Directors have pleasure in presenting the 32nd Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2011.

1. FINANCIAL RESULTS

Your Company's performance during the year as compared with that during the previous year is summarized below:
(₹ in Million)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Revenue*	258	299
Profit before Depreciation, Interest, & Tax	28	30
Depreciation	17	18
Interest	9	11
Net Profit before Tax	2	1
Provision for Tax**	(1)	1
Net profit after Tax	3	0.02
Profit brought forward from Balance Sheet	99	99
Amount available for appropriation	102	99
Appropriation: Transfer to General Reserve	--	--
Profit Carried forward to Balance Sheet	102	99

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

**Provision for tax is in negative due to Deferred Tax.

2. DIVIDEND

In view of conservation of financial resources of the Company, your directors do not recommend any dividend for the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS**3. FINANCIAL AND OPERATIONAL PERFORMANCE**

Your Company earned total revenue of ₹258 million for the year ended 31st March, 2011 compared to previous financial year (2009-10) revenue of ₹299 million. Profit before depreciation, interest and tax (PBDIT) is at ₹28 million as compared to ₹30 million and the net profit was ₹2 million as against ₹1 million achieved during the previous year (2009-10.) The performance during the year under review was affected due to loss of production in the PCB division due to frequent breakdown of the machineries. In addition, delays in finalization of orders and retraction of tenders wherein your Company was the lead bidder in the defence sector has further contributed to the loss of revenue. Defence sector has recently been opened for private industry participation and the system is grappling with the complexities of the procurement procedure. We believe that this is a transitory phase and the procedure will smoothen out over period of time.

4. OPERATIONAL EXCELLENCE

PEL's main focus is on design, engineering and manufacturing of transmission and access equipments covering all types of media (wire-line: both copper and optical fiber, wireless and satcom) for the telecom industry including defense sector. As a Company that is focused towards creating new business verticals, we are acquiring specific skills through lateral induction of manpower suiting our new technological requirements for future opportunities.

PEL continues to upgrade its infrastructure, systems, methods & processes to comply with the requirement of International Defence customers. Company views the Offset business opportunity in the defence sector as a growth vertical. The Roorkee unit provides in-house compliance and validation testing required for ESS, Shock, Bump & Vibration and EMI/EMC. It has been validated and approved by the defence inspection agencies namely DGQA & DGAQA on behalf of the customer viz. Indian Armed Forces.

4.1 Projects

PEL has created competence and has been working with the User i.e. Indian Army on projects like the Battlefield Surveillance System (BSS) and Tactical Communication System (TCS) with our Partner Raytheon Company of USA. BSS contract award has been concluded with Bharat Electronics Ltd (BEL) and your Company expects to be a part of the project. The Company is also working with Tata Power Strategic Electronics Division (TPSED) on the Indian Air Force Modernisation of Airfield Infrastructure (MAFI) project and has been shortlisted for the civil works in the airfield environment. This will be a significant diversification of the Company and will open many a new opportunities in future. In both of the projects the revenue flow is expected to begin from this financial year.

PEL in collaboration with its Israeli Partner has ventured in manufacturing of Cable Harness for use in very demanding environment like the airborne platform, ship/submarines, armoured fighting vehicles etc. The Roorkee plant has already been setup and is undergoing certification for the quality standards required by the foreign OEMs. The first export order received by your Company under offset obligation is being executed. We are hopeful that this product line will contribute significantly to the revenues of the Company and exports.

4.2 Technology

PEL's dedicated team of embedded electronic system has developed software for new products viz: Radio modems, HDSL modems and Data Logger that are required by the Railways and Telecom Operators. These are under technical evaluation by validation agencies of the respective user for acceptance and certification. This will enhance the portfolio of the Company significantly to its long standing customers in the non-defence sector. In addition your Company has entered into an exclusive Technology Transfer Agreement with a Canadian company Ultra Electronics who is renowned for its technologically advanced radio products in the global defence market. This association is expected to provide a significant upgrade to our current radio product portfolio.

4.3 Quality

Your Company continues to be ISO 9001: 2008 and ISO 14001: 2004 certified in pursuance of its philosophy of continual product quality improvement and environmental protection. Moreover, to meet the specific demands and expectations of Defence & Aerospace industry, your Company is well on course to be AS 9100 certified. This recognition by Standard Institute of Israel (SII) will place your Company in a unique position to bid for Offset businesses from the large foreign OEMs. Security is a major concern of our User - Armed Forces as well as our international defence OEMs.

Your Company has achieved ISMS ISO 27001 standards for the 'Information Security Management System'. In addition, your Company continues to be registered with the Director General Quality Assurance (DGQA) - the quality wing of the Army, DGAQA - quality wing of the Air Force, CGMQA - the quality wing of Dept of Communication (DOT) etc.

4.4 INFORMATION TECHNOLOGY

PEL has looked towards Information Technology not only to manage data on inventory, returns, other product related information but also improve operational efficiency and reduce operating costs by automating and stream lining existing business processes. It has created a secure and user friendly environment. It continues to update the systems to be in line with the new developments.

5. SEGMENT - WISE PERFORMANCE

5.1 PCB Division

Production in the PCB division at 10408 sq. mt during the current year was about 35% less than the 16077 sq. mt achieved in the previous year (2009-10). The revenue was consequently reduced from ₹62 million during the previous year to ₹46 million in the current financial year ending 31st March, 2011. The PBIT for the division stood at ₹(5.6) million as against ₹1.7 million in the previous year. This was due to frequent break down of the plant which is old and needs replacement and refurbishing. This is a major investment decision and your Company is evaluating the pros and cons.

5.2 Telecom Division

Telecom division revenue during the year ended 31st March, 2011 is ₹236 million as against ₹261 million in the previous year (2009-10). However, the PBIT increased to ₹14 million in the current year as against ₹11 million in the previous year. The increase was due to better product mix and work undertaken on behalf of our foreign partner. This will open more opportunities for the Company in future. Revenue shortfall in the current year is due to delay in placement of orders for the 2 Mb PCM MUX and radio order from CABS (DRDO) which will be delivered in the current year. Your Company views this as a temporary set back and is making all out efforts to ensure that significant orders are booked as numbers of projects are under finalization.

Your Company is aggressively marketing itself to leveraging its pan-India presence and the service network in both the non-defence and defence vertical benefits of which will be reaped by the Company from this year onwards.

6. OPPORTUNITIES, THREATS, RISK & CONCERNS

6.1 Opportunities

India is one of the largest users of telecom equipment in the world and is expected to import nearly \$100bn worth of equipment in the next 10 years. The National telecom network contains systems supplied by countries that may be hostile to India and therefore poses a great threat on the security of the Country. It is understood that Policy makers are alive to the situation and it is expected that a National Telecom Infrastructure Policy will be unveiled that would provide impetus to local design & manufacturing. In addition rural telecom and internet connectivity is the focus area for the government and holds a huge potential to drive the future growth of the telecom companies.

India has been a key destination for global defence contractors being one of the top defence spenders in the world. Indian Aerospace and Defence manufacturing hereto was limited by contribution of the government owned and managed Defence Public Sector Undertaking (DPSUs), Public Sector Undertakings (PSUs) and the Ordinance Factory Board; however a progressive and forward looking Defence Production Policy unveiled by MoD in Jan' 2011 is a clear statement of Government's intent to create an eco system of design and manufacturing in the country and move up the value chain. For the first time emphasis is on 'Design & Development' rather than the traditional 'manufacturing Transfer of Technology' model. The policy proposes to spur growth in the Indian Industry that would take the country towards the goal of 'self-Reliance' with active private industry participation. Further it is being conveyed to the Indian Industry that the MoD procurements will fall mostly under the categorization of Buy Indian, Buy & Make and Make which will provide a huge opportunity to the Indian Industry.

6.2 Threats, Risk & Concerns

There is no focus on in-country design & manufacturing of telecom equipment /systems by the Government. This needs Government's intervention and correction for the industry to grow. A liberal policy for R&D support and funds needs to be created for the Indian Industry to create its own IPRs. The non-defence telecommunication market in India is among the most competitive markets. The Company faces intense competition from imports from countries like China who are able to offer goods at a price that is difficult to compete. This has led to an increased pressure on margins due to customer generated competitive bidding process.

Main Business Concerns are:

- Dependent on business from the government, defense and quasi government sector – demand sporadic.
- Business is tender oriented - delays and retraction of tenders are inherent.
- Competition is from incumbent suppliers who are well entrenched in the system.
- Limited Financial Resource.
- Protective attitude of the MoD towards its own units: DPSUs and OFB.
- Rapid Technology Changes and significant investments required in the R&D.
- Retention of trained manpower.
- Limited local component base and increasing prices of Raw Material.

7. OUTLOOK

Your Company's focus on in-house design & engineering will bear fruit. Three products are being offered to the customer for acceptance and validation and if successful, will provide the necessary impetus to the revenues and profitability of the Company.

Introduction of the Defence Production Policy (DProP) by the Ministry of Defence is a major boost to the defence sector. Its focus on In-Country 'design & Development' is in line with your Company's competence and structure. If implemented in letter and spirit it will open the sector for Private sector participation in a more meaningful manner. The defence sector holds the greatest promise for your Company. Its work in this sector of developing its own technology, deployment of its system in all three forces and creating partnerships with major international defence equipment manufacturers has provided us with a unique opportunity. For a company of relatively small size, PEL is present in all the commands of the Army, at all the airfield of the Air Force & Army aviation and all the new builds of the Navy. This is a unique position that is not matched by its competitors.

8. FINANCIAL FACILITIES

The Company continues to enjoy the support of its banker Punjab National Bank (PNB) and facilities are being reviewed.

9. ADEQUACY OF INTERNAL CONTROL

The Company continues to have a proper and adequate internal control procedure commensurate with its size and nature of business. This control procedure ensures efficient use and protection of resources, compliance with established Company policy and guidelines and compliance of statutes.

The Company has an internal auditor, which carries out independent periodic audit. The scope of internal audit covers variety of operational and financial matters follow up and review of implementation of recommendations made for corrective action. The prime object of such audit is to test the adequacy, effectiveness and adherence of all internal control laid down by the management and to suggest improvement. Quarterly internal audit reports are reviewed in Audit Committee held from time to time.

10. HUMAN RESOURCE DEVELOPMENT

Employees continue to be the key driving force of the organization and remain strong source of our competitive advantage. PEL continued to make significant investments for training and has a team of experienced and competitive professionals. The employees are groomed through effective system of assessment, performance appraisal, training, including sharing of lectures/knowledge base through the local area network, training files and on line testing structured manner.

PEL frames its HR policies keeping in mind that human resource is core strength of the Company. Good HR policies not only lead to contentment of employees by providing them with equal opportunities to grow but also help in achieving the laid down objectives effectively. PEL encourages its employees to go beyond the scope of their work, undertake voluntary projects that enable them to learn and contribute innovative ideas in meeting goals of Company.

The members are also apprised that its newsletter "PEL Touch" continues to keep the employees informed about the current activities, achievements of the Company as well as its individuals.

Our HR department has conducted in-depth survey of the industry this year to establish the current compensation trends along with HR practices and bench mark the same with ours. This has resulted in a market correction in compensation at various levels and adoption of certain HR policy initiatives. We are gradually implementing these improvements to attract/ retain the best talent in the industry.

11. 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. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, Government regulations and taxations, natural calamities etc. on which the Company does not have any direct control.

12. REGISTRAR & TRANSFER AGENT

The Registrar and Transfer Agent is:
M/s Skyline Financial Services Pvt. Ltd.
D-153/A First Floor, Okhla Industrial Area
New Delhi-110 020
Contact No.-011-30857575

13. ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY

During the year, the Company enhanced its efforts to address to Health, Safety and Environment matters and attain sustainable performance at all workplaces and beyond. As responsible Corporate Citizen your Company act on the belief that environment protection are not just preferred responses but our basic responsibility and the right way to do business.

The Safety & Health of employees and external stakeholders are embedded in the core organizational values of the Company. The HSE policy 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 2010-11. PEL also has 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.

14. 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 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Director) Rules 1988 is annexed hereto marked Annexure- I and form part of this Report.

15. CORPORATE GOVERNANCE

In compliance with the requirements of Clause 49 of the Listing Agreement with BSE, a separate report on Corporate Governance along with the Auditors' Certificate on its compliance forms a part the Annual Report.

16. FIXED DEPOSITS

The Company has not invited or accepted any fixed deposits from the public under section 58A of the Companies Act, 1956 during the year under review and hence no amount of principal or interest was outstanding as of the Balance Sheet date.

17. DIRECTORS

The Board consists of Executive and Non-Executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 133 of the Article of Association of the Company, Sh. Rahul Goenka and Sh. S C Choudhary, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The resolution for the same has been included in the notice of Annual Report scheduled to be held on 10th September, 2011.

18. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanations relating to material departures;
- 2) That 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 and of the Profit of the Company for the year under review.
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - 4) That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

19. AUDITORS

The Statutory Auditors of the Company, M/s Rajendra K. Goel & Co., retire at this year's Annual General Meeting and have sought their re-appointment. M/s Rajendra K. Goel & Co., Chartered Accountants, New Delhi has confirmed that their re-appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

Their being no audit observations in Auditors' Report, no further explanations are required.

20. LISTING OF SECURITIES

The Shares of the Company are listed with BSE, Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai. (Scrip Code: 517258). It is confirmed that the Company has paid Annual Listing Fee upto the current financial year to BSE.

21. PARTICULARS OF THE EMPLOYEES

There was no employee in the Company who if employed throughout the year was in receipt of remuneration of ₹ 60,00,000/- per annum and above and if employed for the part of year was in receipt of remuneration of ₹ 5,00,000/- per month and above. Thus, the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 are not applicable.

22. ACKNOWLEDGMENTS

Your Directors express their deep appreciation and gratitude for the valuable support received from Punjab National Bank, its customers, business associates 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, which enabled the Company to achieve the performance during the year.

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi
Date: 18.05.2011

(ASHOK KANODIA)
Managing Director

(PRADEEP KANODIA)
Executive Director

ANNEXURE-I

STATEMENT OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 ARE GIVEN BELOW:

(A) CONSERVATION OF ENERGY

1) Energy conservation measure taken :

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

2) Additional Investments and proposals, if any being implemented for reduction of consumption energy.

Energy conservation measures undertaken during the year include maintaining the power factor towards unity that ensures better power quality to the sensitive equipment installed.

3) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Since the capacity of the Roorkee unit is not fully utilized and the Company has to incur a fixed cost on the sanctioned power load, therefore there is no savings from the measures taken for reduction of power consumption. The Company is making an effort to conserve and optimize the use of resources through modified operational processes.

4) Total energy consumption and energy consumption per unit of production:

Information is given in prescribed FORM – A BELOW

The details of Power & Fuel consumption:

	Current Year		Previous Year	
	Noida	Roorkee	Noida	Roorkee
Electricity				
Power purchased	1,095,406	1,76,988	1,134,461	2,43,818
Unit (KWH)				
Total amount	₹65,39,348	₹31,28,770	₹56,51,413	₹29,04,931
Rate/unit	₹5.97	₹17.98	₹4.98	₹11.91
Power generated	4,36,117	7,042	6,74,524	9,942
Unit (KWH)				
Total amount	₹66,65,364	₹4,24,868	₹77,07,776	₹5,63,109
Cost per unit	₹15.28	₹60.33	₹11.43	₹56.64
Total energy cost	₹13,204,712	₹35,53,638	₹13,359,189	₹34,680,400*

* The power utilisation is much lower than the sanctioned load/generated load due to low capacity utilisation.

(B) TECHNOLOGY ABSORPTION

Effort made in technology absorption are given in prescribed Form - B below

FORM-B

(A) RESEARCH & DEVELOPMENT (R&D)

Your Company continue to benefit from strong foundation and great tradition of Research and development which differentiate from others.

1) Specific areas in which Design & Development was carried out by the Company.

Design & Development activity in PEL has been accorded due importance with an aim to upgrade our existing systems as also to explore avenues for further technological growth. 34 Mbps Radio Relay has been upgraded to 155 Mbps affording a larger pipeline for the Army Trunk Communication in media. In commensurate with the 155 Mbps Radio, the Bulk Encryption System of matching capacity is under up gradation. Link enhancement has been achieved using Turbo Code Technology. Our D&E (Embedded) have, through their dedicated application, been able to develop a Data Logger which finds acceptance in number of applications in Defence, BSNL/MTNL, Railways, and Airports etc.

2) Benefits derived as a result of the above R&D:

A range of new and superior product has been introduced due to the R & D efforts due to which our Company will be able to address the forthcoming requirements of Indian Army. In addition, Company has acquired new technological solutions which has enhanced our understanding of user and widened the product mix.

3) Future Plan of Action:

Design & Development activities of the Company have the potential of contributing significantly to the sales and profitability of the Company in near future. This ability is being continuously expanded and additional manpower is being inducted to strengthen the existing team to acquire technologies and domain expertise. This will develop our capabilities of System Integration and be a complete solution provider to Armed Forces.

4) Expenditure on R&D:

(a) Capital	₹ 38.75L
(b) Recurring	₹ 94.67L
(c) Total	₹ 133.42L

Total R&D as a Percentage of total turnover 4.73%.

(B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1) Efforts, in brief, made onwards Technology absorption, adaptation and innovation:

The 8/34 Mbps radio relay system designed and engineered by PEL was fielded in response to the RFP issued by army HQ in the year 2005. In parallel with trials and evaluation, we have constantly absorbed the technology and upgraded the same to keep pace with global systems.

The technology used in accessories has been suitably upgraded so that system has better reliability, is light weight and compact and the Indoor Unit (IDU) has an inbuilt power supply unit. Through constant creative efforts of one D&E team, we have designed a Float Cum Boost Charger (FCBC) in the term of Multimode Tactical Power Unit (MTPU) which provides a constant DC output of 48V from inputs of 12V, 24V, 48VDC and 220VAC.

2) Benefits derived as a result of the above efforts:

Due to the above, the Company has been able to meet the technical requirements of the tenders floated by the customer (Min of Defence) and participate in the same. If successful, it would amount to import substitution and substantial savings of foreign exchange to the exchequer.

3) Information regarding technology imported during last 5 years:

No new technology has been imported during the last five years. However, technologies obtained from partners have been inducted for latest developments and the same have been identified for absorption to deliver new offerings in subsequent product designs.

(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 2010-11'.

CORPORATE GOVERNANCE REPORT

Corporate Governance is a code of conduct which guides and instructs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to the Shareholders, the Creditors, the Government and the 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 attainment of highest level of transparency, accountability, integrity in all its operation and places emphasis on responsible conduct. Disclosure relating to Company's operation and financial performance are made to stakeholders.

2. BOARD OF DIRECTORS

Composition

The composition of the Board of Directors of the Company is in conformity with the requirements of Clause 49 of the Listing Agreement. The Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2011, the Board of the Company consists of Six (6) Directors comprising of two are Promoter Executive Directors, one Non-Executive Director and other three are Non-Executive Independent Directors. The ratio between Executive and Non-Executive Director is 2:4.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 have been made by the Directors.

The composition of the Board of Directors along with their brief resume as on March 31, 2011 is given as under:

Sh. Ashok Kanodia – Managing Director

Sh. Ashok Kanodia has over 36 years of experience in the field of Electronics. He is an electrical engineer and a business management graduate from Massachusetts Institute of Technology (MIT), USA. He is the Chief Promoter Director of the Company and has been associated with the Company since its inception. His leadership extends to shaping National Policies and Regulations as 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. He served back-to-back terms from 1999-2000. He was member of high level 'Kelkar Committee' set-up by the Defence Minister for recommending policy instruments and procedures to facilitate participation of the Private industry in Defence related production and development. He has been the Chairman of the Specialist group on Defence Communications and Information Warfare of the Confederation of Indian Industry (CII) and has made several contributions as industry representative in CII-Defence seminars, exhibitions and delegations around the world. Currently, he is Chairman of sub committee on Indian Defence SME which is a part of FICCI defence division.

Sh. Pradeep Kanodia – Executive Director

Sh. Pradeep Kanodia is a qualified graduate with Honours degree in Commerce. He has around 37 years of experience in the field of Electronics & Telecom Industry. He is also the Promoter Director of the Company and has been associated with the Company since inception. Besides holding the post of Executive Director in the Company, he also holds the Directorship of various other Companies.

Sh. Rahul Goenka – Non Executive Director

Sh. Rahul Goenka is a Commerce graduate and MBA from Clark University, Worcester, USA. He is having around 11

years of working experience. At the outset of his career, Sh. Rahul Goenka occupied position in people .com Consultants Inc., Boston USA, a Technology Solutions Provider. Presently he is associated with a garment and home furnishing export unit and partner in Krishna Motors and Akola.

Sh. Anant Kanoi – Non Executive Director

He is a graduate from University of Michigan with specialization in Industrial & Operations Engineering and has more than 9 years of experience with various international companies like Pepsi Co. Inc. and Ford Motor. Presently he is Director of various other Companies.

Sh. Sharvan Kumar Kataria – Non Executive Director

He is practicing as a Chartered Accountant since 1983. He has a expert knowledge of Company Law, Corporate Laws, Income Tax, Direct Taxes, Indirect Taxes, Accounts and Audit Laws, Tax Planning, Tax management and Tax Jurisprudence.

Sh. S.C. Choudhary – Non Executive Director

He has a wide spectrum of experience, knowledge and judgment in view of vast knowledge and expertise in the field of Telecom and Board room practice. He has experience in Department of Telecom., Govt. of India, BSNL and was also on the Board of BSNL as Director-Operations.

Sh. S.C. Sharma* – Non Executive Director

He has done B.Com (H) and is a Chartered Accountant. He is also a member of Indian Institute of Managers. He is practicing as a Chartered Accountant.

*Resigned from the Directorship effective May 27, 2010.

Meetings & Attendance

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. During the financial year 2010-11 Six (6) Board Meetings were held: May 27, 2010, July 21, 2010, August 07, 2010, 30 September, 2010, October 30, 2010, and February 05, 2011. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 1956 and Clause 49 of Listing Agreement.

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
Sh. Ashok Kanodia	PD (MD)	6	Yes	-	1	-
Sh. Pardeep Kanodia	PD (ED)	6	Yes	-	-	1
Sh. Rahul Goenka	NE	6	No	-	1	2
Sh. Sharvan Kumar Kataria	NEID	1	No	-	2	1
Sh. Anant Kanoi	NEID	5	Yes	2	-	2
Sh. S.C. Choudhary	NEID	5	Yes	-	-	3
Sh. S.C. Sharma*	NEID	0	No	-	2	1

*Resigned from the Directorship effective May 27, 2010.

PD-Promoter Director, MD-Managing Director, ED-Executive Director, NE-Non-Executive Director & NEID- Non-Executive Independent Director

The last Annual General Meeting was held on September 17, 2010.

During the year, all the relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement are 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.

3. AUDIT COMMITTEE

Composition

The Audit Committee was constituted in the year 2003, pursuant to the provisions of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreements.

The Audit Committee comprises of three Non-Executive Independent Directors as at March 31, 2011:

- | | | | |
|----|---------------------------|---|----------|
| 1. | Sh. Sharvan Kumar Kataria | - | Chairman |
| 2. | Sh. Rahul Goenka | - | Member |
| 3. | Sh. Anant Kanoi | - | Member |
| 4. | Sh. S. C. Choudhary | - | Member |
| 5. | Sh. S. C. Sharma* | - | Member |

*Resigned from the Directorship effective May 27, 2010.

The Company Secretary act as a Secretary to the Committee.

The Committee is vested inter alia with following powers and terms of references as prescribed under relevant provisions of the Companies Act, 1956 and Stock Exchanges Listing Agreement:

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 to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.

- 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.
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
- Reviewing with the management performance of Statutory and Internal Auditors, 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Meetings and Attendance

During the year, 4 (Four) meetings of the Audit Committee were held i.e. May 27, 2010, August 07, 2010, October 30, 2010, and February 05, 2011. The time gap between two meetings of the Committee was not more than four months.

Attendance of each member at the Audit Committee Meetings:

S. No.	Name of Directors	Category	Status	Attended
1.	Sh. Sharvan Kumar Kataria	NEID	Chairman	0
2.	Sh. Rahul Goenka	NE	Member	4
3.	Sh. Anant Kanoi	NEID	Member	4
4.	Sh. S.C. Choudhary	NEID	Member	3
5.	Sh. S.C. Sharma*	NEID	Member	-

*Resigned from the Directorship effective May 27, 2010.

4. REMUNERATION CUM SELECTION COMMITTEE

The Company has renamed the Remuneration Committee as Remuneration cum Selection Committee comprising of three Non-Executive Independent Directors, to comply with and meet the requirements of the listing agreement and Schedule XIII to the Companies Act, 1956. The committee, on behalf of the Board and the Shareholders, determines, with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors and senior management people including pension rights and any compensation payment. This Committee also acts as a Selection Committee under Section 314 of the Companies Act, 1956.

During the year the Remuneration cum Selection Committee met twice on 27th May, 2010 and 5th February, 2011.

The Remuneration cum Selection Committee consists of following members:

S. No.	Name of Directors	Category	Status
1.	Sh. Sharvan Kumar Kataria	NEID	Chairman
2.	Sh. Rahul Goenka	NE	Member
3.	Sh. Anant Kanoi	NEID	Member
4.	Sh. S.C. Choudhary	NEID	Member
5.	Sh. S.C. Sharma*	NEID	Member

*Resigned from the Directorship effective May 27, 2010.

Remuneration Policy

The Managing and Whole Time Executive Director are paid remuneration including commission as per the agreement entered into with the Company. They are also paid commission which is decided on annual basis by the Board of Directors based on the recommendation of Compensation and Remuneration Committee within the limit sanctioned by the Shareholders. The amount payable to each individual was decided on the basis of their respective assignments and performance.

Notice period for termination of appointment of Managing Director & Executive Director is six months with no severance fees.

The Non- Executive Directors are paid sitting fees for attending Board and Committee Meetings. During the Current Year no commission has been recommended by the Board, though in addition the Company can provide commission to those Non-Executive Directors who were in the office during the year. The amount of such commission is decided by Board of Directors on annual basis.

The Company has not offered any stock option to its Directors.

Details of remuneration and perquisites paid to directors for the year 2010-11:

Directors	Salary	Perquisites	Commision	Sitting Fees	Total
Sh. Ashok Kanodia	14,16,000	15,000	-	-	14,31,000
Sh. Pardeep Kanodia	14,16,000	15,000	-	-	14,31,000
Sh. Rahul Goenka	Nil	Nil	Nil	66,000	66,000
Sh. S. C. Sharma*	Nil	Nil	Nil	5,000	5,000
Sh. Anant Kanoi	Nil	Nil	Nil	27,000	27,000
Sh. S.C. Choudhary	Nil	Nil	Nil	60,000	60,000
Sh. Sharvan Kumar Kataria	Nil	Nil	Nil	9,000	9,000

*Resigned from the Directorship effective May 27, 2010.

5. SHAREHOLDER/SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

The composition of Share Transfer and Investor Grievance Committee as on March 31, 2011 is as follows:

S. No.	Name of Directors	Category	Status
1.	Sh. Rahul Goenka	NED	Chairman
2.	Sh. Pradeep Kanodia	ED	Member
3.	Sh. Sharvan Kumar Kataria	NEID	Member
4.	Sh. S.C. Choudhary	NEID	Member
5.	Sh. S.C Sharma*	NEID	Member

*Resigned from the Directorship effective May 27, 2010.

Transfer requests and complaints from the shareholders are attended to promptly by Company's Registrar & Transfer Agent as and when they are received.

Name and designation of Compliance Officer: Mrs. Neha Malik, Company Secretary

Analysis of Complaints:

The Complaints received during the year are as follows:

NATURE OF COMPLAINTS	Q1	Q2	Q3	Q4	TOTAL
Non Receipt of New Shares	3	6	4	2	15
Non-receipts of New & Bonus Shares	1	2	3	2	8
Non-Receipts of New Shares Certificate	0	1	0	1	2
Transfer and Duplicate Shares	0	0	0	0	0
Deletion/Rectification of name of shareholder	0	0	0	0	0
Dematerialisation	0	0	0	0	0
Transmission	0	0	0	0	0
Non-Receipts of Credit	0	0	0	0	0
Non-receipts of Shares after Transfer	0	0	0	0	0
				TOTAL	25

All complaints have generally been solved to the satisfaction of the complainants within the prescribed time.

6. GENERAL MEETINGS OF SHAREHOLDERS.

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2007-2008	25.09.2008	11.00 A.M	Lecture Hall ,India International Centre,40,Max Muller Marg, New Delhi-110003	No
2008-2009	15.09.2009	10.30 A.M	Lecture Hall ,India International Centre,40,Max Muller Marg, New Delhi-110003	No
2009-2010	17.09.2010	11.00 A.M	B.C Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi - 110019	Yes

During the year, the Company obtained the approval of the Members, through Postal Ballot, for alteration of object clause of the Memorandum of Association. Salient Features of the Postal Ballot are provided below:

The Board of Directors of the Company, at its meeting held on 21st July, 2010, appointed Mr. Arun Gupta, a Practicing Company Secretary, as the scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

Notice along with Postal Ballot form and self addressed business reply envelope was dispatched to the members on 13th August, 2010.

The last date of receipt of Postal Ballot form was 16th September, 2010.

The Postal Ballot forms received were kept in boxes sealed by the Scrutinizer.

The Scrutinizer, after verification of Postal Ballots, submitted his report to the Chairman of the Company on 30th September, 2010 and based on the Scrutinizer's Report, the results of the Postal Ballot were declared by the Chairman on 30th September, 2010 as under:

Total Holdings	138484512
Total Votes Cast	6832671
Votes in favour of Resolution	6832671
Percentage of Votes in favour of the Resolution	100%
Votes against the Resolution	NIL
Percentage of Votes against the Resolution	NIL

- No resolution included in the agenda of the ensuing AGM requires approval by Postal Ballot.
- No Extra-ordinary General Meeting of Shareholders was held during the year.

7. DISCLOSURES

- There is no material transaction with related parties that may have potential conflict with the interest of the Company at large.
- There were no instances of non-compliance 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 years.
- There is no accounting treatment different from the prescribed Accounting Standards.
- CEO/CFO Certificate has been submitted to Board of directors in terms of sub clause V of clause 49 of the Listing Agreement.
- The Code of Conduct applicable to all Directors and employees of the Company have been posted on the Company's website. For the year under review, all Directors and seniors management personnel of the Company have confirmed their adherence to the provision of the said Codes.
- The Managing Director and the Executive Director of the Company have furnished the requisite certificate to the Board of Directors under Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

- The quarterly, half yearly and annual financial results of the Company are sent to the BSE by means of facsimile transmission and letter by courier immediately after they have been taken on record by the Board. Yearly reports of the Company are sent to the shareholders of the Company.
- The quarterly, half yearly and annual financial results of the Company are published in English daily Newspaper (Financial Express all edition) and in one Hindi daily Newspaper (Jansatta). The results are made available on Company's website www.pelindia.com.
- 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.
- The Company has not made any formal presentations to the institutional investors or to the analysts during the year.
- Management discussion & analysis report is discussed in the Directors Report.

9. GENERAL SHAREHOLDER INFORMATION**i. Re-appointment of Directors**

At the ensuing 32nd Annual General Meeting (AGM) of the Company, Sh. Rahul Goenka and Sh. S.C. Choudhary shall be retiring by rotation and being eligible they have offered themselves for re-election by the shareholders at the said AGM. The brief particulars of the aforesaid Directors are as required under Clause 49 of the Listing Agreement are given below:

a) Sh. Rahul Goenka is a commerce graduate and MBA from Clark University, Worcester, USA. He is having around 11 years of working experience. At the outset of his career, Sh. Rahul Goenka occupied position in people.com Consultants Inc., Boston USA, a Technology Solutions Provider. Presently he is associated with a garment and home furnishing export unit and partner in Krishna Motors and Akola.

b) Sh. S.C. Choudhary has a wide spectrum of experience, knowledge and judgement in view of vast knowledge and expertise in the field of Telecom and Board room practice. He has experience in Department of Telecom., Govt. of India, BSNL and was also on the Board of BSNL as Director-Operatons.

- ii) **AGM -Date, Time and Venue** : 10th September, 2011
11:00A.M. at B.C. Pal Memorial Auditorium
A-81, C.R. Park, New Delhi - 110019

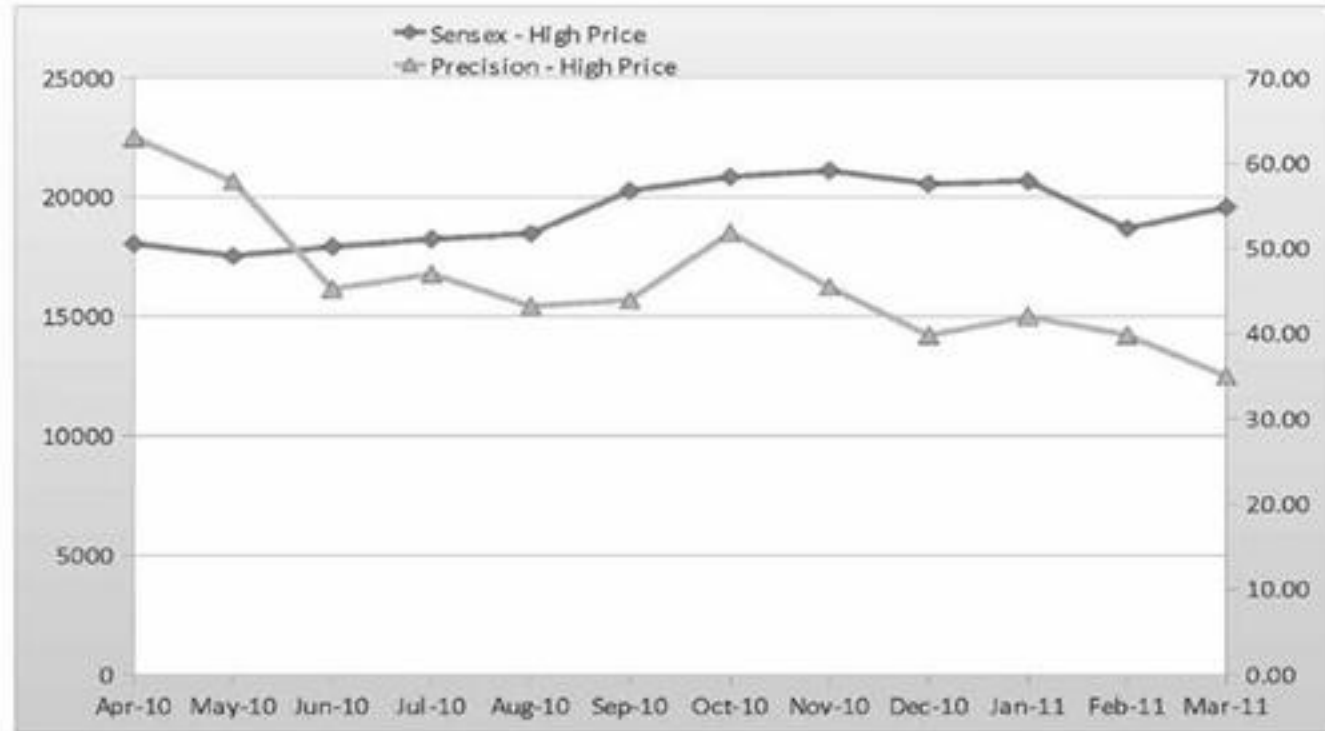
iii) Financial Calendar (tentative and subject to Change) : 2011- 12

Accounting Year	April to March
First Quarter Results	Last week of July 2011
Second Quarter/Half Yearly Results	Last week of October 2011
Third Quarter Results	Last week of January 2012
Audited Annual Results	Last week of May 2012
Annual General meeting	Last week of September 2012

- iv) **Date of Book Closure** : 5th Sept.2011 to 10th Sept. 2011
(both days inclusive)
- v) **Dividend payment** : No Dividend is declared.
- vi) **Listing on Stock Exchanges** : Equity Shares are listed on The Stock Exchange, Mumbai. The Company has paid the Listing Fees for the period Apr. 1, 2011 to Mar. 31, 2012.
- vii) **Stock Code** : 517258
- viii) **Demat ISIN Number in NSDL& CDSL for Equity Shares** : ISIN No. INE143C01024
- ix) **Share Price Data** : High, Low during last year

Month	BSE		PRECISION	
	High Price (In Rs.)	Low Price (In Rs.)	High Price (In Rs.)	Low Price (In Rs.)
Apr-10	18047.86	17276.8	63.00	46.95
May-10	17536.86	15960.15	57.85	44.00
Jun-10	17919.62	16318.39	45.20	39.00
July-10	18237.56	17395.58	47.00	37.4
Aug-10	18475.27	17819.99	43.20	33.85
Sep-10	20267.98	18027.12	49.95	31.00
Oct-10	20854.55	19768.96	51.80	36.40
Nov-10	21108.64	18954.82	45.45	32.00
Dec-10	20552.03	19074.57	39.75	31.80
Jan-11	20664.8	18038.48	42.00	33.65
Feb-11	18690.97	17295.62	39.80	29.55
Mar-11	19575.16	17792.17	35.00	26.20

Share price performance of Precision Electronics Limited (PEL) in comparison with BSE Sensex for the period 1st April, 2010 to 31st March, 2011

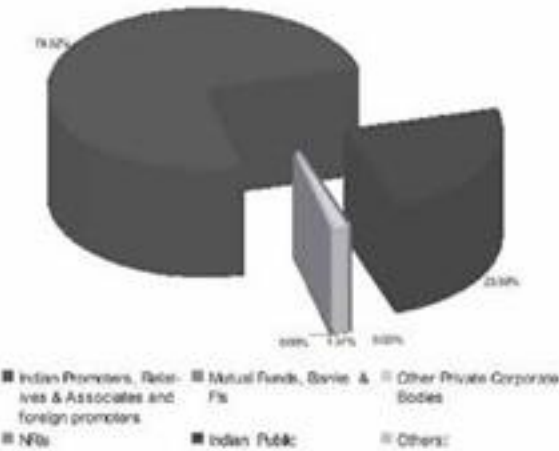


X) Share Transfer System: The Company's shares are traded in the stock exchange(s) compulsorily in demat mode. All valid transfers lodged with the Company/Registrar and Transfer Agent are processed and returned to the Shareholders within the stipulated period, if the documents are complete in all respect.

Xi) Distribution of Shareholding as on March 31, 2011:

No. of Equity Shares	No. of Shareholders	No. of Shares	% of Shareholdings
Upto 500	14896	564150	4.07
501 to 5000	242	326684	2.35
5001 to 10000	19	129797	0.94
10001 to 20000	13	199593	1.44
20001 to 30000	5	132567	0.96
30001 to 40000	3	106452	0.77
40000 to 50000	3	128512	0.93
50001 to 100000	8	542255	3.92
100001 to Above	12	11718502	84.62
Total	15201	13848512	100.00

Category	No. of fully paid up shares	% Age of Shareholding
Indian Promoters, Relatives & Associates and foreign promoters	10333595	74.62%
Mutual Funds, Banks & FIs	12775	0.09%
Other Private Corporate Bodies	190357	1.37%
NRIs	4230	0.03%
Indian Public	3307555	23.89%
Others:	0	0.00%
TOTAL	13848512	100



xii) As on March 31, 2011 of the total eligible shares 1055695 were held in dematerialized form and the balance 12792817 shares in physical form.

xiii) Plant Location

:

a) Noida Plant
D-10, Sector-3, Noida-201301

b) Roorkee Plant
Plot No. 9&10, KIE
Industrial Estate, Village
Mundiyaki (Manglore),
Roorkee, Haridwar-249406
Uttarakhand.

xiv) Address for Correspondence

:

Registered Office :
D-1081, New Friends Colony,
New Delhi-110065

xv) Registrar Transfer Agent

:

Corporate Office :
D-10, Sector-3, Noida-201301

Skyline Financial Services Pvt. Ltd.
D- 153/A First Floor
Okhla Industrial Area Phase – 1
New Delhi - 110020

B. NON-MANDATORY REQUIREMENTS

1. The Company does not have a Non-Executive Chairman.
2. Presently, the Company does not have a limit on the tenure of Independent Directors.
3. The details regarding the Remuneration cum Selection Committee are available in the preceding pages.
4. The Company's quarterly, half yearly and annual financial results are published in two newspapers as stated in the preceding pages and are also displayed on the Company's website i.e. www.pelindia.com. Therefore half yearly results including summary of the significant events are not separately sent to the Shareholders of the Company.
5. The Company does not have any qualifications from the Auditors in the Financial Statements.
6. The Company has not yet put in place a structure to provide trainings to its Board members and /or to evaluate their performance.
7. The Company has not yet formulated any Whistle Blower Policy.

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

Pursuant to revised Clause 49 of the Listing Agreement, 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 the Senior Management personnel have confirmed their compliance with the "Code of Conduct for members of the Board and Senior Management" and there has been no instance of violation the Code.

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi
Date : 18.05.2011

ASHOK KANODIA
Managing Director

CEO AND CFO CERTIFICATION UNDER CLAUSE 49 (V) OF LISTING AGREEMENT

We, Ashok Kanodia, Managing Director and Pradeep Kanodia, Executive Director (Finance Head), responsible for the finance function certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and to the best of their knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of their knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
 - i. There has not been any significant changes in internal control over financial reporting during the year under reference.
 - ii. There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. We are not aware of any instances during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi
Date: 18.05.2011

(ASHOK KANODIA)
Managing Director

(PRADEEP KANODIA)
Executive Director
(Finance Head)

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE.**

The Members of **Precision Electronics Limited.**

We have examined the compliance of conditions of Corporate Governance by Precision Electronics Ltd. (the Company) for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited. We have conducted our review on the basis of the relevant records and documents maintained by the Company for the year ended 31st March, 2011, and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the RTA.

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 Rajendra K Goel & Company

**R.K.Goel
(Partner)
Membership No. 6154**

**Place: New Delhi
Date: 18.05.2011**

AUDITOR'S REPORT

To
The Members of
Precision Electronics Ltd.

1. We have audited the attached Balance Sheet of **M/s. PRECISION ELECTRONICS LIMITED**, New Delhi as at 31st March 2011 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibilities of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence, supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we consider appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paras 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph-3 above we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the Company has kept proper books of accounts as required by law so far, as appears from our examination of these books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with the report are in agreement with the books of accounts.
 - d) In our opinion, financial statements have been prepared in accordance with accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit & Loss Account and Cash Flow Statement read with Accounting Policies and Notes to Accounts as per schedule-16 give the information required by the companies act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011.

- ii) In the case of the Profit & Loss Account of the Profit for the year ended on that date.
- iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **RAJENDRA K GOEL & CO.**
CHARTERED ACCOUNTANTS
 (F.R. No. 001457N)

Place : New Delhi
 Date : 18th May 2011

R.K.Goel
 (Partner)
 Membership No.6154

Annexure to the Auditor's Report of Precision Electronics Limited for the year ended on 31st March, 2011 referred to in Paragraph 3 of our report of even date:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
 (b) The Fixed Assets are physically verified by the management during the year based on a phased programme of verifying all assets over three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The management has conducted physical verification of inventory at reasonable intervals.
 (b) In our opinion, the procedure for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
 (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.
3. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 (b) The Company has taken unsecured loan from Directors of the Company covered under the register maintained under Section 301 of the Companies Act, 1956. The maximum amount during the year was Rs. 3,40,47,915/- (Previous year Rs. 2,90,47,915/-) and at the year end was Rs. 3,40,47,915/- (Previous year Rs. 2,90,47,915/-). As per the information made available to us the aforesaid loans taken by the company are repayable on demand. In our opinion and having regard to the loan taken by the company, the rate of interest and other terms and conditions wherever stipulated are not prima facie prejudicial to the interest of the company. In respect of aforesaid loans and advances there is no overdue amount as at the year end.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that needed to be entered into the register have been so entered.
 - b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contract/arrangement entered in the register maintained under Section 301 of the Companies Act, 1956, are at prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The Company has an internal audit system, which, in our opinion, is commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rule made by the Central Government for the maintenance of the cost records under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion prima facie, the prescribed account and records have been made and

maintained. We have not, however carried out a detailed examination of the same.

9. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, excise duty, customs duty, service tax and any other statutory dues applicable, during the year with the appropriate authorities. There are no outstanding statutory dues as at 31st March, 2011 for a period of more than six months from the date they become payable.
- b) As at balance sheet date there were no disputed dues of Sales Tax, VAT, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current year as well as in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to any banks as at the balance sheet date.
12. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As explained to us, the provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit society are not applicable to the Company.
14. Based on our examination of records and information and the explanations given to us, the Company has not dealt/traded in shares, securities, debentures and other securities during the year.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
16. To the best of our knowledge and belief and according to the information and explanations given to us the Term Loan taken during the year has been applied for the purpose for which it was obtained.
17. On the basis of information provided by the management and our examination, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any debentures outstanding during the year.
20. The Company has not raised any money by public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **RAJENDRA K GOEL & CO.**
CHARTERED ACCOUNTANTS
(F.R. No. 001457N)

R.K.Goel
(Partner)
Membership No. 6154

Place : New Delhi
Date : 18th May 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	138,487,620	138,487,620
Reserves & Surplus	2	195,384,331	194,170,823
		<u>333,871,951</u>	<u>332,658,443</u>
Loan Funds			
Secured Loans	3	33,228,618	32,690,312
Unsecured Loans	4	34,047,915	29,047,915
		<u>67,276,533</u>	<u>61,738,227</u>
Total		<u>401,148,484</u>	<u>394,396,670</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		426,464,432	412,397,897
Less : Depreciation		180,069,687	162,383,721
Net Block	5	246,394,745	250,014,176
Capital Work in Progress		193,613	193,613
		<u>246,588,358</u>	<u>250,207,789</u>
Investments	6	550,000	-
Deferred Tax Assets (net)		15,903,535	15,432,567
Current Assets, Loan and Advances			
Inventories	7	101,659,419	80,229,135
Sundry Debtors	8	58,177,106	46,835,288
Cash and Bank Balances	9	9,105,346	25,317,606
Loans and Advances	10	27,407,219	18,335,591
		<u>196,349,090</u>	<u>170,717,620</u>
Less : Current Liabilities and Provisions	11		
Current Liabilities		49,105,152	34,514,708
Provisions		9,137,347	7,446,598
Net Current Assets		<u>138,106,591</u>	<u>128,756,314</u>
Total		<u>401,148,484</u>	<u>394,396,670</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
As per our report of even date attached	16		

For **RAJENDRA K GOEL & CO.**
Chartered Accountants
(F.R. No. 001457N)

R.K.Goel
Partner
M.No. 6154

Place : New Delhi
Date : 18th May 2011

Ashok Kanodia
Managing Director

Sharvan Kumar Kataria
Director

Pradeep Kanodia
Executive Director

Neha Malik
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	Year ended 31.03.2011 Rupees	Year ended 31.03.2010 Rupees
INCOME			
Sales and Services (Gross)	12	281,721,081	323,319,080
Less: Excise Duty, VAT, Sales Tax and Service Tax		28,036,027	25,963,736
Net Sales and Services		253,685,054	297,355,344
Other Income	13	4,039,765	1,906,397
		<u>257,724,819</u>	<u>299,261,741</u>
EXPENDITURE			
Operating Expenses	14	230,108,997	269,473,118
Interest	15	8,776,934	10,785,277
Depreciation	5	16,616,210	17,578,339
Total		<u>255,502,141</u>	<u>297,836,734</u>
PROFIT BEFORE PRIOR PERIOD ITEMS & TAXATION		2,222,678	1,425,007
Prior Period Adjustment		-	-
PROFIT AFTER PRIOR PERIOD ITEMS BUT BEFORE TAXATION		2,222,678	1,425,007
Provision for Income Tax		482,000	220,000
Provision for Income Tax for earlier year		18,020	(321,402)
Deferred Tax (Net)		(470,968)	5,011,424
Fringe Benefit Tax		-	42,845
MAT Credit Entitlement		(482,000)	(3,740,760)
PROFIT AFTER TAXATION		2,675,626	212,900
Profit Brought Forward From Earlier Years		99,459,680	99,246,780
PROFIT CARRIED TO BALANCE SHEET		102,135,306	99,459,680
Earnings per share Basic & Diluted			
Before Prior Period Items		0.19	0.02
After Prior Period Items		0.19	0.02
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	16		
As per our report of even date attached			
For RAJENDRA K GOEL & CO. Chartered Accountants (F.R. No. 001457N)			
R.K.Goel Partner M.No. 6154	Ashok Kanodia Managing Director	Pradeep Kanodia Executive Director	
Place : New Delhi Date : 18 th May 2011	Sharvan Kumar Kataria Director	Neha Malik Company Secretary	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

PARTICULARS	Year ended 31.03.2011	Year ended 31.03.2010
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & extraordinary items	2,222,678	1,425,007
Adjustment For :		
Depreciation	16,616,210	17,578,339
Interest Income	(550,132)	(788,919)
Interest Expenses	8,776,934	10,785,277
Profit/Loss on sale of fixed assets (Net)	97,638	205,093
Operating Profit/(Loss) before Working Capital Changes	27,163,327	29,204,797
Adjustment for:		
(Increase)/Decrease in Trade Receivable	(11,341,818)	8,172,242
(Increase)/Decrease in Loans & Advances	(8,589,628)	15,365,741
(Increase)/Decrease in Inventories	(21,430,284)	24,955,444
(Increase)/Decrease in Trade Payable & other Liabilities	15,799,193	(38,909,606)
Cash inflow from Operation before prior period adjustment.	1,600,790	38,788,617
Prior period adjustment (net.)	-	-
Income Tax	18,020	(1,789,223)
Fringe Benefit Tax	-	742,845
Net Cash inflow from Operating Activities	(A) 1,582,770	39,834,995
B Cash Flow arising from Investing Activities		
(Purchase) of Fixed Assets	(14,996,535)	(7,858,004)
(Purchase) of Investments	(550,000)	-
Sale of Fixed Assets	440,000	945,000
Interest Received	550,132	788,919
Net Cash (outflow) from Investing Activities	(B) (14,556,403)	(6,124,085)
C Cash Flow from Financing Activities		
Increase/(Decrease) in Term Borrowing & Other Borrowing	5,538,306	(14,757,339)
(Interest) Paid	(8,776,934)	(10,785,277)
Net Cash(outflow) from Financing Activities	(C) (3,238,628)	(25,542,616)
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(16,212,260)	8,168,294
Cash & Cash Equivalent at the beginning of the year	25,317,606	17,149,312
Cash & Cash Equivalent at the end of the year	9,105,346	25,317,606

Note:- The above Cash flow statement has been prepared as per indirect method.

As per our report of even date attached

For RAJENDRA K GOEL & CO.
Chartered Accountants
(F.R. No. 001457N)

R.K.Goel
Partner
M.No. 6154

Ashok Kanodia
Managing Director

Pradeep Kanodia
Executive Director

Place : New Delhi
Date : 18th May 2011

Sharvan Kumar Kataria
Director

Neha Malik
Company Secretary

SCHEDULE 1 - SHARE CAPITAL

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Authorised Capital		
20,000,000 (Previous year 20,000,000) Equity Shares of Rs 10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and Subscribed capital		
1,38,48,512 (Previous year 1,38,48,512) Equity Shares of Rs 10/- each	<u>138,485,120</u>	<u>138,485,120</u>
Paid up Capital		
1,38,48,512 (Previous year 1,38,48,512) Equity Shares of Rs 10/- each Fully Paid up	<u>138,485,120</u>	<u>138,485,120</u>
Add : Forfeited Shares (Amount paid up)	<u>2,500</u>	<u>2,500</u>
Out of 1,38,48,512 equity shares, (a) 83,09,107, equity shares of Rs. 10/- each were issued as fully paid Bonus shares (b) 31,79,905 equity shares of Rs 10 each (previous year 31,79,905) are held by Knowledge holding and investment pte ltd, Singapore		
TOTAL	<u><u>138,487,620</u></u>	<u><u>138,487,620</u></u>

SCHEDULE 2 - RESERVES & SURPLUS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Revaluation Reserve		
As per last Balance sheet	86,302,213	87,764,331
Less : Depreciation on revalued lease hold land	<u>1,462,118</u>	<u>1,462,118</u>
General Reserve		
As per Last Balance Sheet	8,408,930	8,408,930
Surplus as per Profit & loss Account	<u>102,135,306</u>	<u>99,459,680</u>
TOTAL	<u><u>195,384,331</u></u>	<u><u>194,170,823</u></u>

SCHEDULE 3 - SECURED LOANS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Term Loan from - Punjab National Bank (Against equitable mortgage of Land and Building, and other fixed assets of the company at Roorkee present and future and personal guarantee of two directors)	<u>18,716,319</u>	<u>30,088,875</u>
Terms Loans from		
- ICICI Bank Ltd	983,450	1,527,456
- Kotak Mahindra Prime Ltd	5,593,823	1,073,981
- Tata Capital Limited (Against Hypothecation of Cars)	1,800,000	-
Working Capital Loan from - Punjab National Bank (Against Hypothecation of stocks, debtors, present and future, other current assets and movable fixed assets and equitable mortgage of immovable properties of the company and personal guarantee of two directors)	<u>6,135,026</u>	<u>-</u>
TOTAL	<u><u>33,228,618</u></u>	<u><u>32,690,312</u></u>

SCHEDULE 4 - UNSECURED LOANS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
From Directors	<u>34,047,915</u>	<u>29,047,915</u>
TOTAL	<u><u>34,047,915</u></u>	<u><u>29,047,915</u></u>

SCHEDULE 5 - FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at 1.04.2009	Additions	Deduction/ Adjustment	Cost as at 31.03.2011	Upto 31.03.2010	For the Year	Deduction/ Adjustment	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land										
- Roorkee (Freehold)	13,399,442	-	-	13,399,442	-	-	-	-	13,399,442	13,399,442
- Noida (Leasehold)*	95,024,408	-	-	95,024,408	6,557,560	1,499,438	-	8,056,998	86,967,410	88,466,848
Buildings	69,654,864	-	-	69,654,864	14,717,585	2,326,472	-	17,044,057	52,610,807	54,937,279
Plant & Machinery	173,590,055	8,723,370	-	179,313,425	117,068,946	7,594,143	-	124,663,089	54,650,336	56,521,109
Lab Equipment and other Fixed Assets	2,161,137	-	-	2,161,137	612,412	112,036	-	724,448	1,436,689	1,548,725
Computers	18,831,369	2,433,408	-	21,264,777	8,197,972	2,969,468	-	11,077,440	10,187,337	10,723,397
Computer software	11,310,278	905,467	-	12,215,745	8,669,445	1,763,826	-	10,433,271	1,802,474	2,660,833
Office Equipments	6,829,240	823,180	-	7,652,420	1,466,561	371,240	-	1,837,801	5,814,619	5,382,679
Furniture & Fixtures	8,683,017	1,189,276	-	9,872,293	2,920,362	462,941	-	3,383,303	6,488,990	5,782,655
Vehicles	9,839,393	3,921,834	910,000	12,831,227	2,262,878	978,764	392,362	2,849,280	9,981,947	7,576,515
Plant & Machinery- Obsolete & Non-Serviceable	3,054,694	-	-	3,054,694	-	-	-	-	3,054,694	3,054,694
Total	412,397,897	14,996,535	938,000	426,464,432	162,383,721	18,078,328	392,362	180,869,687	246,394,745	259,014,176
Capital Work in Progress									193,613	193,613
Total									246,588,358	259,207,789
Previous Year	405,864,400	7,794,780	1,260,883	412,397,897	143,454,055	19,040,457	110,791	162,383,721	250,207,789	262,540,335

*Note:

Depreciation for the year	18,078,328
Less: Additional Depreciation on revalued assets withdrawn from Capital Reserve	<u>1,462,118</u>
Depreciation charged to Profit & Loss Account	<u><u>16,616,210</u></u>

SCHEDULE 6 - INVESTMENTS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Long Term Investment (Non Trade)		
-Unquoted (at Cost)		
-50,000 (Previous Year Nil) Equity Shares of Rs. 10/- each Fully paid up of Precision S. T. India Limited	500,000	-
-50,000 (Previous Year Nil) Equity Shares of Rs. 10/- each Fully paid up of S N K Electronics Pvt. Ltd.	50,000	-
TOTAL	<u><u>550,000</u></u>	<u><u>-</u></u>

SCHEDULE 7 - INVENTORIES

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Raw Materials & Components	39,861,404	37,602,687
Stores & Spare parts	1,858,257	1,029,696
Goods-in-process	58,480,989	39,921,524
Finished Goods	655,514	190,447
Traded Goods	803,255	1,484,781
TOTAL	101,659,419	80,229,135

SCHEDULE 8 - SUNDRY DEBTORS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Debts outstanding for a period exceeding six months	8,580,834	10,093,836
- Unsecured - Considered good	53,767,850	53,328,187
- Unsecured - Considered doubtful	49,596,272	36,741,452
Other Debts - Unsecured - Considered good	111,944,956	100,163,475
Less : Provision for Doubtful Debts	53,767,850	53,328,187
TOTAL	58,177,106	46,835,288

SCHEDULE 9- CASH AND BANK BALANCES

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Cash in hand	243,874	530,834
Balances with scheduled banks in :		
- Current Accounts	1,223,823	18,369,570
- Fixed deposits (pledged with banks as security for guarantees)	7,637,649	6,417,202
TOTAL	9,105,346	25,317,606

SCHEDULE 10 - LOANS AND ADVANCES

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Advances Recoverable in cash or in kind or for value to be received	22,785,644	16,346,692
- Unsecured - Considered good	443,341	443,341
- Unsecured - Considered doubtful	1,210,473	1,222,262
Deposit for excise	3,411,102	766,637
Tax deducted at source	27,850,560	18,778,932
Less : Provision for Doubtful advance	443,341	443,341
TOTAL	27,407,219	18,335,591

SCHEDULE 11 - CURRENT LIABILITIES AND PROVISIONS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
CURRENT LIABILITIES		
Sundry Creditors		
- Total outstanding dues to Micro & Small enterprises.	1,736,670	1,458,291
- Others	13,596,417	11,350,206
Other Liabilities	33,772,065	21,706,211
	49,105,152	34,514,708
PROVISIONS		
Gratuity	2,498,073	1,877,210
Leave Encashment	3,325,213	2,737,327
Income Tax	3,314,061	2,832,061
	9,137,347	7,446,598
TOTAL	58,242,499	41,961,306

SCHEDULE 12 - SALES AND SERVICES (GROSS)

	Year ended 31.03.2011 Rupees	Year ended 31.03.2010 Rupees
Sales Manufactured Goods	184,049,462	289,927,469
Sales Traded Goods	50,302,857	12,039,927
Service Charges	47,368,762	21,351,684
	281,721,081	323,319,080

SCHEDULE 13 - OTHER INCOME

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Income		
Interests on Deposits including TDS Rs. 55,012/- (Previous year Rs. 79,451/-)	550,132	527,830
Interest on Income tax	-	261,089
Liabilities no longer required	1,969,674	38,341
Excess Provision Written Back	-	32,181
Foreign Exchange Fluctuation	1,402,455	1,039,332
Profit on sale of Fixed Assets	79,795	-
Misc. Income	37,709	7,624
TOTAL	4,039,765	1,906,397

SCHEDULE 14 - OPERATING EXPENSES

	Year ended 31.03.2011 Rupees	Year ended 31.03.2010 Rupees
Consumption and Purchase of Goods		
Materials Consumed	62,552,734	89,755,058
Consumption of stores and Spares	5,631,830	6,130,648
Purchases of Traded Goods	32,799,688	9,863,520
Other Expenses		
Salaries, Wages and Allowances	71,840,262	64,725,364
Contribution to Provident Fund and ESIC	1,600,022	1,669,850
Workmen and Staff Welfare expenses	3,619,117	3,325,342
Repairs and Maintenance	1,018,903	776,423
- Buildings	3,077,183	2,299,427
- Plants & Machinery	3,180,971	3,299,391
- Others	-	-

Processing Charges	245,595	603,696
Power and Fuel	15,103,106	15,051,689
Rent	360,000	360,000
Insurance	627,659	665,703
Traveling (Including foreign)	8,934,753	8,427,137
Marketing & Distribution Expenses	22,463,182	23,762,275
Auditors Remuneration	250,000	250,000
- Audit Fee		
- Tax Audit Fee	50,000	50,000
- Others	60,000	60,000
Loss on Sale of Fixed Assets	177,433	205,093
Miscellaneous expenses	14,859,565	15,718,529
Opening / Closing Stock		
Opening Stock	190,447	660,737
- Finished Goods		
- Traded Goods	1,484,781	124,802
- Goods-in-process	39,921,524	63,285,186
Less : Closing Stock	655,514	190,447
- Finished Goods	803,255	1,484,781
- Traded Goods	58,480,989	39,921,524
- Goods-in-process		
TOTAL	230,108,997	269,473,118

SCHEDULE 15 - INTEREST

	Year ended 31.03.2011 Rupees	Year ended 31.03.2010 Rupees
Interest on Borrowings		
- Fixed Loan	3,735,950	5,618,935
- Others	5,040,984	5,166,342
TOTAL	8,776,934	10,785,277

SCHEDULE 16 –SIGNIFICANT ACCOUNTING POLICES & NOTES TO ACCOUNTS**(A) SIGNIFICANT ACCOUNTING POLICIES****a) General**

- The accounts are prepared on historical cost convention, on accrual basis and on the principal of going concern.
- 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, 1956.

b) Use of Estimates

The preparation of financial statement require estimates and assumption that affect the reported amounts of income and expenses of the period, the reported amounts of assets and liabilities and disclosers relating to contingent liabilities as on the date of financial statements. Difference between the actual result and estimated are recognized in the period in which the result are known/materialized.

c) Fixed Assets:

- Fixed Assets are stated at cost of acquisition less cenvet if any and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation

except in the case of Leasehold land which has been revalued as on 31.3.2006.

- Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been provided on the straight-line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except software having future economic benefits more than a year, to be amortized in two to three years.
- Leasehold land is amortized over the years of lease.

d) Sundry Debtors:

Sundry Debtors are stated after making adequate provision for doubtful debts, if any.

e) Loans & Advances:

Loans and Advances are stated after making adequate provision for doubtful advances, if any.

f) Contingent Liabilities:

Contingent liabilities are not provided for in the accounts and are shown separately in Notes on Accounts.

g) Sales

Sales include excise duty, Sales Tax/ VAT and are net of usual trade discounts, rebates.

h) Method of valuation of inventories is as under:

- | | |
|--------------------------------------|--|
| i) Raw material | At cost, on FIFO/weighted average basis, and none moving Items are valued at net Realisable value. |
| ii) Components, Stores & Spare parts | At cost, on FIFO basis |
| iii) Finished & Traded Goods | At cost or net realisable value, whichever is lower |
| iv) Goods-in-Process | At estimated cost. |

i) Foreign Exchange Transactions

- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- Assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at contracted rates, when covered by foreign exchange contracts and at year end rates in all other cases.
- Gains and Losses on foreign exchange transaction/ translation other than those relating to fixed assets are recognized in the Profit and Loss Account. Gain or loss on translation of long term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

j) Research & Development

Revenue Expenditure on R&D is charged to revenue under the respective heads of accounts. Capital Expenditure on R&D is treated as addition to Fixed Assets.

k) Technical know-how is accounted for on payment basis and is written-off over a period of six years from the year of payment.

l) Export incentives and insurance claims are accounted for on receipt basis.

m) Investments

Investments are stated at Cost and where there is permanent diminution in the value of Investments a provision is made wherever applicable. Dividend will be accounted for as and when received.

n) Employees Benefits

The Company has taken Group Gratuity Policy with the Life Insurance Corporation of India ('LIC') for future payment of gratuities which is a defined benefit. The gratuity liability is determined based on an actuarial valuation performed by LIC.

Provision for Leave Encashment, which is a defined benefit, is made on an actuarial valuation carried out by an independent actuary.

Contribution to Provident Fund is accrued as per the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act 1952. Contribution payable to Provident fund is charged to Profit & Loss Account.

o) Provision for Current and Deferred Tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act 1961.

Deferred tax resulting from "Timing Differences" between book and taxable profit for the year is accounted for using the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be adjusted in the future

p) 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.

(B) NOTES TO ACCOUNTS

1. Contingent Liabilities not provided for:

Particulars	Current Year (Rs in Lac)	Previous Year (Rs in Lac)
i) Unredeemed bank guarantees and LC	801.22	574.01
ii) Others	16.46	NIL

2. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances **Rs. 20.00 Lacs.** (Previous year Rs.4.00 Lacs).

3. To comply with the AS - 2 on treatment of excise duty the valuation of closing stock of finished goods is inclusive of excise duty of Rs. 61,212/- however this will have no impact on the Profit / Loss of the company.

4. Balances of Sundry Debtors and Creditors including advances to and from parties are subject to confirmation from the parties.

5. List of Small-Scale industries to whom the Company owes more than Rs. 1 Lac and outstanding for more than 30 days as at March 31st, 2011.

Continental Instruments, Nandi Manufacturing Co., Ramtron Engineering Services, Vishnu Plastic, National Acid Supply Co., Paras Laminates Pvt. Ltd and Sandip Chemicals.

There is no liability for interest which would be payable under the Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Ordinance 1992. Moreover the Company has also not received any claims in respect of interest.

The above information and that given in Schedule no. 10 of "Current Liabilities" regarding Small-scale Industrial Undertaking has been identified on the basis of information available with the Company and relied upon by the Auditors.

6. **Details of Capital Works in Progress**

PARTICULARS	CURRENT YEAR (Amount Rs.)	PREVIOUS YEAR Amount (Rs.)
At Roorkee		
Capital work in progress	193613	193613
TOTAL	193613	193613

7. **Segment Reporting:**

a) **Business Segments:** Based on guiding principles given in Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, The Company's Business Segments include: **Printed Circuits Board & Pulse Code modulation**

b) **Geographical Segments:** Since the companies 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	PCB		PCM		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue						
External sales	4,61,29,984	6,24,75,168	23,55,91,097	26,08,43,912	28,17,21,081	32,33,19,080
Inter Segment Sales	43,06,961	28,18,823	-	-	43,06,961	28,18,823
Total Revenue	5,04,36,945	6,52,93,991	*23,55,91,097	*26,08,43,912	28,60,28,042#	32,61,37,903#
Segment results	(55,69,646)	16,50,070	1,44,39,932	1,09,05,623	88,70,286	1,25,55,693
Unallocated(expenses)					15,79,193	(11,34,328)
Income						
Operating(loss)/profit					1,04,49,479	1,14,21,365
Interest expenses					87,76,933	1,07,85,277
Interest income					5,50,132	7,88,919
Profit before taxation					22,22,678	14,25,007
Fringe Benefit Tax					-	42,845
Deferred. Tax Assets					(4,70,968)	50,11,424
Provision for income Tax					18,020	(38,42,162)
Net Profit after tax					26,75,626	2,12,900
Segment assets	10,00,81,142	10,25,65,241	32,09,97,001	28,52,82,996	42,10,78,143	38,78,48,237
Unallocated assets					3,57,93,220	4,84,97,072
Total assets					45,68,71,363	43,63,45,309
Segment Liabilities	23,31,505	12,37,910	3,29,11,282	2,12,60,980	3,52,42,787	2,24,98,890
Share Capital					13,84,87,620	13,84,87,620
Secured & Unsecured Loans					6,72,76,533	6,17,38,227
Unallocated Liabilities					2,04,80,092	1,94,49,749
Reserve & surplus					19,53,84,331	19,41,70,823
Total liabilities					45,68,71,363	43,63,45,309
Depreciation	79,44,949	85,10,205	1,01,33,379	1,05,30,252	1,8078,328	1,90,40,457

* PCM sales include service receipts.

#Total revenue include inter segmenting sale of Rs. 4306961/- (Previous Year Rs. 2818823/-)

8. **Related Party Disclosure:**

Information about Related Parties as required by Accounting Standard -18 issued by the Institute of Chartered Accountant of India.

A) **List of related Party**

i) **Relative of the Key Management Personnel and their Enterprises /Associates where the Transaction has been taken place.**

- Dinanath Kanoria & Co.
- Ashok Kanodia (HUF)
- Vidur Kanodia
- Pradeep Kanodia (HUF)
- SNK Electronics Pvt. Ltd
- Precision S.T. India Ltd

ii) **Key Management Personnel**

- Mr. Ashok Kanodia
- Mr. Pradeep Kanodia
- Mr. Nikhil Kanodia

B) **Transactions with Related Parties**

	Current Year	(Fig. in '000) Previous Year
i) Relative of the Key Management Personnel and their Enterprises where the transaction have been taken place		
Rent, Salary, and Reimbursement of Expenses.	2,269	2,331
Investments in Shares	550	NIL
ii) Key Management Personnel		
Reimbursement of expenses	45	45
Remuneration including commission	2,832	2,832
Interest	3,729	3,111
Salary	1,922	1,958
Unsecured Loans	34,048	29,048

9. **Deferred Tax:**

	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
Deferred Tax Asset and Liability		
Deferred Tax Asset:		
Provision for Doubtful Debts & advances	1,67,51,258	1,66,15,402
Gratuity Provision	7,71,905	5,80,058
Leave Encashment	10,27,491	8,45,834
Provision for P.F. Demand	NIL	53,475
Profit & loss account	94,47,774	99,58,396
	2,79,98,428	2,80,53,165
Deferred Tax Liability:		
Difference between W.D.V. as per I.T. Act & Companies Act.	1,20,94,893	1,26,20,598
Net deferred tax assets	1,59,03,535	1,54,32,467

10. Earning Per Share (EPS)

	Year Ended 31.03.2011	Year Ended 31.03.2010
A. Before Prior Period Items:		
i) Number of Equity Share outstanding : (Face value of Rs. 10 Each)		
-Number of Shares at the Beginning of the period	1,38,48,512	1,38,48,512
-Number of Shares at the Close of the period	1,38,48,512	1,38,48,512
ii) Net Profit/(loss) after taxation as per Profit & Loss A/c	26,75,626	2,12,900
iii) Basic & Diluted Earnings (in Rupees) Per Share	0.19	0.02
B. After Prior Period Items:		
i) Number of Equity Share outstanding : (Face value of Rs. 10 Each)		
- Number of Shares at the Beginning of the period	1,38,48,512	1,38,48,512
- Number of Shares at the Close of the period	1,38,48,512	1,38,48,512
ii) Net Profit/(loss) after prior period items and taxation as per Profit & loss Account	26,75,626	2,12,900
iii) Basic & Diluted Earnings (in Rupees) Per Share	0.19	0.02
II.		
a) Computation of net profit in accordance with section 349 Company Act 1956 for the purpose of section 198 of the said Act	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit for the year before Taxation as per Profit & Loss Account	22,22,678	14,25,007
Add: Director's Remuneration	28,62,000	28,62,000
TOTAL	50,84,678	42,87,008
Loss/(Profit) on sale of fixed assets (net)	97,638	2,05,093
Gross Profit eligible for calculation of managerial remuneration as per section 198 of the Companies Act 1956	51,82,316	44,92,101
Commission @ 2% of Net profit	NIL	NIL
b) Detail of remuneration and perquisites of managerial personnel :		
Salary	28,32,000	28,32,000
Commission	NIL	NIL
Gratuity, Leave Encashment and Other Perquisites	30,000	30,000
TOTAL	28,62,000	28,62,000
c) Directors' Sitting fee	1,67,000	1,78,000

12. Report Under AS -15 Employee Benefits (Revised 2005)

1. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	8%	8%	8.5%	8.5%
Salary Escalation	7%	7%	9%	7%
Mortality Table			1994-96 (LIC Ultimate)	1994-96 (LIC 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	61,17,925	52,28,680	20,66,590	27,44,266
Interest cost	4,89,434	4,18,295	1,45,318	2,15,545
Current Service Cost	11,83,086	12,38,419	14,39,121	12,23,233
Benefits Paid	(12,90,967)	(4,23,507)	(7,13,707)	(4,16,882)
Actuarial (gain)/Loss on obligations	3,47,196	(3,43,962)	(5,69,482)	(16,99,572)
Present value of obligations as at end of year	68,46,674	61,17,925	23,67,850	20,66,590

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 year	42,40,715	40,81,932	-----	-----
Expected return on plan assets	4,15,517	3,54,479	-----	-----
Contributions	9,83,336	2,27,811	-----	-----
Benefits Paid	(12,90,967)	(4,23,507)	(7,13,707)	(4,16,882)
Actuarial (gain)/Loss on Plan Assets	-----	-----	-----	-----
Fair value of Plan assets as at end of year	43,48,601	42,40,715	-----	-----

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 year	42,40,715	40,81,932	-----	-----
Actual return on plan assets	4,15,517	3,54,479	-----	-----
Contributions	9,83,336	2,27,811	-----	-----
Benefits Paid	(12,90,967)	(4,23,507)	(7,13,707)	(4,16,882)
Fair value of Plan assets as at end of year	43,48,601	42,40,715	-----	-----
Present value of obligation at the year end	-----	-----	23,67,850	20,66,590
Funded Status	(24,98,073)	(18,77,210)	(23,67,850)	(20,66,590)
Excess of actual over estimated return on Plan Assets.	-----	-----	-----	-----

5. Actuarial Gain/Loss recognized

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Actuarial gain/Loss for the year Obligations	(3,47,196)	3,43,962	5,69,482	16,99,572
Actuarial gain/Loss for the year Plans assets	-----	-----	-----	-----
Total (gain) /Loss for the year	3,47,196	(3,43,962)	(5,69,482)	(16,99,572)
Actuarial Gain/Loss recognized In the year	3,47,196	(3,43,962)	(5,69,482)	(16,99,572)
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	68,46,674	61,17,925	23,67,850	20,66,590
Fair value of plan assets as at the end of the year	43,48,601	42,40,715	-----	-----
Funded status	(24,98,073)	(18,77,210)	(23,67,850)	(20,66,590)
Net assets / (liability) recognized In the balance sheet	(24,98,073)	(18,77,210)	(23,67,850)*	(20,66,590)

7. Expenses Recognized in statement of Profit & Loss

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service cost	11,83,086	12,38,419	14,39,121	12,23,233
Interest Cost	4,89,434	4,18,295	1,45,328	2,15,545
Expected return on plan assets	(4,15,517)	(3,54,479)	-----	-----
Net Actuarial (gain) / Loss recognized in the year	3,47,196	(3,43,962)	(5,69,482)	(16,99,572)
Expenses recognized in statement of Profit & Loss	16,04,199	9,58,273	10,14,967**	2,60,794

* This pertains to long term liability worked in respect of deferred leave only .Expected short term liability of Rs. 9,57,363/- will be added to this figure .

** This pertains to long term liability only .Actual payments (under the various heads) incurred over the inter valuation period should be added to this figure.

13. In view of the management there is no significant impairment envisaged in the recoverable amount of material fixed assets.
14. Previous year's figures have been regrouped / rearranged to make them comparable with the current year.
15. Schedule I to 16 forms an integral part of the Balance Sheet and Profit & Loss Account.
16. Information pursuant to the provision of paragraph 3,4C & 4D of part II of schedule VI of the Companies Act 1956.

a) Licensed/Registered and installed capacities on the three shift basis

Particulars	Unit	Licensed/Registered Capacity	Installed Capacity	
			Current Year	Previous Year
Printed Circuit Boards	Sq. Mts.	N.A.	12000	12000
Multiplexer	Nos.	N.A.	2500	2500
Interface Card	Nos.	N.A.	6000	6000
Digital Radio System	Nos.	N.A.	180	180
Digital Voice Data Recorder	Nos.	N.A.	120	120
Others	Nos.	N.A.	N.A.	N.A.

Notes: Installed capacity is as certified by the management of the Company and accepted by the Auditors without verification being a technical matter.

b) Production, Sales & Services

Particulars	Unit	Production		Sales Quantity		Sales Value (Rupees)	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Printed Circuit Boards	Sq. Mts.	10407.66	16076.94	9274.03	15571.96	46,039,514	62,527,253
Multiplexers	Nos.	2466	2197	2466	2197	73,747,808	110,036,918
Interface Card	Nos.	3047	3131	3047	3131	50,109,392	47,563,096
Converter, Modem & Routers	Nos.	1600	1904	1600	1904	12,517,805	29,354,047
Digital Voice Data Recorder	Nos.	0	0	0	0	-	-
Digital Radio System, Encryptors, Mast, Antenna and power supply	Nos.	0	20	0	20	-	20,674,391
Others						1,634,944	19,771,764
Services						47,368,762	21,351,684
PCM-Trading Goods	Nos.	*1720	56428	7025	44213	50,302,857	12,039,927
TOTAL						281,721,081	323,319,080

- Notes :** 1. Others Includes value of spare , accessories for above products
 2. Sales exclude captive consumption of 900.50 sq Mts of PCB (Previous year 632.12 Sq.Mts.)
 3. *In case of Trading Goods Production means Purchase, & It is net of purchase return 5500 nos which is shown in opening stock.

c) Finished Goods Stock

Particulars	Units	Opening Stocks		Closing Stocks	
		Current Year	Previous Year	Current Year	Previous Year
PCB- Quantity	Sq. Mts.	73.21	200.35	306.34	73.21
- Value	Rupees	190448	660737	655514	190448
PCM- Trading GOODS (Quantity)	Nos.	12215	107	6910	12215
- Value	Rupees	1484781	124802	803255	1484780
TOTAL		1675229	785539	1458769	1675228

d) Raw Material and Components Consumed

Particulars	Units	Current Year		Previous Year	
		Quantity	Value (Rupees)	Quantity Year	Value (Rupees)
Elect. Compo & Modules	Nos.	2208390	36,483,533	2256987	53,507,957
Mechanical H/W & Sub System	Nos.	8694	5,820,826	29459	6,711,301
Copper Clad laminate	Sq.mtrs.	12530.95	10,836,988	19146.94	14,448,570
Chemicals	Ltrs.	61845	3,635,229	84456.5	4,392,953
Others			11,407,988		16,824,925
TOTAL			68,184,564		95,885,706

Note:- 1. All the figure mentioned above are provided b the management and relied upon by the Auditors.

e) Value of imported and Indigenous materials consumed

Particulars	Current Year		Previous Year	
	Percent	Value (Rupees)	Percent	Value (Rupees)
Raw Materials & Components				
Imported	51.72	31,263,210	63.59	57,075,241
Indigenous	48.28	29,183,831	36.41	32,679,817
Stores and Spares				
Imported	24.45	1,891,825	15.71	936,125
Indigenous	75.55	5,845,698	84.29	5,167,523

Consumption of Imported Spares & Parts does not include spare parts amounting Rs. 551,115/- (Previous Year Rs.95,640/-) used for repairs.

Particulars	Current Year Rupees	Previous Year Rupees
(f) Value of imports on CIF basis		
Raw material and Components	32,434,704	55,431,258
Stores & Spares	2,094,046	979,447
Trading Goods	32,753,032	4,993,935
(g) Earnings in Foreign Exchange	16,234,850	-
(h) Expenditure in foreign Currency		
Travelling	4,909,010	2,835,539

(i) Statement pursuant to Part-IV of Schedule VI to the Companies Act, 1956

(i) **Registration Details**
Registration No. 9590 State Code 55 Balance Sheet Date 31.3.2011

(ii) **Capital raised during the Year (Amount in Rs. Thousands)**
Public Issue : NIL Rig Issue : NIL Bonus Issue : NIL Private Placement : NIL

(iii) **Position of Mobilisation and Development of funds(Amount in Rs. Thousands)**

Total Liabilities :	401,148	Total Assets :	401,148
Source of Funds			
Paid up Capital :	138,488	Reserves and Surplus -	195,384
Secured Loans :	33,228	Unsecured Loans :	34,048
Application of funds			
Net Fixed Assets :	246,395	Net Current Assets :	138,107
Capital Work in Progress	193	Misc. Expenditure :	-
Investment :	550	Deferred Tax :	15,903

iv) **Performance of Company (Amount in Rs. Thousands)**

Total Turnover :	257,725	Total Expenditure :	255,502
Profit Before Tax :	2,223	Profit After Tax :	2,676
Earning Per Share in (Rs.):	0.19	Dividend rate % :	-

v. **Generic Names of Three Principal Products/ Services of Company**

Item Code No. (ITC Code)	85.34	
Product Description	:	Printed Circuits
Item Code No. (ITC Code)	85.17	
Product Description	:	Electronics apparatus for Line Telephony
Item Code No. (ITC Code)	85.25	
Product Description	:	Transmission Apparatus for Radios Telephony

As per our report of even date attached

For **RAJENDRA K GOEL & CO.**
Chartered Accountants
(F.R. No. 001457N)

R.K.Goel
Partner
M.No. 6154

Ashok Kanodia
Managing Director

Pradeep Kanodia
Executive Director

Place : New Delhi
Date : 18th May 2011

Sharvan Kumar Kataria
Director

Neha Malik
Company Secretary

PRECISION ELECTRONICS LIMITED

Regd. Office : D-1081, New Friends Colony, New Delhi-110065

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/ We hereby record my/our presence at the 32nd ANNUAL GENERAL MEETING of the Company held on Saturday, 10th September, 2011 at 11:00 A. M. at B.C. Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi - 110019.

NAME OF THE MEMBER(S)

Folio No./ DP ID No. and Client ID No. _____ No. of Shares _____

Name of the Proxy (In Block Letters)

(To be filled in, if the Proxy attends instead of Members)

Member's Proxy Signature

Notes : If you are attending the meeting in person or by proxy, your copy of the Balance Sheet may please be brought by you/your proxy for reference at the meeting.

------(TEAR HERE)-----

PRECISION ELECTRONICS LIMITED

Regd. Office : D-1081, New Friends Colony, New Delhi-110065

PROXY FORM

DP Id _____ Folio No. _____

Client Id _____ No. of Shares _____

I/We _____ of _____

_____ being a member /members of

PRECISION ELECTRONICS LIMITED hereby appoint _____ of _____ or failing

him _____ of _____ as my /our proxy to vote for me/us and on my/ our behalf

at 32nd ANNUAL GENERAL MEETING to be held on Saturday, 10th September, 2011 at 11:00 A.M. at B.C. Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi - 110019.

Affix
Rs.1
Revenue
Stamp

Notes: Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours, before the commencement of the aforesaid meeting. The proxy need not be a member of the Company.