



Precision Electronics Limited

Dated: 03.09.2021

PEL/BSE-2021-22/10
Bombay Stock Exchange Limited
25th Floor, P J Towers,
Dalal Street,
Mumbai 400 001

Stock Code: 517258

Sub: Annual Report

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the annual report of the Company for the financial year ended 31.03.2021.

Thanking You,

Yours truly,

For Precision Electronics Limited

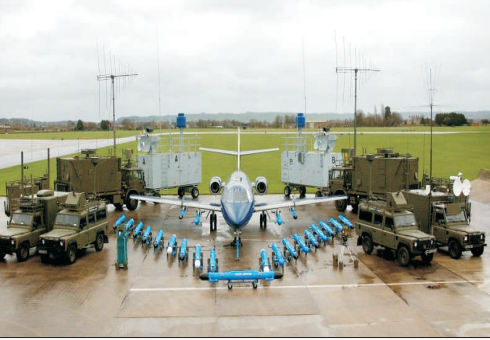

Veenita Puri
Company Secretary &
Compliance Officer

Noida Office
D-10, Sector-3, Noida 201301,
Uttar Pradesh, India
Tel.:+91-120-2551556/1557/5176/5177
Fax:+91-120-2524337
CIN : L32104DL1979PLC009590
Udyog Aadhaar No.: UK06B0000393



Registered Office : D-1081, New Friends Colony, New Delhi-110025
Email : contacts@pel-india.com , Website : www.pel-india.com

Roorkee Office
Plot N0. 9 & 10, K.I.F. Industrial Estate,
Roorkee 249406, (Uttarakhand), India
Tel.: -91-1332-229154/155
Fax: +91-1332-229155



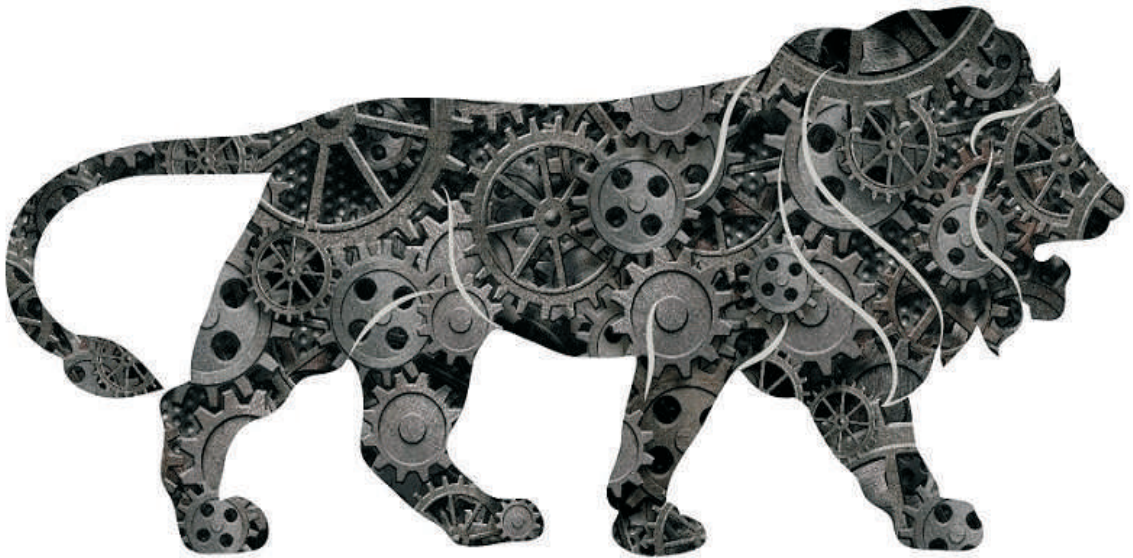
Military



Healthcare



Oil & Gas



42nd Annual Report

2020 - 2021

Precision

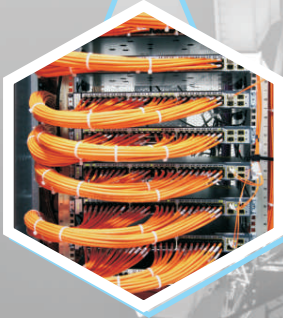
Precision Electronics Limited

"we always know who we're working for"

Precision

Services for Turnkey Communication Projects

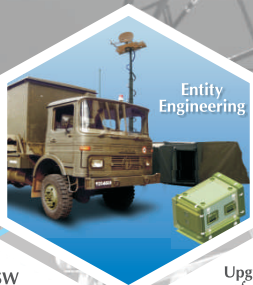
Implementation of Telecom Networks



Customer Acceptance



Maintenance Depot



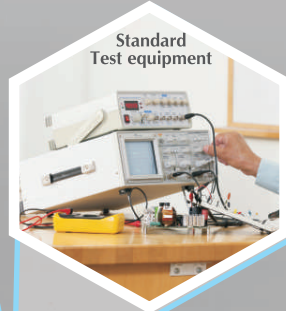
Entity
Engineering



Integration of legacy
sub-systems with new
sub-systems



Automatic test
Equipment



Standard
Test equipment

Testing Infrastructure

HW/SW
development to meet
customer specific requirements

Upgradation
of existing
system/equipment

Value-Added Solutions



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BOARD OF DIRECTORS & COMMITTEES

Board of Directors

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

Audit Committee

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

Stakeholders Grievance Committee

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

Nomination and Remuneration Committee

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

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Ms. Veenita Puri

STATUTORY AUDITORS

M/s Nemani Garg Agarwal & Co.

CHIEF FINANCIAL OFFICER

Mr. Jagjit Singh Chopra

REGISTRAR & TRANSFER AGENT

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

BANKER OF THE COMPANY

South Indian Bank, Noida Branch

LISTED ON

Bombay Stock Exchange

CORPORATE IDENTITY NUMBER (CIN)

L32104DL1979PLC009590

ISIN No.

INE143C01024

STOCK CODE

517258

PLANTS

At Noida

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

Udyam Registration Number

UDYAM-UP-28-0002995

REGISTERED OFFICE

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

CORPORATE OFFICE

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

PRECISION ELECTRONICS LIMITED

CIN: L32104DL1979PLC009590

Regd. Office: D-1081, New Friends Colony, New Delhi - 110025

Phone: 120 2551556/7, Fax: 120 2524337

Email: cs@pel-india.in, Website: www.pel-india.in

NOTICE OF THE 42ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the 42nd Annual General Meeting of Precision Electronics Ltd. (the Company) will be held on Tuesday, **September 28, 2021, at 12.00 p.m. through video conferencing ("VC")/Other Audio visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2021 together with the Reports of Board of Directors and the Auditor's thereon.
2. To re-appoint Mr. Nikhil Kanodia, Whole Time Director, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. **REGULARISATION OF MR. HARBIR SINGH BANGA AS NON-EXECUTIVE DIRECTOR OF THE COMPANY:**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 26 of SEBI (LODR) Regulations, 2015, Mr. Harbir Singh Banga, (DIN: 05313332), who was appointed as an Additional Director on the Board of Directors ('Board') of the Company with effect from 12.02.2021, in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation."

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

**Place: Noida
Date: 13.08.2021**

**Sd/-
VeenitaPuri
Company Secretary
cum Compliance Officer**

Notes

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the special business of this notice is annexed hereto.
2. In view of the continuing Covid-19 Pandemic, the Ministry of Corporate Affairs (MCA) vide MCA General Circular No. 02/2021 dated January 13, 2021 read with MCA General Circular No. 20/2020 May 5, 2020, General Circular No. 10/2021 dated June 23, 2021 and SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, permitted companies to hold their AGM through Video Conferencing/Other Audio Visual Means without the physical presence of the Members at common venue.

3. Since this AGM is being held pursuant to MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the 42nd AGM and hence the proxy form and attendance slip are not annexed to this notice. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
5. As per the provisions under the MCA General Circular No. 10/ 2021 dated June 23, 2021 read with General Circular No. 14/2020, dated April 8, 2020, Members attending the 42nd AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated June 23, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
7. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 42nd AGM being held through VC/OAVM.
8. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
9. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2021 to September 28, 2021 (both days inclusive).
10. All documents referred to in the accompanying Notice and the Explanatory Statement and other statutory register will be available for inspection by the Members during the AGM. Members may access the same by writing to the Company at its email id cs@pel-india.in.
11. Members seeking further information about the accounts are requested to write at least 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
12. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice and the Annual Report calling the 42nd AGM has been uploaded on the website of the Company at www.pel-india.in. The Notice can also be accessed from the websites of the Stock Exchange, BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
13. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held

in physical form by writing to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited, compliances@skylinerta.com.

14. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 21, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Registrar and Share Transfer Agent (Skyline Financial Services Private Limited). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you may generate new password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
15. A person, whose name is recorded in the register of members or In the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
16. The Board of Directors has appointed Adv. Munish K Sharma, as the Scrutiniser for scrutinising the e-voting process in a fair and transparent manner.
 - I. The Scrutinizer, after the conclusion of voting at the AGM, will first count the e-votes cast at the meeting and thereafter the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - II. The results declared along with the report of the Scrutinizer shall be placed on the Company's website www.pel-india.in and on the website of the NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be intimated to the Bombay Stock Exchange within two working days of the conclusion of the AGM.

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

The remote e-voting period begins on September 24, 2021(09:00 AM) and ends on September 27, 2021 (05:00 PM). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on September 21, 2021 (cut-off date) may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

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


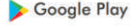


Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the " Beneficial Owner " icon under " Login " which is available under ' IDeAS ' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services

	<p>under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the

	demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

<p>How to cast your vote electronically and join General Meeting on NSDL e-Voting system?</p> <ol style="list-style-type: none"> 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status. 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting". 3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@pel-india.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@pel-india.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. [In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.](#)

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-

voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@pel-india.in, atleast 7 days before the date of meeting. The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker, may send their request mentioning their name, demat account number/folio number, email id, mobile number at cs@pel-india.in, atleast 7 days before the date of meeting. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013

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

Particulars/ Names	Mr. Nikhil Kanodia	Mr. Harbir Singh Banga
Date of Birth	12.11.1976	15.04.1990
Date of Appointment	11.08.2017 (As a Whole Time Director cum President)	12.02.2021 (As an Additional Director)
Qualification	B.S. and M.S. degrees in Electrical and Computer Engineering	B. Tech in manufacturing Engineering and MBA in Finance
Expertise in specific functional areas	developed several products in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers	Indepth knowledge of manufacturing business
Directorship of other companies (excluding Foreign Companies and Section 8 Companies)	1. Nubewell Networks Pvt. Ltd.	1. Bon Voyage Tavern Pvt. Ltd. 2. Victora Auto Pvt. Ltd. 3. Bhunit Engineering Co. Pvt. Ltd. 4. S M Industrial Consultants Pvt. Ltd. 5. J H A Infratech Pvt. Ltd.
Chairmanship/Membership of Committees of other Public Companies	-	-
Number of shares held in the Company in his own name	34,15,901 equity shares	0
Number of Board Meetings attended during 20-21	7	0
Remuneration drawn during Financial Year 20-21	Rs. 63,49,800/-	0
Remuneration sought to be paid	Pursuant to the ordinary resolution passed in the AGM held on 25.09.2017	-
Directors' <i>inter se</i> relationship with other Directors, manager/Key Managerial Personnel	Son of Mr. Ashok Kumar Kanodia, Managing Director	None

Item 2:

Mr. Nikhil Kanodia was appointed as a Whole Time Director cum President of the Company, for a period of 5 years w.e.f 11.08.2017, in the AGM held on 25.09.2017. Mr. Nikhil Kanodia is a second generation technocrat industrialist who graduated from Carnegie Mellon University, USA where he obtained his B.S. and M.S. degrees in Electrical and Computer Engineering. As an M.S. student, he worked as a Research Assistant under Prof. Dave Johnson who is credited to be the father of "Mobile Ad-Hoc Networking". As an Engineer in the late 90's he contributed to the research of Gigabit Ethernet Technology and holds an Intellectual Patent for his work done on "Gigabit Ethernet Link



Aggregation” during his tenure at Fujitsu Network Communications in Texas, USA.

He moved back home to India in 2002 and developed several products in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers. Under his leadership and initiative, the company is now doing business in Israel, USA and France and has developed new vistas in the market segments of Healthcare, Hi-Tech equipment and Railway’s Signaling.

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

Item 3:

On recommendation of the Nomination and Remuneration Committee, Mr. Harbir Singh Banga was appointed as an Additional Director of the Company by the Board w.e.f 12.02.2021. Mr. Harbir Singh Banga is son of Mr. Hardeep Singh Banga, Non Executive Director and shareholder holding 24.88 % of equity shares of the Company and who resigned from the Board w.e.f 12.02.2021. Mr. Harbir Singh Banga is an engineer with B. Tech in Manufacturing Engineering and holds MBA in Finance from NMIMS Mumbai. He has rich experience in operations of Auto industry. He looks after day to day affairs of his company with focus on the quality and adaptability to market dynamics. He is committed to offering excellent products to the customers with high standard of quality. With his technical background and experience he always shoulders responsibility readily. He is deeply involved into marketing activities of his company and has a very fruitful and trustworthy relationship with all their customers in India and overseas.

The Board recommends his appointment and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Harbir Singh Banga himself is interested in passing of this resolution except as director of the Company.

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

**Place: Noida
Date: 13.08.2021**

**Sd/-
VeenitaPuri
Company Secretary
cum Compliance Officer**

DIRECTORS' REPORT

To

The Members of

Precision Electronics Ltd.,

Your Directors have pleasure in presenting the 42nd Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the Financial Year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS

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

PARTICULARS	(Rs. in million)	
	CURRENT YEAR (FY 2020-21)	PREVIOUS YEAR (FY 2019-20)
Revenue*	423.1	376.9
Profit before Depreciation, Interest, & Tax	32.10	35.9
Depreciation	8.0	8.0
Finance Cost	18.6	24.1
Net profit before Tax	5.5	3.8
Provision for Tax	(0.2)	(0.6)
Net profit after tax	5.7	4.5

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

DIVIDEND

This year your Company has earned profits, though small. But, in view of conservation of financial resources of the Company, your Directors do not recommend any dividend for the financial year under review.

TRANSFER TO RESERVES

The Board does not recommend to transfer any amount to the general reserve.

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

Overall revenue of the Company for the year ended March 31, 2021 was recorded at about Rs.423.1 million which is 12.26% more as compared to previous financial year 2019-20 revenue of Rs.376.9 million. Consequently, PEL earned a profit of Rs.5.7 million as against profit of Rs.4.5 million in the previous financial year 2019-20.

There is no change in the nature of business of the Company which is segmented in two business divisions; 'Electronics & Telecommunication' and 'Infra services'.

2.1 Electronics & Telecommunication Division

Electronics & Telecom division revenue during the year ended March 31, 2021 is Rs.354.10 million as against Rs.311.29 million in the previous year 2019-20. Manufacturing plant is located at Noida, Gautam Budh Nagar, UP 201301.

2.2 Infrastructure (Works Contract) Division

Infrastructure division revenue during the year ended March 31, 2021 is Rs.61.18 million as against Rs.61.10 million in the previous year 2019-20. The division undertakes niche turnkey assignments of civil, electrical, networking and turnkey installation and commissioning of radars, sensors, data links and setting up the command and control room at defence establishments.

The changes because of COVID-19, Pandemic are discussed in detail under next heading Management Discussion and Analysis, which started last year and continue till the date of this report, which affected the financial position of the Company. The Roorkee Unit continues to be leased out.

3. MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The national leadership's clarion call for an "Atmanirbhar Bharat" to achieve self-sufficiency and reduce dependency on imports, has resulted in a clear preference for Indian design, developed and manufactured equipment. Government has provided a path for indigenous technologies via "Trusted Telecom" policy under the National Security Council. Under this policy any component, sub-system and/or system that is part of an "active" network, regardless of whether the Network owner is Private or Public, must be certified to be "Trusted" by the National Cyber Security Coordinator. Your company is well poised to take advantage of emerging opportunities and is actively undertaking business development activities.

Opportunities, Threats, Risk & Concerns

Opportunities

Introduction of "Trusted" product concept benefits Indian designers and OEMs for ICT projects of Telecom, IT, Railways, MoD, ONGC, Police etc. that are in the process of upgrading or expanding their network. This has forced the ICT equipment buyer to look inwards for equipment and has spawned a start-up culture that is becoming robust every passing day with funds being injected by both the Government as well as the private equity players. Defence forces are procuring ICT equipment under the Fast Track Procedure for immediate deployment due to the threat perception on our Borders. Further, Geopolitical conflict situation is forcing democratic nations to pursue the China+1 strategy as their sourcing policy. Since your company designs and manufactures Electronics & Telecom products and has a strong presence in the defence sector, all of the above factors have resulted in substantial increase of the addressable market size. The opportunities that are being addressed by your Company are sizable and prospects are extremely bright.

Threats, Risk & Concerns

Uncertainties have emerged with COVID and it continues to be present after more than a year. Though the Company continued its operations after an initial shutdown of two months, inability to conduct travel and meet customers at their offices or industry events has hampered creation of new customer accounts. The threat of 3rd COVID wave continues and uncertainty looms wherein local shutdown can cause delays in order execution increasing cost and impacting the cash flow. Supply Chains are becoming more regional due to COVID. USA, Europe and MENA want locally manufactured goods to mitigate risks to their supply chain resulting from restrictions to logistics due to unforeseen border closures. This may result in transfer of business to vendors who have created facilities in alternate locations to sustain them that could adversely affect the revenues of the existing vendors.

Life style change has led to a surge in demand for laptops, computer, smart phones that have caused a worldwide semiconductor shortage seriously hampering the auto sector and electronics equipment manufacturers. This situation is expected to last 12-24 months and has become a huge risk for business.

Since your Company's revenues are dependent on procurement by the Government and their undertakings, budget allocation under the current financial situation is a cause of concern. Ministerial Budgets as allocated may not get transferred to concerned department for expenditures that may delay/defer procurement activity.

Your Company is sanguine of the situation and is taking steps to mitigate challenges as a result of the aforementioned scenarios.

SEGMENTWISE/PRODUCT WISE PERFORMANCE

The Company has a well-balanced product portfolio of in-house designed and engineered products, MRO services and niche EPC contracts that are qualified by both defence and the civil sector customers. Efforts are being made to expand the product offering and seek new markets. PEL designed and manufactured Telescopic mast and Pedestal has met international customer acceptance. PEL pedestal has been selected by a MNC for their anti-drone solution offering to the Indian Army. This has the potential of being a part of their supply chain for mast and pedestal in future. Segment wise performance of the Company is as follows:

Electronics & Telecom Segment: Telecom equipment contributed bulk of the revenues in the FY 2020-21. The Company this year bagged significant business for setting up a SATCOM network in Andaman & Nicobar Islands and Lakshadweep Islands. Customer acceptance testing has been delayed due to COVID related movement restrictions and is expected to be completed within a month. Sizable business opportunities are being pursued including follow-on orders that are to follow upon handing over the network to the customer; BSNL. Telecom equipment to BSNL/MTNL, mast & pedestals and power systems to GE Healthcare continues to be manufactured and delivered to the customers. Long standing service contract to provide technical assistance on board the Navy new-buildships and MRO services of UAV ground control equipment of the Army on behalf of our foreign Israeli partner continues.

Infrastructure (Works Contract) segment: Your Company continues to be active in this sector and has contracts in hand from GAIL and Telecom service providers in the North East region. In addition, sizable business opportunities in Defence installation are under consideration.

OUTLOOK/BUSINESS PLAN:

Business environment is undergoing dramatic changes with no clear cut path for the future due to COVID. It is also recognized that Government expenditure would be prioritized or could be curtailed. To mitigate risks due to these factors, your Company undertook to optimize its operation last year and shifted Roorkee unit operation to Noida. These actions as envisaged resulted in substantial cost saving. Efforts that were initiated last year to enhance the business development activities are resulting in better customer interaction and more enquiries being addressed. In addition, your Company proposes to make all-out efforts to tap the:

- a) **Mast & Pedestal market:** We are pursuing the Export market in addition to the Domestic market. PEL has a broad portfolio of Telescopic Masts and Pedestals for requirements of Military, Paramilitary, Cellular and Oil & Gas sectors.
- b) **Healthcare market:** COVID has resulted in marked increase in sales of Diagnostic Machines such as CT and MR. PEL's existing customers are ramping up production to meet the demands. New customers and products are also entering the market which will bring business to PEL.
- c) **Exports for Rugged Assemblies:** In addition to Israel, other countries in the Middle East are keen for PEL manufactured Cable Harnesses, Power Distribution Units, Power Supplies, Rugged Electronic box builds, etc. This segment has the potential of significant revenues for the Company.

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

Sl. No.	Particulars	Financial Year 2020-21	Financial Year 2019-20	Explanation Thereof
1	Debt-to-Equity Ratio	0.60	0.45	The main factor behind the change is increase in debt.
2	Inventory Turnover Ratio	2.19	1.46	The company is managing its inventory efficiently indicating that the company is selling the goods quickly.
3	Receivables turnover	1.61	4.41	There is an increase in the debtors position for the period ended March 2021.
4	Net Profit Margin Ratio	1.02	1.44	The decrease in net profit margin is primarily due to the lower operating margin generated for the period ended March 2021.
5	Operating profit Margin	4.74	6.42	The decrease in operating profit margin is primarily due to the lower contributions generated due to change in product mix during the period ended March 2021.



INTERNAL FINANCIAL CONTROL & OTHERS

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

HUMAN RESOURCE DEVELOPMENT

The total number of employees of the Company as on 31st March 2021 stood at 150.

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

FINANCIAL FACILITIES

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

4. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 with respect to Directors Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the Financial Year ended 31-March, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) 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 and Loss of the Company for the year under review;
- c) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. CORPORATE GOVERNANCE

In compliance with the requirements of Regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance along with the certificate from M/s Munish K Sharma & Associates, Company Secretaries on its compliance forms a part the Annual Report.

6. ANNUAL SECRETARIAL COMPLIANCE REPORT

In compliance with SEBI circular dated February 8, 2019, bearing reference no. CIR/CFD/CMD1/27/2019, an annual secretarial compliance report by Practicing Company Secretary M/s Munish K Sharma & Associates, Company Secretaries is attached as Annexure I.

7. CORPORATE SOCIAL RESPONSIBILITY(CSR)

The company is not covered for Corporate Social Responsibility, pursuant to the provision of Section 135 of the Companies Act, 2013 (“the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

8. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

Form AOC-2 is attached herewith as Annexure II to show the related party transactions. The transaction entered was on arm length basis in its normal course of business, for the period beginning from April 2020 to March 2021.

Mr. Ashok Kumar Kanodia, Managing Director and Mr. Nikhil Kanodia, Whole Time Director cum President form part of promoter and promoter group. The transactions with them during the financial year 2020-21 are given in Note 42 of Balance sheet.

9. RISK MANAGEMENT

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

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

During the year under review, changes were as under:

- a) Maj. Gen. LavBikram Chand, Non Executive Director cum Chairperson, has resigned w.e.f 14.07.2020;
- b) Mrs. Preeti Grover has been appointed as an Independent Director w.e.f 24.09.2020;
- c) Mr. Hardeep Singh Banga, Non Executive Director and Shareholder holding 24.88% of paid up share capital of the Company resigned w.e.f 12.02.2021.
- d) Mr. Harbir Singh Banga, son of Mr. Hardeep Singh Banga, has been appointed as an additional director to hold office as non-executive director of the Company w.e.f 12.02.2021, upto the conclusion of the ensuing AGM. The Board recommends his re-appointment at the ensuing Annual General Meeting of the Company.

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

Mr. Nikhil Kanodia, Whole Time Director cum President, retires by rotation and has offered himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board confirming that they continue to fulfill all the requirements to qualify for their appointment as Independent Director under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year under review, Mrs. Preeti Grover has been appointed as an Independent Director w.e.f 24.09.2020.

BOARDEVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities & Exchange Board of India (SEBI) under SEBI (LODR) Regulations, 2015. The Company has devised an evaluation matrix for the performance evaluation and an external consultant Mr. Munish Kumar Sharma, Advocate & Insolvency Professional, was engaged to collate and evaluate the results.

A meeting of Independent Director was held on July 23, 2021 without the attendance of other directors (Non-Independent) to review the performance of Non-Independent Directors, the Board as a Whole and the Chairperson for the meetings and to assess the flow of information between Company Management and the Board.

Pursuant to Rule 8(iii) of The Companies (Accounts) Rules, 2014 and the performance evaluation carried on by the Board, the Board is of the opinion that the independent directors are expert in their fields and have relevant experience to serve the Company in the long run.

Mr. Deepto Roy, Independent Director is exempt from online proficiency test vide notification no. G.S.R 774(E) dated 18th December 2020.

Mrs. Preeti Grover who was appointed as an Independent Director in the AGM held on 24.09.2020 qualified the online proficiency self assessment test for Independent Director's databank.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

11. AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITOR

At the Annual General Meeting held on September 25, 2017 M/s Nemani Garg Agarwal, & Co. , Chartered Accountants, bearing (F.R.N. 010192N) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 43rd Annual General Meeting.

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

SECRETARIAL AUDITOR

The Board has appointed M/s Munish K Sharma & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as Annexure III.

INTERNAL AUDITORS

The Board of Directors has pursuant to Section 138 of the Companies Act, 2013 and on recommendation of the Audit Committee has appointed M/s Rajendra K. Goel & Co., Chartered Accountants, as the Internal Auditors of the Company for the financial year 2020-21.

12. DISCLOSURES

VIGIL MECHANISM

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

AUDIT COMMITTEE

The Audit Committee comprises of following three Independent Directors and during the Financial Year 2020-

21, five meeting(s) of the committee were convened, the attendance record of members of the committee is as follows:

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of following members and during the Financial Year 2020-21 one meeting of the committee were convened, the attendance record of members of the committee are as follows:

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

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

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

MEETINGS OF THE BOARD

The Board of Directors met seven times on May 30, 2020, July 4, 2020, August 13, 2020, September 14, 2020, November 11, 2020, December 24, 2020 and February 12, 2021 during the financial year 2020-21. For further details, please refer report on Corporate Governance of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

ANNUAL RETURN

As required pursuant to section 134 of the Companies Act, 2013, Annual Return in MGT 7 shall be available at the Company's website at www.pel-india.in.

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

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

PARTICULARS OF EMPLOYEES

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

The Company does not have any employees employed throughout the financial year and in receipt of remuneration of Rs. 1.02 crore, or employed for part of the year and in receipt of Rs. 8.50 Lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The list of top ten employees of the Company in terms of their remuneration is as follows:

Mr. Yogesh Singh (39) Sr. Manager - Production, 03.10.2007, 11,99,988, MBA (Operations) (20), Ahuja Radios Private Limited., Mr. Rohit Kumar Nagaich (33) Deputy Manager - Mechanical, 29.10.2019, 11,50,872, M. Tech (Mechanical) (8), SRK Tele Energy India Private Ltd., Ms. Puneet Kaur Arora (38) AGM HR & Admin, 01.06.2009, 12,90,240, MBA (HR) (12), Digi Tech Information Technologies Private Limited, Mr. Amit Mittal (51), Senior Deputy General Manager, 14.02.2006, 19,20,000/-, B.E (E&C) (27), Punjab Wireless system Ltd., Mr. Jagjit Singh Chopra (52), Chief Financial Officer, 25.04.2014, 23,79,996/-, Chartered Accountant (23), Blessings Advertising Pvt. Ltd., Mr. Deepak Jagga (49), Senior Vice President Marketing, 01.04.2002, 26,30,916/-, B.E (Electronics) (33), Mr. Ashok Kumar Kanodia (70), Managing Director, 01.05.1979, 0.74% equity shares, 29,90,729/-, B.E. Electrical (42), Mr. Nikhil Kanodia (44), Whole Time Director cum President, 24.67% equity shares, 63,49,800/-, M.S. Electrical & Computer Engineering (23), Fujitsu Network Communications, Son of Mr. Ashok Kumar Kanodia, Managing Director, Mr. A.Babu (44) Project Manager EW, 31.03.2021, 15,72,156, B.Sc and B.Tech (Communication) (25), Indian Army, Corps of Signals., Mr. Pritam Chand (56) Team Lead EW, 31.03.2021, 12,00,000, Diploma in Science and Communication (30), Indian Army, Corps of Signals.

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

FIXED DEPOSITS

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

SIGNIFICANT & MATERIAL ORDERS:

There is no significant or material order for the period under review i.e. Financial year 2020-21, impacting the going concern status and company's operations in future.

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

The company has constituted Internal Complain Committee for reporting of cases, if any, related to sexual harassment. Committee meetings are held at regular intervals and employees are sensitized on the issue on regular interval. No case was reported and/or filed during the year under the aforesaid Act.

13. LISTING OF SECURITIES

The Shares of the Company are listed with The Bombay Stock Exchange Limited, Pherozejeebhoy Towers, Dalal Street, Mumbai. (Scrip Code: 517258). It is confirmed that the Company has paid Annual Listing Fee for the financial year 2020-21 to BSE.

14. ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY

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

The Company continues to maintain excellent track record on safety. The site had no accidents during the year 2020-21. PEL also has a Workman Safety Committee under section 41G of Factories Act 1948. This Committee meets at regular intervals to take measures for worker's protection in order to make PEL a safe place to work.

15. 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.

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

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

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

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

18. CAPITAL STRUCTURE:

The paid up share capital of the Company is Rs.13,84,87,620/- (Rupees Thirteen Crore Eighty Four Lakhs Eighty Seven Thousand Six Hundred and Twenty Only) comprising of 1,38,48,512 fully paid up equity shares of Rs.10/- each amounting to Rs.13,84,85,120/- and Rs.2500/- on account of forfeited shares. The Company has neither made any issue/allotment nor made any buy back of securities during the Financial Year 2020-21.

19. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has duly complied with the provisions of applicable secretarial standards as issued by Institute of Company Secretaries of India.

20. MAINTENANCE OF COST RECORDS:

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

21. RECEIPT OF AMOUNT FROM DIRECTORS:

During the Financial Year 2020-21, the Company has received following amounts from the Directors as referred in sub-clause (viii) of clause (c) of sub-rule (1) of Rule 2 of Companies (Acceptance of Deposits) Rules, 2014 along with declarations thereof:

S. No.	Name of Director	Amount Received by the Company	Date of Receipt
1.	Mr. Ashok Kumar Kanodia	Rs. 9,50,000	16.02.2021
		Rs. 10,00,000	17.03.2021

22. ACKNOWLEDGMENTS:

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

FOR AND ON BEHALF OF THE BOARD

Place: Noida
Date: 13.08.2021

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

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

Annexure-II
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of Ccontracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

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

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL.No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Mr. Hardeep Singh Banga, Managing Director of Victora Auto Pvt. Ltd., Director of S M Industrial Consultants Pvt. Ltd., Director of Victora Stock Invest Pvt. Ltd.
2	Nature of contract/ arrangement/ transaction	The services were for purchase of raw material, taking office space on lease and taking loan pursuant to ordinary resolution passed in AGM held on 26.09.2019.
3	Duration of the contracts/ arrangements/ transaction	April 2020 to March 2021
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The loan of Rs. 65,00,000/- was taken from Victora Stock Invest Pvt. Ltd., during the financial year 2020-21, pursuant to the ordinary resolution passed in the AGM held on 26.09.2019. Purchase order of Rs. 38,350 has been entered with Victora Auto Private Limited and lease agreement has been entered with S M Industrial Consultants Pvt Ltd, for taking office space at the rent of Rs. 9,96,800/- per month for a period of 5 years.
5	Date of approval by the Board	The transactions were at arm length basis and approved by audit committee and board meeting dated 14.09.2020.
6	Amount paid as advances, if any	NIL

Annexure-I

Secretarial Compliance Report of Precision Electronics Limited for the year ended 31ST March, 2021

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

- (a) all the documents and records made available to us, and explanation provided by **Precision Electronics Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchange,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the Financial Year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA") and rules made thereunder and the regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable for the period under review**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the period under review**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for the period under review**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the period under review**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable for the period under review**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, and circulars/ guidelines issued thereunder;

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

- (a) The listed entity has complied with the provisions of the above applicable regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	High	Shares held by Mr. Hans Jurgen Wagner* and Knowledge Holdings & Investments Pte. Ltd.* (Promoter and Promoter Group) are not in dematerialized form. *Disclosure under Regulation 30 (2) of SEBI (SAST) Regulation 2011, by Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd was not made.
2.	Regulation 20(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	High	Stakeholder Relationship Committee has two members during the period under review instead of three members.
3.	Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Circular number DCS/COMP/ 20/2016-17 dated January 18, 2017	Low	Delay of three days in submission of voting results of the Annual General Meeting in XBRL mode to the Stock Exchange. Company Secretary explained that the PDF file was uploaded on time however the file in XBRL format could not be uploaded on the BSE site due to technical glitch and same brought to the notice of BSE via email within time.
4.	Regulation 34(3) read with Sch V (Part C)(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Low	The Annual Report for the period ended March 31, 2020 did not disclose the directorship and the category of directorship of one of the independent director of the Company held in another listed company.

5.	BSE Circular No. LIST/COMP/40/2018-19 dated 08 th Feb. 2019 read with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Medium	<i>The Company has not filed Annual Report for the period ended 31st March, 2020, in XBRL Mode to the Stock Exchange.</i>
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- (b) The listed entity has maintained proper records under the provisions of the above applicable Regulations and circulars/ guidelines issued thereunder insofar as it appear from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr.No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practicing Company Secretary, if any.
1.	Bombay Stock Exchange	Composition of Stakeholders Relationship Committee	Fines as per SEBI circular no. SEBI/HO/CFD/CMD /CIR/P/2020/12 dated January 22, 2020	Stakeholder Relationship Committee has two members during the period under review instead of three members

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

Sr.No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	<i>Shares held by Mr. Hans Jurgen Wagner* and Knowledge Holdings & Investments Pte. Ltd. (Promoter and Promoter Group) are not in dematerialized form. *Disclosure under Regulation 30 (2) of SEBI (SAST) Regulation 2011, by Mr. Hans Jurgen Wagner was not made.</i>	The correspondence made to Mr. Hans Jurgen Wagner were not responded and Knowledge Holdings & Pte. Ltd is informed of dematerialisation requirement.	There is no comment in case of Mr. Hans Jurgen Wagner. And in case of Knowledge Holdings & Pte. Ltd, the listed entity has approached it for dematerialisation.
2.	Not Applicable	<i>Related party transaction for the half year ended 31.03.2019 was not submitted to the stock exchange. However, the listed entity has submitted the financial statements inclusive of related party transactions for the year ended 31.03.2019.</i>	No action required	No Comment
3.	Not Applicable	<i>The listed entity has submitted the Annual Report along with the notice of the Annual General Meeting for the FY 2018-19 to the stock exchange, next day of the completion of dispatch of aforesaid report to its shareholders.</i>	No action required	No Comment.

For Munish K. Sharma & Associates
Company Secretaries

Aaina Gupta
Partner

M. No.: A43233

C.P. No. 12387

UDIN: A043233C000501273

Place: Ghaziabad
Date: 23rd June, 2021

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
PRECISION ELECTRONICS LIMITED
(CIN: L32104DL1979PLC009590)
D-1081, New Friends Colony,
New Delhi-110065

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (vi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Company has informed that there are no laws which are specifically applicable to the Company.

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

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

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

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

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

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

2. *Stakeholder Relationship Committee has two members during the period under review instead of three members.*

3. *Delay of three days in submission of voting results of the Annual General Meeting in XBRL mode to the Stock Exchange.*

Company Secretary explained that the PDF file was uploaded on time however the file in XBRL format could not be uploaded on the BSE site due to technical glitch and same brought to the notice of BSE via email within time.

4. *The Annual Report for the period ended March 31, 2020 did not disclose the directorship and the category of directorship of one of the independent directors of the Company held in another listed company.*

5. *The Company has not filed Annual Report for the period ended 31st March, 2020, in XBRL Mode to the Stock Exchange.*

We further report that:

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

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

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For Munish K. Sharma & Associates
Company Secretaries**

**CS Vijay Kumar Sharma
Partner**

M. No.: F9924

C.P. No. 12387

UDIN: F009924C000757396

Date: 09th August, 2021

Place: Kaushambi, Ghaziabad

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

To,
The Members,
PRECISION ELECTRONICS LIMITED
(CIN: L32104DL1979PLC009590)
D-1081, New Friends Colony,
New Delhi-110065

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to COVID - 19 situation, we were not able to verify the information physically, therefore we rely on the information as provided by the management and the responsible officers through electronic mode/ courier service etc.

For Munish K. Sharma & Associates
Company Secretaries

CS Vijay Kumar Sharma
Partner

M. No.: F9924

C.P. No. 12387

UDIN: F009924C000757396

Date: 09th August, 2021
Place: Kaushambi, Ghaziabad

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

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

(A) CONSERVATION OF ENERGY
1) The Steps taken or impact on conservation of energy :

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

2) The Steps taken by the company for utilizing alternate sources of energy:

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

3) The Capital investment on energy conservation equipment:

No capital expenditure has been incurred on energy conservation equipment during the financial year 2020-21.

(B) TECHNOLOGY ABSORPTION
1) Efforts, in brief

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

- i. Electro-Mechanical masts that were sought by the armed forces
- ii. Motorized electronically controlled Pedestals family for precision antenna alignment that includes large Satcom antennas.
- iii. Power Distribution Units for the healthcare sector

2) Benefits

- i. PEL will have ownership of the design which will lead to control on cost, quality and the supply chain
- ii. Ability to enhance the product in line with the customer expectations which will result in higher product life and better margin.
- iii. Product portfolio will get expanded.

3) Information regarding technology imported during last 3 years:

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

4) Expenditure on R&D:

(a) Capital	Rs. NIL
(b) Recurring	Rs. 67.37 L
(c) Total	Rs. 67.37 L

Total R&D as a Percentage of total turnover: 1.62 %

(D) 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 2020-21”.

ANNEXURE -V

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

- i. The percentage increase in remuneration of Executive Directors, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for FY 2020-21	% of increase/ (decrease) of remuneration in FY 2020-21	Ratio of remuneration to each Director/KMP to median remuneration of employees	Comparison of the Remuneration of the Director/ KMP against the performance of the Company
1	Mr. Ashok K Kanodia Managing Director	29,90,729	Nil	10.2	The remuneration of Director/ KMP is slightly low in comparison to the market scenario.
2.	Mr. Nikhil Kanodia, Whole Time Director cum President	63,49,800	Nil	21.6	
2	Mr. Jagjit Singh Chopra Chief Finance Officer	23,79,996	Nil	8.1	
4	Ms. Veenita Puri Company Secretary cum Compliance Office	5,62,488	(25%)	1.9	

- ii. The median remuneration of employees of the Company during the financial year was **INR 2,93,832**.
- iii. In the financial year, there was an increase of **13%** in the median remuneration of employees.
- iv. There were 150 permanent employees on the rolls of Company as on March 31, 2021.
- v. On account of Covid and cost optimization undertaken by the Company, there was no increase made in the salaries of employees including the managerial personnel in the last financial year i.e. 2020-21.
- v. The remuneration is as per the remuneration policy of the Company.

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 interest of 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 guided by the requirements of Companies Act 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2021, the Board of the Company consists of Eight (8) Directors comprising of two executive directors, two non-executive non-independent directors and four non-executive independent directors including a woman director. The ratio between executive and non-executive director is 2:6.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (pursuant to requirement of Regulation 26 of Listing Regulations, 2015) across all the public Companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public Companies for the year ended March 31, 2021 have been made by the Directors and taken note in the Board meeting held on June 10, 2021.

The composition of the Board of Directors together with their brief profile as on March 31, 2021 is given as under:

Mr. Ashok Kumar Kanodia - Managing Director

(Promoter & Promoter Group)

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

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

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

Mr. Nikhil Kanodia – Whole Time Director cum President

(Promoter & Promoter Group)

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

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

Mr. Harbir Singh Banga- Non Executive Director

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

Mr. Neeraj Bajaj - Non Executive Independent Director

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

Mr. Sharvan Kumar Kataria – Non Executive Independent Director

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

Mr. Deepto Roy – Non Executive Independent Director

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

Mrs. Preeti Grover - Non Executive Independent Director

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

Mr. Rahul Goenka – Non Executive Director

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

experience of manufacturing and international trade.

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

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

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

Director(s)	Skills/Competencies
Mr. Ashok Kumar Kanodia	Vast experience in the field of electronics and telecommunication and also an active member in various committees formed by Government, CII, FICCI, etc, in policy formulation for promotion of business.
Mr. Nikhil Kanodia	Vast technical knowledge and experience in Communications, Networking and cyber technologies. Is responsible for the Business Development and Operations of the Company.
Mr. Harbir Singh Banga	Rich experience in operations of manufacturing industry and has an acumen for strategizing marketing activities of the company.
Mr. Neeraj Bajaj	Practicing Chartered Accountant with more than two decade(s) of experience in the field of project financing, techno-commercials appraisals and valuations, specialist technical services to Corporate, Small and Medium Enterprises and high net worth Individuals in the fields of Finance, Auditing, Taxation, Accounting & MIS and other areas.
Mr. Deepto Roy	Corporate lawyer specializing in projects, infrastructure, Companies Law and Foreign Direct Investment.
Mr. Sharvan Kumar Kataria	Practicing Chartered Accountant since 1983 and has an expertise in Corporate Laws, Income Tax, Direct Taxes, Indirect Taxes, Accounts and Audit Laws, Tax Planning, Tax management and Tax Jurisprudence and has many publications to his credit in the above subjects.
Mrs. Preeti Grover	A fellow member of ICSI and a Practicing Company Secretary with more than two decades of vast experience in Public, Private and Listed Companies. A seasoned corporate sector professional with specialization in Company Law compliances, consultancy and Secretarial Audit. Currently she is Chairperson - Noida Chapter of NIRC-ICSI.
Mr. Rahul Goenka	Vast experience of manufacturing and international trade.

Meetings & Attendance

Dates of Board Meetings were fixed in advance and agenda papers were circulated to Directors within time as

stipulated under various provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 read with Secretarial Standard-1 on Board Meetings.

During the financial year 2020-21, seven (7) Board Meetings were held on May 30, 2020, July 4, 2020, August 13, 2020, September 14, 2020, November 11, 2020, December 24, 2020 and February 12, 2021. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013 read with Secretarial Standard-1 on Board Meetings, SEBI (LODR) Regulations, 2015 read with SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020.

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
Maj. Gen. Lav Bikram Chand*	Chairman (NED)	1	NA	-	-	-
Mr. Ashok Kumar Kanodia	MD	7	Yes	-	-	-
Mr. Nikhil Kanodia	WTD cum President	7	Yes	-	-	-
Mr. Hardeep Singh Banga**	NED	1	Yes	-	-	-
Mr. Harbir Singh Banga***	NED	-	NA	-	-	-
Mr. Neeraj Bajaj	NEID	7	No	-	-	-
Mr. Sharvan Kumar Kataria	NEID	7	Yes	-	-	-
Mr. Deepto Roy	NEID	4	Yes	-	-	-
Mr. Rahul Goenka	NED	3	Yes	-	-	-
Mrs. Preeti Grover	NEID	7	Yes	-	-	-

*Maj. Gen. Lav Bikram Chand, Non Executive Director cum Chairperson, has resigned w.e.f July 14, 2020. **Mr. Hardeep Singh Banga, Non Executive Director and shareholder holding 34,45,777 equity shares of Rs. 10/- each in the Company, aggregating to 24.88% paid up share capital of the Company has resigned w.e.f February 12, 2021. ***Mr. Harbir Singh Banga, son of Mr. Hardeep Singh Banga, has been appointed as an Additional Director to hold the office as Non executive Director w.e.f February 12, 2021.

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

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

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

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

The last Annual General Meeting was held on September 24, 2020.

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

The details of familiarisation programmes imparted to independent directors is given at company's website at www.pel-india.in

3. AUDIT COMMITTEE

Powers

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

Terms of Reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for the appointment, remuneration and terms of appointment of the auditor.
- Approval of payment to statutory Auditors for any other services rendered by the statutory Auditors.
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors responsibility Statements to be included in the Board's report in terms of Clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit

department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.

- Discussing with Internal Auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Review of information by Audit Committee

The Audit Committee reviews the following information:

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

Meetings and Attendance

During the year 5 (Five) Audit Committee meetings were held on July 4, 2020, August 13, 2020, September 14, 2020, November 11, 2020 and February 12, 2021. The intervening period between the Audit Committee meetings were within the maximum time gap as prescribed under SEBI (LODR) Regulations, 2015 read with SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020.

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

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

The Company Secretary acted as Secretary to the Committee.

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

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

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

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

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. INTRODUCTION

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

- 1.1.1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.1.2. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.1.3. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- 1.1.4. Ensuring that Remuneration and Compensation offered by the Company is in compliance with Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations.

2. Scope and Exclusion:

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

3. Terms and References:

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

3.1 “Director” means a director appointed to the Board of the Company.

3.2 “Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- ii. Company Secretary
- iii. Chief Finance Officer

3.3 Nomination and Remuneration Committee means the committee constituted by PEL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

4. Remuneration to Managing Director and Key Managerial Personnel

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

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

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

4.2 Remuneration to Non-Executive/Independent Directors

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

4.3 Remuneration to other employees

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

4.4 Loan to Employees

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

Your Board has approved policy on the terms and conditions of appointment of independent directors which is available on Company’s website “www.pel-india.in”.

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

During the year 2020-21, (one) Nomination and Remuneration committee meetings was held on July 23, 2020.

The Nomination and Remuneration Committee consists of following members:

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

Details of remuneration and perquisites paid to directors for the year 2020-21 (In Rs.)
(In ₹)

<i>Directors</i>	<i>Salary</i>	<i>Perquisites</i>	<i>Commission</i>	<i>Sitting Fees</i>	<i>Total</i>
Maj. Gen. Lav Bikram Chand (Retd.)	Nil	Nil	Nil	19,000	19,000
Mr. Ashok Kumar Kanodia	26,19,727	1,59,600	-	-	27,79,327
Mr. Nikhil Kanodia	54,03,750	1,59,600	-	-	55,63,350
Mr. Hardeep Singh Banga**	Nil	Nil	Nil	15000	15000
Mr. Harbir Singh Banga***	Nil	Nil	Nil	-	-
Mr. Neeraj Bajaj	Nil	Nil	Nil	2,05,000	2,05,000
Mr. Rahul Goenka	Nil	Nil	Nil	45,000	45,000
Mr. Sharvan Kumar Kataria	Nil	Nil	Nil	2,21,000	2,21,000
Mr. Deepto Roy	Nil	Nil	Nil	1,15,000	1,15,000
Mrs. Preeti Grover	Nil	Nil	Nil	1,21,000	1,21,000

*Maj. Gen. LavBikram Chand, Non Executive Director cum Chairperson, has resigned w.e.f July 14, 2020. **Mr. Hardeep Singh Banga, Non Executive Director and shareholder holding 34,45,777 equity shares of Rs. 10/- each in the Company, aggregating to 24.88% paid up share capital of the Company has resigned w.e.f February 12, 2021. *** Mr. Harbir Singh Banga, has been appointed as an Additional Director to hold the office as Non executive Director w.e.f February 12, 2021.

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

i. *Salary: 26,19,727 per annum.*

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

- Medical reimbursement: Medical expenses incurred for self and his family, as per rules of the Company; however not exceeding Rs. 1,20,000/- per year.*
- Leave Travel Allowance: For self and his family, as per rules of the Company; however not exceeding Rs. 2,50,000 once in two years.*

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

- Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under the Income Tax Act 1961.*
- Encashment of leave at the end of tenure.*
- Provision for use of chauffeur driven Company Car for official duties and Cellular phone (including payment for local and overseas official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.*
- He will be entitled for Reimbursement of expenses incurred for the business of the Company in any manner whatsoever.*

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

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

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

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

Elements of Mr. Nikhil Kanodia salary, WTD cum President of the Company:

Salary: Rs. 3,27,500/- per month.

Commission @ 1% net profits of the Company.

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

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

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

He shall also be eligible to the following perquisites:

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

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

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

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

Note: For aforesaid purpose a family means the spouse, dependent children. The perquisites to be evaluated as per Income Tax Rules wherever applicable.

Upto 25% per annum increase in salary subject to Nomination and Remuneration Committee recommendation and Board of Directors approval. In case of loss or inadequacy of profits, he shall be eligible for his entire remuneration except commission, provided that the total remuneration shall not exceed limits as stated in Schedule V of Companies Act, 2013, as amended from time to time.

There is no pecuniary relationship or transactions of the non-executive directors with the Company.

The criteria of making payment to non-executive director(s) is given at the website of the Company at www.pel-india.in.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year, 4 (Four) meetings of the Shareholder's Relationship Committee Meeting were held. The composition and Attendance of members at Shareholder's relationship Committee as on March 31, 2021 is as follows:

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

*Maj. Gen LavBikramChand, has resigned from the Board and its committees w.e.f July 14, 2020. **Mr. Rahul Goenka was appointed as the member of the stakeholders relationship committee w.e.f February 16, 2021.

Ms. VeenitaPuri, Company Secretary cum Compliance Officer acts as the Secretary to the Committee.

The Complaints received during the year are as follows:

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

7. GENERAL MEETINGS OF SHAREHOLDERS

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2017-2018	27.09.2018	02:30 P.M.	B.C .Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi - 110019	Yes
2018-2019	26.09.2019	02:30 P.M.	B.C .Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi - 110019	Yes
2019-2020	24.09.2020	12:00 P.M.	VC/OAVM	Yes

- One Special resolution was passed in the previous AGM held on 24.09.2020.
- No special resolution passed last year through postal ballot
- No Special Resolution is proposed to be conducted through postal ballot in ensuing AGM.

8. MEANS OF COMMUNICATION

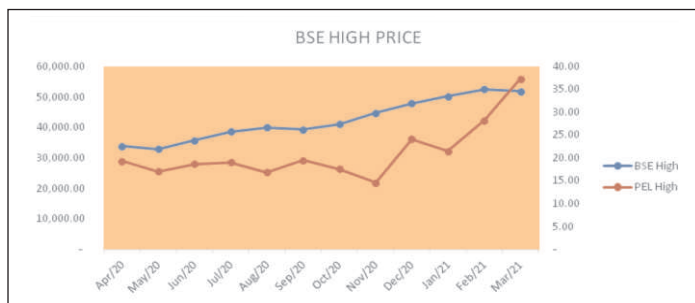
- The quarterly, half yearly and annual financial results of the Company were published in “Financial Express” in English and “Jansatta” in Hindi. The results are made available on Company’s website www.pel-india.in.
- The Company keeps on updating its website to provide comprehensive relevant information. 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.

9. GENERAL SHAREHOLDER INFORMATION

- AGM -Date, Time and Venue:** September 28, 2021, 12.00 p.m.
Through Video Conferencing/other Audio visual means
- Financial Year:** 2020- 21
- Dividend payment** : No Dividend is recommended.
- Listing on Stock Exchanges** : Equity Shares are listed on The Bombay Stock Exchange Mumbai. The Company has paid the Listing fee for the period Apr. 1, 2021 to March 31, 2022
- Stock Code** : 517258
- Share Price Data** : High, Low during last year

Month	BSE INDEX		PRECISION	
	High	Low	High Price (In Rs.)	Low Price (In Rs.)
Apr-20	33,887.25	27,500.79	19.3	16.15
May-20	32,845.48	29,968.45	17.05	11.75
Jun-20	35,706.55	32,348.10	18.7	15.05
July-20	38,617.03	34,927.20	19.00	13.3
Aug-20	40,010.17	36,911.23	16.85	13.95
Sep-20	39,359.51	36,495.98	19.45	15.5
Oct-20	41,048.05	38,410.20	17.6	14.65
Nov-20	44,825.37	39,334.92	14.63	11.41
Dec-20	47,896.97	44,118.10	24.1	14.6
Jan-21	50,184.01	46,160.46	21.5	17.2
Feb-21	52,516.76	46,433.65	28.2	15.85
Mar-21	51,821.84	48,236.35	37.25	29.45

**Share Price Performance of
Precision Electronics Limited (PEL) in comparison with BSE Sensex
for the period April 1, 2020 to March 31, 2021**



(vii) Registrar Transfer Agent

: Skyline Financial Services Pvt. Ltd.

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

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

(ix) Distribution of shareholding: Shareholding Pattern as on March 31, 2021.

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

- x) As on March 31, 2021 of the total eligible shares 1,02,11,509 were held in dematerialized form and the balance 36,37,003 shares in physical form.
- xi) Out standing GDR/ ADR: NIL
- xii) Commodity Price Risk or Foreign Exchange Risk and hedging activity: NIL
- xiii) Plant Location** : **a) Noida Plant**
D-10, Sector-3, Gautam Budh Nagar, Noida - 201301
Uttar Pradesh
- b) Roorkee**
Plot No. 9&10, KIE Industrial Estate, Village Mundiyaiki
(Manglore), Roorkee Haridwar-249406. Uttrakhand.
(The premises is leased out as on March 31, 2021)
- xiv) Address for correspondence** : **Registered Office:**
D-1081, New Friends Colony, New Delhi-110025
- Corporate Office:**
D-10, Sector-3, Gautam Budh Nagar, Noida-201301

10. OTHER DISCLOSURES

- a) There is no material significant related party transaction with related parties that may have potential conflict with the interest of the Company at large, except as given in Directors report.
- b) There were no instances of non-compliance bys 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, *except the fine levied for non compliance with the constitution of stakeholders relationship committee pursuant to Regulation 20(2)/(2A) of SEBI (LODR) Regulations, 2015. The Company has made representation to the BSE for its waiver.*
- c) The Company has formulated and implemented a vigil mechanism/ Whistle Blower Policy and no personnel is denied access to the audit committee.
- d) The company has complied with all the mandatory requirements of SEBI (LODR) Regulations 2015 and following non-mandatory requirements are complied with:
 - Internal auditor reports directly to the audit committee.
- e) Demat Suspense Account-Nil
- f) The Company does not have any subsidiary. Shareholders can reach for Company's policies and the business information at www.pel-india.in, which is regularly updated in order to meet the corporate governance requirement and for the benefit of shareholders/ investors.
- g) A certificate from the Company Secretary in practice is obtained that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
- h) The total fees paid to the statutory auditors of the Company for the financial year 2020-21 is Rs. 5,00,000 per annum.
- i) There is no complaint filed in relation to sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- j) The Company complies with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.



DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

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

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

FOR AND ON BEHALF OF THE BOARD

Place: Noida
Date: 10-06-2021

Sd/-
Ashok Kumar Kanodia
Managing Director

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

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 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 we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
 - i. There has not been any significant changes in internal control over financial reporting during the year;
 - ii. There has not been any significant changes in accounting policies and the same have been disclosed in the notes to the financial statements; and
 - iii. We are not aware of any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

For And On Behalf Of The Board

Place: Noida
Date: 28.06.2021

Sd/-
Ashok Kumar Kanodia
Managing Director

Sd/-
Jagjit Singh Chopra
Chief Finance Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

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

For Munish K. Sharma & Associates
Company Secretaries

CS Aaina Gupta
Partner

M. No.: 43233

C.P. No. 22837

UDIN: A043233C000808151

Date: 19th August, 2021

Place: Ghaziabad



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,

PRECISION ELECTRONICS LIMITED
(CIN: L32104DL1979PLC009590)
D-1081, New Friends Colony,
New Delhi-110065

We have examined the compliance of conditions of Corporate Governance by **Precision Electronics Limited** (“the Company”) for the year ended on 31st March, 2021 as stipulated in Regulations 17 to 20, 22, 23, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the various conditions as specified in Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations except:

- *Regulation 20(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Stakeholder Relationship Committee has two members during the period under review instead of three members.*
- *Regulation 34(3) read with Sch V (Part C) (2) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- The Annual Report for the period ended March 31, 2020 did not disclose the directorship and the category of directorship of one of the independent director of the Company held in another listed company.*

We have to state that, no investor grievance is pending for a period exceeding one month against the Company as per the information furnished by the Company’s Registrar, other than those which are a subject matter of litigation.

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

For Munish K. Sharma & Associates
Company Secretaries

CS Aaina Gupta
Partner

M. No.: 43233
C.P. No. 22837

UDIN: A043233C000808162

Date: 19th August, 2021
Place: Ghaziabad

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying stand-alone financial statements of Precision Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit & Loss (*including Other Comprehensive Income*), the Statement of Changes in Equity and the Cash Flow Statement for the year ended, and a summary of the Significant Accounting Policies and other explanatory information (*hereinafter referred to as Standalone Financial Statements*).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the Profit and total comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matters

A. Evaluation of uncertain Sales Tax positions

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

Auditor's Response

We obtained from the Company's management, details of the status as of 31st March 2021 concerning these tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

B. Company's business model

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

Auditor's response

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

our opinion.

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

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

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

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

We consider quantitative materiality and qualitative factors in ;

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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

interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate Report in "**Annexure 2**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion & to the best of our information & according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions of section 197 read with schedule -V of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

SK Nemani
Partner
Membership No: 037222
UDIN:21037222AAAAFM2429
Place: New Delhi
Dated: 28 June, 2021

ANNEXURE - 1

(Referred to in the "Report on other Legal and Regulatory requirements" section in our Report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii) (a) The inventories excluding material in transit have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) The discrepancies noticed on physical verification of Inventory as compared to book records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013. Therefore the provisions of this clause do not apply.
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2021 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are disputed dues of Sales Tax aggregating to Rs. 11,70,000 which have not been deposited as at 31st March, 2021 are mentioned hereunder:

Name of the Statute	Nature of Dues	Period / Year (Rs. in Lakhs)	Amount	Forum Before which dispute is pending
Central Sales Tax Act 1956	Central Sales Tax	2012-2013	10,00,000	Additional Commissioner, Sales Tax Appeals
Central Sales Tax Act 1956	Central Sales Tax	2014-2015	1,70,000	Additional Commissioner Sales Tax Appeals

- viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions.

- ix) Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanation given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- xiv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon..

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

SK Nemani
Partner
Membership No: 037222
UDIN:21037222AAAAFM2429
Place: New Delhi
Dated: 28 June, 2021

ANNEXURE - 2

(Referred to in paragraph “f” under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Precision Electronics Ltd. (“the Company”) as of 31 March 2021 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of



the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SK Nemani
Partner
Membership No: 037222
UDIN:21037222AAAAAFM2429
Place: New Delhi
Dated: 28 June, 2021

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To

The Board of Directors

Precision Electronics Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Precision Electronics Limited (the "Company") for the quarter ended 31st March 2021 and for the year ended 31st March, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- I. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- II. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and for the year ended 31st March, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income/loss and other financial information of the company in accordance with the applicable accounting standards prescribed under Section 133 of the act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material



if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

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

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

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

Other Matter

The Statement includes the results for the quarter ended 31st March, 2021 being the balancing figure between the audited figures in respect of the full financial year ended 31st March 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

SK Nemani
Partner
Membership No: 037222
UDIN:21037222AAAAFM2429
Place: New Delhi
Dated: 28 June, 2021

BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

Particulars	Note No(s)	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	4	7,69,71,933	7,87,07,143
(b) Intangible Assets	5	-	7,165
(c) Intangible assets under developments	6	49,24,700	98,89,400
(d) Deferred tax assets (Net)	7	3,71,47,351	3,64,29,162
(e) Financial Assets			
i. Investments		-	-
ii. Others financial assets	8	1,17,35,675	51,59,806
(f) Other non-current assets	9	6,06,143	4,23,330
Total non-current assets		<u>13,13,85,802</u>	<u>13,06,16,006</u>
Current Assets			
(a) Inventories	10	13,67,75,680	11,87,64,785
(b) Financial assets			
i. Investments		-	-
ii. Trade receivables	11	25,83,17,387	8,45,06,757
iii. Cash and cash equivalents	12	34,90,411	1,11,05,862
iv. Bank balance other than (iii) above	13	83,84,399	74,58,996
v. Other financial assets	14	64,84,503	93,35,597
(c) Current Tax Assets (Net)	15	1,23,43,958	1,97,87,779
(d) Other current assets	16	1,86,65,408	1,31,00,933
Total Current Assets		<u>44,44,61,746</u>	<u>26,40,60,709</u>
Total Assets		<u>57,58,47,549</u>	<u>39,46,76,715</u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share Capital	17	13,84,87,620	13,84,87,620
(b) Other Equity	18	1,12,96,805	70,50,182
Total Equity		<u>14,97,84,425</u>	<u>14,55,37,802</u>
Liabilities			
Non-Current liabilities.			
(a) Financial Liabilities			
i. Borrowings	19	9,49,09,779	6,57,66,430
ii. Other financial liabilities		-	-
iii. Lease liabilities	20	8,53,390	8,47,419
(b) Provisions	21	1,07,79,656	1,32,07,042
(c) Other non-current liabilities		-	-
Total non-current liabilities		<u>10,65,42,824</u>	<u>7,98,20,891</u>

BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

Particulars	Note No(s)	As at March 31, 2021	As at March 31, 2020
Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	11,02,94,842	8,90,21,443
ii. Trade payables	23	19,39,92,703	6,22,61,520
iii. Other financial liabilities	24	5,81,785	6,28,542
iv. Lease liabilities		-	-
(b) Other current liabilities	25	1,46,40,137	1,74,06,519
(c) Provisions	26	10,833	-
Total Current Liabilities		<u>31,95,20,299</u>	<u>16,93,18,024</u>
Total liabilities		<u>42,60,63,124</u>	<u>24,91,38,915</u>
Total equity and liabilities		<u>57,58,47,549</u>	<u>39,46,76,715</u>

As per our Report of even date attached

For and on behalf of the board

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

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

Place: New Delhi
Dated: 28 June, 2021

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Puri
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2021

(Amount in Rs.)

Particulars	Note No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
I. INCOME			
Income from operations	27	41,52,65,701	37,23,86,689
Other Income	28	78,58,195	45,35,151
Total Income		<u>42,31,23,896</u>	<u>37,69,21,839</u>
II. EXPENSES			
Cost of materials consumed	29	26,43,42,346	14,52,96,741
Purchase of Traded Goods		-	-
Changes in inventories of work-in-progress, stock-in-trade and finished goods	30	(1,59,69,234)	25,59,079
Other Direct Costs	31	3,12,79,860	3,75,13,696
Employee benefit expenses	32	6,10,57,560	8,94,81,997
Finance costs	33	1,86,94,743	2,41,55,758
Depreciation and amortisation expenses	4,5	80,06,852	80,15,802
Other expenses	34	5,02,39,883	6,60,39,733
Total Expenses(II)		<u>41,76,52,012</u>	<u>37,30,62,806</u>
III. Profit / (Loss) before exceptional items and income tax.(I-II)		<u>54,71,884</u>	<u>38,59,033</u>
IV. Exceptional items (net of tax)		-	-
V. Profit/ (Loss) before tax (III-IV)		<u>54,71,884</u>	<u>38,59,033</u>
VI. Tax Expenses			
Current tax		-	-
Earlier years tax		-	-
MAT Credit Entitlement		-	-
Deferred tax		(2,17,751)	(6,20,697)
Total tax expenses		<u>(2,17,751)</u>	<u>(6,20,697)</u>
VII. Profit / Loss for the year (V -VI)		<u>56,89,635</u>	<u>44,79,730</u>
VIII. Other Comprehensive Income:			
A.) Items that will not classified to profit or loss		-	-
(i) Remeasurement of defined benefit plans;		(19,43,450)	12,18,156
(ii) Equity Instruments through OCI.		-	-
B.) Items that will be re classified to profit or loss		-	-
C.) Income tax effect on such items		5,00,438	(3,13,675)
Other comprehensive income for the year after tax (VIII)		<u>(14,43,012)</u>	<u>9,04,481</u>
IX. Total comprehensive income for the year (VII+VIII)		<u>42,46,623</u>	<u>53,84,211</u>
Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year,			
Basic earnings per share	35	0.41	0.32
Diluted earning per share	35	0.41	0.32

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

As per our Report of even date attached
For Nemani Garg Agarwal & Co.
Firm Regn. No. 010192N
Chartered Accountants

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

Place: New Delhi
Dated: 28 June, 2021

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Puri
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
I. CASH FLOW FROM OPERATING ACTIVITIES		
Total Comprehensive Income	42,46,623	53,84,211
Adjustments for:		
Depreciation and amortization expenses	80,06,852	80,15,802
Gain on disposal of property, plant and equipment	2,55,923	(11,290)
Changes in fair value of financial assets at fair value through profit or loss		
Dividend and interest income classified as investing cash flows	(20,56,822)	(9,45,390)
Finance costs	1,86,94,743	2,41,55,758
	<u>2,91,47,320</u>	<u>3,65,99,092</u>
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	(17,38,10,630)	4,48,75,438
(Increase) / decrease in inventories	(1,80,10,895)	1,60,02,301
Increase/(decrease) in trade payables	13,17,31,182	(2,29,78,131)
(Increase) / decrease in other financial assets	(37,24,776)	51,58,522
(Increase)/decrease in other non-current assets	(1,82,813)	3,88,738
(Increase)/decrease in other current assets	(55,64,475)	(50,32,187)
Increase/(decrease) in provisions	(24,16,553)	17,56,950
Increase/(decrease) in Other non current Liabilities	5,971	6,571
Increase/ (decrease) in other current liabilities	1,84,60,260	21,64,285
Cash generated from operations	(2,43,65,410)	7,89,41,580
Income taxes paid	67,25,632	(55,01,096)
Prior period adjustments		
Net cash inflow from/(used) operating activities	<u>(1,76,39,777)</u>	<u>7,34,40,484</u>
II. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(69,11,429)	(74,92,128)
Payment for software development costs	49,64,700	49,56,700
Proceeds from sale of property, plant and equipment	3,91,030	8,35,846
Interest received	20,56,822	9,45,390
Decrease/(Increase) in Term Deposits with Banks	(9,25,403)	21,31,380
Net cash flow from/(used) in investing activities	<u>(4,24,279)</u>	<u>13,77,188</u>
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2,84,39,941	(4,03,85,508)
Repayment of borrowings	7,03,408	(4,93,849)
Interest Paid (net)	(1,86,94,743)	(2,41,55,758)
Net cash flow from/(used) in financing activities.	<u>1,04,48,606</u>	<u>(6,50,35,115)</u>
IV. NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (I+II+III)	(76,15,451)	97,82,557
V. CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	1,11,05,862	13,23,306
Effects of exchange rate changes on cash and cash equivalents		

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>34,90,411</u>	<u>1,11,05,862</u>
NOTES: Change in Equity		
1	The Statement of cash flow has been prepared under the indirect method as set out in the IND AS -7 "Statement of Cash Flow" issued by the institute of Chartered Accountants of India.	
2	Figures in bracket indicate cash outflow.	
3	Cash and Cash equivalents (note)	
	Cash on hand	2,10,796
	Cheques in hand	3,99,692
	Balances with Scheduled banks in Current accounts	9,72,243
	Fixed Deposits with Bank.	34,06,629
	<u>23,07,372</u>	<u>72,99,541</u>
	<u>34,90,411</u>	<u>1,11,05,862</u>

As per our Report of even date attached

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

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

Place: New Delhi
Dated: 28 June, 2021

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Puri
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Statement of Changes in Equity for the period ended 31st March, 2021

	Amount in Rupees
EQUITY SHARE CAPITAL.	Amount
As at March 31, 2019	13,84,87,620
Changes in equity share capital.	-
As at March 31, 2020	13,84,87,620
Changes in equity share capital.	-
As at March 31, 2021	13,84,87,620

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income		
	Share Application Pending allotment	Equity component of compound financial instruments	Securities Premium Reserve	General Reserve	Retained Earnings	Changes in fair value of FVOCI equity instruments	Remeasurement of defined benefit plan -Other comprehensive income	Total
Balance as at March 31, 2019	-	-	-	84,08,930	(61,57,210)	-	(5,85,750)	16,65,971
Changes in accounting policy or prior period errors								-
Restated balance at the beginning of the reporting period.								-
Total Comprehensive Income for the year	-	-	-	-	44,79,730	-	9,04,481	53,84,211
Transfer to retained earnings								-
Any other change to be specified.								-
Balance as at March 31, 2020	-	-	-	84,08,930	(16,77,480)	-	3,18,731	70,50,182
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period.								-
Total Comprehensive Income for the year	-	-	-	-	56,89,635	-	(14,43,012)	42,46,623
Transfer to retained earnings								-
Any other change to be specified.								-
Balance as at March 31, 2021	-	-	-	84,08,930	40,12,155	-	(11,24,281)	1,12,96,805

Note

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

As per our Report of even date attached

For and on behalf of the board

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

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

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

Veenita Puri
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

Place: New Delhi
Dated: 28 June, 2021

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE 1. CORPORATE INFORMATION

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

The financial statements are approved for issue by the Company's Board of Directors on June 28, 2021.

NOTE 2. APPLICATION OF NEW AND REVISED IND -AS

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

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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Compliance with Ind AS

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

Historical Cost Convention

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

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

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

Current versus non-current classification

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

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle.
- b. Held primarily for the purpose of trading, or
- c. Expected to be realised within twelve months after the reporting period other than for above, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

- c) It is due to be settled within twelve months after the reporting period other than for (a) above, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Fair value measurement

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

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

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

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

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

- Level 1 – Quoted (unadjusted)
This hierarchy includes financial instruments measured using quoted prices.
- Level 2
Level 2 inputs include the following:
 - a. quoted prices for similar assets or liabilities in active markets.
 - b. quoted prices for identical or similar assets or liabilities in markets that are not active.
 - c. inputs other than quoted prices that are observable for the asset or liability.
 - d. Market - corroborated inputs.
- Level 3
They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Non-current assets held for sale

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

Property Plant and Equipment

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

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

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

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

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

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

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

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

Asset Class	Useful Life
Freehold Buildings	Office Building: 60 years
	Factory Building: 30 years
Leasehold Buildings	Over the period of lease
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computers	3 - 6 years
Office Equipment's	5 years
Vehicles	8-10 years

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

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

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

Intangible Assets

Deemed cost on transition to Ind AS

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Intangible assets

Recognition of intangible assets

Research and development

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

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

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

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

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

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

Computer software

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

De-recognition of intangible assets

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

Intangible assets under development

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

Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

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

De-recognition

A financial asset is de-recognized only when

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

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

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

Impairment of financial assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Financial liabilities

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

Initial recognition and measurement

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

Subsequent measurement

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

Trade and other payables

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

Impairment of non-financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

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

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

Inventories

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

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

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost Method.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on Weighted Average Cost Method.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Contract Work in Progress: It is valued at estimated cost.
- Loose Tools (Consumable): It is valued at cost.

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

Revenue recognition

Sale of Goods and Rendering of Services

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

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

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

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



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Interest income

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

Dividends

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

Rental income

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

Insurance Claims and Export Incentives

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

Leases

As a lessee

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

As a lessor

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

Foreign currency transactions

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Employee Obligations

Short term employee benefits:-

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

Long-Term employee benefits

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

Post-employment obligations

Defined contribution plans

Provident Fund and employees' state insurance schemes

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

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

Defined benefit plans

Gratuity

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

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

Leave Encashment

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

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

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

Termination benefits

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

Borrowing Costs

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

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Cash Flow Statement

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

Cenvat Credit and Input Tax Credit (ITC)

The CENVAT credit /ITC available on purchase of raw materials, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted CENVAT credit is shown under the head "short term loans and advances".

Earnings per share

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

Income taxes

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

differences and to unused tax losses, if any.

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

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

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

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

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

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

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

Segment Accounting:

i) Segment Revenue & Expenses:

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

ii) Segment Assets & liabilities:

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

iii) Inter Segment sales:

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-4. PROPERTY, PLANT AND EQUIPMENT

	Amount in Rupees										
	Land Freehold Roorkee	Land Leasehold Noida	Building Freehold	Plant and Machinery	Lab Equipments and other Fixed assets	Computers	Office Equipments	Furnitures and fixtures	Vehicles	Mould and dies	Total
As at March 31,2019	1,33,99,442	24,44,145	6,96,54,864	6,62,27,448	58,68,789	2,46,20,780	77,11,090	1,19,86,698	85,24,475	2,85,600	21,07,23,331
Additions	-	-	-	54,69,345	46,810	3,71,228	1,08,364	2,27,956	12,68,425	-	74,92,128
Disposal/ Adjustments	-	-	-	36,30,384	-	1,22,77,169	-	-	17,36,997	-	1,76,44,550
As at March 31,2020	1,33,99,442	24,44,145	6,96,54,864	6,80,66,409	59,15,599	1,27,14,839	78,19,454	1,22,14,654	80,55,903	2,85,600	20,05,70,909
Additions	-	-	42,72,915	69,217	3,814	2,64,947	8,64,960	10,000	14,25,576	-	69,11,429
Disposal/ Adjustments	-	-	-	15,94,937	-	1,26,900	2,01,525	3,65,520	22,24,711	-	45,13,593
As at March 31,2021	1,33,99,442	24,44,145	7,39,27,779	6,65,40,689	59,19,413	1,28,52,886	84,82,889	1,18,59,134	72,56,768	2,85,600	20,29,68,745
Accumulated depreciation and impairment											
As at March 31,2019	-	77,592	3,44,65,291	4,49,05,789	39,14,986	2,37,72,170	69,39,706	1,05,92,981	58,78,664	1,24,373	13,06,71,552
Depreciation for the year	-	38,796	20,93,012	43,42,344	3,85,025	1,49,531	1,28,085	4,62,353	3,96,187	16,875	80,12,208
Disposal/ Adjustments	-	-	-	31,20,291	-	1,20,42,533	-	-	16,57,170	-	1,68,19,994
Reversal of op bal adjs	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2020	-	1,16,388	3,65,58,303	4,61,27,842	43,00,011	1,18,79,168	70,67,791	1,10,55,334	46,17,681	1,41,248	12,18,63,766
Depreciation for the year	-	38,796	21,58,269	42,74,456	3,73,886	1,98,520	1,97,280	3,22,708	4,18,954	16,829	79,99,698
Disposal/ Adjustments	-	-	-	11,12,307	-	1,20,554	1,91,450	3,28,859	21,13,475	-	38,66,645
Reversal of op bal adjs	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2021	-	1,55,184	3,87,16,572	4,92,89,991	46,73,897	1,19,57,134	70,73,621	1,10,49,183	29,23,160	1,58,077	12,59,96,819
Net Book Value											
As at March 31,2019	1,33,99,442	23,66,553	3,51,89,573	2,13,21,659	19,53,803	8,48,610	7,71,384	13,93,717	26,45,811	1,61,227	8,00,51,771
As at March 31,2020	1,33,99,442	23,27,757	3,30,96,561	2,19,38,567	16,15,588	8,35,671	7,51,663	11,59,320	34,38,222	1,44,352	7,87,07,143
As at March 31,2021	1,33,99,442	22,88,961	3,52,11,207	1,72,50,698	12,45,516	8,95,752	14,09,268	8,09,951	43,33,608	1,27,523	7,69,71,933

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

2 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognized as of April 1, 2016 (transition date) measured as per the previous CAAP and used that carrying value as its deemed cost as on the transition date except for decommissioning liabilities included in the cost of other Property, Plant and Equipment (PPE) which has been adjusted in terms of para D21 of IND AS 101 and leasehold land at Noida.

3 Significant estimate : useful life of tangible assets.

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Amount in Rupees

NOTE-5. OTHER INTANGIBLE ASSETS

	As at March 31, 2021		As at March 31, 2020	
Application Software				
Cost or Deemed cost				
Opening Balance	1,56,21,769		1,56,21,769	
Addition during the year	-		-	
Disposal/adjustment/transfer	735	<u>1,56,22,504</u>	-	<u>1,56,21,769</u>
Accumulated amortization				
Opening Balance	1,56,14,604		1,56,11,006	
Additions during the year	7,165		3,598	
Disposal/adjustment/transfer	735	<u>1,56,22,504</u>	-	<u>1,56,14,604</u>
		<u>-</u>		<u>7,165</u>

- The Company has elected to continue with the carrying value of its Intangible Assets, recognized as of April, 2016 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date.
- Significant estimate: Useful life of intangible assets.
The Company estimates the life of the software to be 3 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 3 years, depending on technical innovations and competitor actions.

NOTE-6. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2021		As at March 31, 2020	
Application Software				
Gross Cost				
Opening Balance	98,89,400		1,48,46,100	
Expenditure during the year	-		-	
Less: Sale Proceeds	49,64,700	<u>49,24,700</u>	49,56,700	<u>98,89,400</u>
Intangible Assets under Development				

Significant estimate: Useful life of intangible assets.

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-7. DEFERRED TAX ASSETS (NET)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets (Net)		
A) Deferred Tax Assets		
Provision for doubtful receivable & Advances	67,742	12,93,402
Expenses disallowed u/s 43B of Income Tax Act, 1961	27,78,551	34,00,813
Accumulated losses and unabsorbed depreciation as per Income Tax Act.	4,28,12,366	4,07,80,923
	4,56,58,659	4,54,75,138
B) Deferred Tax Liability		
Difference between WDV of Income tax and Companies Act	85,11,308	90,45,976
	85,11,308	90,45,976
C) Deferred Tax Assets/(Liability) Net (A-B)		
	3,71,47,351	3,64,29,162

Significant estimate:

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

Movement in Deferred tax assets

	Tax Losses	Defined Benefit Obligation	Provisions	Other Items	Total
As at March 31, 2019	4,18,22,135	-3,41,558	12,25,372	-65,83,809	3,61,22,140
(Charged) / credited					
- to profit or loss	-3,85,979		68,030	9,38,646	6,20,697
- to other comprehensive income	-	-3,13,675	-	-	-3,13,675
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31, 2020	4,14,36,156	-6,55,233	12,93,402	-56,45,163	3,64,29,162
(Charged) / credited					
- to profit or loss	15,31,005		-12,25,660	-87,594	2,17,751
- to other comprehensive income	-	5,00,438	-	-	5,00,438
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31, 2021	4,29,67,161	-1,54,795	67,742	-57,32,757	3,71,47,351

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Amount in Rupees

NOTE-8. NON CURRENT FINANCIAL ASSETS OTHER

	As at March 31, 2021	As at March 31, 2020
Fixed deposits with Bank (Maturity more than twelve months)	91,50,785	27,01,215
Security Deposits	25,84,890	24,58,591
Total	1,17,35,675	51,59,806

Note:

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

NOTE-9. OTHER NON CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	6,06,143	4,23,330
Total	6,06,143	4,23,330

NOTE-10 INVENTORIES

	As at March 31, 2021	As at March 31, 2020
Inventories (As certified and valued by the management)		
Raw Materials & Components	5,63,33,682	5,42,66,884
Goods-in-process (Manufacturing)	6,70,38,717	6,05,53,729
Goods-in-process (Infra Services)	1,34,03,281	39,19,035
Finished Goods	-	-
Traded Goods	-	-
Stores & Spare Parts	-	25,137
Total	13,67,75,680	11,87,64,785

NOTE-11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

	As at March 31, 2021	As at March 31, 2020
Unsecured - Considered good:	25,83,17,387	8,45,06,757
Total	25,83,17,387	8,45,06,757

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-11.1 AGE OF RECEIVABLES

Particulars	Outstanding for following periods from the due date of payment					
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	24,86,43,038	38,17,396	35,14,322	23,42,630	-	25,83,17,387
(ii) Undisputed Trade receivables - considered doubtful.	-	-	-	-	2,63,075.0	2,63,075
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful.	-	-	-	-	-	-

NOTE-12 CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Balances with Banks	9,72,243	34,06,629
Cheques , drafts on hand	-	-
Cash on Hand	2,10,796	3,99,692
Fixed deposits with bank (Original maturity less than 3 months)	23,07,372	72,99,541
Total	34,90,411	1,11,05,862

NOTE-13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

	As at March 31, 2021	As at March 31, 2020
Fixed Deposit with Bank (Maturity less than 12 months)	83,84,399	74,58,996
Total	83,84,399	74,58,996

NOTE-14 CURRENT FINANCIAL ASSETS - OTHER ASSETS/ADVANCES

	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances		
a. Security Deposits		
Secured - Considered good;	11,69,448	4,04,400
	-	-
b. Other advances		
Secured - Considered good;	53,15,055	89,31,197
Total	64,84,503	93,35,597

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-15 CURRENT TAX ASSETS (NET)

	As at March 31, 2021	As at March 31, 2020
Advance tax/TDS(net of tax)	62,48,456	1,36,92,277
MAT credit entitlement	60,95,502	60,95,502
Total	1,23,43,958	1,97,87,779

NOTE-16 OTHER CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Balance with Central Excise, GST , VAT and custom authorities	1,46,38,417	89,99,723
GST Receivable	-	-
Interest Receivable	5,93,443	8,94,982
Prepaid expenses	26,46,553	32,06,228
Others	7,86,995	-
Total	1,86,65,408	1,31,00,933

NOTE-17 EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
At the beginning of the period	20,00,00,000	20,00,00,000
Increase during the year	-	-
As at end of the period	20,00,00,000	20,00,00,000

(i) ISSUED , SUBSCRIBED AND PAID UP

	As at March 31, 2021	As at March 31, 2020
1,38,48,512 Equity shares of Rs 10/- each fully paid up.	13,84,85,120	13,84,85,120
Add: Forfieted Shares (Amount paid up)	2,500	2,500
Total	13,84,87,620	13,84,87,620

(ii) MOVEMENT IN EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
	No. of shares held	No. of shares held
At the beginning of the period	1,38,48,512	1,38,48,512
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year.	-	-
Less: Shares bought back during the year	-	-
As at end of the period	1,38,48,512	1,38,48,512

The Company has only one class of Equity Shares having a par value of Rs.10 per equity share . The holders of the equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholdings at the meeting of shareholders.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

(iii) Share held by promoters at the end of the year

S.NO	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	NIKHIL KANODIA	34,15,901	24.67	-
2	ASHOK KANODIA	1,02,806	0.74	-
3	ASHOK KANODIA (HUF)	80,042	0.58	-
4	GAURI KANODIA	20,085	0.15	-
5	VEENA KANODIA	7,706	0.06	-
6	VM FARMS PRIVATE LIMITED	15,125	0.11	-
7	SNK ELECTRONICS PVT LTD	6,467	0.05	-
8	HANS JURGEN WAGNER	1,89,730	1.37	-
9	KNOWLEDGE HOLDINGS & INVESTMENTS PTE. LTD.	31,79,905	22.96	-
	Total	70,17,767	50.68	-

(iv) Shareholders holding more than 5 percent of Equity Shares

	As at March 31, 2021	As at March 31, 2020
	No. of shares held	No. of shares held
Knowledge Holding and Investment Pte Ltd.	31,79,905	31,79,905
Percentage of Holdings	22.96%	22.96%
Mr. Nikhil Kanodia	34,15,901	34,15,901
Percentage of Holdings	24.67%	24.67%
Mr. Hardeep Singh Banga	34,45,777	34,45,777
Percentage of Holdings	24.88%	24.88%

NOTE-18 OTHER EQUITY

	As at March 31, 2021	As at March 31, 2020
(i) General Reserve	84,08,930	84,08,930
(ii) Retained Earnings	28,87,875	(13,58,748)
	<u>1,12,96,805</u>	<u>70,50,182</u>

(i) RETAINED EARNINGS

	As at March 31, 2021	As at March 31, 2020
Opening Balance	(13,58,748)	(67,42,959)
Changes in accounting policy or prior period items		
Net Profit for the period	56,89,635	44,79,730
Items of Other Comprehensive Income recognised directly in Retained Earnings.	-	-
Remeasurement of Defined Benefit plans	(14,43,012)	9,04,481
Closing Balance	<u>28,87,875</u>	<u>(13,58,748)</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2021	As at March 31, 2020
Vehicle Loans*	6,34,209	12,90,860
Loans from other Parties	3,00,00,000	-
Loans from Director	5,94,25,570	6,44,75,570
MSME Loan (SIB)**	48,50,000	-
Total	<u>9,49,09,779</u>	<u>6,57,66,430</u>

Security

*Hypothecation of Car

Terms of Repayment

*The vehicle loans to be repaid upto 5th June 2023 in equated monthly installment.

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

NOTE-20 NON CURRENT FINANCIAL LIABILITIES-LEASE LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Leasehold Obligations	8,53,390	8,47,419
Total	<u>8,53,390</u>	<u>8,47,419</u>

NOTE-21 PROVISIONS

	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits	1,07,79,656	1,32,07,042
Total	<u>1,07,79,656</u>	<u>1,32,07,042</u>

NOTE-22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2021	As at March 31, 2020
Loans repayable on demands		
(i) from Banks- Secured*	7,08,85,331	4,63,86,889
(ii) from Bank- foreign bill discounting	-	2,80,49,972
(iii) MSME Loan (SIB)	1,45,50,000	-
(iv) Current maturities of long term borrowings	-	-
(v) from NSIC**	2,48,59,511	1,45,84,582
	<u>11,02,94,842</u>	<u>8,90,21,443</u>

* Working capital facilities from The South Indian Bank Limited is secured by way of hypothecation of stock of raw materials, finished and semi finished goods, stores and spares, debtors, present and future, other current assets, fixed, movable assets, equitable mortgage of immovables of company and are also personally guaranteed by Managing Director and Whole Time Director cum President of the company.

**Raw Material Assistance Scheme from NSIC

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2021	As at March 31, 2020
For Goods & Services		
Trade payables due for payment.	19,39,92,703	6,22,61,520
	<u>19,39,92,703</u>	<u>6,22,61,520</u>

NOTE-23.1

Particulars	Outstanding for following periods from the due date of payment				
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,42,32,224	19,730	5,03,489	-	1,47,55,443
(ii) Others	14,97,52,360	64,89,955	30,46,224	1,99,48,721	17,92,37,260
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

NOTE-24 CURRENT LIABILITIES - OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
a) Current maturities of long term debts		
Secured		
Loans from others	-	-
Kotak Mahindra Prime Ltd.	1,94,739	3,71,789
ICICI Bank	3,87,046	2,56,753
b) Interest Accrued	-	-
	<u>5,81,785</u>	<u>6,28,542</u>

NOTE-25 CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Branch Office		
a) Advances from customers	54,53,156	75,82,569
b) Others:	-	-
i) Creditors for capital goods	-	-
ii) Expenses Payable	20,36,745	55,13,261
iii) Other Employees related liabilities	32,82,597	12,12,948
iv) Statutory Liabilities	23,67,639	30,97,741
v) Security Received - Factory Rent	15,00,000	-
	<u>1,46,40,137</u>	<u>1,74,06,519</u>

NOTE-26 CURRENT LIABILITIES - PROVISIONS

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	10,833	-
Provision - Others	-	-
	<u>10,833</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Amount in Rupees

NOTE-27. REVENUE FROM OPERATIONS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	32,04,97,195	25,44,80,253
Sale of Services	9,37,88,685	11,73,73,116
	<u>41,42,85,880</u>	<u>37,18,53,369</u>
Other Operating Revenue		
Duty Drawback	9,51,821	5,33,320
Sales of Scrap	28,000	-
Total	<u>41,52,65,701</u>	<u>37,23,86,689</u>

NOTE-28. OTHER INCOME

	For the year ended March 31, 2021	For the year ended March 31, 2020
Other non operating income* (Profit on sale of Fixed Assets)	(2,55,923)	11,290
Interest Income	20,56,822	9,45,390
Others	60,57,296	35,78,471
Total	<u>78,58,195</u>	<u>45,35,151</u>

NOTE-29. COST OF MATERIAL CONSUMED

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock	5,42,66,884	6,75,16,140
Add: Purchases during the year	<u>26,64,09,144</u>	<u>13,20,47,485</u>
	32,06,76,028	19,95,63,625
Less: Closing Stock	5,63,33,682	5,42,66,884
Total	<u>26,43,42,346</u>	<u>14,52,96,741</u>

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Valued and as certified by Management		
Opening Stock		
- Finished Goods (Manufacturing)	-	68,043
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	6,05,53,729	6,69,63,800
- Goods-in-process (Infra Services)	39,19,035	-
Closing Stock		
- Finished Goods (Manufacturing)	-	-
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	6,70,38,717	6,05,53,729
- Goods-in-process (Infra Services)	1,34,03,281	39,19,035
Total	<u>(1,59,69,234)</u>	<u>25,59,079</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-31. OTHER DIRECT COSTS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Project and labour service charges	2,88,62,687	2,06,07,528
Consumption of Stores and Spares Parts.	7,11,552	13,64,129
Die Making Charges	1,27,000	8,06,000
Job Work Expenses	15,78,622	1,47,36,039
Total	3,12,79,860	3,75,13,696

NOTE-32. EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and allowances	5,64,39,920	8,29,15,385
Contribution to Provident and ESI Funds	18,36,320	27,24,912
Workmen and staff welfare expenses	27,81,320	38,41,700
Total	6,10,57,560	8,94,81,997

NOTE-33. FINANCE COSTS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Bank Loan Interest	76,10,817	91,84,276
Other Interest	66,01,313	1,09,03,199
Bank Charges	10,29,309	18,00,417
Other Borrowing costs	34,53,305	22,67,866
Total	1,86,94,743	2,41,55,758

NOTE-34. OTHER EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	37,08,820	56,88,704
Rent	76,50,543	24,77,088
Security Services	27,75,024	25,30,868
Repairs & Maintenance		
- Building	14,19,948	20,83,687
- Plant & Machineries	8,73,194	11,24,671
- Others	13,74,272	15,17,950
Insurance	11,05,643	7,94,227
Legal and professional fee	60,81,579	50,45,096
Technical Consultancy	18,08,000	99,33,766
Testing fee	20,31,004	8,63,180

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

NOTE-34. OTHER EXPENSES (CONTINUED)

Auditor fees		
Statutory Audit	4,50,000	4,50,000
Tax audit	50,000	50,000
Other matters	-	-
Reimbursement of expenses	-	-
Travelling expenses (including foreign travel)	46,66,657	1,05,83,902
Marketing & Distribution expenses	48,51,998	28,51,752
Vehicle Running Maintenance	16,25,569	18,06,452
Miscellaneous expenses	95,04,557	1,79,75,199
Provision for Trade receivables	2,63,075	2,63,191
Total	5,02,39,883	6,60,39,733

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Basic & Diluted Earnings per share before extra ordinary items		
Profit / (Loss) after tax	56,89,635	44,79,730
Profit attributable to ordinary shareholders	56,89,635	44,79,730
Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	1,38,48,512	1,38,48,512
Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	1,38,48,512	1,38,48,512
Nominal value of ordinary share	10	10
Earnings per share basic	0.41	0.32
Earnings per share diluted	0.41	0.32
(B) Basic & Diluted Earnings per share after extra ordinary items		
Profit / (Loss) after tax	56,89,635	44,79,730
Profit attributable to ordinary shareholders	56,89,635	44,79,730
Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	1,38,48,512	1,38,48,512
Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	1,38,48,512	1,38,48,512
Nominal value of ordinary share	10	10
Earnings per share basic	0.41	0.32
Earnings per share diluted	0.41	0.32

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Note 36. Critical Accounting Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

1. Note 4 : useful life of tangible assets
2. Note 5 : useful life of intangible assets
3. Note 6 : useful life of intangible assets under development.
4. Note 7 : Deferred Tax Assets
5. Note 37 : contingent liabilities
6. Note 43 : defined benefit obligation

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances..

37. Contingent Liabilities, Capital and Other Commitments

	Amount as at 31.03.2021	Amount as at 31.03.2020
A. Contingent Liabilities not provided for:		
i) Guarantees and LC	100,540,599	105,299,403
Less : Bank balances in restricted Fixed Deposits. held under lien as margin money	18,714,174	15,731,370
	81,826,425	89,568,033
ii) Disputed demands in respect of Central Sales Tax and Value Added Tax	1,170,000	1,170,000
B. Commitments		
i) Capital Commitments net of Advances	-	-
ii) Other Commitments	-	-

38. Balances of Trade Receivables, Short Term Loans & Advances, Long Term Loans & Advances, Other Current Assets, Other borrowings, Trade Payables are subject to confirmation from the parties.

39. Income from operations for the year ended 31 March 2021 is net of Goods and Service Tax (GST)..

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

Particulars	As at March 31, 2021	As at March 31, 2020
a. Principal amount due	14,755,443	4,550,766
Interest due on above	Nil	Nil
b. Interest paid during the period beyond the appointed day	Nil	Nil

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

c. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil
d. Amount of interest accrued and remaining unpaid at the end of the period	Nil	Nil
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually, paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	Nil	Nil

Note: The above information and that given in Note No. 23 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined based on information available with the Company.

41. Lease payments under cancellable operating leases have been recognized as an expense in the Statement of Profit & Loss. Maximum obligation on lease amount payable as per rentals stated in respective agreements are as follows: -

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Not later than one year	-	139,131
Later than one year but not later than five years	-	-
More than five years	-	-

42. Related Party Disclosure

Information about Related Parties as required by Accounting Standard -18.

A) List of Related Party

- i) **Relative of the Key Management Personnel and their Enterprises/ Associates where the Transactions have taken place.**

- a) Ashok Kanodia (HUF) - (HUF of Managing Director)
- b) Mr. Nikhil Kanodia - (Son of Managing Director)
- c) Mr. Hardeep Singh Banga (Non-Executive Director), resigned w.e.f 12.02.2021.
- d) Mr. Harbir Singh Banga (Non-Executive Director), appointed w.e.f 12.02.2021.

- ii) **Key Management Personnel**

- a) Mr. Ashok Kanodia - (Managing Director of the Company)
- b) Mr. Nikhil Kanodia - (Whole Time Director cum President)
- c) Mr. Jagjit Singh Chopra (Chief Financial Officer of the Company)
- d) Miss. Veenita Puri (Company secretary of the Company)

B) Transactions with Related Parties

(Fig. in '000)

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

	Current Year	Previous Year
Rent	6,140	150
Salary including Perquisites	-	2,062
Amount payable	1,127	679

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

ii) Key Management Personnel

Remuneration including perquisites	8,404	8,812
Interest	5,359	6,223
Salary including Perquisites	2,649	3,012
Unsecured loan taken during the year	1,950	3,500
Unsecured loan repaid during the year	-	-
Unsecured loan at year - end	59,426	64,475
Amount payable other than unsecured loan	11,110	18,791

43. Report Under AS -19 Employee Benefits (Revised 2005)

During the year, Company has recognised the following amounts in the financial statements as per Ind AS - 19 "Employees Benefits" issued by the ICAI:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged during the year:

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Employer's Contribution to Provident Fund	4,34,032	5,69,398
Employer's Contribution to Pension Scheme	9,40,402	1,291,146

b) Defined Benefit Plan

The employees' gratuity fund scheme is managed by Life Insurance Corporation of India which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity..

1. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Discount Rate	7.00%	7.25%	6.76%	6.76%
Salary Escalation	7.00%	7.00%	4.00%	7.00%
Mortality Table			2012-14 (IAL Ultimate)	2006-08 (IAL Ultimate)

The Present value of Obligation is as per Projected Unit Credit Method.

2. Table showing changes in present value of obligations

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Present value of obligations as at beginning of year	12,230,551	11,955,255	2,132,871	2,832,184
Interest cost	886,715	896,644	124,443	195,922
Current Service Cost	1,326,066	1,414,918	656,374	832,478
Benefits Paid	(1,470,897)	(3,254,422)	(584,011)	(542,229)
Actuarial (gain)/Loss on Obligations	(1,943,450)	1,218,156	(813,280)	(1,185,484)
Present value of obligations as at end of year	11,028,985	12,230,551	1,516,397	2,132,871

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

3. Table showing changes in the fair value of plan assets

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Fair value of plan assets at beginning of years	1,156,380	3,337,345	-	-
Expected return on plan assets	157,876	161,808		
Contributions	1,911,534	911,648	-	-
Benefits paid	(1,470,897)	(3,254,422)	-	-
Actuarial (gain)/Loss on Plan Assets	-	-	-	-
Fair value of Plan assets as at end of year	1,754,893	1,156,380	-	-

4. Table showing fair value of plan assets

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Fair value of plan assets at beginning of years	1,156,380	3,337,345	-	-
Actual return on plan assets	157,876	161,808	-	-
Contributions	1,911,534	911,648	-	-
Benefits paid	(1,470,897)	(3,254,422)	-	-
Fair value of Plan assets as at end of year	1,754,893	1,156,380	-	-
Present Value of obligation at the year end	11,028,985	12,230,531	1,516,397	2,132,871
Funded Status	(9,274,092)	(11,074,171)	(1,516,397)	(2,132,871)
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	1,943,450	1,218,156	813,280	1,185,484
Actuarial gain/ Loss for the year Plan assets	-	-	-	-
Total (gain) / Loss for the year	(1,943,450)	1,218,156	(813,280)	(1,185,484)
Actuarial (gain)/Loss recognized In the year	(1,943,450)	1,218,156	(813,280)	(1,185,484)
Unrecognized Actuarial (Gain)/ Loss at the end of the IVP	-	-	-	-

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

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	11,028,985	12,230,551	1,516,397	2,132,871
Fair value of plan assets as at the end of the year	1,754,893	1,156,380	-	-
Funded status	(9,274,092)	(11,074,171)	(1,516,397)	(2,132,871)
Net assets/ (liability) recognized In the balance sheet	(9,274,092)	(11,074,171)	(1,516,397)	(2,132,871)

7. Expenses Recognized in statement of Profit & Loss

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Current Service cost	1,326,066	1,414,918	656,374	832,478
Interest Cost	886,715	896,644	124,443	195,922
Expected return on plan assets	(157,876)	(161,808)	-	-
Net Actuarial (gain)/Loss recognized in the year	(1,943,450)	1,218,156	(813,280)	(1,185,484)
Expenses recognized in statement of Profit & Loss	111,454	3,367,910	(32,463)	(157,084)

8. Expenses Recognized in statement of Other Comprehensive Income

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Net Actuarial (gain)/Loss recognized in the year	(1,943,450)	1,218,156	(813,280)	(1,185,484)
Expenses recognized in statement of Profit & Loss	111,454	3,367,910	(32,463)	(157,084)

9. Table showing the computation of Actuarial Gain/Loss(Rs.) via Experience Adjustment in respect of Leave Liability:

	Consideration	Leave (Rs.)
(a)	Present Value of Obligations as on 31/03/2020	2,132,871
(b)	Interest Cost	124,443
(c)	Current Service Cost	656,374
(d)	Benefits Paid over I.V.P	584,011*
(e)	Expected Present value of obligations as on 31/03/2021	
	(a)+(b)+©-(d)	2,329,677
(f)	Present value of obligations as on 31/03/2021 (based on the basis adopted for 31/03/2020)	1,746,255
(g)	Present value of obligations as on 31/03/2021 (based on the basis adopted for 31/03/2021)	1,516,397
(h)	Experience Adjustment (f)-(e)	-583,422
(i)	Difference in Present Value of Obligations (g)-(f)	-229,858
(j)	Actuarial (Gain) / Loss (h)+(i)	-813,280

- This pertains only to leave encashment

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

44. Derivative instruments and unhedged foreign currency exposure

The Company has no outstanding derivative instrument at the year-end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

	Amount as 31March 2021		Amount as at March 31 2020	
	USD	Rs.	USD	Rs.
Foreign trade payable	1,467,047	107,622,558	325,335	24,637,631
Foreign trade receivable	1,47,003	10,684,278	542,847	40,762,37

45. Disclosure of Movement in Provisions during the year as per Ind AS- 37 'Provisions, Contingent Liabilities and Contingent Assets:

Particulars	Balance as on 01.04.2020	Provided during the year.	Paid/Adjusted during the year	Balance as on 31.03.2021
Non-current provisions				
Gratuity	11,074,171	111,454	1,911,533	9,274,092
Accumulated leaves	2,132,871	(43296)	584,011	1,5,05,564
Total	13,207,042			10,779,656
Current provisions				
Gratuity	-	-	-	-
Accumulated leaves	-	10833	-	10833
Total	-	-	-	10833

46. Segment Reporting:

- Business Segments :** Based on guiding principles given in Ind AS - 108 "Segment Reporting "issued by the Institute of Chartered Accountants of India, the Company's Business Segments include: **Telecom and Infra Services.**
- Geographical Segments:** Since the Company's activities / operations are primarily within the Country & considering the nature of the products/ services it deals in, the risk & returns are the same. As such there is only one geographical segment.
- Information about business segments**

Particulars	TELECOM		INFRA SERVICES		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue						
External sales*	35,41,04,818	31,12,91,751	6,11,88,880	6,10,94,938	41,52,93,698	37,23,86,689
Inter segment sales	-	-	-	-	-	-
Total revenue	35,41,04,818	31,12,91,751	6,11,88,880	6,10,94,938	41,52,93,698	37,23,86,689
Segment results	4,40,75,437	4,48,06,724	(84,27,870)	(50,56,872)	3,56,47,567	3,97,49,852
Unallocated(expenses)/Income					(1,14,80,940)	(1,17,35,061)
Operating(loss)/profit					2,21,09,805	2,70,69,401
Finance expenses					1,86,94,743	2,41,55,758
Interest income					20,56,822	9,45,390
Profit/(Loss) before taxation					54,71,884	38,59,033
Wealth tax, Earlier years tax & Mat Credit Entitlement					-	-
Deferred Tax Assets					(2,17,751)	(6,20,697)
Provision for Income Tax					-	-
Net profit after tax					56,89,635	44,79,730
Other Comprehensive Income					(14,43,012)	9,04,481

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Total Comprehensive Income					42,46,623	53,84,211
Segment Assets	49,90,51,827	33,01,24,586	3,96,48,371	2,81,22,966	53,87,00,198	35,82,47,552
Unallocated assets					3,71,47,351	3,64,29,162
Total assets					57,58,47,549	39,46,76,715
Segment Liabilities	20,15,12,355	7,68,14,077	1,79,10,973	(1,34,456)	21,94,23,328	9,28,75,080
Share Capital					14,97,84,425	14,55,37,802
Secured & Unsecured Loans					20,52,04,621	15,47,87,873
Unallocated Liabilities					14,35,175	14,75,961
Total liabilities					57,58,47,549	39,46,76,715
Depreciation	75,93,729	75,03,492	4,13,123	4,41,768	80,06,852	79,45,260

* Telecom sales include service receipts.

47. Additional Regulatory Information:

- (i) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The company do not own or hold any Benami Property under the Benami Transactions (Prohibition) Act,1988(45of 1988) and the rules made thereunder.
- (iii) The company is not declared a Willful Defaulter by any bank or financial institutions.
- (iv) The company do not have any transactions with companies stuck off under section 248 of the companies Act,2013 or section 560 of companies Act,1956.
- (v) All Registration of charges or satisfaction are registered with Registrar of Companies (ROC).
- (vi) The company is not having downstream companies or layers of companies prescribed under clause (87) of section 2 of the Act read with companies (Restriction on number of layers) Rules,2017.
- (vii) No Scheme(s) of Arrangements has been approved by the competent authority in terms of section 230 to 237 of the companies Act,2013 .
- (viii) The Company has not advanced or loaned or invested funds to any other person or entities with an understanding that the intermediary will invest or provide any guarantee, security or the like to or on behalf of ultimate beneficiaries .
- (ix) The company has not made any advances or in the nature of loans to promoters, directors, KMPs, and the related parties .
- (x) The statements of current assets filed by the company with banks are in agreement with the books of accounts.

48. All figures have been rounded off to the nearest rupee.

49. Current year figures are shown in bold fonts.

50. Previous year's figures have been regrouped / rearranged & reclassified where ever necessary to conform to Ind AS requirements to make them comparable with the current year.

51. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021

Key Financial Ratios

S. No.	Particulars	2020-21	2019-20
1	Current Ratio	1.37	1.56
2	Debt-Equity Ratio	0.60	0.45
3	Debt Service Coverage Ratio	0.12	0.22
4	Return on Equity Ratio	0.03	0.04
5	Inventory Turnover Ratio	2.19	1.46
6	Trade Receivables turnover	1.61	4.41
7	Trade Payable Turnover Ratio	2.14	5.98
8	Net Capital Turnover Ratio	3.87	3.52
9	Net Profit Margin Ratio	1.02	1.44
10	Return on Capital Employed	0.09	0.13
11	Return on Investment	4.46	6.28

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Rs. in 000's

Particulars	Carrying amount	Less than 12months	More than 12months	Total
As at march 31,2021				
Trade payables	193993	163985	30008	193993
Other Liabilities Including borrowings	205786	115727	90060	205786
As at march 31,2020				
Trade payables	62261	37786	24475	62261
Other Liabilities Including borrowings	155416	89649	65767	155416
As at March 31,2019	-			
Trade payables	85239	60764	24475	85239
Other Liabilities Including borrowings	190206	83561	106645	190206

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on past experience and market data available. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed by the management on an annual basis and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Capital management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize shareholder value.

Particulars	31-March-21 Rs.'000	31-March-20 Rs.'000	31-March-19 Rs.'000
Borrowings (Excl preference shares)	205205	154787	189823
Trade Payables	193993	62261	85239
Other Payables	15222	18035	21715
Less: Cash and Cash equivalents	-1183	-3806	-686
Deposits	-19843	-17460	-16525
Total Debt	393394	213817	279566
Equity	149784	146062	140154
Total Capital	149784	146062	140154
Capital and Total debt			
Gearing Ratio	2.63	1.46	1.99

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio within 2.00

There is no change in the objectives, policies or processes for managing capital during the year.

52. FINANCIAL ASSETS BY CATEGORY (Rs. '000)

Particulars	March 2021			March 2020			April 1, 2019		
	FVTPL	FVTOCI Cost	Amortised	FVTPL	FVTOCI Cost	Amortised	FVTPL	FVTOCI Cost	Amortised
Financial Assets									
I) Bank deposit		-	11458			10001			6935
II) Trade receivables		-	258317			84507			129382
III) Cash and Cash Equivalents		-	1183			3806			686
IV) Other Bank balances			8384			7459			9590
V) Security deposit for utilities and premises		-	3754			2863			2674
VI) Other receivables			5315			8931			10680
Total financial assets			288412			117567			159947

Particulars	March 2021			March 2020			April 1, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
I) Borrowings									
A) From Banks	-	-	110295	-	-	89021	-	-	83176
B) From Others	-	-	94910	-	-	65766	-	-	106645
C) Preference Shares	-	-		-	-		-	-	
II) Deposits	-	-		-	-		-	-	
III) Trade payables	-	-	193993	-	-	62262	-	-	85239
IV) Other Liabilities	-	-	582	-	-	629	-	-	384
Total Financial Liabilities	-	-	399779	-	-	217678	-	-	275444

Fair Value measurement

Fair Value Hierarchy and valuation technique used to determine fair value:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs. (See Fair Value measurement under Note 3 here in above).

All Non-Current Financial Assets are recognised at fair value, measured at Amortized Cost as per level 3 for which fair values are disclosed.

53. OVERALL PRINCIPLES:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

54. FIRST TIME ADOPTION OF IND AS

The accounting policies set out in Note 3 have been applied in preparing the Financial statements for the year ended March 31, 2020 and 2019.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS as at the transition date, i.e. April 1, 2016.

A Ind- AS optional exemptions

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities except leasehold land. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment Property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value except leasehold land.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts / arrangements.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of financial assets has been based on the facts and circumstances that existed at the date of transition to Ind AS.

55. a) Revenue from Operations

Particulars	Sales Value	
	For the Year ended March 31, 2021 Rupees	For the Year ended March 31, 2020 Rupees
Multiplexers, Interface Card, Converter, Modem & Routers, Digital Radio System, Digital Voice Data Recorder, Encryptors, Mast, Antenna, PDU and power supply and others	27,42,03,533	7,94,67,628
Export Sale Telecom	4,62,93,659	17,71,60,963
PCM-Trading Goods	-	-
Services	3,25,99,808	5,62,78,178
Infra Service Charges	6,11,88,880	6,10,94,938
Total	41,42,85,880	37,40,01,707
Less: Sales Return	-	21,48,338
	41,42,85,880	37,18,53,369
Other Operating Revenue		
Duty Drawback	9,51,821	5,33,320
Sale of Scrap	28,000	-
Total	41,52,65,701	37,23,86,689

55.b) Raw Material Consumed

Particulars	VALUE	
	Current Year 2021 Rupees	Previous Year 2020 Rupees
Elect. Compo. & Modules	18,82,20,775	3,56,50,978
Mechanical H/W & Sub system	99,12,555	12,96,233
Others	1,21,66,682	6,52,96,904
Infra Service -Material	5,40,42,334	4,30,52,626
Total	26,43,42,346	14,52,96,741

55.c) Value of Imported and Indigenous material consumed

Particulars	Current Year 2021		Previous Year 2020	
	Percent	Value Rupees	Percent	Value Rupees
Raw Material & Components				
Imported	40.74	10,76,81,712	57.66	8,37,80,325
Indigenous	59.26	15,66,60,634	42.34	6,15,16,416
Stores and Spares				
Imported	-	-	-	-
Indigenous	100.00	7,11,552	100.00	13,64,129
Total		26,50,53,898		14,66,60,870

Consumption of Imported Spares & Parts does not include spare parts amounting Rs. NIL
(Previous Year Rs.NIL) used for repairs.

55.d) Value of imports on CIF basis

Particulars	Current Year 2021 Rupees	Previous Year 2020 Rupees
Raw Material and Components	10,85,23,637	7,61,40,601
Capital Goods	-	-
Raw Material Traded Goods	-	-
Total	10,85,23,637	7,61,40,601

55.e) Earnings in Foreign Exchange

Particulars	Current Year 2021 Rupees	Previous Year 2020 Rupees
Export of Goods of F.O.B.	4,62,93,659	17,71,60,963
Others		
-Export Service in Foreign Currency	15,635	-
-Domestic Sales in Foreign Currency	-	-
-Domestic Services in Foreign Currency	98,24,894	63,32,257
Total	5,61,34,188	18,34,93,220



55.f) Expenditure in Foreign Currency

Particulars	Current Year 2021 Rupees	Previous Year 2020 Rupees
Technical Services	-	86,05,766
Others		
-Travelling	-	38,81,764
Total	-	1,24,87,530

As per our Report of even date attached
to the Balance Sheet

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

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

Place: New Delhi
Dated: 28 June, 2021

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Puri
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer

NOTES

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NOTES

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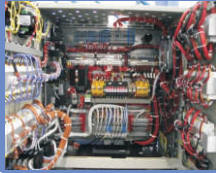
Precision

Manufacturing and Assembly of Tactical C4I Systems

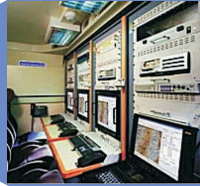
SELF-ALIGNING PEDESTAL



POWER DISTRIBUTION SYSTEM



COMMAND & CONTROL



ANTENNA MAST



TACTICAL MUX



TACTICAL HCLOS RADIO





PEL NOIDA & ROORKEE BUILDING

INFRASTRUCTURE



SERVICES & CAPABILITIES



PROJECTS



PRODUCTS



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"we always know who we're working for"