



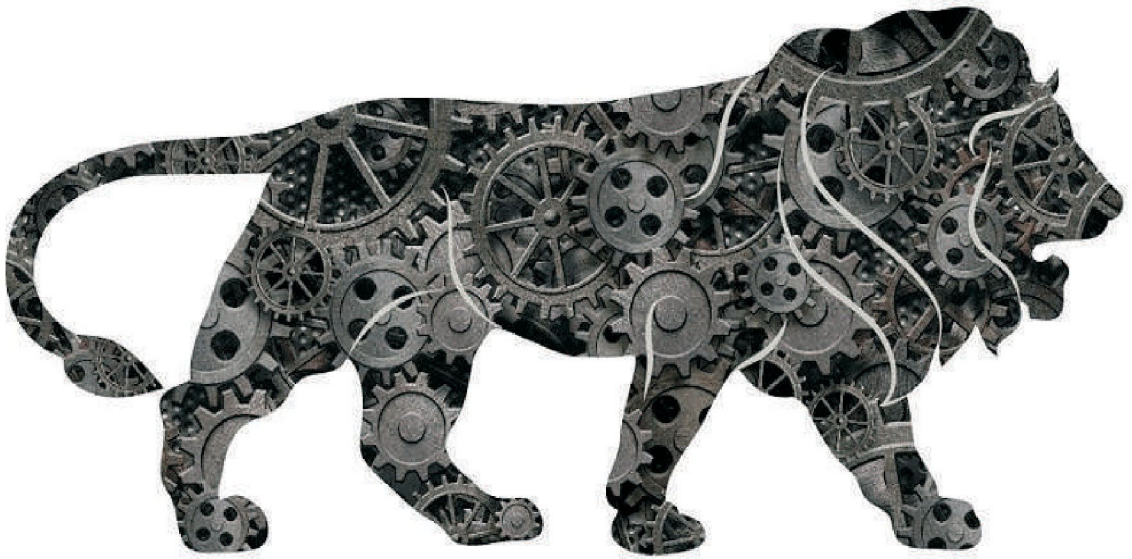
Military



Healthcare



Oil & Gas



# 43<sup>rd</sup> Annual Report

## 2021 - 2022

**Precision**

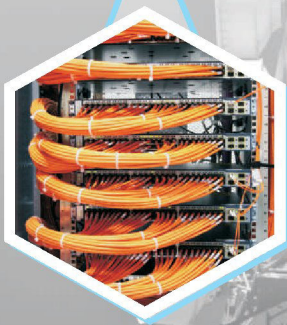
# Precision Electronics Limited

"we always know who we're working for"

**Precision**

# Services for Turnkey Communication Projects

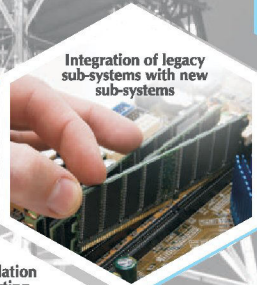
## Implementation of TeleCOM Networks



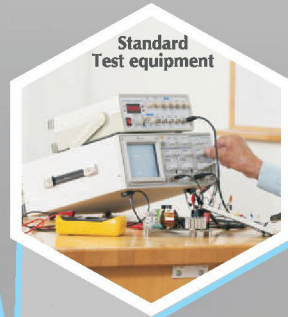
## Customer Acceptance



## Maintenance Depot



Automatic test  
Equipment



## Testing Infrastructure



## Value-Added Solutions

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## BOARD OF DIRECTORS & COMMITTEE

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

### NOMINATION AND REMUNERATION COMMITTEE

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

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### COMPANY SECRETARY CUM COMPLIANCE OFFICER

Ms. Vrinda Mohan Gupta

### CHIEF FINANCIAL OFFICER

Mr. Jagjit Singh Chopra

### STATUTORY AUDITORS

M/s Nemani Garg Agarwal & Co.

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### REGISTRAR & TRANSFER AGENT

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

### PLANTS

#### AT NOIDA

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

### BANKER OF THE COMPANY

South Indian Bank, Noida Branch

### UDYAM REGISTRATION NUMBER

UDYAM-UP-28-0002995

### LISTED ON

Bombay Stock Exchange

### REGISTERED OFFICE

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

### CORPORATE IDENTITY NUMBER (CIN)

L32104DL1979PLC009590

### CORPORATE OFFICE

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

### ISIN No.

INE143C01024

### STOCK CODE

517258

# PRECISION ELECTRONICS LIMITED

CIN: L32104DL1979PLC009590

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 43<sup>RD</sup> ANNUAL GENERAL MEETING (AGM)

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

### **ORDINARY BUSINESS:**

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022, together with the Reports of Board of Directors and the Auditor's thereon.
2. To appoint a director in place of Mr. Harbir Singh Banga (DIN: 05313332), who retires by rotation and being eligible, offers himself for reappointment.
3. To re-appoint M/s Nemani Garg Agarwal & Co (Chartered Accountants) as Statutory Auditors of the Company.

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

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

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

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

### **SPECIAL BUSINESS:**

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

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

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

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

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

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



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

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

**By Order of the Board**

**For Precision Electronics Limited**

**Sd/-**

**Vrinda Mohan Gupta**

**Company Secretary cum Compliance Officer**

**Place: Noida**

**Date: August 08, 2022**

#### **Notes**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the Special Business of this notice is annexed hereto
2. In view of the Covid-19 Pandemic, the Ministry of Corporate Affairs (MCA) vide MCA General Circular No. 03/2022 dated May 05, 2022 read with MCA General Circular No. 20/2020 May 05, 2020, General Circular No. 02/ 2021 dated January 13, 2021 General Circular No. 19/2021 dated December 08, 2021 and 21/2021 dated December 14, 2021 and SEBI vide Circular No. SEBI/HO/DDHS/DDHS\_Div2/P/CIR/2022/079 dated June 03, 2022, permitted companies to hold their AGM through Video Conferencing/Other Audio Visual Means without the physical presence of the Members at common venue.
3. Since this AGM is being held pursuant to MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the 43<sup>rd</sup> Annual General Meeting (AGM) and hence the proxy form and attendance slip are not annexed to this notice. However, the Body Corporate is entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first serve basis.
5. As per the provisions under the MCA General Circular No. 03/2022 dated May 05, 2022 read with general circular 10/2021 dated June 23, 2021 and General Circular No. 14/2020, dated April 08, 2020, Members attending the 43<sup>rd</sup> 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 May 05, 2022, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.
7. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-Voting and e-Voting during the AGM. The process of remote e-Voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-Voting facility is in addition to voting that will take place at the 43<sup>rd</sup> AGM being held through VC/OAVM.
8. Members joining the Meeting through VC, who have not already cast their vote by means of remote e-Voting, shall be able to exercise their right to vote through e-Voting at the AGM. The Members who have cast their vote by remote e-Voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

9. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2022 to September 28, 2022, (both days inclusive).
10. All documents referred to in the accompanying Notice and the Explanatory Statement and other statutory register will be available for inspection by the Members during the AGM. Members may access the same by writing to the Company at its email id [cs@pel-india.in](mailto: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 43<sup>rd</sup> AGM has been uploaded on the website of the Company at [www.pel-india.in](http://www.pel-india.in). The Notice can also be accessed from the websites of the Stock Exchange, BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://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](mailto:compliances@skylinerta.com).
14. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 21, 2022 may obtain the login ID and password by sending a request at [evoting@nsdl.in](mailto:evoting@nsdl.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](http://www.evoting.nsdl.com).
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting.
16. The Board of Directors has appointed Adv. Munish Kumar Sharma, Advocate & Insolvency Professional as the Scrutinizer for scrutinizing the e-Voting process in a fair and transparent manner.
  - I. The Scrutinizer, after the conclusion of voting at the AGM, will first count the e-votes cast at the Meeting and thereafter the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - II. The results declared along with the report of the Scrutinizer shall be placed on the Company's website [www.pel-india.in](http://www.pel-india.in) and on the website of the NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be intimated to the Bombay Stock Exchange within two (2) working days of the conclusion of the AGM.

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

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

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




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

**Step 1: Access to NSDL e-Voting system**

**A) 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	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdcl.com">https://eservices.nsdcl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting&amp; voting during the Meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdcl.com">https://eservices.nsdcl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdcl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdcl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdcl.com/">https://www.evoting.nsdcl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or <b>e-Voting service provider i.e., NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting&amp; voting during the Meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiReagistration">https://web.cdslindia.com/myeasi/Registration/EasiReagistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat account. After successful authentication, user will be provided links for their respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<p>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&amp; voting during the Meeting.</p>

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

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

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

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

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

4. Your User ID details are given below:

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

5. Password details for the shareholder other than Individual Shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your initial password, you need to enter the “initial password” and the system will force you to change your password.
- c) How to retrieve your “initial password”?
  - I. If your email Id is registered in your demat account or with the Company, your “initial password” is communicated to you on your email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., .pdf files. Open the .pdf file. The password to open the pdf file in your 8 digit client id for NSDL account, last 8 digits of client for CDSL account or folio number for shares held in physical form. The .pdf files contain your ‘User ID’ and your ‘initial password’.
  - II. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:

- a) Click on “Forget User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) “Physical User Reset Password?” (If you are holding share in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send the request at [evoting@nsdl.com](mailto:evoting@nsdl.com) in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
- d) Members can also use OTP (One Time Password) based login for casting the votes on the e-Voting systems of NSDL.



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

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

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

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

### **General Guidelines for shareholders**

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](mailto:scrutinizer@pel-india.in) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company’s email address [cs@pel-india.in](mailto:cs@pel-india.in).

### **Process for those shareholders whose E-mail ids are not registered with the depositories for procuring user id and password and registration of E-mail 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](mailto:cs@pel-india.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@pel-india.in](mailto:cs@pel-india.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e., **Login method for e-Voting and joining Virtual Meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
4. **In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and Email ids correctly in their demat account in order to access e-Voting facility.**

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

1. The procedure for e-Voting on the day of the AGM is 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.com](mailto:cs@pel-india.com), at least 7 days before the date of Meeting. The same will be replied by the Company suitably.
6. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker, may send their request mentioning their name, demat account number/folio number, email id, mobile number at [cs@pel-india.com](mailto:cs@pel-india.com), at least 7 days before the date of Meeting. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

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

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

### **Item 3:**

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

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

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

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

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

### **Item 4:**

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

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

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

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

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

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

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

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

**Item 5:**

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

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

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

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

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

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

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

## **Annexure to the Notice**

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

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

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

Place: Noida  
Date: August 08, 2022

**Sd/-  
Vrinda Mohan Gupta  
Company Secretary cum Compliance Officer**

## DIRECTORS' REPORT

To  
The Members  
Precision Electronics Limited,

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

### 1. FINANCIAL HIGHLIGHTS

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

(Rs. in millions)

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

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

### **DIVIDEND**

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

### **TRANSFER TO RESERVES**

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

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

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

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

#### 2.1 Masts & Pedestals:

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

#### 2.2 Electro-Mechanical Manufacturing:

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

#### 2.3 ICT (Information and Communication Technology) Solutions:

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

#### 2.4 Engineering Services:

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

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

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

- A. For most procurements by Government of India (GoI) entities (Defence & Security, Telecom) and associated PSUs there is more support and push for MAKE IN INDIA than ever before. Class 1 suppliers having 50% or more Indian content can get up to 20% purchase preference.
- B. **DEFENCE SECTOR:** GoI has set a target of \$5Billion Defence Exports by 2025. Ministry of Defence (MoD) and Ministry of External Affairs (MEA) are supporting Indian Exporters via their Embassies in 45 targeted countries to provide a Government umbrella for lead generation, evaluation and contract closure. NATO and Middle East (Arab countries) are expected to significantly increase their Defence spending for the next 3-4 years due to emerging geopolitics situations and threat perceptions thereof. These geographies are friendly for Indian Defence export.
- C. **ANTI-DRONE MARKET:** GoI under the Ministry of Aviation has created a separate sector for Drones which is expected to become a \$2Billion industry by 2025. The business of Anti-Drone systems is part of the Drone sector. Incidentally, Drones also represent big security challenges for Military, Paramilitary, Police and Critical Infrastructure entities and a significant market for Anti-Drone Systems or Counter Unmanned Aerial Systems (C-UAS) exists in India and globally.
- D. **5G CELLULAR NETWORKS:** It is expected that 40% of all mobile users in India by 2027 will be on 5G and 40% of all 5G traffic will be from Enterprises. India has formally set the ball rolling for building captive private 5G networks by issuing rules which state that enterprises seeking spectrum directly from the Telecom Department would be given a renewable license for 10 years without the need to pay any entry or license fee. Furthermore, the advent of Open Radio Access Network (ORAN) creates the possibility of massive democratization of 5G equipment and will bring in many new players that will require Manufacturing support and Systems Integration, thereby creating new business opportunities.
- E. **CHINA+1 SOURCING:** We expect India to benefit greatly in the space of electronic/ electrical/ electro-mechanical assemblies for Automotive, Battery Electric Vehicles, Hi-tech machines (for Healthcare, Printing, and Manufacturing sectors) and Telecom. With India being a big and competitive market, incumbent OEMs are showing greater interest in larger Indian content in their products and new OEMs are looking to create Indian supply chains.

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

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

- A. **Masts & Pedestals:** Your Company addresses requirements for Tactical Elevation and Positioning in Military, Paramilitary, Homeland Security and Telecom sectors with its wide and growing portfolio of Telescopic Masts, Tripods and Pedestals which are designed, developed and manufactured in-house. Our customers for this product family include OEMs of ground based Radars, Signal Intelligence, Jammers, RF communications, Electro-Optics; and Systems Integrators dealing with ground based Anti-Drone, Electronic Warfare, Border/ Perimeter Security and TACCOMS. This product line has a lot of relevance for the Export Market and your Company expects 30-35% of its overall revenues to come from this segment.
- B. **Electro-Mechanical Manufacturing:** Your Company has had long standing relationships with several large Israeli Aerospace & Defence (A&D) companies and a major global Healthcare equipment manufacturer (GE) for the better part of the last 10 years. We have unique multi-disciplinary strengths in Production Engineering, Fabrication and Assembly of turnkey Box builds including Electronics (RF, Power, Mixed Signal and Digital), Electricals (Wiring, Panels) and Metal Forming (CNC Milling, CNC Turning, Sheet Metal and Casting). Your Company is embarking on a strategy to go after more major OEMs in A&D, Telecom (5G), Automotive, E-Mobility and Industrial sectors for business of Metal Parts, Cable Harnesses, Power Distribution Units and turnkey Box Builds. This revenue segment has a significant Export component and your Company expects 30-35% of its overall revenues to emanate from here.
- C. **ICT Solutions:** Your Company has been an ICT (Information and Communication Technology) specialist for the last 30+ years in India, serving customers in Telecom, Railways, Oil & Gas, Defence, Homeland Security (HLS), Government (Non-Defence/ Non-HLS) and Critical Infrastructures. Our capabilities for Product Development, Production, Complex Integration and Engineering Services all come together to provide turnkey solutions for:

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

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

- D. **Engineering Services:** Your Company provides Comprehensive Engineering Services to Critical Infrastructures and Government customers in the areas of Tactical Networks, Strategic Networks, Electronic Warfare, Critical Infrastructure Protection, Airfield Modernization and Cyber Security. Engineering Services are inclusive of:
- SITIC (Supply, Install, Test, Integrate and Commission): inclusive of erstwhile Works/ EPC contracts



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

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

#### OPPORTUNITIES, THREATS, RISK & CONCERNS

##### Opportunities

1. Big emerging market in India, NATO and Middle East for Tactical Elevation and Positioning products due to the surge of military spending and more specifically in Anti-Drone solutions and Border Surveillance.  
Masts, Tripods, Pedestals and Built-to-Spec Power Electronics & Interconnectivity devices are typically offered by different vendors. Your Company provides the ability to simplify supply chains for customers looking for all of the above under one roof.
2. Plethora of new players in e-Mobility and 5G need to rapidly develop their supply chains for Built-to-Print and Built-to-Spec Manufacturing
3. Demand of MAKE IN INDIA by the GoI for almost any Public procurement is encouraging large Foreign OEMs to set up, shop and/or enhance local content. Providing great opportunities for Manufacturing and Engineering Services.

##### Threats, Risk & Concerns

- a) Global shortage of semiconductor chips.
- b) Highly volatile geopolitics due to extended conflict in Europe (Ukraine) and possibility of new potential conflicts in the Indo-Pacific / South China Sea could negatively affect the export market.
- c) COVID pandemic.
- d) Talent shortage for developing globally competitive technologies in India.
- e) Timely sanction of Government budgets.
- f) Dependence on tender driven businesses.

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

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

##### Internal Financial Control & Others

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

##### Human Resource Development

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

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

##### Financial Facilities

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

#### **4. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2021-22 and of the Profit and Loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **5. CORPORATE GOVERNANCE**

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

#### **6. ANNUAL SECRETARIAL COMPLIANCE REPORT**

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

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

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

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

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

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

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

#### **9. RISK MANAGEMENT**

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

#### **10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

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

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

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

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

2022 recommended his re-appointment for a period of two (2) years to the shareholders.

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

#### **11. DECLARATION BY INDEPENDENT DIRECTORS**

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

#### **12. BOARD EVALUATION**

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

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

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

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

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

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

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

##### **STATUTORY AUDIT**

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

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

##### **SECRETARIAL AUDIT**

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

- a) Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd. were informed to get their shares dematerialized by the Company but no communication is received so far from either of them.
- b) Delay in submission of Financial Results by few minutes was due to improper net connectivity experienced during that time.
- c) The link of Company website and stock exchange in the newspaper publication, for the quarter ended September 2021 were not given because of a typographical error
- d) The delayed payment of dues to MSME suppliers are as per the agreed terms and conditions with the management of the Company.

##### **INTERNAL AUDIT**

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

## 15. DISCLOSURES

### VIGIL MECHANISM

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

### AUDIT COMMITTEE

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

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

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

### NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

Your Board has approved "The Terms and Conditions of Appointment of Independent Directors" which is available on Company's website "[www.pel-india.in](http://www.pel-india.in)"

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

### MEETINGS OF THE BOARD

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

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

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

### ANNUAL RETURN

Pursuant to Section 134 of the Companies Act, 2013, Annual Return in MGT-7 is available at the Company's website at [www.pel-india.in](http://www.pel-india.in).

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

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

## **PARTICULARS OF EMPLOYEES**

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

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

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

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

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

## **FIXED DEPOSITS**

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

## **SIGNIFICANT & MATERIAL ORDERS:**

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

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

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

## **INSOLVENCY AND BANKRUPTCY CODE 2016**

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

## **VALUATION**

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

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

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

### **17. ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY**

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

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

### **18. CAUTIONARY STATEMENT**

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

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

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

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

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

**21. CAPITAL STRUCTURE**

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

**22. COMPLIANCE WITH SECRETARIAL STANDARDS:**

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

**23. MAINTENANCE OF COST RECORDS:**

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

**24. RECEIPT OF AMOUNT FROM DIRECTORS:**

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

**25. ACKNOWLEDGMENTS:**

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

**FOR AND ON BEHALF OF THE BOARD**

Place: Noida  
Date: August 08, 2022

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

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

**Annexure II**  
**FORM NO. AOC -2**

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

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

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

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

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

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

## Annexure I

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

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

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

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

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

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

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

And circulars/ guidelines issued there under;

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

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

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



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

- b. The listed entity has maintained proper records under the provisions of the above applicable Regulations and circulars/ guidelines issued there under insofar as it appears from our examination of those records.
- c. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

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

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

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	Shares held by Mr. Hans 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.	Not Applicable	Stakeholder Relationship Committee has two members during the period under review instead of three members.		
3.	Not Applicable	Delay of three days in submission of voting results of the Annual General Meeting in XBRL mode to the Stock Exchange.		

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

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

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

Place: Kaushambi, Ghaziabad  
Date: 30<sup>th</sup> May, 2022

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

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

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

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

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

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange ('BSE').

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

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

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



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

**We further report that:**

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

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

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

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

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

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

**Sd/-**

**CS Vijay Kumar Sharma**

M. No.: F9924

Date: **05<sup>th</sup> August, 2022**

Partner

Place: **Kaushambi, Ghaziabad**

C.P. No. 12387

UDIN: F009924D000747531

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

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

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

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

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

Date: **05<sup>th</sup> August, 2022**  
Place: **Kaushambi, Ghaziabad**

## ANNEXURE-III

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:**

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

**(A) CONSERVATION OF ENERGY**

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

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

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

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

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

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

**(B) TECHNOLOGY ABSORPTION**

**1. Efforts, in brief**

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

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

**2. Benefits**

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

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

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

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

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

Total R&D as a Percentage of total turnovers: 2.50 %

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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