



Precision Electronics Limited

PEL/BSE/29/2024-25

Dated: September 2, 2024

BSE Limited
25th Floor, P J Towers,
Dalal Street,
Mumbai 400 001

Stock Code: 517258

SUB: SUBMISSION OF THE ANNUAL REPORT FOR THE FINANCIAL YEAR 2023-24 AND NOTICE OF THE 45TH ANNUAL GENERAL MEETING:

This is to inform you that the 45th Annual General Meeting ("AGM") of Precision Electronics Limited, ("the Company") is scheduled to be held on Tuesday, September 24, 2024 at 11.00 A.M (IST), through Video Conferencing /Other Audio Visual Means, pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith a copy of the Annual Report of the Company for the financial year 2023-24 and Notice of the AGM.

Pursuant to the provision of Section 108 of the Companies Act, 2013 ("the Act") read with Rules 20 of the Companies (Management and Administration) Rules, 2014, as amended, from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its members, the facility of remote e voting prior to the AGM and e-voting during the AGM in respect of the businesses to be transacted at the AGM, whose name is appearing in the Register of Members / Beneficial Owners as on cut-off date i.e., Tuesday, September 17, 2024 and the members as on that date are entitled to avail the facility of remote e- voting, attend and vote at the meeting.

Further, please be informed that the Register of Members and the Share Transfer Books of the Company will remain closed from September 17, 2024 to September 20, 2024 (both days inclusive), for the purpose of 45th Annual General Meeting.

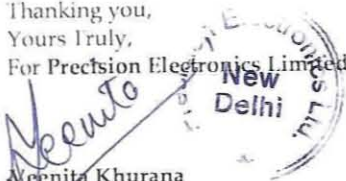
Annual Report for F.Y. 2023-24 along with Notice of AGM can also be accessed/ viewed/ downloaded from the website of the Company at www.pel-india.in. Please note that the Annual Report for the financial year 2023-24 and Notice of the AGM, are being sent to the shareholders of the Company.

Submitted for your kind information and record please.

Thanking you,
Yours Truly,

For Precision Electronics Limited

Aeenita Khurana
Company Secretary cum
Compliance Officer



Noida Office

D-10, Sector-3, Noida 201301,
Gautam Buddh Nagar, Uttar Pradesh, India
Tel.: +91-120-2551556 / 1557 / 5176 / 5177
Fax: +91-120-2524337



Registered Office

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

Email : contacts@pel-india.in, Website : www.pel-india.in
CIN: L32104DL1979PLC009590,UDYAM-UP-28-0002995



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 45TH ANNUAL GENERAL MEETING

To,

The Members,

Precision Electronics Limited

NOTICE is hereby given that the 45th Annual General Meeting ("AGM") of the members of Precision Electronics Ltd. (the Company) will be held on Tuesday, September 24, 2024 at 11.00 a.m. (IST) 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 MARCH 31, 2024 TOGETHER WITH THE REPORTS OF BOARD OF DIRECTORS AND THE AUDITOR'S THEREON.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2024 together with Reports of the Board of Directors and Auditors thereon, laid before this meeting, be and are hereby considered and adopted."

2. TO APPOINT MR. NIKHIL KANODIA (DIN: 03058495), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR REAPPOINTMENT.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Nikhil Kanodia, (DIN: 03058495), who retires by rotation at this meeting and being eligible for re-appointment, has offered himself for re-appointment, be re-appointed as a Director of the Company."

SPECIAL BUSINESS:

3. TO APPOINT MR. NIKHIL KANODIA, AS MANAGING DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval of the members be and is hereby accorded for the appointment of Mr. Nikhil Kanodia, (DIN: 03058495), as the Managing Director of the Company, for a period of 5 years, with effect from August 12, 2024 to August 11, 2029, (both days inclusive).

RESOLVED FURTHER THAT approval of the members be and is hereby accorded for the payment of following remuneration to Mr. Nikhil Kanodia (DIN: 03058495) for a period of 3 years w.e.f. August 12, 2024 to August 11, 2027:

- a. Salary: Rs. 74 lakhs per annum.
- b. Performance linked incentive @1.5% of turnover of Rs. 70 crores or above, provided the Company has profits.
- c. In addition to above, he shall be entitled to the following perquisites, allowances or benefits:
 - (i) Medical reimbursement: Medical expenses incurred for self and his family, as per rules of the Company;
 - (ii) Leave Travel Allowance: For self and his family, as per rules of the Company.
 - (iii) provision for use of the Company's chauffeur driven car for official duties and telephone at residence (including payment for local calls and long-distance official calls);
 - (iv) contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
 - (v) gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and

(vi) earned leave with full pay or encashment as per the rules of the Company.

(vii) any other perquisites or benefits as per the policy of the Company.

RESOLVED FURTHER THAT in case the Company has no profits, or its profits are inadequate in any financial year, the Company will pay remuneration by way of salary, benefits, perquisites, allowances, reimbursements and facilities as specified above subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board" which term shall include the Nomination and Remuneration Committee of the Board) be and is hereby authorized to revise the remuneration upto 10% of his gross salary per annum for such quantum, periodicity and interval subject to overall limits as prescribed, from time to time, under the Act;

RESOLVED FURTHER THAT the approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to give effect to this resolution."

4. TO APPOINT MR. ASHOK KUMAR KANODIA, AS WHOLE-TIME DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval of the members be and is hereby accorded for the appointment of Mr. Ashok Kumar Kanodia, (DIN: 00002563) as the Whole-time Director of the Company to be designated as an "Executive Chairman", for a period of three years, with effect from August 14, 2024 to August 13, 2027, liable to retire by rotation, on below mentioned terms and conditions:

Salary: Rs. 36 per annum.

In addition to above, he shall be entitled to the following perquisites, allowances or benefits:

- a) Medical reimbursement: Medical expenses incurred for himself, in total, that is beyond his current medical insurance coverage and for his family, as per rules of the Company;
- b) Leave Travel Allowance: For self and his family, as per rules of the Company.
- c) provision for use of the Company's chauffeur driven car for official duties and telephone at residence (including payment for local calls and long-distance official calls),
- d) contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- e) gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- f) earned leave with full pay or encashment as per the rules of the Company.

RESOLVED FURTHER THAT in case the Company has no profits, or its profits are inadequate in any financial year, the Company will pay remuneration by way of salary, benefits, perquisites, allowances, reimbursements and facilities as specified above subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board" which term shall include the Nomination and Remuneration Committee of the Board) be and is hereby authorized to revise the remuneration upto 10% of his gross salary per annum for such quantum, periodicity and interval subject to overall limits as prescribed, from time to time, under the Act;

RESOLVED FURTHER THAT the approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to give effect to this resolution."

5. TO APPOINT MR. DINESH KUMAR BATRA AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 read with schedule IV, and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modifications or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Dinesh Kumar Batra (DIN:08773363), who was appointed by the Board of Directors as an additional director in the category of independent director of the Company with effect from August 7, 2024 and who has submitted a declaration in writing that he meets the criteria of independence as provided in section 149(6) of the Act and is eligible for appointment as an independent director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for first term of five consecutive years with effect from August 7, 2024.

RESOLVED FURTHER THAT the Board be and is hereby severally authorised to do all such activities, things and deeds as may be required to give effect to the above resolution."

6. TO CONSIDER AND APPROVE THE AMENDMENT IN ARTICLES OF ASSOCIATION (AOA) OF THE COMPANY:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force, if any), the consent of the members be and is hereby accorded for the adoption of the amended and restated Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. Ashok Kumar Kanodia, Mr. Nikhil Kanodia, Directors, and Ms. Veenita Khurana, Company Secretary cum Compliance Officer, be and are hereby severally authorized to give effect to the aforesaid resolution and to do all such other acts, deeds, matters and things execute all documents and take all steps and give such directions as may be required, necessary, expedient or desirable in connection with or incidental for giving effect to the above resolutions including but not limited to filing of necessary forms with the Registrar of Companies and any other regulatory authority (as required).”

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

Sd/-

Place: Noida
Date: 07.08.2024

**Veenita Khurana
Company Secretary
cum Compliance Officer**

Notes

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through video conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs, (“MCA”), has vide its general circular no. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and the latest being 09/2023 dated September 25, 2023 (“MCA Circulars”), and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/CRD/PoD-2/P/CIR/2023/4, dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167, dated October 7, 2023, (“SEBI Circulars”) issued by the Securities and Exchange Board of India (“SEBI”) prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 45th of the Company Annual General Meeting (“AGM”) of the members will be held through VC/ OAVM. Hence, members can attend and participate in the AGM through VC/ OAVM without the physical presence of the Members at a common venue.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. However, as this AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the members will not be available for the AGM and therefore the proxy form and attendance slip is not annexed to this notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the business as set out in the Notice is annexed hereto.
5. In terms of sections 101 and 136 of the Companies Act, 2013 (the ‘Act’) read with the rules thereunder, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the ‘Listing Regulations’), Companies can serve Annual Report, including financial statements, boards’ report, etc. by electronic mode to those members whose email addresses are registered with the Company or with the Depository Participants. Members who have not updated their contact details including their email address with the Company can now register the same by sending a communication to the Company or to the RTA, Skyline Financial Services Pvt. Ltd. Members holding shares in demat form are requested to register their email address with their Depository Participant only.
6. In accordance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 45th AGM along with the Annual Report for F.Y. 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2023- 24 will be available on the Company’s website at www.pel-india.in, website of the stock exchange, BSE limited at www.bseindia.com and on the website of NSDL at www.evoting.nsdl.com. In this notice, the term member(s) or shareholder(s) are used interchangeably.
7. Pursuant to section 72 of the Act read with SEBI circular dated 16 March 2023, members holding shares in physical form are advised to update their nomination details by writing an email to Company’s RTA, for nomination form by quoting their folio no.

8. SEBI vide its circular dated 25 January 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold shares in physical form are advised to dematerialise their holdings.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from September 17, 2024 to September 20, 2024 (both days inclusive).
10. The notice of AGM along with the Annual Report will be sent to those members/ beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on August 30, 2024.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. In compliance with the provisions of Section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended till date and Regulation 44 of the Listing Regulations, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and the SS-2 issued by The Institute of Company Secretaries of India [hereinafter referred to as "ICSI"] the Company is pleased to provide a facility to its members to exercise their right to vote from a place other than the venue of the AGM ("remote evoting"), on all resolutions proposed to be considered at the AGM electronically through electronic voting (Evoting). 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.
13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. The remote e-voting period begins on September 21, 2024 at 09.00 A.M. and ends on September 23, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. September 17, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. September 17, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if a member have already registered with NSDL for remote e-voting, then the member can use the existing user ID and password for casting vote. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
The detailed instructions and the process for accessing and participating in the 45th AGM through VC/OAVM facility and voting through electronic means including remote e-voting forms part of the notice.
15. Members seeking any information or inspection of documents with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 10 days in advance, through email at cs@pel-india.in, mentioning their name, DP ID and Client Id and document they wish to inspect. The same will be replied by the Company in due course.
16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address atleast 7 days prior to the date of meeting mentioning their name, DP Id and Client Id / Folio No., email id, mobile number at cs@pel-india.in. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately. The Company reserves the right to restrict the number of questions and speakers depending on the availability of time for the AGM.
17. The Board has appointed Mr. Harish Kumar (Membership no. F11918), Proprietor of M/s. Harish Popli & Associates, Company Secretaries as the Scrutinizer for conducting the e-voting process and voting at the AGM in a fair and transparent manner.
18. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting to be cast by use of e-voting facility of NSDL, for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL, CDSL and RTA and will

also be displayed on the Company's website i.e. www.pel-india.in and on the website of NSDL i.e. www.evoting.nsdl.com.

19. Members are requested to note that Skyline Financial Services Pvt. Ltd., D-153/A First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, is the Registrar & Transfer agent (RTA) of the Company to look after the work related to shares held in physical and dematerialised form.
20. Members holding shares in physical mode are requested to notify immediately of the change of their address and bank particulars to the R&T agent of the Company. In case shares held in dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintain their demat accounts. Members holding share in physical form can submit their PAN to the Company/ RTA.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

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"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="815 1845 1114 2011" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers..
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 2255 33

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 shareholders other than Individual shareholders are given below:

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

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

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to service@harishpopliandassociates.com with a copy marked to cs@pel-india.in and evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhishek Mishra at evoting@nsdl.co.in

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

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item 3:

Mr. Nikhil Kanodia was appointed as the Whole Time Director and President of the Company w.e.f August 12, 2022, for a period of 2 years. Since Mr. Ashok Kumar Kanodia has expressed his wish to step down from the position of Managing Director; it is proposed to appoint Mr. Nikhil Kanodia as Managing Director on completion of his current term, as part of the succession plan of the Company.

Nomination and Remuneration Committee in its meeting held on July 25, 2024, and taking into the consideration of his vast experience, technical expertise in the field, his vision for growth, considered and recommended to Board his appointment as the Managing Director of the Company for a period of 5 years and approval of remuneration for 3 years.

The other information as required under Schedule V to the Act is enclosed herewith as Annexure-1 and other information in terms of (a) Secretarial Standard on General Meetings (SS-2) in relation to the appointment or re- appointment of directors and (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith as Annexure-2

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 and he himself is interested in passing of this resolution except as ordinary shareholders/directors of the Company.

Accordingly, consent of the members is sought for passing Special Resolution as set out at Item No. 3 of the Notice.

Item 4:

Mr. Ashok Kumar Kanodia was re-appointed as the Managing Director of the Company with effect from August 14, 2022 for a period of 2 years. He is the promoter founder director of the Company and is 73 years old and has over four decades of experience in the field of Electronics. Taking into consideration his age and pursuant to succession plan, he has expressed his wish to step down from the position of Managing Director and take on the position of executive director of the Company.

Nomination and Remuneration Committee in its meeting held on July 25, 2024, and taking into the consideration his 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, recommended to Board his appointment as the whole time director of the Company for a period of 3 years and approval of remuneration.

The other information as required under Schedule V to the Act is enclosed herewith as Annexure-1 and other information in terms of (a) Secretarial Standard on General Meetings (SS-2) in relation to the appointment or re- appointment of directors and (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith as Annexure-2

The Board recommends appointing him as the whole time director of the Company for a period of 3 years and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Ashok Kumar Kanodia and he himself is interested in passing of this resolution except as ordinary shareholders/directors of the Company.

Accordingly, consent of the members is sought for passing Special Resolution as set out at Item No. 4 of the Notice.

Item no. 5

Mr. Dinesh Kumar Batra, is the Former Chairman & Managing Director of Bharat Electronics Limited. He was a change agent and facilitator for sustainable and continuous growth of the organisation. He has received various awards viz public sector CFO of the year 2022 award from national awards for leadership & CFO excellence, Greentech Corporate Governance professional of the year 2021 award and many more. The Company has received his consent for appointment as a director of the Company and declaration that he is not disqualified to be appointed as director and also that post appointment his number of directorships will be within the maximum number allowed under the Companies Act, 2013 ("the Act"). The Company has also received a declaration that he meets the criteria of independence as prescribed both under Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations.

Nomination and Remuneration Committee in its meeting held on July 25, 2024, and taking into the consideration his experience and expertise, recommended to Board his appointment as an Independent Director of the Company for a consecutive term of 5 years.

The other information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and additional Information required by Secretarial Standard -2 (SS-2) issued by Institute of Company Secretaries of India is enclosed herewith as Annexure-2.

The Board recommends appointing him as an Independent Director of the Company for a consecutive term of 5 years. None of the Directors except Mr. Dinesh Kumar Batra, himself and Key Managerial Personnel of the Company including their relatives are, directly or indirectly, interested in the proposed resolution.

Accordingly, consent of the members is sought for passing Ordinary Resolution as set out at Item No. 5 of the Notice.

Item no. 6

The board of directors in their meeting dated August 07, 2024 subject to the approval of members, adopted the amended and restated Articles to align the same with the requirements of the provisions of the Companies Act 2013 ("Act 2013"), Secretarial Standards issued by ICSI ("SS"), SEBI Regulations and other laws, as applicable. A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company without any fee from the date of circulation of this Notice up to the date of AGM.

Accordingly, the Board recommends Resolution no. 6 of the accompanying notice to the shareholders for their approval by way of special resolution.

None of the directors and key managerial personnel of the Company including their relatives are, directly or indirectly, interested in the proposed resolution, except to the extent of their shareholding in the Company.

ANNEXURE -1

I. GENERAL INFORMATION:

- (1) Nature of Industry: Manufacturing
- (2) Date or expected date of commencement of commercial operation: N.A. (The Company is an existing Company and was incorporated on May 1, 1979.)
- (3) In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus: N.A.
- (4) Financial performance based on given indicators:

(Rs. In Lakh except EPS)

Particulars	2023-24 (standalone)	2022-23 (standalone)	2021-22 (standalone)
Total income	4764.39	3617.15	3875.46
Profit/ Loss before tax	111.77	91.72	(175.98)
Net profit/ loss after tax	147.43	9.05	(165.60)
Earning per share (EPS)	1.05	0.01	(1.22)

- (5) Foreign investments or collaborations, if any: None

II. INFORMATION ABOUT DIRECTORS:

Name and DIN	Mr. Nikhil Kanodia (03058495)	Mr. Ashok Kumar Kanodia (00002563)
Date of Birth/Age	12.11.1976 (48)	07.01.1951 (73)
Qualification	B.S. and M.S. degrees in Electrical and Computer Engineering	B.Sc Physics Honours, Graduate in Electrical Engineering & Business Management from Massachusetts Institute of Technology (MIT), USA
Brief Resume and expertise	Mr. Nikhil Kanodia has led the Company since 2003 in various roles including Chief Technical Officer, President and Whole Time Director. More recently, under his leadership, the Company has developed new Products and Markets, in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers	Mr. Ashok Kumar Kanodia is the Managing Director of the Company and 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.

Job profile and suitability	Mr. Nikhil Kanodia has led the Company since 2003 in various roles including Chief Technical Officer, President and Whole Time Director. More recently, under his leadership, the Company has developed new Products and Markets which will enable the Company to cross a Rs. 250 crore turnover in the coming 3 years. Also the Company's profitability and cash flow situation will significantly improve.	In depth knowledge of the Company's business and the industry sectors that it deals in.
Shareholding, if any, in the Company including as a beneficial owner	34,15,901 equity shares	1,02,806 equity shares
Terms and conditions including remuneration proposed	As per resolution	As per resolution
Past Remuneration	2023-24-Rs. 69,84,780/- 2022-23- Rs. 69,84,780/- 2021-22-Rs. 63,49,800/-	2023-24- Rs. 32,89,812/- 2022-23- Rs. 32,89,812/- 2021-22- Rs. 29,90,326/-
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration payable has been less in comparison to the remuneration being drawn by similar in manufacturing Industry and has been considered by the Nomination and Remuneration Committee and Board of Directors of the Company	The remuneration payable has been less in comparison to the remuneration being drawn by similar in manufacturing Industry and has been considered by the Nomination and Remuneration Committee and Board of Directors of the Company
Disclosure of relationships with other directors, manager and other key managerial personnel (in case of appointment of a director).	Son of Mr. Ashok Kumar Kanodia, Managing Director	Father of Mr. Nikhil Kanodia, Whole Time Director and President
Recognition or awards	<ul style="list-style-type: none"> • Holds an Intellectual Patent for his work on "Gigabit Ethernet Link Aggregation" during his tenure at Fujitsu Network Communications in Texas, USA • Member of Indian defence industry delegations abroad • Chairperson of the Northern Chapter of Indian Chamber of Commerce (ICC), one of the oldest trade associations in the Country. 	<ul style="list-style-type: none"> • Member of the Task Force created by the Prime Minister's Office on "Development, Manufacture and Export of IT hardware." • Industry representative in the "Kelkar Committee" set-up by the Defence Minister for recommending policy instruments and procedures to facilitate participation of the Private industry in Defence related production and development. • Panel member of the MSME Ministry for the "Make in India" program of the Prime Minister, member of the Joint Working Group on Electronics System design & Manufacturing [ESDM] and a Governing Council member of Technology Development Centre [TDC] under the MSME Ministry. • Member of CII/FICCI National Committee on Defence and also a part of their Core Group for policy and strategy & Chairman of sub-committee of SMEs & ICT.

		<ul style="list-style-type: none"> Member of Executive Committee of SIDM and Chairperson of the Sub-Committee on MSME Member of the Stakeholders Advisory Committee formed by the Minister of Communication for creation of a Telecom Electronics Ecosystem mandated to specifically recommend: <ul style="list-style-type: none"> a) How to create Indian global manufacturing super giants with its own R&D and I.P eco system and b) identify the drivers for promotion of Indian Manufacturing.
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III. OTHER INFORMATION:

Reason for inadequate profits: The profits of the Company may not be adequate for the purpose of payment of remuneration to the Directors.

Steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms: Your Company has modified the plant layout to cater to the demand for new products being offered to the customers. This would ensure optimum space utilization, increase capacity with efficient production process to achieve higher growth on turnover and EBITDA. Products that have been developed in-house are being vigorously marketed in India as well as in the international markets.

ANNEXURE-2

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

Particulars/Names	Mr. Nikhil Kanodia	Mr. Ashok Kumar Kanodia	Mr. Dinesh Kumar Batra
Date of Birth/Age	12.11.1976 (48)	07.01.1951 (73)	11.10.1962 (62)
Date of first appointment on the Board	11.08.2017 (As a Whole Time Director cum President)	Since inception	-
Qualification	B.S. and M.S. degrees in Electrical and Computer Engineering	B.Sc Physics Honours, Graduate in Electrical Engineering & Business Management from Massachusetts Institute of Technology (MIT), USA	B. Tech (Mech), HBTL, Kanpur, PG Diploma in International Marketing, IIFT, Delhi-1987, PG Diploma in Management, MDI, Gurgaon-1991 Advanced Management Programme, MDI and European Universities-2019
Terms and conditions of appointment/ re-appointment	To be appointed for 5 years, as given in resolution	To be appointed for 3 years, as given in resolution	To be appointed for 5 consecutive years
Brief profile of the Director/ nature of expertise in specific functional areas and experience	developed several products in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers	In depth knowledge of the Company's business	Served Bharat Electronics Limited from year 2011 to 2022 and steered the Company to achieve its highest ever turnover of Rs. 15,044 crore. Have competencies in various fields finance, accounts, corporate governance and many more
Names of the Company in which the person holds directorships	Nubewell Networks Pvt. Ltd, Innovio Telematics Pvt. Ltd.	VM Farms Pvt. Ltd, Grauer & Weil (India) Limited	Solar Industries India Limited, Som Distilleries Breweries & Wineries Limited

Names of the Company in which the person holds chairmanship & membership of board committees	None	Member-Audit Committee- Grauer & Weil (india) Limited	Member-Nomination and Remuneration committee- Solar Industries India Limited Chairman-Audit Committee- Som Distilleries Breweries & Wineries Limited Member-Risk Management Committee- Som Distilleries Breweries & Wineries Limited
Justification for appointment	Mr. Nikhil Kanodia has led the Company since 2003 in various roles including Chief Technical Officer, President and Whole Time Director. More recently, under his leadership, the Company has developed new Products and Markets which will enable the Company to cross a Rs. 250 crore turnover in the coming 3 years. Also the Company's profitability and cash flow situation will significantly improve.	In depth knowledge of the Company's business	He has established excellent rapport with Defence and Non-defence customers as well as Ministry of Defence, MHA, DRDO and other organisations have competencies in various fields finance, accounts, corporate governance and many more
Shareholding, if any, in the Company including as a beneficial owner	34,15,901 equity shares	1,02,806 equity shares	-
Number of Board Meetings attended during 23-24	4 out of 4	4 out of 4	-
Remuneration last drawn during Financial Year 23-24	Rs. 69,84,780/-	Rs. 32,89,812/-	-
Remuneration sought to be paid	In accordance with schedule V of Companies Act, 2013, as given in item 3	In accordance with schedule V of Companies Act, 2013, as given in item 4	-
Disclosure of relationships with other directors, manager and other key managerial personnel (in case of appointment of a director).	Son of Mr. Ashok Kumar Kanodia, Managing Director	Father of Mr. Nikhil Kanodia, Whole Time Director and President	None

By Order of the Board
For Precision Electronics Limited

Sd/-

Veenita Khurana
Company Secretary
cum Compliance Officer

Place: Noida
Date: 07.08.2024



PRECISION ELECTRONICS LIMITED

"we always know who we're working for"



45th Annual Report 2023 - 2024



AT A GLANCE

- Incorporated in 1979
- More than 150 employees with 50% Engineering resources
- QMS: AS9100D, ISO 27001
- Public Limited company listed on the Bombay Stock Exchange (BSE)

VISION

To develop market leadership in the areas of Mechatronic sub-systems, Power-train sub-systems and Cyber-Physical systems.

VALUES

We always know who we are working for. These simple word constantly remind us of the faith our customers place in us and the responsibility we have to ensure in their success

BUSINESS

Products

Tactical Elevation & Positioning | Power Electronics | Networking

Solutions

Hybrid LTE-5G Networks
Cyber Security | SATCOM
CUAS | Integrated Perimeter Security Systems

Manufacturing

Cables | Metal Forming
| Box Builds | Complex Assemblies

Services

SITIC | Warranty-AMC Depot
| Qualification Testing |
Managed Operations



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BOARD OF DIRECTORS & COMMITTEES

Board of Directors

Lt. Gen. (Dr.) Rajesh Pant (Retd.)	Chairman
Mr. Ashok Kumar Kanodia	Managing Director
Mr. Nikhil Kanodia	Whole Time Director cum President
Mr. Harbir Singh Banga	Director
Mr. Rahul Goenka	Director
Mrs. Preeti Grover	Director
Mr. S.K. Kataria	Director
Mr. Deepto Roy	Director
Mr. Suresh Vyas	Director

Stakeholders Relationship Committee

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

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Ms. Veenita Khurana

STATUTORY AUDITORS

M/s Nemani Garg Agarwal & Co.

REGISTRAR & TRANSFER AGENT

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

BANKER OF THE COMPANY

South Indian Bank, Noida Branch

LISTED ON

Bombay Stock Exchange

CORPORATE IDENTITY NUMBER (CIN)

L32104DL1979PLC009590

ISIN No.

INE143C01024

STOCK CODE

517258

Audit Committee

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

Nomination and Remuneration Committee

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

CHIEF FINANCIAL OFFICER

Mr. Jagjit Singh Chopra

PLANTS

At Noida

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

Udyam Registration Number

UDYAM-UP-28-0002995

REGISTERED OFFICE

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

CORPORATE OFFICE

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



PRECISION ELECTRONICS LIMITED

CIN: L32104DL1979PLC009590

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

Phone: 120 2551556/7, Fax: 120 2524337

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

NOTICE OF THE 45TH ANNUAL GENERAL MEETING

To,
The Members,
Precision Electronics Limited

NOTICE is hereby given that the 45th Annual General Meeting ("AGM") of the members of Precision Electronics Ltd. (the Company) will be held on Tuesday, September 24, 2024 at 11.00 a.m. (IST) 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 MARCH 31, 2024 TOGETHER WITH THE REPORTS OF BOARD OF DIRECTORS AND THE AUDITOR'S THEREON.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2024 together with Reports of the Board of Directors and Auditors thereon, laid before this meeting, be and are hereby considered and adopted."

2. TO APPOINT MR. NIKHIL KANODIA (DIN: 03058495), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR REAPPOINTMENT.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Nikhil Kanodia, (DIN: 03058495), who retires by rotation at this meeting and being eligible for re-appointment, has offered himself for re-appointment, be re-appointed as a Director of the Company."

SPECIAL BUSINESS:

3. TO APPOINT MR. NIKHIL KANODIA, AS MANAGING DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval of the members be and is hereby accorded for the appointment of Mr. Nikhil Kanodia, (DIN: 03058495), as the Managing Director of the Company, for a period of 5 years, with effect from August 12, 2024 to August 11, 2029, (both days inclusive).

RESOLVED FURTHER THAT approval of the members be and is hereby accorded for the payment of following remuneration to Mr. Nikhil Kanodia (DIN: 03058495) for a period of 3 years w.e.f. August 12, 2024 to August 11, 2027:

- a. Salary: Rs. 74 lakhs per annum.
- b. Performance linked incentive @1.5% of turnover of Rs. 70 crores or above, provided the Company has profits.
- c. In addition to above, he shall be entitled to the following perquisites, allowances or benefits:
 - (i) Medical reimbursement: Medical expenses incurred for self and his family, as per rules of the Company;
 - (ii) Leave Travel Allowance: For self and his family, as per rules of the Company.



- (iii) provision for use of the Company's chauffeur driven car for official duties and telephone at residence (including payment for local calls and long-distance official calls);
- (iv) contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (v) gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- (vi) earned leave with full pay or encashment as per the rules of the Company.
- (vii) any other perquisites or benefits as per the policy of the Company.

RESOLVED FURTHER THAT in case the Company has no profits, or its profits are inadequate in any financial year, the Company will pay remuneration by way of salary, benefits, perquisites, allowances, reimbursements and facilities as specified above subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board" which term shall include the Nomination and Remuneration Committee of the Board) be and is hereby authorized to revise the remuneration upto 10% of his gross salary per annum for such quantum, periodicity and interval subject to overall limits as prescribed, from time to time, under the Act;

RESOLVED FURTHER THAT the approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to give effect to this resolution."

4. TO APPOINT MR. ASHOK KUMAR KANODIA, AS WHOLE-TIME DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval of the members be and is hereby accorded for the appointment of Mr. Ashok Kumar Kanodia, (DIN: 00002563) as the Whole-time Director of the Company to be designated as an "Executive Chairman", for a period of three years, with effect from August 14, 2024 to August 13, 2027, liable to retire by rotation, on below mentioned terms and conditions:

Salary: Rs. 36 per annum.

In addition to above, he shall be entitled to the following perquisites, allowances or benefits:

- a) *Medical reimbursement: Medical expenses incurred for himself, in total, that is beyond his current medical insurance coverage and for his family, as per rules of the Company;*
- b) *Leave Travel Allowance: For self and his family, as per rules of the Company.*
- c) *provision for use of the Company's chauffeur driven car for official duties and telephone at residence (including payment for local calls and long-distance official calls),*
- d) *contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;*
- e) *gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and*
- f) *earned leave with full pay or encashment as per the rules of the Company.*

RESOLVED FURTHER THAT in case the Company has no profits, or its profits are inadequate in any financial year, the Company will pay remuneration by way of salary, benefits, perquisites, allowances, reimbursements and facilities as specified above subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board" which term shall include the Nomination and Remuneration Committee of the Board) be and is hereby authorized to revise the remuneration upto 10% of his gross salary per annum for such quantum, periodicity and interval subject to overall limits as prescribed, from time to



time, under the Act;

RESOLVED FURTHER THAT the approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to give effect to this resolution.”

5. TO APPOINT MR. DINESH KUMAR BATRA AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 read with schedule IV, and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modifications or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Dinesh Kumar Batra (DIN:08773363), who was appointed by the Board of Directors as an additional director in the category of independent director of the Company with effect from August 7, 2024 and who has submitted a declaration in writing that he meets the criteria of independence as provided in section 149(6) of the Act and is eligible for appointment as an independent director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for first term of five consecutive years with effect from August 7, 2024.

RESOLVED FURTHER THAT the Board be and is hereby severally authorised to do all such activities, things and deeds as may be required to give effect to the above resolution.”

6. TO CONSIDER AND APPROVE THE AMENDMENT IN ARTICLES OF ASSOCIATION (AOA) OF THE COMPANY:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force, if any), the consent of the members be and is hereby accorded for the adoption of the amended and restated Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. Ashok Kumar Kanodia, Mr. Nikhil Kanodia, Directors, and Ms. Veenita Khurana, Company Secretary cum Compliance Officer, be and are hereby severally authorized to give effect to the aforesaid resolution and to do all such other acts, deeds, matters and things execute all documents and take all steps and give such directions as may be required, necessary, expedient or desirable in connection with or incidental for giving effect to the above resolutions including but not limited to filing of necessary forms with the Registrar of Companies and any other regulatory authority (as required).”

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

**Sd/-
Veenita Khurana
Company Secretary
cum Compliance Officer**

**Place: Noida
Date: 07.08.2024**

Notes

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through video conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs, (“MCA”), has vide its general circular no. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and the latest being 09/2023 dated September 25, 2023 (“MCA Circulars”), and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/CRD/PoD-2/P/CIR/2023/4, dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167, dated October 7, 2023, (“SEBI Circulars”) issued by the Securities and Exchange Board of India (“SEBI”) prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 45th of the Company Annual General Meeting (“AGM”) of the members will be held through VC/ OAVM. Hence, members can attend and participate in the AGM through VC/ OAVM without the physical presence of the



Members at a common venue.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. However, as this AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the members will not be available for the AGM and therefore the proxy form and attendance slip is not annexed to this notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the business as set out in the Notice is annexed hereto.
5. In terms of sections 101 and 136 of the Companies Act, 2013 (the 'Act') read with the rules thereunder, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the 'Listing Regulations'), Companies can serve Annual Report, including financial statements, boards' report, etc. by electronic mode to those members whose email addresses are registered with the Company or with the Depository Participants. Members who have not updated their contact details including their email address with the Company can now register the same by sending a communication to the Company or to the RTA, Skyline Financial Services Pvt. Ltd. Members holding shares in demat form are requested to register their email address with their Depository Participant only.
6. In accordance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 45th AGM along with the Annual Report for F.Y. 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2023- 24 will be available on the Company's website at www.pel-india.in , website of the stock exchange, BSE limited at www.bseindia.com and on the website of NSDL at www.evoting.nsdl.com. In this notice, the term member(s) or shareholder(s) are used interchangeably.
7. Pursuant to section 72 of the Act read with SEBI circular dated 16 March 2023, members holding shares in physical form are advised to update their nomination details by writing an email to Company's RTA, for nomination form by quoting their folio no.
8. SEBI vide its circular dated 25 January 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold shares in physical form are advised to dematerialise their holdings.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from September 17, 2024 to September 20, 2024 (both days inclusive).
10. The notice of AGM along with the Annual Report will be sent to those members/ beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on August 30, 2024.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. In compliance with the provisions of Section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended till date and Regulation 44 of the Listing Regulations, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and the SS-2 issued by The Institute of Company Secretaries of India [hereinafter referred to as "ICSI"] the Company is pleased to provide a facility to its members to exercise their right to vote from a place other than the venue of the AGM ("remote voting"), on all resolutions proposed to be considered at the AGM electronically through electronic voting (Evoting). 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.



13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. The remote e-voting period begins on September 21, 2024 at 09.00 A.M. and ends on September 23, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. September 17, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. September 17, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if a member has already registered with NSDL for remote e-voting, then the member can use the existing user ID and password for casting vote. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
The detailed instructions and the process for accessing and participating in the 45th AGM through VC/OAVM facility and voting through electronic means including remote e-voting forms part of the notice.
15. Members seeking any information or inspection of documents with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 10 days in advance, through email at cs@pel-india.in, mentioning their name, DP ID and Client Id and document they wish to inspect. The same will be replied by the Company in due course.
16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address at least 7 days prior to the date of meeting mentioning their name, DP Id and Client Id / Folio No., email id, mobile number at cs@pel-india.in. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately. The Company reserves the right to restrict the number of questions and speakers depending on the availability of time for the AGM.
17. The Board has appointed Mr. Harish Kumar (Membership no. F11918), Proprietor of M/s. Harish Popli & Associates, Company Secretaries as the Scrutinizer for conducting the e-voting process and voting at the AGM in a fair and transparent manner.
18. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting to be cast by use of e-voting facility of NSDL, for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL, CDSL and RTA and will also be displayed on the Company's website i.e. www.pel-india.in and on the website of NSDL i.e. www.evoting.nsdl.com.
19. Members are requested to note that Skyline Financial Services Pvt. Ltd., D-153/A First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, is the Registrar & Transfer agent (RTA) of the Company to look after the work related to shares held in physical and dematerialised form.
20. Members holding shares in physical mode are requested to notify immediately of the change of their address and bank particulars to the R&T agent of the Company. In case shares held in dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintain their demat accounts. Members holding share in physical form can submit their PAN to the Company/ RTA.



THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

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">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<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 & 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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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 shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password

to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open..

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to service@harishpopliandassociates.com with a copy marked to cs@pel-india.in and evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhishek Mishra at evoting@nsdl.co.in



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

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join 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.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item 3:

Mr. Nikhil Kanodia was appointed as the Whole Time Director and President of the Company w.e.f August 12, 2022, for a period of 2 years. Since Mr. Ashok Kumar Kanodia has expressed his wish to step down from the position of Managing Director; it is proposed to appoint Mr. Nikhil Kanodia as Managing Director on completion of his current term, as part of the succession plan of the Company.

Nomination and Remuneration Committee in its meeting held on July 25, 2024, and taking into the consideration of his vast experience, technical expertise in the field, his vision for growth, considered and recommended to Board his appointment as the Managing Director of the Company for a period of 5 years and approval of remuneration for 3 years.

The other information as required under Schedule V to the Act is enclosed herewith as Annexure-1 and other information in terms of (a) Secretarial Standard on General Meetings (SS-2) in relation to the appointment or re-appointment of directors and (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith as Annexure-2

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 and he himself is interested in passing of this resolution except as ordinary shareholders/ directors of the Company.

Accordingly, consent of the members is sought for passing Special Resolution as set out at Item No. 3 of the Notice.

Item 4:

Mr. Ashok Kumar Kanodia was re-appointed as the Managing Director of the Company with effect from August 14, 2022 for a period of 2 years. He is the promoter founder director of the Company and is 73 years old and has over 4 decades of experience in the field of Electronics. Taking into consideration his age and pursuant to succession plan, he has expressed his wish to step down from the position of Managing Director and take on the position of executive director of the Company.

Nomination and Remuneration Committee in its meeting held on July 25, 2024, and taking into the consideration his 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, recommended to Board his appointment as the whole time director of the Company for a period of 3 years and approval of remuneration.

The other information as required under Schedule V to the Act is enclosed herewith as Annexure-1 and other information in terms of (a) Secretarial Standard on General Meetings (SS-2) in relation to the appointment or re-appointment of directors and (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith as Annexure-2

The Board recommends appointing him as the whole time director of the Company for a period of 3 years and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Ashok Kumar Kanodia and he himself is interested in passing of this resolution except as ordinary shareholders/ directors of the Company.

Accordingly, consent of the members is sought for passing Special Resolution as set out at Item No. 4 of the Notice.

Item no. 5

Mr. Dinesh Kumar Batra, is the Former Chairman & Managing Director of Bharat Electronics Limited. He was a change agent and facilitator for sustainable and continuous growth of the organisation. He has received various awards viz public sector CFO of the year 2022 award from national awards for leadership & CFO excellence, Greentech Corporate Governance professional of the year 2021 award and many more. The Company has received his consent for appointment as a director of the Company and declaration that he is not disqualified to be appointed as director and also that post appointment his number of directorships will be within the maximum number allowed under the Companies Act, 2013 ("the Act"). The Company has also received a declaration that he meets the criteria of independence as prescribed both under Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations.

Nomination and Remuneration Committee in its meeting held on July 25, 2024, and taking into the consideration his experience and expertise, recommended to Board his appointment as an Independent Director of the Company for a consecutive term of 5 years.

The other information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)



Regulations, 2015 and additional Information required by Secretarial Standard -2 (SS-2) issued by Institute of Company Secretaries of India is enclosed herewith as Annexure-2.

The Board recommends appointing him as an Independent Director of the Company for a consecutive term of 5 years. None of the Directors except Mr. Dinesh Kumar Batra, himself and Key Managerial Personnel of the Company including their relatives are, directly or indirectly, interested in the proposed resolution.

Accordingly, consent of the members is sought for passing Ordinary Resolution as set out at Item No. 5 of the Notice.

Item no. 6

The board of directors in their meeting dated August 07, 2024 subject to the approval of members, adopted the amended and restated Articles to align the same with the requirements of the provisions of the Companies Act 2013 ("Act 2013"), Secretarial Standards issued by ICSI ("SS"), SEBI Regulations and other laws, as applicable. A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company without any fee from the date of circulation of this Notice up to the date of AGM.

Accordingly, the Board recommends Resolution no. 6 of the accompanying notice to the shareholders for their approval by way of special resolution.

None of the directors and key managerial personnel of the Company including their relatives are, directly or indirectly, interested in the proposed resolution, except to the extent of their shareholding in the Company.

Annexure-1

I. GENERAL INFORMATION:

- (1) Nature of Industry: Manufacturing
- (2) Date or expected date of commencement of commercial operation: N.A. (The Company is an existing Company and was incorporated on May 1, 1979.)
- (3) In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus: N.A.
- (4) Financial performance based on given indicators

(Rs. In Lakh except EPS)

Particulars	2023-24 (standalone)	2022-23 (standalone)	2021-22 (standalone)
Total income	4764.39	3617.15	3875.46
Profit/ Loss before tax	111.77	91.72	(175.98)
Net profit/ loss after tax	147.43	9.05	(165.60)
Earning per share (EPS)	1.05	0.01	(1.22)

- (5) Foreign investments or collaborations, if any: None

II. INFORMATION ABOUT DIRECTORS:

Name and DIN	Mr. Nikhil Kanodia (03058495)	Mr. Ashok Kumar Kanodia (00002563)
Date of Birth/Ag	12.11.1976 (48)	07.01.1951 (73)
Qualification	B.S. and M.S. degrees in Electrical and Computer Engineering	B.Sc Physics Honours, Graduate in Electrical Engineering & Business Management from Massachusetts Institute of Technology (MIT), USA
Brief Resume and expertise	Mr. Nikhil Kanodia has led the Company since 2003 in various roles including Chief Technical Officer, President and Whole Time Director. More recently, under his	Mr. Ashok Kumar Kanodia is the Managing Director of the Company and has deep understanding of the business segments that the Company operates in and is a well-

	leadership, the Company has developed new Products and Markets, in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers	known figure in the industry both in India and abroad for his contribution in policy formulations.
Job profile and suitability	Mr. Nikhil Kanodia has led the Company since 2003 in various roles including Chief Technical Officer, President and Whole Time Director. More recently, under his leadership, the Company has developed new Products and Markets which will enable the Company to cross a Rs. 250 crore turnover in the coming 3 years. Also the Company's profitability and cash flow situation will significantly improve.	In depth knowledge of the Company's business and the industry sectors that it deals in.
Shareholding, if any, in the Company including as a beneficial owner	34,15,901 equity shares	1,02,806 equity shares
Terms and conditions including remuneration proposed	As per resolution	As per resolution
Past Remuneration	2023-24-Rs. 69,84,780/- 2022-23- Rs. 69,84,780/- 2021-22-Rs. 63,49,800/-	2023-24- Rs. 32,89,812/- 2022-23- Rs. 32,89,812/- 2021-22- Rs. 29,90,326/-
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration payable has been less in comparison to the remuneration being drawn by similar in manufacturing Industry and has been considered by the Nomination and Remuneration Committee and Board of Directors of the Company	The remuneration payable has been less in comparison to the remuneration being drawn by similar in manufacturing Industry and has been considered by the Nomination and Remuneration Committee and Board of the Directors of the Company
Disclosure of relationships with other directors, manager and other key managerial personnel (in case of appointment of a director).	Son of Mr. Ashok Kumar Kanodia, Managing Director	Father of Mr. Nikhil Kanodia, Whole Time Director and President
Recognition or awards	<ul style="list-style-type: none"> • Holds an Intellectual Patent for his work on "Gigabit Ethernet Link Aggregation" during his tenure at Fujitsu Network Communications in Texas , USA • Member of Indian defence industry delegations abroad • Chairperson of the Northern Chapter of Indian Chamber of 	<ul style="list-style-type: none"> • Member of the Task Force created by the Prime Minister's Office on "Development, Manufacture and Export of IT hardware." • Industry representative in the "Kelkar Committee" set-up by the Defence Minister for recommending policy instruments and procedures to



	<p>Commerce (ICC), one of the oldest trade associations in the Country.</p>	<p>facilitate participation of the Private industry in Defence related production and development.</p> <ul style="list-style-type: none"> • Panel member of the MSME Ministry for the “Make in India” program of the Prime Minister, member of the Joint Working Group on Electronics System design & Manufacturing [ESDM] and a Governing Council member of Technology Development Centre [TDC] under the MSME Ministry. • Member of CII/FICCI National Committee on Defence and also a part of their Core Group for policy and strategy & Chairman of sub-committee of SMEs & ICT. • Member of Executive Committee of SIDM and Chairperson of the Sub-Committee on MSME • Member of the Stakeholders Advisory Committee formed by the Minister of Communication for creation of a Telecom Electronics Ecosystem mandated to specifically recommend: a) How to create Indian global manufacturing super giants with its own R&D and I.P eco system and b) identify the drivers for promotion of Indian Manufacturing.
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II OTHER INFORMATION:

Reason for inadequate profits: The Profits of the Company may not be adequate for the purpose of payment of remuneration to the Directors.

Steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms: Your Company has modified the plant layout to cater to the demand for new products being offered to the customers. This would ensure optimum space utilization, increase capacity with efficient production process to achieve higher growth on turnover and EBITDA. Products that have been developed in-house are being vigorously marketed in India as well as in the international markets.

Annexure-2

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

Particulars/ Names	Mr. Nikhil Kanodia	Mr. Ashok Kumar Kanodia	Mr. Dinesh Kumar Batra
Date of Birth/Age	12.11.1976 (48)	07.01.1951 (73)	11.10.1962 (62)
Date of first appointment on the Board	11.08.2017 (As a Whole Time Director cum President)	Since inception	-
Qualification	B.S. and M.S. degrees in Electrical and Computer Engineering	B.Sc Physics Honours, Graduate in Electrical Engineering & Business Management from Massachusetts Institute of Technology (MIT), USA	B. Tech (Mech), HBTL, Kanpur, PG Diploma in International Marketing, IIFT, Delhi-1987, PG Diploma in Management, MDI, Gurgaon-1991 Advanced Management Programme, MDI and European Universities-2019
Terms and conditions of appointment/ re-appointment	To be appointed for 5 years, as given in resolution	To be appointed for 3 years, as given in resolution	To be appointed for 5 consecutive years
Brief profile of the Director/ nature of expertise in specific functional areas and experience	developed several products in the areas of Communications & Networking and Data Acquisition Systems for Military and Industrial customers	In depth knowledge of the Company's business	Served Bharat Electronics Limited from year 2011 to 2022 and steered the Company to achieve its highest ever turnover of Rs. 15,044 crore. Have competencies in various fields finance, accounts, corporate governance and many more
Names of the Company in which the person holds directorships	Nubewell Networks Pvt. Ltd, Innovio Telematics Pvt. Ltd.	VM Farms Pvt. Ltd, Grauer & Weil (India) Limited	Solar Industries India Limited, Som Distilleries Breweries & Wineries Limited
Names of the Company in which the person holds chairmanship & membership of board committees	None	Member-Audit Committee-Grauer & Weil (india) Limited	Member-Nomination and Remuneration committee-Solar Industries India Limited Chairman-Audit Committee - Som Distilleries Breweries &



			Wineries Limited Member-Risk Management Committee- Som Distilleries Breweries & Wineries Limited
Justification for appointment	Mr. Nikhil Kanodia has led the Company since 2003 in various roles including Chief Technical Officer, President and Whole Time Director. More recently, under his leadership, the Company has developed new Products and Markets which will enable the Company to cross a Rs. 250 crore turnover in the coming 3 years. Also the Company's profitability and cash flow situation will significantly improve.	In depth knowledge of the Company's business	He has established excellent rapport with Defence and Non-defence customers as well as Ministry of Defence, MHA, DRDO and other organisations have competencies in various fields finance, accounts, corporate governance and many more.
Shareholding, if any, in the Company including as a beneficial owner	34,15,901 equity shares	1,02,806 equity shares	-
Number of Board Meetings attended during 23-24	4 out of 4	4 out of 4	-
Remuneration last drawn during Financial Year 23-24	Rs. 69,84,780/-	Rs. 32,89,812/-	-
Remuneration sought to be paid	In accordance with schedule V of Companies Act, 2013, as given in item 3	In accordance with schedule V of Companies Act, 2013, as given in item 4	-
Disclosure of relationships with other directors, manager and other key managerial personnel (in case of appointment of a director).	Son of Mr. Ashok Kumar Kanodia, Managing Director	Father of Mr. Nikhil Kanodia, Whole Time Director and President	None

By Order of the Board
For Precision Electronics Limited

Place: Noida
Date: 07.08.2024

Sd/-
Veenita Khurana
Company Secretary
cum Compliance Officer



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 45th Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the Financial Year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

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

PARTICULARS	(Rs. in million)	
	CURRENT YEAR (FY 2023-24)	PREVIOUS YEAR (FY 2022-23)
Revenue*	476.4	361.7
Profit before Depreciation, Interest, & Tax	37.67	58.26
Depreciation	4.94	5.00
Finance Cost	21.60	21.59
Exceptional items	-	22.4
Net profit before Tax	11.17	9.17
Provision for Tax	(3.39)	9.09
Net profit after tax	14.57	0.08

*Revenue is net of Goods and Services Tax.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

There have been no material change(s) and commitment(s), except elsewhere provided in this report, affecting the financial position of the Company between the end of the financial year of the Company i.e. March 31, 2024, and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year ended on March 31, 2024.

DIVIDEND

In view of conservation of financial resources of the Company, no dividend is recommended for the financial year under review.

TRANSFER TO RESERVES

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

OPERATIONAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

Overall revenue of the Company for the year ended March 31, 2024, was recorded at about Rs. 476.4 million which is 31.71 % higher as compared to previous Financial Year 2022-23 revenue of Rs. 361.7 million. Precision Electronics Limited ("PEL") was able to earn the profit of Rs 14.57 million for the year ended March 31, 2024 as against the profit of Rs. 0.08 million in the previous Financial Year 2022-23.

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

1 Masts & Pedestals:

Revenue for the year ended March 31, 2024 is Rs. 131.90 million as against Rs. 76.6 million in the previous year FY 2022-23. 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 Electro-Mechanical Manufacturing:

Revenue for the year ended March 31, 2024 is Rs. 77.00 million as against Rs. 112.5 million in the previous year FY



- 2022-23. Revenues were hit due reduced off-take of Power Distribution Units by the Healthcare sector. Manufacturing plant is located at Noida, Gautam Budh Nagar, U.P. 201301.
- 3 ICT (Information and Communication Technology) Solutions:
Revenue for the year ended March 31, 2024 is Rs. 151.70 million as against Rs 54.3 million in the previous year FY 2022-23. Your Company has enhanced its portfolio and with sustained business development.
- 4 Engineering Services:
Revenue for the year ended March 31, 2024 is Rs. 112.50 million as against Rs. 112.1 million in the previous year FY 2022-23. Engineering Services includes Turnkey Installation & Commissioning, Warranty-AMC Services and Lab Testing Services.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(I) INDUSTRY STRUCTURE AND DEVELOPMENTS

- A. MAKE IN INDIA: Indian MOD and MHA is increasingly procuring Indian products and technologies when it comes to Small Arms, Electro-Optics, Military Communications, Drones and Anti-Drones. The recipients of MOD contracts are also typically finding success in Export markets. PEL's Tactical Infrastructure solutions and/or Manufacturing solutions are already in the Supply Chain of several such OEMs.
- B. DEFENCE MANUFACTURING: The market for manufacturing of articles that require a Defence Industrial license has greatly risen in India and is highly relevant for Defence Exports as well. GOI aims to triple annual defence production to Rs. 3Lakh Cr and double the exports to Rs.50,000 Cr by 2028-29. In addition, it has set a goal of 70% self-sufficiency in weaponry by 2027. MoD and MEA are supporting Indian Exporters via their Embassies in 45 targeted countries to provide a Government umbrella for lead generation, evaluation and contract closure. PEL was one of the earliest recipients of two (2) Defence Industrial Licenses.
- C. DRONE & ANTI-DRONE MARKET: Modern warfare globally utilizes Drones and Anti-Drones in a major way. Not only Militaries but also Homeland Security and Critical Infrastructures are mandatorily required to protect themselves from rogue Drones, thereby creating a need for PEL's Tactical Infrastructure products. Our ever enhancing product range of Masts, Tripods and Pedestals is most relevant for Drones (mid-long range) as well as Anti-Drones of all types.
- D. AGILE INFRASTRUCTURE: As a one-stop shop for Telescopic Masts, Tripods, Pedestals, Power Electronics and Active Interconnectivity, PEL provides innovative turnkey solutions for Border Forces, Police Forces, Critical Infrastructures, Military, 4G/5G Cellular, Disaster Management and Construction industry. PEL is recognized as a Center of Excellence in India for Tactical Infrastructure and frequently sought after by end-users to provide feasibility and develop solutions for emerging use cases.
- E. ALTERNATE TO CHINA SOURCING: Western countries are looking for non-Chinese sources in the Supply Chain of the solutions they are procuring, and this has opened up several opportunities for PEL for Manufacturing Services for Mechanics and Electro-Mechanics.

(II) SEGMENT-WISE/PRODUCT-WISE OUTLOOK

The Company has structured its revenue streams as follows:

- A. Telescopic Masts & Pedestals: PEL customers for its portfolio of Telescopic Masts, Tripods and Pedestals that are designed, developed and manufactured in-house are OEMs of ground based Radars, Signal Intelligence, Jammers, RF communications, Electro-Optics; and Systems Integrators dealing with ground based Anti-Drone, Electronic Warfare, Border/ Perimeter Security and TACCOMS. Global Market size is > US\$500M out of which PEL addressable market based on domestic as well as limited international market is > US\$50M. This product line has a lot of relevance for the Export Market and PEL expects 35% of its overall revenues to come from this segment.
- B. Electro-Mechanical Manufacturing: Your Company has unique multi-disciplinary strengths in Production Engineering, Fabrication and Assembly of turnkey Box builds including Electronics (RF, Power, Mixed Signal



and Digital), Electricals (Wiring, Panels) and Metal Forming (CNC Milling, CNC Turning, Sheet Metal and Casting). Your Company is embarking on a strategy to go after major OEMs in Defence & Aerospace, Telecom (5G), Automotive, E-Mobility, Healthcare and Industrial sectors for business of Metal Parts, Cable Harnesses, Power Distribution Units and turnkey Box Builds. PEL's addressable market is 500cr for this segment which includes a significant Export component and PEL expects 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. PEL works with several best in class technology partners to obtain Prime Contracts directly from end users. This segment represents 20% of overall revenues.

- D. Engineering Services: PEL provides Comprehensive Engineering Services to Critical Infrastructures and Government customers in the areas of Tactical Networks, Strategic Networks, Electronic Warfare, Critical Infrastructure Protection, Airfield Modernization and Cyber Security. Engineering Services are inclusive of:
- SITIC (Supply, Install, Test, Integrate and Commission): inclusive of erstwhile Works/ EPC contracts
 - Warranty & AMC Depot: to support serviceability of Telecom, RF, Power, Digital Electronics, Cable Harnesses and Motor/ Drive based systems

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

(III) SWOT ANALYSIS

STRENGTHS

1. 45 years of TRUST built in the industry
2. PEL products deployed PAN-India in National Telecom Networks and Defence/ Paramilitary Forces
3. Licenses, Approvals and Clearances from Govt/ Institutional/ Export customers in place

WEAKNESSES

1. Shortage of high quality talent as well as vendor ecosystem to deliver high quality materials in short timelines
2. PEL brand is relatively unknown in US/ Europe which has the lion's share of Global market of Tactical Infra and Manufacturing

OPPORTUNITIES

1. MAKE IN INDIA in Indian A&D sector creating many opportunities for good Indian manufacturers
2. Focus of Indian Govt on Defence & Telecom Exports
3. China+1 OR "Other than China" a serious opportunity for India for high-tech manufacturing



THREATS

1. Future Geopolitics could negatively influence India's exports
2. Availability of Capital needed to quickly scale

(IV) INTERNAL FINANCIAL CONTROL & OTHERS

The Company has in place adequate internal financial controls with reference to financial statements and such internal financial controls are operating effectively. Your company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and competence of the accounting records, and timely preparation of reliable financial disclosures.

(V) HUMAN RESOURCE DEVELOPMENT

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. The total number of employees of the Company as on 31st March 2024 stood at 134.

(VI) SIGNIFICANT KEY FINANCIAL RATIOS

Ratio Analysis (2023-24)

Sl. No.	Particulars	FY 2023-24	FY 2022-23	REMARKS
1	Debt Service Coverage Ratio	0.16	0.07	The company has earned profit in prevailing market conditions.
2	Return on Equity Ratio	0.10	0.01	The company has earned profit in prevailing market conditions.
3	Inventory Turnover Ratio	1.93	1.40	The company is managing its inventory efficiently indicating that the company is selling the goods quickly.
4	Receivables turnover	3.65	2.93	The company is managing its debtors effectively.
5	Net Profit Margin Ratio (%)	3.11	-6.05	The company has earned profit in prevailing market conditions.
6	Return on Capital Employed	0.13	0.02	The company has earned profit in prevailing market conditions.
7	Return on Investment (%)	7.4	1.17	The company has earned profit in prevailing market conditions.

DEPOSITS

The Company has not invited or accepted any deposits during the year under review, falling within the ambit of section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposit) Rules, 2014.

SHARE CAPITAL

The Company's Authorised share capital during the financial year ended March 31, 2024, remained at Rs. 20,00,00,000/- (Rupees Twenty Crores only). 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 equity shares.

RELATED PARTY TRANSACTIONS

During the year under review, all related party transactions (RPTs) entered into by the Company, were approved by the audit committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations") states that all RPTs with an aggregate value exceeding Rs. 1000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall be treated as Material Related Party Transaction ("MRPTs") and shall require approval of shareholders by means of ordinary resolution.

The disclosure of related party transactions as required under section 134(3)(h) of the Companies Act, 2013 in the Form AOC-2 is not applicable to the Company for Financial year 2023-24 and hence does not form part of this report. The related party transaction policy of the Company can be accessed on the Company's website at www.pel-india.in.

Details of related party transactions entered into by the Company have been disclosed in the notes to statements forming part of this report.

The Company has obtained the approval of shareholders for entering into MRPTs, with Victora Auto Pvt. Ltd. and Victora Automotive Pvt. Ltd., to be entered during the financial year 2024-25.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

During the year under review, there was no transaction of loan, guarantee or investment, by the Company, within the ambit of Section 186 of the Act.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any subsidiary/ joint venture/ associate company. Further, no Company has become or ceased to be subsidiary/joint venture/associate company of the Company during the year under review. Hence, Form AOC-1 containing salient features of the subsidiary/joint venture/associate Company is not required.

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

As per regulation 30A read with clause 5A to para A of part A of schedule III of Listing Regulations, the Company has not entered into any agreement with its Shareholders, Directors or KMPs during the financial year which would impact the management or control of the listed entity.

DETAILS OF DEVELOPMENTS, ACQUISITION, AND ASSIGNMENTS OF MATERIAL INTELLECTUAL PROPERTY RIGHTS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company recognizes the benefits of having diverse Board, and increasing diversity at the Board level is viewed as an essential element in maintaining a competitive advantage. Your Company believes that a diverse Board will leverage differences in thought, perspective, knowledge, skill, industry experience, cultural and geographical backgrounds, which will ensure that the Company retains its competitive advantage.

Your Company believes that a diverse Board contributes towards driving business results, make corporate governance more effective, enhance quality and responsible decision making capability, ensure sustainable development and enhance the reputation of the Company.



Board of Directors:

1. Based on the recommendations of Nomination and Remuneration Committee (“NRC”), the Board approved the appointment of Lt. Gen. (Dr.) Rajesh Pant (Retd.) as an Additional Director and Non-Executive Chairman of the Company w.e.f August 11, 2023, to hold office upto Annual General Meeting (“AGM”) of the Company, subject to the approval of shareholders. Subsequently, the shareholders of the Company, approved his appointment as Non-Executive Director cum Chairman of the Company w.e.f August 11, 2023, in the AGM held on September 25, 2023.
2. On the recommendations of NRC, the Board, subject to the approval of the shareholders, has approved the appointment of Mr. Deepto Roy as an Additional Director in the category of Independent Director for a second term of 5 years, w.e.f May 2, 2024. Subsequently, the shareholders of the Company by way of postal ballot on June 30, 2024, approved his appointment as an Independent Director of the Company for a second term of 5 years w.e.f May 2, 2024.
3. The term of appointment of Mr. Ashok Kumar Kanodia as Managing Director, will come to an end on August 13, 2024 and he wished to step down from the position of Managing Director. Thus, on the recommendations of NRC, the Board, subject to the approval of the shareholders, has approved his appointment as Whole Time Director to be designated as “Executive Chairman” of the Company w.e.f August 14, 2024 for a term of 3 years.
4. The term of appointment of Mr. Nikhil Kanodia as Whole Time Director cum President will come to an end on August 11, 2024 and pursuant to succession plan and pursuant to recommendations of NRC, the Board, subject to the approval of the shareholders, has approved his appointment as Managing Director w.e.f August 12, 2024 for a term of 5 years.
5. On the recommendations of NRC, the Board, subject to the approval of the shareholders, has approved the appointment of Mr. Dinesh Kumar Batra as an Additional Director in the category of Independent Director for a term of consecutive 5 years, w.e.f August 7, 2024.
6. Lt. Gen. (Dr.) Rajesh Pant (Retd.) resigned from the position of Non-Executive Director cum Chairman of the Company w.e.f close of business hours of August 13, 2024. The Board in its meeting held on August 7, 2024, places on record its deep appreciation for the contributions and guidance provided by him during his tenure with the Company.

The Board recommends the appointments of Mr. Ashok Kumar Kanodia, as Whole Time Director to be designated as “Executive Chairman” of the Company w.e.f August 14, 2024 for a term of 3 years, Mr. Nikhil Kanodia, as Managing Director w.e.f August 12, 2024 for a term of 5 years and Mr. Dinesh Kumar Batra, as Independent Director for a term of consecutive 5 years, w.e.f August 7, 2024.

Retirement by Rotation:

In accordance with the provisions of section 152 of the Act, Mr. Nikhil Kanodia, is retiring by rotation at the ensuing AGM of the Company and is eligible for re-appointment. Your Board recommends the re-appointment of Mr. Nikhil Kanodia, as Director of the Company.

The particulars in respect of Mr. Nikhil Kanodia, Mr. Ashok Kumar Kanodia, and Mr. Dinesh Kumar Batra, as required under Regulation 36(3) of Listing Regulations and Secretarial standards – 2 are mentioned in the notice of AGM.

Key Managerial Personnel:

Ms. Vrinda Mohan Gupta, Company Secretary cum Compliance Officer, resigned w.e.f February 1, 2024 and in terms of section 203 of the Act, Ms. Veenita Khurana has been appointed as the Company Secretary cum Compliance Officer w.e.f February 9, 2024,

BOARDEVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, the performance of the Directors individually as well as the evaluation of the various committees of the Board, forming part of the Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from each of the Independent Directors that they, respectively, meet the criteria of independence prescribed under section 149 read with schedule IV of the Act and rules made thereunder, as well as Regulations 16 and 25(8) of the Listing Regulations. Based on the declarations received, the Board considered the independence of each of the Independent Directors in terms of above provisions and is of the view that they fulfill the criteria of independence and are independent from the management.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and is Board is satisfied of the integrity, expertise and experience (including proficiency, in terms of section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. In terms of section 150 of the Act read with rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all Independent Directors have enrolled themselves on the Independent Directors databank maintained with the Indian Institute of Corporate Affairs.

MEETINGS OF THE BOARD AND COMMITTEES

The Board of Directors met 4 (four) times during the period under review. The details of number of meetings of the Board and various committees of the Board of the Company are set out in the Corporate Governance Report, which forms part of this report.

SECRETARIAL STANDARDS:

The Directors state that the applicable secretarial standards i.e. SS-1 and SS-2, relating to meetings of the Board of Directors and General Meetings have generally been duly followed by the Company.

REMUNERATION POLICY

In accordance with the provisions of section 178 of the Act and part D of schedule II of the Listing Regulations, the policy on nomination and remuneration of Directors, KMPs, and senior management of your Company is uploaded on the website of the Company and, may be accessed at www.pel-india.in. During the year under review, there has been no change to the policy.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules and the disclosures relating to remuneration and other details, is annexed as Annexure A to this Report.

STATUTORY AUDITORS

In terms of Section 139 of the Act, read with rules made thereunder M/s Nemani Garg Agarwal & Co., Chartered Accountants were appointed as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of 43rd AGM till the conclusion of 48th AGM.

The statutory auditors have confirmed that they are not disqualified from continuing as the auditors of the Company.

The statutory auditors have issued an unmodified opinion on the Company's financial statements for the financial year ended March 31, 2024 and the auditor's report for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

The notes on financial statements referred to in the Auditor's report are self-explanatory and do not call for any further comments.

There are no instances of any fraud reported by the Statutory Auditors to the Audit Committee or the Board pursuant to section 143(12) of the Act.



SECRETARIAL AUDITORS

M/s Munish K Sharma & Associates, Company Secretaries were appointed to conduct the Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed herewith as Annexure B and the management reply to the reservations/ observations / adverse remark is annexed herewith as Annexure C to this Report.

MAINTENANCE OF COST RECORDS:

In terms of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain the cost records.

RISK MANAGEMENT

The Company has in place a robust risk management framework which identifies and evaluates business risks and opportunities. The Company recognizes that the applicable risks need to be managed and mitigated to protect the interests of the shareholders and stakeholders, to achieve business objectives and enable sustainable growth. The risk management framework is aimed at effectively mitigating the company's various business and operational risks, through strategic and tactical actions. The factors that affect the Company's profitability and operations are regularly monitored.

CORPORATE SOCIAL RESPONSIBILITY(CSR)

During the year under review, the provision of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable to the Company

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

No significant material order(s) have been passed by the regulators/ courts which would impact the going concern status of the Company and its future operations during the period under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors states that:

- a) in the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable Accounting Standards and schedule III of the Act, have been followed and there are no material departures from the same;
- 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 and of the Profit and Loss of the Company for the year under review;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure D to this Report.



ANNUAL RETURN

In accordance with the provisions of Section 92 and 134(3)(a) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in e-form MGT-7, for the financial year ended March 31, 2024 has been uploaded on the website of the company at www.pel-india.in.

CORPORATE GOVERNANCE

Your Company is committed to achieve the highest standards of corporate governance and adhere to the corporate governance requirements set out by the Securities and Exchange Board of India.

The report on corporate governance as stipulated under the Listing Regulations for the financial year 2023-24 and a certificate issued by M/s Munish K Sharma & Associates, Company Secretaries confirming compliance with the conditions of the Corporate Governance in annexed herewith as Annexure-E to this report.

VIGIL MECHANISM

A vigil mechanism of the Company which includes whistle blower policy pursuant to section 177(9) & (10) of the Act, has been established and can be accessed at Company's website www.pel-india.in.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

In adherence to the Sexual harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013 and the rules made thereunder, your Company has constituted an Internal Complaints Committee to redress complaints regarding sexual harassment. No case was reported and/or filed during the year under the aforesaid Act.

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 2023-24. PEL also has a Workman Safety Committee under section 41G of Factories Act 1948. This Committee meets at regular intervals to take measures for worker's protection in order to make PEL a safe place to work.

DISCLOSURE UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made by the Company initiating insolvency proceedings against any other entity nor are any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

DIFFERENCE IN VALUATION IN THE CASE OF ONE TIME SETTLEMENT OF LOAN FROM BANK OR FINANCIAL INSTITUTION

There was no one time settlement of loan from banks or financial institutions by the Company during the under review. Accordingly, there are no details regarding difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or financial institutions.

CAUTIONARY STATEMENT

Statements in the Board's report and the Management Discussion and Analysis describing the Company's objectives, expectations, or forecasts, may be forward looking within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other related factors.



ACKNOWLEDGMENTS:

Your Directors wish to place on record their appreciation for the sincere services rendered by the Company's staff and workers at all levels. Also, they wish to place on record their appreciation and gratitude for the valuable support received from Bankers, its Customers, Business Associates, Government Departments and Shareholders and look forward to similar support and co-operation in future. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for Company's success. The Directors look forward to their continued support in future.

FOR AND ON BEHALF OF THE BOARD

Place: Noida
Date: 07.08.2024

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

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



ANNEXURE -A

STATEMENT OF INFORMATION TO BE FURNISHED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS ON MARCH 31, 2024

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2023-24, the percentage increase in remuneration of each Executive Director during the financial year 2023-24:

S.No.	Name and Designation	% increase of remuneration in FY 2023-24	Ratio of remuneration to each Executive Director to median remuneration of employees
1	Mr. Ashok Kumar Kanodia, Managing Director	Nil	7.9
2	Mr. Nikhil Kanodia, Whole Time Director cum President	Nil	16.7

- ii. The percentage increase in remuneration of Chief Financial Officer and Company Secretary during the financial year 2023-24:

S.No.	Name and Designation	% increase of remuneration in FY 2023-24
1	Mr. Jagjit Singh Chopra, CFO	N.A.
2	Ms. Veenita Khurana*, Company Secretary cum Compliance Officer	N.A.
3	Ms. Vrinda Mohan Gupta**, Company Secretary cum Compliance Officer	N.A.

*Ms. Veenita Khurana was appointed as the Company Secretary cum Compliance Officer of the Company on Feb 09, 2024.

**Ms. Vrinda Mohan Gupta, resigned from the position of Company Secretary cum Compliance Officer, w.e.f Feb 1, 2024.

- iii. The number of permanent employees on the rolls of the Company as on March 31, 2024, were 135 and the median remuneration was Rs. 4,17,096.
- iv. Median remuneration of employees has increased by 21.95%.
- v. Average percentile increase already made in the salaries of the employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
There was no increase in remuneration of managerial personnel during the financial year 2023-24.
- vi. The remuneration of Directors, KMPs and other employees is as per the remuneration policy of the Company.

STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS ON MARCH 31, 2024

The Company does not have any employee employed throughout the financial year and in receipt of remuneration of Rs. 1.02 crore per annum or more, or employed for part of the year and in receipt of remuneration 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. Nikhil Kanodia (47), Whole Time Director and President, 24.67% equity shares, Rs. 69,84,780/-, M.S. Electrical & Computer Engineering (26), Fujitsu Network Communications; Mr. Deepak Jagga (52), Senior Vice President Marketing, 01.04.2002, Rs. 42,62,076/-, B.E (Electronics) (36), Mr. Ashok Kumar Kanodia (73), Managing Director, 01.05.1979, 0.74% equity shares, Rs. 32,89,812/-, B.E. Electrical (45); Mr. Jagjit Singh Chopra (55), Chief Financial



Officer, 25.04.2014, Rs.27,76,032/-, Chartered Accountant (26), Blessings Advertising Pvt. Ltd.; Mr. Amit Kumar Mittal (54), Senior Deputy General Manager, 14.02.2006, Rs. 22,39,476/-, B.E (E&C) (30), Punjab Wireless System Ltd.; Ms. Puneet Kaur Arora (41) VP - Operations & HR, 01.06.2009, Rs. 21,28,884, MBA (HR) (18), Digi Tech Information Technologies Private Limited; Mr. Chandra Pal (56) DGM Machining, 01.03.2023, Rs. 17,16,000, Diploma Mechanical (34), Kalyani Engineering; Mr. Yogesh Singh (41) DGM - Production, 03.10.2007, Rs. 13,60,812, MBA (Operations) (23), Ahuja Radios Private Limited; Mr. Sanjay Singh (48) AGM Mechanical, 01.11.2010, Rs. 11,40,000, Diploma Mechanical (27), MD Equipment Pvt. Ltd.; Mr. Rajesh Kumar Jain (56) DGM Purchase, 22.04.1993, Rs. 10,71,000, Diploma Electronics (31), PEP Engineering.

Notes:

1. Remuneration includes Basic Salary, Transport Allowance, Leave Travel Allowance, Company's Contribution to Provident Fund, Other Allowance, Gratuity, Earned Leave, reimbursements, monetary value of perquisites, target variable pay, etc.
2. None of the employees (other than Managing Director and Whole Time Director) hold by himself / herself or along with his/ her spouse and dependent children, 2% or more of equity shares of the Company.
3. All appointments are/ were contractual in accordance with terms and conditions as per company rules.
4. None of the employees is a relative of any Director of the Company, (other than Managing Director and Whole Time Director)



ANNEXURE-B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not Applicable
 - 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;
 - g) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009
- (vi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;



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

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

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

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

1. *The listed entity has failed to disseminate / disclose Notice of the Board Meetings held for discussing financial results for the quarter ending 30.09.2023.*
2. *The listed entity had filed the outcome of the Board Meeting in which financial result were discussed and approved for the quarter ended March 2023 by delay of few minutes with the stock exchange.*
3. *The Company had filed information relating to appointment of Mr. Rajesh Pant as an Additional Director and Non-executive Chairperson of the Company w.e.f. 11 August 2023 to the stock exchange by delay of few days.*
4. *The Company had not disclosed the information relating to regularisation of Mr. Rajesh Pant as Director to the stock exchange.*
5. *The Company has failed to maintain structured digital database containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom such information is shared.*
6. *The listed entity had filed shareholding pattern for the quarters ended June 2023, September 2023 and December 2023 within due time but the same were marked for re-submission due to one or the other reason and were correctly filed on 14-02-2024, 14-02-2024 and 04-03-2024 respectively.*
7. *The listed entity had filed disclosure of related party transaction for the half year ended 30 September 2023 with a delay of one day.*
8. *The listed entity had submitted the annual report to the stock exchange by delay of few days*
9. *Shares held by Mr. Hans Jurgen Wagner (Promoter and Promoter Group) are not in dematerialized form.*
10. *The listed entity had submitted the prior intimation of board meeting where financial results were approved for the quarter ended 31 March 2023 to the stock exchange by delay of few days.*
11. *The listed entity has not submitted the prior intimation of board meeting where financial results were approved for the quarter ended 30.09.2023 to the stock exchange.*
12. *Date of Board Meeting held in the previous quarter ended 30 June 2023 is wrongly reported in the Corporate Governance Report for the quarter ended 30 September 2023 to the stock exchange.*
13. *The listed entity has failed to mention the date of re-appointment of Mr. Rajesh Pant (Non-executive Director) in the Corporate Governance Report for the quarters ended 30.09.2023 and 31.12.2023 filed with the stock exchange.*
14. *The listed entity had failed to close the trading window for the quarter ended 30 June 2023, and 30 September 2023 in respect of securities to which such unpublished price sensitive information relates.*
15. *Some discrepancies were noticed in the form MGT-7 filed for the financial year 2022-23.*
16. *During the period under review, the Company had filed certain e-forms as per provisions of the Companies Act, 2013 with additional fees with the Registrar of Companies, NCT of Delhi and Haryana.*

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 LLP
Company Secretaries
FRN: P2004UP077300
Peer Review Certificate No. 4265/2023

CS Aditya Jain
Partner

M. No.: F11835
C.P. No. 25426

UDIN: F011835F000900910

Date: 5th August, 2024
Place: Kaushambi, Ghaziabad

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

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

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

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

For Munish K. Sharma & Associates LLP
Company Secretaries
FRN: P2004UP077300
Peer Review Certificate No. 4265/2023

CS Aditya Jain
Partner

M. No.: F11835
C.P. No. 25426

UDIN: F011835F000900910

Date: 5th August, 2024
Place: Kaushambi, Ghaziabad



ANNEXURE-C

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

Sr. No.	Observations/Remarks by the PCS	Management Response
1.	The listed entity has failed to disseminate / disclose Notice of the Board Meetings held for discussing financial results for the quarter ending 30.09.2023.	Notice of Board meeting for considering unaudited financial results for the quarter ended September 30, 2023, was emailed to Directors of the Company vide email dated October 23, 2023. However, the Company failed to notify BSE Limited.
2.	The listed entity had filed the outcome of the Board Meeting in which financial result were discussed and approved for the quarter ended March 2023 by delay of few minutes with the stock exchange.	Technical glitch
3.	The Company had filed information relating to appointment of Mr. Rajesh Pant as an Additional Director and Non-executive Chairperson of the Company w.e.f. 11 August 2023 to the stock exchange by delay of few days.	The delay in filings to respective authorities are now being taken care of.
4.	The Company had not disclosed the information relating to regularisation of Mr. Rajesh Pant as Director to the stock exchange.	Scrutinizer report, comprising of regularisation of Mr. Rajesh Pant as Director, was filed on September 26, 2023, within time to the stock exchange. However, it was not filed separately.
5.	The Company has failed to maintain structured digital database containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom such information is shared.	The Company had in place structured digital database (SDD), that was maintained in password protected excel format during the financial year 2023-24, containing the requisite information in terms of Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"). The Company is now maintaining the SDD in the software in compliance with the provisions of Regulations 3(5) and/or Regulation 3(6) of PIT Regulations.
6.	The listed entity had filed shareholding pattern for the quarters ended June 2023, September 2023 and December 2023 within due time but the same were marked for re-submission due to one or the other reason and were correctly filed on 14-02-2024, 14-02-2024 and 04-03-2024 respectively.	Self-explanatory
7.	The listed entity had filed disclosure of related party transaction for the half year ended 30 September 2023 with a delay of one day.	The delay in filings to respective authorities are now being taken care of.
8.	The listed entity had submitted the annual report to the stock exchange by delay of few days	The notice of AGM was filed with the stock exchange on August 30, 2023, the same date of dispatch of notice to shareholders of the Company. However, the Annual report was filed with delay
9.	Shares held by Mr. Hans Jurgen Wagner (Promoter and Promoter Group) are not in dematerialized form.	Mr. Hans Jurgen Wagner was intimated at his given email address to get his shares dematerialised but no response is received from him

10.	<i>The listed entity had submitted the prior intimation of board meeting where financial results were approved for the quarter ended 31 March 2023 to the stock exchange by delay of few days.</i>	<i>The delay in filings to respective authorities are now being taken care of.</i>
11.	<i>The listed entity has not submitted the prior intimation of board meeting where financial results were approved for the quarter ended 30.09.2023 to the stock exchange.</i>	<i>Notice of Board meeting for considering unaudited financial results for the quarter ended September 30, 2023, was emailed to Directors of the Company vide email dated October 23, 2023. However, the Company failed to notify BSE Limited.</i>
12.	<i>Date of Board Meeting held in the previous quarter ended 30 June 2023 is wrongly reported in the Corporate Governance Report for the quarter ended 30 September 2023 to the stock exchange.</i>	<i>Clerical mistake</i>
13.	<i>The listed entity has failed to mention the date of re-appointment of Mr. Rajesh Pant (Non-executive Director) in the Corporate Governance Report for the quarters ended 30.09.2023 and 31.12.2023 filed with the stock exchange.</i>	<i>Clerical mistake</i>
14.	<i>The listed entity had failed to close the trading window for the quarter ended 30 June 2023, and 30 September 2023 in respect of securities to which such unpublished price sensitive information relates.</i>	<i>Rectified</i>
15.	<i>Some discrepancies were noticed in the form MGT-7 filed for the financial year 2022-23.</i>	<i>Clerical mistake</i>
16.	<i>During the period under review, the Company had filed certain e-forms as per provisions of the Companies Act, 2013 with additional fees with the Registrar of Companies, NCT of Delhi and Haryana.</i>	<i>The delay in filings to respective authorities are now being taken care of.</i>



ANNEXURE-D

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

(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:

2. 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 2023-24.

(B) TECHNOLOGY ABSORPTION

1. Efforts, in brief

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

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

2. Benefits

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

3. Information regarding technology imported during last 3 years:

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

4. Expenditure on R&D:

(a) Capital	Rs. NIL
(b) Recurring	Rs. 98.27 L
(c) Total	Rs. 98.27 L

Total R&D as a Percentage of total turnover: 2.08 %

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The detailed information in respect of Foreign Exchange Earnings and Outgo has been given in ‘Note on Accounts’ forming part of “Annual Accounts 2023-24”.



CORPORATE GOVERNANCE REPORT

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our progress and we remain committed to maximising stakeholder's value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. Fundamentals of corporate governance include transparency, accountability and independence.

For accomplishment of the objective of ensuring fair corporate governance, the Government of India has put in place a framework based on stipulations contained under the Companies Act, SEBI Regulations, Accounting standards and Secretarial standards, etc, and the Company strictly adheres to practicing fair, transparent and ethical governance par excellence.

CORPORATE GOVERNANCE PHILOSOPHY

The Company views corporate governance more as way of business life than a mere legal obligation. It forms part of business strategy, which includes, inter alia, creating an organisation intended to maximise value of shareholders, establish productive and lasting relationship with all stakeholders, with emphasis on fulfilling the responsibility towards entire community and society. Corporate governance is not an end, it is just beginning towards growth of Company for long term prosperity.

BEST CORPORATE GOVERNANCE PRACTICES

The Company maintains the highest standards of corporate governance to protect, recognise and facilitate shareholders rights and ensure timely and accurate disclosure to them. Some of the best implemented global governance norms include the following:

1. The Company has independent Board Committees for matters related to Stakeholders Relationship, Nomination and Remuneration of Directors / Key Managerial Personnel (KMP) and Senior Management, etc.
2. The Company also undergoes secretarial audit conducted by an independent company secretaries firm. The Board of Directors considers the audit report before adopting the same as part of this Report.
3. Observance and adherence to the secretarial standards issued by the institute of Company Secretaries of India.

BOARD OF DIRECTORS

Composition

The Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2024, the Board of the Company consists of Nine (9) Directors comprising of two executive director, three non-executive non-independent directors and four non-executive independent directors including one women director. The composition of the Board is in conformity with the Companies Act 2013 ("the Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") maintaining the specified combination of executive and non-executive independent director as well as women independent director.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (pursuant to requirement of Regulation 26 of Listing Regulations, 2015) across all the public Companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public Companies for the year ended March 31, 2024 have been made by the Directors.

Inter-Se Relationship among Directors

Mr. Ashok Kanodia is a father of Mr. Nikhil Kanodia. No other Director, is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Act.

Directors' Profile

A brief resume of the Directors is given as under:

Lt. Gen. (Dr.) Rajesh Pant PVSM, AVSM, VSM (Retd.)

Lt. Gen. (Dr) Rajesh Pant PVSM, AVSM, VSM (Retd.) is Ph.D in Information Security Metrics (2014), M.Tech in



Telecom & Remote Sensing from IIT Kharagpur, Master of Management Studies from Osmania University, Hyderabad, M. Phil in National Security from Chennai University.

Over more than four decades of unblemished and disciplined service to the Nation as a Leader and Mentor in the glorious Indian Army. He is a renowned techno-scholar-warrior with experience of Sri Lanka and Kargil operations and has processed three patents in previous establishment through visionary and innovative academic leadership. He is a Founder member of India's indigenous Electronic Warfare (EW) program, author of Indian Army's Information Warfare Doctrine (2004) and has evaluated EW Systems in France, Israel, South Africa, Argentina. He is also an initiator of Battlefield Management Systems for entire Indian Army, second largest in world and managed projects of over Rs 5,000 crore value. He displayed outstanding integrity and superannuated after reaching highest rank of Lieutenant General in Signals on June 30, 2014.

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

Mr. Ashok Kumar Kanodia- Executive Director

(Promoter & Promoter Group)

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

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

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

Mr. Nikhil Kanodia - Executive Director

(Promoter & Promoter Group)

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

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



Mr. Harbir Singh Banga – Non - Executive Director

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

His father, Mr. Hardeep Singh Banga, holds 34,45,777 equity shares in the Company, comprising of 24.88% of shareholding.

Mr. Rahul Goenka – Non- Executive Director

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

Mrs. Preeti Grover - Non -Executive Independent Director

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

Mr. Suresh Vyas - Non -Executive Independent Director

Mr. Suresh Vyas is Chartered Accountant by profession and Managing Partner at SNR&Company. He has over three decades of experience in the industry and specialises in matters relating to corporate law, tax, acquisitions and mergers, liaison with Government agencies etc.

Mr. Sharvan Kumar Kataria – Non Executive Independent Director

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

Mr. Deepto Roy – Non Executive Independent Director

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

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

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



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

Director(s)	Skills/Competencies
Mr. Ashok Kumar Kanodia	Vast experience in the field of Electronics and Telecommunication and also an active member in various committees formed by Government, CII, FICCI, etc, in policy formulation for promotion of business.
Mr. Nikhil Kanodia	Vast technical knowledge and experience in Communications, Networking and Cyber Technologies. Is responsible for the Business Development and Operations of the Company.
Mr. Harbir Singh Banga	Rich experience in operations of manufacturing industry and has acumen for strategizing marketing activities of the company.
Mr. Deepto Roy	Corporate lawyer specializing in projects, infrastructure, Companies Law and Foreign Direct Investment.
Mr. Sharvan Kumar Kataria	Practicing Chartered Accountant since 1983 and has an expertise in Corporate Laws, Income Tax, Direct Taxes, Indirect Taxes, Accounts and Audit Laws, Tax Planning, Tax management and Tax Jurisprudence and has many publications to his credit in the above subjects.
Mrs. Preeti Grover	A fellow member of ICSI and a Practicing Company Secretary with more than two decades of vast experience in Public, Private and Listed Companies. A seasoned corporate sector professional with specialization in Company Law compliances, consultancy and Secretarial Audit. She is appointed as the Treasurer of the Northern India Regional Council (NIRC)-ICSI and was also Past Chairperson of Noida Chapter of NIRC-ICSI.
Mr. Suresh Vyas	Mr. Suresh Vyas is Chartered Accountant by profession and Managing Partner of the Snr. company, he has got about 30 years of experience in the Industry and Profession of handling a number of projects and companies of national and international level. He has mastered the activities relating to the corporate world such as corporate law matters, acquisitions and mergers, liaison with Government agencies etc.
Mr. Rahul Goenka	Vast experience of manufacturing and international trade.
Lt. Gen. (Dr.) Rajesh Pant (Retd.)	Lt Gen Pant is a carrier officer of the Corps of Signal of the Indian Army that is responsible to provide military communication to the Army. In addition, the mission of the Signal Corps includes the management of all modern telecommunications and information systems, including computer systems, Internet and local area networks, and voice and data communications. Gen Pant is well aware of the contemporary technology and advancements in the sector.

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES

The Board of Directors is the apex body constituted by shareholders for overseeing Company’s overall functioning. The Board provides and evaluates the Company’s strategic direction, management policies and their effectiveness and ensures that shareholders long term interests are being served.

There are three mandatory committees of the Board, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders’ Relationship Committee. The Board is authorised to constitute additional functional committee(s) from time to time depending on business needs.

Board Meetings

The Board meets at regular intervals, to discuss and decide on Company/ business policies and strategy apart from other regular business matters. The Board/ Committee meetings are prescheduled and agenda of the meeting is



circulated to all Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of special and urgent business needs, the Boards approval is taken by passing resolution by circulation, for the matters permitted by law, which is noted and confirmed in the subsequent meetings of the Board / Committee(s). The Board is updated on the discussions held at the Committee meetings and the recommendations made by various committees.

The agenda of the Board/ Committee meetings is set by the Company Secretary in consultation with the MD/ WTD and CFO of the Company. Usually meetings are held at the corporate office of the Company at Noida.

Board meets atleast once in quarter to review the quarterly results, performance of the Company and other items on the agenda. Additional meetings are held when necessary, on need basis. The Company also provides facility to the Directors to attend the meetings of the Board and its committees through video conferencing mode.

Four (4) Board Meetings were held during the financial year 2023-24 on May 26, 2023, August 11, 2023, November 1, 2023 and February 9, 2024. The Board meetings were convened during every calendar quarter and the intervening gap between two Board meetings was within the limit prescribed under the Act and Listing Regulations.

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

Attendance of Directors at Board Meetings, Last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/ Memberships of Committees, Directorship in other Listed entities and shareholdings of each Director in the Company:

Name of Directors	Category	No. of Board Meeting Attended	Attended last AGM	No. of other Directorships		No of other Board Committees in which he is member/ Chairperson.		Name of other listed entities where Director is a Director and category of Directorship	Shareholding in the Company as on March 31, 2024 (no. of equity shares held)
				Private	Public	Chair-person	Member		
Lt. Gen. (Dr.) Rajesh Pant (Retd.)*	Chairman-NED	1/2	Yes	1	-	-	-	-	-
Mr. Ashok Kumar Kanodia	MD	4/4	Yes	1	1	-	1	Graur & Weil (India) Limited -Independent Director	1,02,806
Mr. Nikhil Kanodia	WTD cum President	4/4	Yes	2	-	-	-	-	34,15,901
Mr. Harbir Singh Banga	NED	1/4	No	10	-	-	-	-	-
Mr. Rahul Goenka	NED	2/4	Yes	3	-	-	1	-	-
Ms. Preeti Grover	NEID	3/4	Yes	1	2	1	2	IL&FS Engineering and construction company limited-Independent Director	-
Mr. Sharvan Kumar Kataria	NEID	4/4	Yes	-	-	2	-	-	-
Mr. Suresh Vyas	NEID	3/4	Yes	7	-	-	1	-	-
Mr. Deepto Roy	NEID	3/4	No	2	-	-	1	-	-

* Lt. Gen. (Dr.) Rajesh Pant (Retd.)* has been appointed as Chairman cum Non-Executive Director w.e.f August 11, 2023.

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



Independent Director.

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

The last Annual General Meeting was held on September 25, 2023.

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

COMMITTEES OF THE BOARD

The Board committees play a vital role in strengthening the corporate governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The minutes of the proceedings of the meetings of all committees are placed before the Board for its review.

1. Audit Committee

Powers

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

Terms of Reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for the appointment, remuneration and terms of appointment of the Auditor.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a) Matters required being included in the Directors Responsibility Statements to be included in the Board's report in terms of Clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the Financial Statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to Financial Statements.
 - f) Disclosure of any Related Party Transactions.
 - g) Qualifications in the draft audit report.
- Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval.

- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussing with Internal Auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications experience and background, etc. of the candidate
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Review of information by Audit Committee

The Audit Committee reviews the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by management;
- Management letters/letters of internal control weakness issued by the statutory auditors;
- Internal auditors reports relating to internal control weakness; and



- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings and Attendance

During the year 4 (Four) Audit Committee meetings were held on May 26, 2023, August 11, 2023, November 1, 2023 and February 9, 2024. The time gap between two meetings of the Committee was not more than one hundred and twenty days. .

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

S. No.	Name of Directors	Category	Status	Meetings attended/held
1.	Mr. Sharvan Kumar Kataria	NEID	Chairman	4/4
2.	Mr. Suresh Vyas	NEID	Member	4/4
3.	Mr. Deepto Roy	NEID	Member	3/4

The Company Secretary acted as Secretary to the Committee.

The Committee is vested inter alia with the aforesaid powers and terms of references as prescribed under relevant provisions of the Act and Listing Regulations.

2. Nomination And Remuneration Committee

Terms of Reference

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

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

During the year 2023-24 three (3) Nomination and Remuneration committee meetings were held on July 15, 2023, August 11, 2023 and February 9, 2024. The Nomination and Remuneration Committee consists of following members:

S. No.	Name of Directors	Category	Status	Meetings attended/held
1.	Mr. Sharvan Kumar Kataria	NEID	Chairman	3/3
2.	Mr. Deepto Roy	NEID	Member	2/3
3.	Mr. Suresh Vyas	NEID	Member	3/3



The Company Secretary acted as Secretary to the Committee.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. Introduction

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

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

2. Scope and Exclusion:

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

3. Terms and References:

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

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

3.2 “**Key Managerial Personnel**” means

- I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
- II. Company Secretary
- III. Chief Finance Officer

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

4. Remuneration to Managing Director and Key Managerial Personnel

- i. The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Managing Director and other Whole Time Director of the Company within the overall limits approved by the shareholders
- ii. The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company as per provisions of the Companies Act, 2013.
- iii. The Nomination and Remuneration Committee shall carry out evaluation of performance of Executive Director and Key Managerial Personnel yearly as may be considered necessary.

5. Remuneration to Non-Executive/Independent Directors

The Non-Executive Directors and Independent Directors may receive sitting fees as per section 197(5) of the Companies Act, 2013 and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be approved by the Board of Directors. Criteria of making payment to Non-Executive Directors is available at Company’s website www.pel-india.in.



6. Remuneration to other employees

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

7. Loan to Employees

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

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDEPENDENT DIRECTORS

Pursuant to the applicable provisions of the Act and Listing Regulations, the Nomination and Remuneration Committee has formulated framework, containing inter-alia, the process, format, attributes, criteria for performance evaluation of the entire Board of the Company, its committees and individual directors including independent directors. The framework is monitored, reviewed and updated by the Board in consultation with NRC, based on need and new compliance requirements.

For evaluation of the Board and its committees, a structured questionnaire, covering various aspects of the functioning of the Board and its committees is in place. Similarly for individual directors' performance, the questionnaire compares various parameters like the contribution in the Board/ Committee meetings, duties, obligations, regulatory compliances.

For the performance evaluation of the Chairman, Executive Directors and Independent Directors, certain additional parameters depending upon the roles and responsibilities are also considered.

Accordingly, the annual performance evaluation of the Board, its committees and each director was carried out for the financial year 2023-24.

The performance evaluation of all the Independent Directors was done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation and other factors, the Board determines whether to extend or continue this term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with evaluation process.

The independent directors had met separately on July 15, 2023, without the presence of non-independent directors and discussed, inter-alia the performance of non-independent directors and the Board as a whole, the performance of Chairman of the Company, after taking into consideration the views of Executive and Non-Executive directors and to assess, quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Confirmation that Independent Directors are independent of the management forms part of the Directors' report.

Details of remuneration and perquisites paid to Directors for the year 2023-24

(In ₹)					
<i>Directors</i>	<i>Salary</i>	<i>Perquisites</i>	<i>Commission</i>	<i>Sitting Fees</i>	<i>Total</i>
Lt. Gen. (Dr.) Rajesh Pant (Retd.)	Nil	Nil	Nil	15,000	15,000
Mr. Ashok Kumar Kanodia	28,81,692	4,08,120	-	-	32,89,812
Mr. Nikhil Kanodia	59,44,132	10,40,648	-	-	69,84,780
Mr. Harbir Singh Banga	Nil	Nil	Nil	15,000	15,000
Mr. Rahul Goenka	Nil	Nil	Nil	30,000	30,000
Mr. Sharvan Kumar Kataria	Nil	Nil	Nil	1,75,000	1,75,000
Mr. Suresh Vyas	Nil	Nil	Nil	1,45,000	1,45,000
Mr. Deepto Roy	Nil	Nil	Nil	1,05,000	1,05,000
Mrs. Preeti Grover	Nil	Nil	Nil	75,000	75,000

Elements of Remuneration and Tenure of Service of Executive Directors:

Name	Period	Date of Appointment
Mr. Ashok Kumar Kanodia	2 years	August 14, 2022
Mr. Nikhil Kanodia	2 years	August 12, 2022

Appointment of Executive Directors are governed by resolutions passed by the Board of Directors and the shareholders of the Company, which covers the terms and conditions of such appointments. There is no separate provision for payment of severance fee under the resolutions governing the appointment.

Further, salary and perquisites include all elements of remuneration, i.e. salary, reimbursement and other allowances and benefits.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year, 1 (One) meeting of the Stakeholders Relationship Committee Meeting was held on March 28, 2024. The composition and Attendance of members at Shareholders Relationship Committee as on March 31, 2024 is as follows:

S. No.	Name of Directors	Category	Status	Meeting Attended/held
1.	Mr. Sharvan Kumar Kataria	NED	Chairman	1/1
2.	Mr. Rahul Goenka	NEID	Member	0/1
4.	Mrs. Preeti Grover	NEID	Member	1/1

The Company Secretary acted as Secretary to the Committee.

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

Name and designation of Compliance Officer: Ms. Veenita Khurana, Company Secretary cum Compliance Officer

Analysis of Complaints:

The Complaints received during the year are as follows:

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

INTERNAL AUDIT

The Company has hired the services of M/s Rajendra K. Goel & Co., Chartered Accountants, as the internal auditors of the Company for the financial year 2023-24. They review internal controls, operating systems, processes and procedures of various departments.

SENIOR MANAGEMENT

Details of Senior Management personnel, as defined under section 16(1)(d) of Listing Regulations, as at March 31, 2024 along with changes therein during FY 2024, are as follows:

Name of Senior Management Personnel	Category
Jagjit Singh Chopra	CFO
Deepak Jagga	Sr. Vice President



Puneet Kaur Arora	VP - Operations and HR
Chandra Pal	DGM Machining
Siddharth Gupta	Deputy Manager
Amit Kumar Mittal	Sr. DGM
Rajesh Jain	DGM Purchase
Veenita Khurana*	Company Secretary
Vrinda Mohan Gupta**	Company Secretary

Ms. Veenita Khurana* has been appointed as the Company Secretary cum Compliance Officer w.e.f February 9, 2024 and Ms. Vrinda Mohan Gupta**, Company Secretary cum Compliance Officer, resigned w.e.f February 1, 2024.

GENERAL MEETINGS OF SHAREHOLDERS

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2020-2021	28.09.2021	12:00 P.M.	VC/OAVM	No
2021-2022	28.09.2022	12:00 P.M	VC/OAVM	Yes
2022-2023	25.09.2023	12:00 P.M	VC/OAVM	No

- One Special Resolution was passed in the AGM held on September 28, 2022.
- No Special Resolution is proposed to be conducted through postal ballot
- No Special Resolution was passed through postal ballot during FY 2024.

MEANS OF COMMUNICATION

- The quarterly, half yearly and annual financial results of the Company were published in "Financial Express" in English and "Jansatta" in Hindi. The results are made available on Company's website www.pel-india.in.
- The Company keeps on updating its website to provide comprehensive relevant information. The Company believes that all the stakeholders should have access to adequate information about the Company and in today's electronics age website is the best media for such dissemination of information. All information, which could have a material bearing on the share prices, is released at the earliest.
- The Company has not made any formal presentations to the institutional investors or to the analysts during the year.

GENERAL SHAREHOLDER INFORMATION

- AGM -Date, Time and Venue:** September 24, 2024, 11.00 am
VC/ OAVM at D-10, Sector-3, Noida-201304
- Financial Year:** 2023- 24
- Dividend payment** : Not applicable
- Listing on Stock Exchanges** : Equity Shares are listed on BSE Ltd., 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001. The Company has paid the Listing fee for the period April 1, 2024 -March 31, 2025
- Stock Code** : 517258
- Share Price Data** : High, Low during last year

Month	BSE INDEX		PRECISION	
	High	Low	High Price (In Rs.)	Low Price (In Rs.)
Apr-23	61,209.46	58,793.08	32.35	27.65
May-23	63,036.12	61,002.17	37.00	28.00
Jun-23	64,768.58	62,359.14	49.80	31.02
July-23	67,619.17	64,836.16	52.23	39.25
Aug-23	66,658.12	64,723.63	50.92	41.00
Sep-23	67,927.23	64,818.37	58.77	46.14
Oct-23	66,592.16	63,092.98	60.44	44.33
Nov-23	67,069.89	63,550.46	63.46	47.50
Dec-23	72,484.34	67,149.07	55.50	44.45
Jan-24	73,427.59	70,001.60	68.35	48.64
Feb-24	73,413.93	70,809.84	130.95	60.00
Mar-24	74,245.17	71,674.42	159.20	124.15

**Share Price Performance of
Precision Electronics Limited (PEL) in comparison with BSE Sensex
for the period April 1, 2023 to March 31, 2024**



(vii) Registrar Transfer Agent

: Skyline Financial Services Pvt. Ltd.

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

(viii) **Share Transfer System:** Transfer of securities held in physical mode was discontinued w.e.f April 1, 2019. However, SEBI vide its various circulars / notifications granted relaxation for re-lodgement cases till March 31, 2021. Hence, effective from April 1, 2021, Company / RTA is not accepting any requests for the physical transfer of shares from the shareholders. Request for transmission of shares are duly complied within time. Pursuant to SEBI circular no. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, SEBI has directed that listed companies shall henceforth issue securities in dematerialised form only while processing the transmission request as may be received from the securities holder. According, the Company is processing the transmission request as per the terms of the said circular.



(ix) Distribution of shareholding: Shareholding Pattern as on March 31, 2024.

Category Code	Category of Shareholder	Number of shareholders	Total number of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals / Hindu Undivided Family	5	3626540
(b)	Central Government / State Government(s)	0	0
(c)	Bodies Corporate	2	21592
(d)	Financial Institutions / Banks	0	0
(e)	Any Other (specify)	0	0
	Sub-Total (A)(1)	7	3648132
(2)	Foreign		
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	1	189730
(b)	Bodies Corporate	1	3159905
(c)	Institutions	0	0
(d)	Any Other (specify)	0	0
	Sub-Total (A)(2)	2	3349635
	Total Shareholding of Promoter and Promoter group (A)= (A)(1)+(A)(2)	9	6997767
(B)	Public shareholding		
(1)	Institutions		
(a)	Mutual Funds	4	8700
(b)	Venture Capital funds	0	0
(c)	Alternative investment funds	0	0
(d)	Foreign Venture Capital Investors	0	0
(e)	Foreign portfolio investors	0	0
(f)	Financial institutions/ banks	5	3050
(g)	Insurance Companies	0	0
(h)	Provident fund/ pension funds	0	0
	Any other specify		
	Sub-Total (B)(1)	9	11750
2	Central Government / State Government(s)/ president of India	0	0
	Sub-Total (B)(2)	0	0
3	Non-Institutions		
(a)	Individual shareholders holding nominal share capital up to Rs. 2 lakh.	13507	1052832
ii.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	18	5395991
(b)	NBFCs registered with RBI	0	0
	Employee trusts	0	0
	Overseas depositories (holding DRs) (balancing figure)	0	0
	Any other specify	189	390172
	Sub-Total (B)(3)	13714	6838995
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	13723	6850745
	Total (A) + (B)	13732	13848512



- x) Dematerialisation of shares and Liquidity: As on March 31, 2024 of the total eligible shares 1,34,01,840 were held in dematerialized form and the balance 4,46,672 shares in physical form.

The Company's equity shares are liquid and traded on BSE Limited.

To enable the Company to serve the shareholders better, the shareholders whose shares are in physical mode are requested to get their shares dematerialised and update their bank accounts and email ids with respective DPs.

- xi) Outstanding GDR/ ADR or warrants or any other convertible instruments, conversion date and likely impact on equity: NIL
- xii) Commodity Price Risk or Foreign Exchange Risk and hedging activity: NIL

- xiii) **Plant Location** : **Noida Plant**
D-10, Sector-3, Gautam Budh Nagar, Noida - 201301
Uttar Pradesh
- xiv) **Address for correspondence** : **Registered Office:**
D-1081, New Friends Colony, New Delhi-110025
Corporate Office:
D-10, Sector-3, Gautam Budh Nagar, Noida-201301

OTHER DISCLOSURES

a. Related Party Transactions:

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

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

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

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

There were certain instances of delayed filings by the Company, wherein penalties were imposed by BSE Limited. There was no other non-compliance by the Company, penalties, strictures imposed on the Company by the Stock exchange or SEBI or any statutory authority or any matter related to capital markets, during last Three (3) years.

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

d. The company has complied with all the mandatory requirements of Listing Regulations



- e. Demat Suspense Account- Nil
- f. The Company does not have any subsidiary. Shareholders can reach for Company's policies and the business information at www.pel-india.in, which is regularly updated in order to meet the corporate governance requirement and for the benefit of shareholders/ investors.
- g. A certificate from the Company Secretary in practice is obtained that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority and is annexed herewith.
- h. The total fees paid to the statutory auditors of the Company for the financial year 2023-24 is Rs. 5,00,000 per annum.
- i. There is no complaint filed in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- j. The Company complies with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.



DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

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

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

FOR AND ON BEHALF OF THE BOARD

Place: Noida
Date: 17.05-2024

Sd/-
Ashok Kumar Kanodia
Managing Director

Annex-CGR certificate and director non disqualification certificate.

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

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
 - i. There has not been any significant changes in internal control over financial reporting during the year;
 - ii. There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. We are not aware of any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For And On Behalf Of The Board

Place: Noida
Date: 17.05.2024

Sd/-
Ashok Kumar Kanodia
Managing Director

Sd/-
Jagjit Singh Chopra
Chief Finance Officer



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our knowledge and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the directors of the Company as stated below for the financial year ending on 31 March 2024 have been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority(s):

S. No.	Name of the Director	DIN	Date of appointment in Company*
1.	Mr. Ashok Kumar Kanodia	00002563	01/05/1979
2.	Mr. Suresh Vyas	00085571	04/02/2023
3.	Ms. Preeti Grover	00128513	19/12/2019
4.	Mr. Deepto Roy	01241534	27/09/2014
5.	Mr. Nikhil Kanodia	03058495	11/08/2017
6.	Mr. Sharvan Kumar Kataria	03399949	05/02/2011
7.	Mr. Harbir Singh Banga	05313332	12/02/2021
8.	Mr. Rahul Goenka	00002440	25/09/2004
9.	Mr. Rajesh Pant	06969307	11/08/2023

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

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

For Munish K. Sharma & Associates LLP
Company Secretaries
FRN: P2004UP077300
Peer Review Certificate No. 4265/2023

CS Aditya Jain
Partner

Date: 5th August, 2024
Place: Kaushambi, Ghaziabad

M. No.: F11835
C.P. No. 25426
UDIN: F011835F000901185



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

To,
The Members,

PRECISION ELECTRONICS LIMITED

(CIN: L32104DL1979PLC009590)

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

We have examined the compliance of conditions of Corporate Governance by **Precision Electronics Limited** ('the Company') for the year ended on 31 March 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 22, 23, 24A, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations').

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

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

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

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

For Munish K. Sharma & Associates LLP
Company Secretaries
FRN: P2004UP077300
Peer Review Certificate No. 4265/2023

CS Aditya Jain
Partner

M. No.: F11835

C.P. No. 25426

UDIN: F011835F000901185

Date: 5th August, 2024

Place: Kaushambi, Ghaziabad



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying stand-alone financial statements of Precision Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended, and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2024, the Profit and total comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone

financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

A. Evaluation of uncertain Sales Tax positions and GST

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

Auditor's Response

We obtained from the Company's management, details of the status as of 31 March 2024 concerning these tax assessments and demands for current as well as past years. We assessed the management's underlying

assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

B. Company's business model

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

Auditor's response

The Company has diversified into Tactical infrastructure, Box build Manufacturing Services, System integration for Defence & Security and Engineering Services which has the potential to give better contributions in the medium and long term.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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



opinion.

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

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

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

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

We consider quantitative materiality and qualitative factors in;

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, please refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion & to the best of our information & according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are



material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that there presentations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (d) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023

Based on our examination which included test check, except for the instances mentioned below, the Company has used accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

The features of recording audit trail (edit log) facility were not enabled for the software relating to payroll, Sale Invoice generation, Property, plant and Equipment and Production records.

Further for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instances of the audit trail feature being tempered with.

- V. The company has not declared or proposed dividend during the year.
- VI. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Companies Act, 2013,

In our opinion and according to the information and explanation given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Companies Act, 2013. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act..

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

J.M. Khandelwal
Partner
Membership No: 074267
UDIN:24074267BKHGUA5739
Place: New Delhi
Dated: 17 May, 2024

ANNEXURE - 1

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

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

- i. In respect of the Company's Property, Plant and Equipment and intangible assets :
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii.
 - (a) Physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so whether they have been properly dealt with in the books of account
 - (b) The Company has sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets, and quarterly returns or statements filed by the company with banks are in agreement with the books of accounts of the Company.
- iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and has not granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii) (a) to (f) of the order are not applicable to the company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any depositor amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:



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

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in Lac)
Central Sales Tax Act,1956	Central Sales Tax	Additional Commissioner Sales Tax Appeals	2012-13	10.00
Goods and Service Tax Act	Goods and Service Tax	Additional Commissioner Grade 11, GST-Appeal	FY 2017-18	32.82
Goods and Service Tax Act	Goods and Service Tax	Additional Commissioner Grade 11, GST-Appeal	FY 2017-18	18.70
Goods and Service Tax Act	Goods and Service Tax	Additional Commissioner Grade 11, GST-Appeal	FY 2020-21	20.50
Goods and Service Tax Act	Goods and Service Tax	Deputy Commissioner GST	FY 2021-22	20.08

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest from any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has applied the term loan for the purpose for which the loans were obtained..
- (d) On an over all examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans on the pledge of securities held in its subsidiary, joint ventures or associates companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as



- prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per information and explanation provided to us, no whistle blower complaints was received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a),(b)and(c)of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash loss during the financial year covered by our audit and during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than on going projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) No Corporate Social Responsibility (CSR) amount was payable by the company during the current financial year.

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

J.M. Khandelwal
Partner
Membership No: 074267
UDIN: 24074267BKHGUA5739
Place: New Delhi
Dated: 17 May, 2024



ANNEXURE - 2

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

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

We have audited the internal financial controls with reference to Financial Statements of Precision Electronics Ltd. ("the Company") as of 31 March 2024 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that



receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31 March 2023, based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to Financial Statements issued by the Institute of Chartered Accountants of India.

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

J.M.Khandelwal
Partner
Membership No: 074267
UDIN:24074267BKHGUA5739
Place: New Delhi
Dated: 17 May, 2024



Independent Auditors' Report on the Quarterly and Year Ended 31st March 2024 Financial Results of Precision Electronics Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

**The Board of Directors of
Precision Electronics Limited**

Opinion

We have audited the accompanying Statement of financial results of Precision Electronics Limited ("the Company") for the quarter and year ended 31st March 2024 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information for the quarter and year ended 31 March 2024.

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

Management's Responsibilities for the Financial Results

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

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

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

Auditors' Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.



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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the company to express an opinion on the Financial Results.
- Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, make it probable that the economic decisions of a reasonable knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and(ii) to evaluate the effect of any identified misstatements in the Financial Results.

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

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

Other Matters

Attention is invited to Note No. 3 to the Statement. As stated therein, the Statement includes the results for the quarter ended 31 March 2024 being the balancing figure between the annual audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

J.M.Khandelwal
Partner
Membership No: 074267
UDIN:24074267BKHGTZ2075
Place: New Delhi
Dated: 17 May, 2024



BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No(s)	Amount in Lakh	
		As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	4	713.37	294.59
(b) Intangible Assets	5	10.68	5.00
(c) Capital assets under developments	6	-	7.74
(d) Deferred tax assets (Net)	7	320.53	287.15
(e) Financial Assets			
i. Investments		-	-
ii. Others financial assets	8	32.79	35.59
(f) Other non-current assets	9	4.31	0.49
Total non-current assets		<u>1,081.67</u>	<u>630.56</u>
Current Assets			
(a) Inventories	10	1,422.68	1,547.19
(b) Financial assets			
i. Investments		-	-
ii. Trade receivables	11	1,297.55	1,215.71
iii. Cash and cash equivalents	12	52.17	45.29
iv. Bank balance other than (iii) above	13	171.97	29.16
v. Other financial assets	14	267.28	170.50
(c) Current Tax Assets (Net)	15	96.86	101.81
(d) Other current assets	16	132.53	127.33
Total Current Assets		<u>3,441.05</u>	<u>3,237.00</u>
Total Assets		<u>4,522.72</u>	<u>3,867.56</u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share Capital	17	1,384.88	1,384.88
(b) Other Equity	18	103.84	(43.59)
Total Equity		<u>1,488.72</u>	<u>1,341.29</u>
Liabilities			
Non-Current liabilities.			
(a) Financial Liabilities			
i. Borrowings	19	929.93	914.44
ii. Other financial liabilities		-	-
iii. Lease liabilities	20	8.68	8.64
(b) Provisions	21	95.49	82.88
(c) Other non-current liabilities		-	-
Total non-current liabilities		<u>1,034.10</u>	<u>1,005.95</u>



BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No(s)	Amount in Lakh	
		As at March 31, 2024	As at March 31, 2023
Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	988.54	961.84
ii. Trade payables	23	615.14	360.53
iii. Other financial liabilities	24	23.59	13.99
iv. Lease liabilities		-	-
(b) Other current liabilities	25	349.66	174.32
(c) Provisions	26	22.97	9.63
Total Current Liabilities		1,999.90	1,520.32
Total liabilities		3,034.00	2,526.27
Total equity and liabilities		4,522.72	3,867.56

As per our Report of even date attached

For and on behalf of the board

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

J.M. Khandelwal
Partner
M.No.: 074267

Place: New Delhi
Dated: 17 May, 2024

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Khurana
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer



STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2024

All amount Rs. In Lakh except E.P.S.		Amount in Lakh	
Particulars	Note No.	For the Year ended 31.03.2024	For the Year ended 31.03.2023
I. INCOME			
Income from Operations	27	4,734.41	3,557.78
Other Income	28	29.98	59.37
Total Income		<u>4,764.39</u>	<u>3,617.15</u>
II. EXPENSES			
Cost of materials consumed	29	2,469.19	1,709.92
Purchase of Traded Goods		-	-
Changes in inventories of work in-progress, stock-in-trade and finished goods	30	152.45	(12.04)
Other Direct Costs	31	244.03	409.62
Employee benefit expenses	32	822.88	701.93
Finance costs	33	216.09	215.96
Depreciation and amortisation expenses	4,5	49.44	50.01
Other expenses	34	698.55	674.19
Total Expenses(II)		<u>4,652.62</u>	<u>3,749.59</u>
III. Profit/ (Loss) before exceptional items and income tax.(I-II)		111.77	(132.44)
IV. Exceptional items (Profit on Sale of Land & Building of Roorkee Unit)		-	224.16
V. Profit/ (Loss) before tax (III-IV)		<u>111.77</u>	<u>91.72</u>
VI. Tax Expenses			
Current tax		18.66	2.90
Earlier years tax		1.69	-
MAT Credit Entitlement		(20.35)	(2.90)
Deferred tax		(33.97)	90.91
Total tax expenses		<u>(33.97)</u>	<u>90.91</u>
VII. Profit / Loss for the year (V -VI)		145.74	0.81
VIII. Other Comprehensive Income:			
A) Items that will not classified to profit or loss		-	-
(i) Remeasurement of Gain/(Loss) defined benefit plans;		2.28	11.14
(ii) Equity Instruments through OCI.		-	-
B) Items that will be re classified to profit or loss		-	-
C) Income tax effect on such items		(0.59)	(2.90)
Other comprehensive income for the year after tax (VIII)		<u>1.69</u>	<u>8.24</u>
IX. Total comprehensive income for the year (VII+VIII)		<u>147.43</u>	<u>9.05</u>
Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year,			
Basic earnings per share (Rs.)	35	1.05	0.01
Diluted earning per share (Rs.)	35	1.05	0.01
The accompanying notes form an integral part of the standalone financial statements.			

As per our Report of even date attached

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

J.M. Khandelwal
Partner
M.No.: 074267

Place: New Delhi
Dated: 17 May, 2024

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For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Khurana
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer



CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2024

Particulars	Amount in Lakh	
	Year ended 31.03.2024	Year ended 31.03.2023
I. CASH FLOW FROM OPERATING ACTIVITIES		
Total Comprehensive Income	147.43	9.05
Adjustments for:		
Depreciation and amortization expenses	49.44	50.01
Profit on disposal of property, plant and equipment	1.35	(222.39)
Deferred Tax	(33.37)	93.81
Dividend and interest income classified as investing cash flows	(8.66)	(8.45)
Finance costs	216.09	215.96
	372.27	137.99
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	(81.84)	(235.68)
(Increase) / decrease in inventories	124.51	(88.32)
Increase/(decrease) in trade payables	254.61	(281.60)
(Increase) / decrease in other financial assets	(93.98)	(63.48)
(Increase)/decrease in other non-current assets	(3.82)	2.34
(Increase)/decrease in other current assets	(0.24)	47.43
Increase/(decrease) in provisions	5.61	(11.22)
Increase/(decrease) in Other non current Liabilities	0.04	0.05
Increase/ (decrease)in other current liabilities	175.34	(20.68)
Cash generated from operations	752.50	(513.16)
Income taxes paid	20.35	2.90
Prior period adjustments		
Net cash inflow from/(used) operating activities	772.85	(510.26)
II. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(480.48)	(111.35)
Payment for cwip	7.74	(7.74)
Proceeds from sale of property, plant and equipment	5.22	682.25
Interest received	8.66	8.45
Decrease/(Increase) in Term Deposits with Banks	(142.81)	24.06
Net cash flow from/(used) in investing activities	(601.68)	595.68
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	186.65	357.23
Repayment of borrowings	(134.86)	(555.97)
Interest Paid (net)	(216.09)	(215.96)
Net cash flow from/(used) in financing activities	(164.30)	(414.70)
IV. NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (I+II+III)	6.88	(329.28)
V. CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	45.29	374.58
Effects of exchange rate changes on cash and cash equivalents		



CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2024

Particulars	Amount in Lakh	
	Year ended 31.03.2024	Year ended 31.03.2023
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>52.17</u>	<u>45.29</u>

NOTES:

Change in Equity		
1	The Statement of cash flow has been prepared under the indirect method as set out in the IND AS -7 "Statement of Cash Flow" issued by the institute of Chartered Accountants of India.	
2	Figures in bracket indicate cash outflow.	
3	Cash and Cash equivalents (note)	
Cash on hand	14.29	12.08
Cheques in hand		
Balances with Scheduled banks in Current accounts	0.42	0.38
Fixed Deposits with Bank.	37.47	32.84
Balances per statement of cash flows	<u>52.17</u>	<u>45.29</u>

As per our Report of even date attached

For and on behalf of the board

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

J.M. Khandelwal
Partner
M.No.: 074267

Place: New Delhi
Dated: 17 May, 2024

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Khurana
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Statement of Changes in Equity for the period ended 31st March, 2024

	Amount in Lakh Amount
EQUITY SHARE CAPITAL.	
As at March 31, 2022	1,384.88
Changes in equity share capital.	
As at March 31, 2023	1,384.88
Changes in equity share capital.	
As at March 31, 2024	1,384.88

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income		
	Share Application Pending allotment	Equity component of compound financial instruments	Securities Premium Reserve	General Reserve	Retained Earnings	Changes in fair value of FVOCI equity instruments	Remeasurement of defined benefit plan -Other comprehensive income	Total
Balance as at March 31, 2022	-	-	-	84.09	(128.28)	-	(8.44)	(52.64)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period.								-
Total Comprehensive Income for the year	-	-	-	-	0.81	-	8.24	9.05
Transfer to retained earnings								-
Any other change to be specified.								-
Balance as at March 31, 2023	-	-	-	84.09	(127.48)	-	(0.20)	(43.59)
Changes in accounting policy or prior period errors								-
Restated balance at the beginning of the reporting period.								-
Total Comprehensive Income for the year	-	-	-	-	145.74	-	1.69	147.43
Transfer to retained earnings								-
Any other change to be specified.								-
Balance as at March 31, 2024	-	-	-	84.09	18.26	-	1.49	103.84

Note

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

As per our Report of even date attached

For and on behalf of the board

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

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

J.M. Khandelwal
Partner
M.No.: 074267

Veenita Khurana
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

Place: New Delhi
Dated: 17 May, 2024



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE 1. CORPORATE INFORMATION

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

The financial statements are approved for issue by the Company's Board of Directors on May 17, 2024.

NOTE 2. APPLICATION OF NEW AND REVISED IND -AS

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

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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Compliance with Ind AS

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

Historical Cost Convention

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

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

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period other than for (a) above, or

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

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

All other liabilities are classified as non-current.

Fair value measurement

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

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

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

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

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

- Level 1 – Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

- Level 2

Level 2 inputs include the following:

- a. quoted prices for similar assets or liabilities in active markets.
- b. quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. inputs other than quoted prices that are observable for the asset or liability.
- d. Market – corroborated inputs.

- Level 3

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

Non-current assets held for sale

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

Property Plant and Equipment

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

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



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

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

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

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

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

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

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

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

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

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

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

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

Intangible Assets

Deemed cost on transition to Ind AS

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Intangible assets

Recognition of intangible assets

Research and development

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

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

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

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

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

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

Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of Profit & Loss. The useful life is taken for a period of Three (3) years.

De-recognition of intangible assets

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

Intangible assets under development

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

Financial instruments

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

Financial assets

Initial recognition and measurement

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



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

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

Subsequent measurement

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

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

De-recognition

A financial asset is de-recognized only when

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

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

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

Impairment of financial assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Financial liabilities

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

Initial recognition and measurement

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

Subsequent measurement

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

Trade and other payables

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

Impairment of non-financial assets

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

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

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

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



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

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

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

Inventories

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

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

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

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

Revenue recognition

Sale of Goods and Rendering of Services

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Interest income

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

Dividends

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

Rental income

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

Insurance Claims and Export Incentives

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

Leases

As a lessee

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

As a lessor

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

Foreign currency transactions

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Employee Obligations

Short term employee benefits: -

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

Long-Term employee benefits

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

Post-employment obligations

Defined contribution plans

Provident Fund and employees' state insurance schemes

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

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

Defined benefit plans

Gratuity

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

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

Leave Encashment

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

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

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

Termination benefits

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

Borrowing Costs

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

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Cash Flow Statement

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

Input Tax Credit (ITC)

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

Earnings per share

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

Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

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

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

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

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

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

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

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

Segment Accounting:

i) Segment Revenue & Expenses:

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

ii) Segment Assets & liabilities:

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

iii) Inter Segment sales:

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-4. PROPERTY, PLANT AND EQUIPMENT

	Amount in Lakhs										
	Land Freehold Roorkee	Land Leasehold Noida	Building Freehold	Plant and Machinery	Lab Equipments and other Fixed assets	Computers	Office Equipments	Furnitures and fixtures	Vehicles	Mould and dies	Total
As at March 31,2022	133.99	24.44	739.28	665.19	59.19	130.99	85.36	118.72	72.24	-	2,029.40
Additions	-	-	-	0.26	0.23	4.25	4.61	-	77.70	18.35	105.40
Disposal/ Adjustments	133.99	-	534.01	114.65	0.98	6.54	11.75	3.10	17.38	-	822.39
As at March 31,2023	-	24.44	205.27	550.80	58.45	128.69	78.23	115.63	132.56	18.35	1,312.41
Additions	-	-	-	396.48	-	1.87	3.90	0.92	-	-	403.18
Machine Under Insallation	-	-	-	67.40	-	-	-	-	-	-	67.40
Disposal/ Adjustments	-	-	-	4.43	-	-	-	-	4.63	-	9.06
As at March 31,2024	-	24.44	205.27	1,010.25	58.45	130.56	82.13	116.55	127.93	18.35	1,773.93
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2022	-	1.94	409.37	530.21	50.44	121.61	72.83	111.77	33.13	-	1,331.29
Depreciation for the year	-	0.39	4.70	30.10	3.70	3.36	2.42	0.43	3.82	0.15	49.07
Disposal/ Adjustments	-	-	219.06	105.39	0.93	6.39	11.17	3.08	16.51	-	362.53
Reversal of op bal adjs	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2023	-	2.33	195.01	454.92	53.21	118.58	64.08	109.11	20.44	0.15	1,017.83
Depreciation for the year	-	0.39	-	21.71	2.05	2.09	2.85	1.39	13.01	1.73	45.22
Disposal/ Adjustments	-	-	-	1.19	-	-	-	-	1.30	-	2.49
Reversal of op bal adjs	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2024	-	2.72	195.01	475.44	55.26	120.67	66.92	110.50	32.15	1.88	1,060.55
Net Book Value	-	-	-	-	-	-	-	-	-	-	-
As at March 31,2022	133.99	22.50	329.91	134.98	8.76	9.37	12.53	6.96	39.10	-	698.11
As at March 31,2023	-	22.11	10.26	95.89	5.24	10.11	14.15	6.51	112.11	18.20	294.59
As at March 31,2024	-	21.73	10.26	534.82	3.19	9.89	15.21	6.04	95.78	16.47	713.37

- 1 Gross Block and Net Block of Fixed assets are net of provision for impairment.
- 2 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as on the transition date except for decommissioning liabilities included in the cost of other Property, Plant and Equipment (PPE) which has been adjusted in terms of para D21 of FND AS 101 and leasehold land at Noida.
- 3 Significant estimate: useful life of tangible assets.
The company has estimated the useful life of the tangible assets based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life taken, depending on technical innovations and competitor actions.





NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

		Amount in Lakh	
NOTE-5. OTHER INTANGIBLE ASSETS			
	As at March 31, 2024	As at March 31, 2023	
Application Software			
Cost or Deemed cost			
Opening Balance	5.00	-	
Addition during the year	9.90	5.95	
Disposal/adjustment/transfer	-	-	5.95
Accumulated amortization			
Opening Balance	-	-	
Additions during the year	4.22	0.95	
Disposal/adjustment/transfer	-	-	0.95
	<u>10.68</u>	<u>5.00</u>	

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

		Amount in Lakh	
NOTE-6. INTANGIBLE ASSETS UNDER DEVELOPMENT			
	As at March 31, 2024	As at March 31, 2023	
Application Software			
Gross Cost			
Opening Balance	-	7.74	
Expenditure during the year	-	-	
Less: Sale Proceeds	-	-	7.74
Intangible Assets under Development			

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-7. DEFERRED TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets (Net)		
A) Deferred Tax Assets		
Provision for doubtful receivable & Advances	10.00	8.78
Expenses disallowed u/s 43B of Income Tax Act, 1961	25.95	23.30
Accumulated losses and unabsorbed depreciation as per Income Tax Act.	225.20	259.62
Mat Credit Entitlement	84.20	-
	345.36	291.70
B) Deferred Tax Liability	-	-
Difference between WDV of Income tax and Companies Act	24.24	4.55
Deffered Tax Liability on OCI	0.59	-
	24.83	4.55
C) Deferred Tax Assets/(Liability) Net (A-B)	320.53	287.15

Significant estimate:

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

Movement in Deferred tax assets

	Tax Losess	Defined Benefit Obligation	Mat Credit Entitlement	Other Items	Total
As at March 31,2022	427.48	26.22	-	(72.74)	380.96
(Charged) / credited	-	-	-	-	-
- to profit or loss	(167.86)	(0.02)	-	76.97	(90.91)
- to other comprehensive income	-	(2.90)	-	-	(2.90)
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31,2023	259.62	23.30	-	4.23	287.15
(Charged) / credited	-	-	-	-	-
- to profit or loss	(54.10)	2.65	84.20	1.22	33.97
- to other comprehensive income	-	(0.59)	-	-	(0.59)
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31,2024	205.52	25.36	84.20	5.45	320.53



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Amount in Lakh

NOTE-8. NON CURRENT FINANCIAL ASSETS OTHER

	As at March 31, 2024	As at March 31, 2023
Fixed deposits with Bank (Maturity more than twelve months) (Lien with bank against BG limits)	11.42	13.42
Security Deposits	21.37	22.17
Total	32.79	35.59

NOTE-9. OTHER NON CURRENT ASSETS

	As at March 31, 2024	As at March 31, 2023
Prepaid Expenses	4.31	0.49
Total	4.31	0.49

NOTE-10 INVENTORIES

	As at March 31, 2024	As at March 31, 2023
Inventories (As certified and valued by the management)		
Raw Materials & Components	805.27	777.34
Goods-in-process (Manufacturing)	539.78	467.70
Goods-in-process (Infra Services)	77.63	302.16
Finished Goods	-	-
Traded Goods	-	-
Stores & Spare Parts	-	-
Total	1,422.68	1,547.19

NOTE-11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

	As at March 31, 2024	As at March 31, 2023
Unsecured - Considered good:	1,336.02	1,249.49
Less;- Provision for doubtful debts	38.47	33.78
Total	1,297.55	1,215.71

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-11.1 AGE OF RECEIVABLES AS ON 31.03.2024

Particulars	Outstanding for following periods from the due date of payment					Total
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,195.28	37.04	38.20	27.03	-	1,297.55
(ii) Undisputed Trade receivables - considered doubtful.	-	-	-	-	38.47	38.47
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful.	-	-	-	-	-	-

NOTE-11.1 AGE OF RECEIVABLES AS ON 31.03.2023

Particulars	Outstanding for following periods from the due date of payment					Total
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	993.32	146.70	70.99	4.69	-	1,215.71
(ii) Undisputed Trade receivables - considered doubtful.	-	-	-	-	33.78	33.78
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful.	-	-	-	-	-	-

NOTE-12 CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

Amount in Lakh

	As at March 31, 2024	As at March 31, 2023
Balances with Banks	0.42	0.38
Cheques , drafts on hand	-	-
Cash on Hand	14.29	12.08
Fixed deposits with bank (Original maturity less than 3 months) (Lien with bank against BG limits)	37.47	32.84
Total	52.17	45.29

NOTE-13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

	As at March 31, 2024	As at March 31, 2023
Fixed Deposit with Bank (Maturity 3 - 12 months) (Lien with bank against BG limits)	171.97	29.16
Total	171.97	29.16



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-14 CURRENT FINANCIAL ASSETS - OTHER ASSETS/ADVANCES **Amount in Lakh**

	As at March 31, 2024	As at March 31, 2023
Advances other than capital advances		
a. Security Deposits		
Secured - Considered good;	2.10	8.65
b. Other advances		
Unsecured - Considered good;	265.18	161.84
Total	267.28	170.50

NOTE-15 CURRENT TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
Advance tax/TDS(net of tax)	12.65	37.96
MAT credit entitlement	84.20	63.86
Total	96.86	101.81

NOTE-16 OTHER CURRENT ASSETS

	As at March 31, 2024	As at March 31, 2023
Balance with Central Excise, GST , VAT and custom authorities	100.68	106.75
Interest Receivable	0.23	0.20
Prepaid expenses	23.81	13.17
Others	7.82	7.20
Total	132.53	127.33

NOTE-17 EQUITY SHARE CAPITAL

	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
At the beginning of the period	2000.00	2000.00
Increase during the year	-	-
As at end of the period	2000.00	2000.00

(i) ISSUED , SUBSCRIBED AND PAID UP

	As at March 31, 2024	As at March 31, 2023
1,38,48,512 Equity shares of Rs 10/- each fully paid up.	1,384.85	1,384.85
Add: Forfeited Shares (Amount paid up)	0.03	0.03
Total	1,384.88	1,384.88

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

(ii) MOVEMENT IN EQUITY SHARE CAPITAL	Amount in Lakh	
	As at March 31, 2024	As at March 31, 2023
	<u>No. of shares held</u>	<u>No. of shares held</u>
At the beginning of the period	138.49	138.49
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year.	-	-
Less: Shares bought back during the year	-	-
As at end of the period	<u>138.49</u>	<u>138.49</u>

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

(iii) Share held by promoters at the end of the year 2023-24

S.NO	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	NIKHIL KANODIA	34.16	24.67	-
2	ASHOK KANODIA	1.03	0.74	-
3	ASHOK KANODIA (HUF)	0.80	0.58	-
4	GAURI KANODIA	0.20	0.15	-
5	VEENA KANODIA	0.08	0.06	-
6	VM FARMS PRIVATE LIMITED	0.15	0.11	-
7	SNK ELECTRONICS PVT LTD	0.06	0.05	-
8	HANS JURGEN WAGNER	1.90	1.37	-
9	KNOWLEDGE HOLDINGS & INVESTMENTS PTE. LTD.	31.60	22.82	0.14
	Total	69.98	50.53	0.14

(iv) Share held by promoters at the end of the year 2022-23

S.NO	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	NIKHIL KANODIA	34.16	24.67	-
2	ASHOK KANODIA	1.03	0.74	-
3	ASHOK KANODIA (HUF)	0.80	0.58	-
4	GAURI KANODIA	0.20	0.15	-
5	VEENA KANODIA	0.08	0.06	-
6	VM FARMS PRIVATE LIMITED	0.15	0.11	-
7	SNK ELECTRONICS PVT LTD	0.06	0.05	-
8	HANS JURGEN WAGNER	1.90	1.37	-
9	KNOWLEDGE HOLDINGS & INVESTMENTS PTE. LTD.	31.80	22.96	-
	Total	70.18	50.68	-



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

(v) Shareholders holding more than 5 percent of Equity Shares	Amount in Lakh	
	As at	As at
	March 31, 2024	March 31, 2023
	No. of shares held	No. of shares held
Knowledge Holding and Investment Pte Ltd.	31.60	31.80
Percentage of Holdings	22.82%	22.96%
Mr. Nikhil Kanodia	34.16	34.16
Percentage of Holdings	24.67%	24.67%
Mr. Hardeep Singh Banga	34.46	34.46
Percentage of Holdings	24.88%	24.88%

NOTE-18 OTHER EQUITY

	As at	As at
	March 31, 2024	March 31, 2023
(i) General Reserve	84.09	84.09
(ii) Retained Earnings	19.75	(127.67)
	<u>103.84</u>	<u>(43.59)</u>

(i) RETAINED EARNINGS

	As at	As at
	March 31, 2024	March 31, 2023
Opening Balance	(127.67)	(136.72)
Changes in accounting policy or prior period items	-	-
Net Profit for the period	145.74	0.81
Items of Other Comprehensive Income recognised directly in Retained Earnings.	-	-
Remeasurement of Defined Benefit plans	1.69	8.24
Closing Balance	<u>19.75</u>	<u>(127.67)</u>

NOTE-19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at	As at
	March 31, 2024	March 31, 2023
Secured Loan		
Vehicle Loans*	33.32	48.51
Machinery Loans	40.01	-
Unsecured Loan		
Loans from Director	789.24	752.76
MSME Loan (SIB)**	67.36	113.17
Total	<u>929.93</u>	<u>914.44</u>

Security

*Hypothecation of Car

Terms of Repayment

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

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



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-20 NON CURRENT FINANCIAL LIABILITIES-LEASE LIABILITIES **Amount in Lakh**

	As at March 31, 2024	As at March 31, 2023
Leasehold Obligations	8.68	8.64
Total	8.68	8.64

NOTE-21 NON CURRENT PROVISIONS

	As at March 31, 2024	As at March 31, 2023
Provisions for Employee Benefits	95.49	82.88
Total	95.49	82.88

NOTE-22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2024	As at March 31, 2023
Secured Loan		
(i) from Banks- Secured*	537.57	449.82
(ii) from NSIC**	230.16	272.36
Unsecured Loan		
(i) MSME Loan (SIB)	45.81	64.67
(ii) Inter Corporate Deposit	175.00	175.00
	988.54	961.84

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

**Raw Material Assistance Scheme from NSIC against BG issued by SIB

NOTE-23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2024	As at March 31, 2023
For Goods & Services		
Trade payables due for payment.	615.14	360.53
	615.14	360.53

NOTE-23.1 as on 31.03.2024

Particulars	Outstanding for following periods from the due date of payment				
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	85.72	-	-	-	85.72
(ii) Others	526.08	2.22	1.12	-	529.42
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-23.1 as on 31.03.2023

Amount in Lakh

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

NOTE-24 CURRENT LIABILITIES - OTHER FINANCIAL LIABILITIES

	As at March 31, 2024	As at March 31, 2023
a) Current maturities of long term debts		
Secured		
Loans from others	-	-
South Indian Bank Vehicle Loan	15.21	13.18
ICICI Bank	-	0.80
Yes Bank Machine Loan	8.38	-
b) Interest Accrued	-	-
	23.59	13.99

NOTE-25 CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

	As at March 31, 2024	As at March 31, 2023
a) Advances from customers	208.32	78.61
b) Others:	-	-
i) Creditors for capital goods	-	-
ii) Expenses Payable	22.58	18.80
iii) Other Employees related liabilities	37.87	35.15
iv) Statutory Liabilities	80.88	41.76
v) Security Received - Factory Rent	-	-
	349.66	174.32

NOTE-26 CURRENT LIABILITIES - PROVISIONS

	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits	4.31	6.73
Provision for Income Tax	18.66	2.90
	22.97	9.63



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Amount in Lakh

NOTE-27. REVENUE FROM OPERATIONS

	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products	3,610.62	2,342.76
Sale of Services	1,120.94	1,212.44
	<u>4,731.56</u>	<u>3,555.21</u>
Other Operating Revenue		
Duty Drawback	2.75	2.57
Sales of Scrap	0.09	-
Total	<u>4,734.41</u>	<u>3,557.78</u>

NOTE-28. OTHER INCOME

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income	8.66	8.45
Others	21.32	50.93
Total	<u>29.98</u>	<u>59.37</u>

NOTE-29. COST OF MATERIAL CONSUMED

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock	777.34	701.06
Add: Purchases during the year	2,497.12	1,786.19
	<u>3,274.46</u>	<u>2,487.25</u>
Less: Closing Stock	805.27	777.34
Total	<u>2,469.19</u>	<u>1,709.92</u>

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Valued and as certified by Management		
Opening Stock		
- Finished Goods (Manufacturing)	-	-
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	467.70	406.22
- Goods-in-process (Infra Services)	302.16	351.59
Closing Stock		
- Finished Goods (Manufacturing)	-	-
- Traded Goods	-	-
- Goods-in-process (Manufacturing)	539.78	467.70
- Goods-in-process (Infra Services)	77.63	302.16
Total	<u>152.45</u>	<u>(12.04)</u>



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-31. OTHER DIRECT COSTS	Amount in Lakh	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Project and labour service charges	185.59	377.72
Consumption of Stores and Spares Parts	25.81	18.09
Die Making Charges	1.15	-
Job Work Expenses	31.47	13.80
Total	244.03	409.62

NOTE-32. EMPLOYEE BENEFIT EXPENSES

	Amount in Lakh	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and allowances	770.01	645.38
Contribution to Provident and ESI Funds	19.67	19.11
Workmen and staff welfare expenses	33.20	37.44
Total	822.88	701.93

*Including Directors Remuneration for the FY Rs. 95.04 L and PY. Rs. 89.65 L

NOTE-33. FINANCE COSTS

	Amount in Lakh	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank Loan Interest	98.01	98.75
Other Interest	79.38	78.03
Bank Charges	16.58	21.67
Other Borrowing costs	22.13	17.51
Total	216.09	215.96

* Including Interest paid to Director for FY R. 53.12 L and PY Rs. 53.02 L

NOTE-34. OTHER EXPENSES

	Amount in Lakh	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	40.72	39.49
Rent	20.82	30.20
Security Services	19.28	24.62
Directors Sitting Fees	5.60	6.58
Repairs & Maintenance	-	-
- Building	32.85	3.98
- Plant & Machineries	10.92	7.74
- Others	15.23	11.39
Insurance	9.66	9.48
Telephone & Internet expenses	7.94	7.17
Legal and professional fee	129.56	74.96

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

NOTE-34. OTHER EXPENSES (CONTINUED)	Amount in Lakh	
Technical Consultancy	60.84	98.70
Testing fee	13.44	14.23
Auditor fees	-	-
Statutory Audit	4.50	4.50
Tax audit	0.50	0.50
Other matters	-	-
Reimbursement of expenses	-	-
Travelling & Conveyance expenses (including foreign travel)*	147.69	135.86
Marketing & Distribution expenses	80.96	95.18
Loss on sales/ written off of Fixed assets	1.35	1.77
Vehicle Running Maintenance	17.06	21.12
Miscellaneous expenses	74.91	86.72
Bed Debts written off	-	0.00
Provision for Trade receivables	4.69	-
Total	698.55	674.19

*Including Directors foreign Travelling for the FY Rs. 33.64 L and PY 30.18 L

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Basic & Diluted Earnings per share before extra ordinary items		
Profit / (Loss) after tax	145.74	0.81
Profit attributable to ordinary shareholders	145.74	0.81
Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	138.49	138.49
Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	-	-
Nominal value of ordinary share (Rs.)	10.00	10.00
Earnings per share basic (Rs.)	1.05	0.01
Earnings per share diluted (Rs.)	1.05	0.01
(B) Basic & Diluted Earnings per share after extra ordinary items	-	-
Profit / (Loss) after tax	145.74	0.81
Profit attributable to ordinary shareholders	145.74	0.81
Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	138.49	138.49
Weighted average number of ordinary shares (used as denominator for calculating diluted EPS) (Rs.)	-	-
Nominal value of ordinary share	10.00	10.00
Earnings per share basic (Rs.)	1.05	0.01
Earnings per share diluted (Rs.)	1.05	0.01



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Note 36. Critical Accounting Estimates and Judgments

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

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

The areas involving critical estimates or judgments are:

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

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

37. Contingent Liabilities, Capital and Other Commitments

	Amount as at 31.03.2024	Amount as at 31.03.2023
A. Contingent Liabilities not provided for:		
i) Guarantees and LC	863.30	556.28
Less : Bank balances in restricted Fixed Deposits. held under lien as margin money	205.51	75.42
	657.79	480.86
ii) Disputed demands in respect of Central Sales Tax and Value Added Tax	9.99	11.70
Less:- Deposit for Above Demand	9.99	11.70
iii) Disputed demands in respect of GST	92.11	92.11
Less: Deposit for GST	24.42	24.42
B. Commitments		
i) Capital Commitments net of Advances	-	347.54
ii) Other Commitments	-	-

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

39. Income from operations for the year ended 31 March 2024 is net of Goods and Service Tax (GST).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

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

Particulars	As at	As at
	March 31, 2024	March 31, 2023
a. Principal amount due	85.72	163.66
Interest due on above	-	2.86
b. Interest paid during the period beyond the appointed day	Nil	Nil
c. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil
d. Amount of interest accrued and remaining unpaid at the end of the period	2.86	2.86
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually, paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	Nil	Nil

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

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

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Not later than one year	-	-
Later than one year but not later than five years	-	-
More than five years	-	-

42. Related Party Disclosure

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

A) List of Related Party

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

- Ashok Kanodia (HUF) - (HUF of Managing Director)
- Mr. Nikhil Kanodia - (Son of Managing Director)
- Mr. Harbir Singh Banga (Non-Executive Director)

ii) Key Management Personnel

- Mr. Ashok Kanodia - (Managing Director of the Company)
- Mr. Nikhil Kanodia - (Whole Time Director cum President)
- Mr. Jagjit Singh Chopra (Chief Financial Officer of the Company)
- Ms. Vrinda mohan gupta (Company secretary of the Company) resigned w.e.f.01.02.2024
- Ms. Veenita Khurana (Company secretary of the Company) appointed w.e.f. 09.02.2024



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

B) Transactions with Related Parties

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

	Current Year (Rs. In Lakh)	Previous Year (Rs.in Lakh)
Rent	1.60	1.60
Interest	-	
Purchase	158.85	286.89
Sale	12.72	1.34
Amount payable	82.62	36.56
Unsecured loan taken during the year	-	-
Unsecured loan repaid during the year	-	-
Unsecured loan at year-end	-	-

ii) Key Management Personnel

Remuneration including perquisites	98.24	92.84
Interest	53.12	53.01
Salary including Perquisites	32.15	29.44
Unsecured loan taken during the year	-	6.00
Unsecured loan repaid during the year	-	-
Unsecured loan at year - end	590.25	590.25
Amount payable other than unsecured loan	231.60	190.46

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

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

a) Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged during the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Employer's Contribution to Provident Fund	4.96
Employer's Contribution to Pension Scheme	11.25	10.51

b) Defined Benefit Plan

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

1. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Discount Rate	7.23%	7.36%	7.23%	7.36%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
Mortality Table	2012-14 (IALM	2012-14 (IAL Ultimate)	2012-14 (IALM	2012-14 (IAL Ultimate)

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

2. Table showing changes in present value of obligations

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Present value of obligations as at beginning of year	117.78	104.99	16.21	23.45
Interest cost	8.67	7.54	1.19	1.68
Current Service Cost	12.64	10.54	4.67	3.25
Benefits Paid	(6.28)	(4.22)	(2.09)	(2.09)
Actuarial (gain)/Loss on Obligations	(1.49)	(1.05)	(0.87)	(10.08)
Present value of obligations as at end of year	131.31	117.78	19.11	16.21

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

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Fair value of plan assets at beginning of years	44.39	27.61	-	-
Expected return on plan assets	3.27	1.94	-	-
Contributions	9.33	19.16	-	-
Benefits paid	(6.28)	(4.23)	-	-
Actuarial (gain)/Loss on Plan Assets	(0.08)	(0.09)	-	-
Fair value of Plan assets as at end of year	50.63	44.39	-	-

4. Table showing fair value of plan assets

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Fair value of plan assets at beginning of years	44.39	27.61	-	-
Actual return on plan assets	3.18	1.84	-	-
Contributions	9.33	19.16	-	-
Benefits paid	(6.28)	(4.23)	-	-
Fair value of Plan assets as at end of year	50.62	44.39	-	-
Present Value of obligation at the year end	131.31	117.78	-	-
Funded Status	(80.68)	(73.39)	-	-
Excess of actual over estimated return on Plan Assets.	(0.08)	(0.09)	-	-



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

5. Actuarial Gain/Loss recognized

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Actuarial gain/Loss for the year Obligations	1.49	1.05	0.87	10.08
Actuarial gain/Loss for the year Plan assets	0.08	0.09	-	-
Total (gain) /Loss for the year	(1.40)	(0.96)	(0.87)	(10.08)
Actuarial (gain)/Loss recognized In the year	(1.40)	(0.96)	(0.87)	(10.08)
Unrecognized Actuarial (Gain)/Loss at the end of the IVP	-	-	-	-

6. The amount to be recognized in the balance sheet

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Present value of obligations as at the end of year	131.31	117.78	19.11	16.22
Fair value of plan assets as at the end of the year	50.62	44.39	-	-
Funded status	(80.68)	(73.39)	(19.11)	(16.22)
Net assets/ (liability) recognized In the balance sheet	(80.68)	(73.39)	(19.11)	(16.22)

7. Expenses Recognized in statement of Profit & Loss

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Current Service cost	12.64	10.53	4.67	3.25
Interest Cost	8.66	7.54	1.19	1.68
Expected return on plan assets	(3.26)	(1.94)	-	-
Net Actuarial (gain)/Loss recognized in the year	(1.40)	(0.96)	(0.87)	(10.08)
Expenses recognized in statement of Profit & Loss	16.63	15.17	4.99	(5.15)

8. Expenses Recognized in statement of Other Comprehensive Income

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	Current year	Previous year
Net Actuarial (gain)/Loss recognized in the year	(1.40)	(0.96)	(0.87)	(10.08)
Expenses recognized in statement of Profit & Loss	16.63	15.18	4.99	(5.15)

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

44. Derivative instruments and unhedged foreign currency exposure

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

	Amount as 31March 2024		Amount as at March 31 2023	
	USD (IN LAKH)	Rs. (IN LAKH)	USD (IN LAKH)	Rs. (IN LAKH)
Foreign trade payable	2.56	213.29	-	-
Advance to Suppliers	0.54	44.62	1.43	117.45
Foreign trade receivable	5.05	420.87	5.32	37.21

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

Particulars	Balance as on 01.04.2023	Provided during the year.	Paid/Adjusted during the year	Balance as on 31.03.2024
Non-current provisions				
Gratuity	100.97	16.63	(2.44)	115.16
Accumulated leaves	13.75	4.99	(1.88)	16.86
Total				
Current provisions				
Gratuity	16.81		(0.66)	16.15
Accumulated leaves	2.45		(0.20)	2.25
Total		-		

46. Segment Reporting:

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

Particulars	TELECOM		INFRA SERVICES		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue						
External sales*	4,483.09	3,140.39	251.32	417.39	4,734.41	3,557.78
Inter segment sales	-	-	-	-	-	-
Total revenue	4,483.09	3,140.39	251.32	417.39	4,734.41	3,557.78
Segment results	481.22	437.55	(55.97)	(244.50)	425.25	193.05
Unallocated(expenses)/Income	-	-	-	-	(127.38)	(117.97)
Operating(loss)/profit	-	-	-	-	297.88	75.07
Finance expenses	-	-	-	-	216.09	215.96
Interest income & Other Income	-	-	-	-	29.98	8.45
Exceptional Income	-	-	-	-	-	224.16
Profit/(Loss) before taxation	-	-	-	-	111.77	91.72
Wealth tax, Earlier years tax &						



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

Mat Credit Entitlement	-	-	-	-	-	-
Deferred Tax Assets	-	-	-	-	(33.97)	90.91
Provision for Income Tax	-	-	-	-	-	-
Net profit after tax	-	-	-	-	145.74	0.81
Other Comprehensive Income	-	-	-	-	1.69	8.24
Total Comprehensive Income	-	-	-	-	147.43	9.05
Segment Assets	3,794.15	3,086.62	408.04	493.79	4,202.19	3,580.41
Unallocated assets	-	-	-	-	320.53	287.15
Total assets	-	-	-	-	4,522.72	3,867.56
Segment Liabilities	1,070.98	597.08	20.96	38.92	1,091.94	636.00
Total Equity	-	-	-	-	1,488.72	1,341.29
Secured & Unsecured Loans	-	-	-	-	1,942.06	1,890.27
Unallocated Liabilities	(987.40)	(1,002.73)	987.40	1,002.73	-	-
Total Equity & liabilities	-	-	-	-	4,522.72	3,867.56
Depreciation	48.00	47.92	1.44	2.10	49.44	50.01

* Telecom sales include service receipts.

47. Additional Regulatory Information:

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

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

49. Current year figures are shown in bold fonts.

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

51. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2024

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

Key Financial Ratios

Sl. No.	Particulars	Formula	Y 2023-24	FY 2022-23	% change in Ratio during the year	Explanations thereof
1	Current Ratio	Current Assets / Current Liability	1.72	2.02	-14.78	The main factor behind the change is increase in current liabilities.
2	Debt-to-Equity Ratio	Debts / Equity Shareholder Fund	0.62	0.62	0.77	
3	Debt Service Coverage Ratio	EBDITA / Interest+Principal	0.16	0.07	114.49	The company has earned profit in prevailing market conditions.
4	Return on Equity Ratio	PAT /Shareholder's Equity	0.10	0.01	1366.84	The company has earned profit in prevailing market conditions.
5	Inventory Turnover Ratio	Cost of Goods Sold / Avg Inventory	1.93	1.40	37.63	The company is managing its inventory efficiently indicating that the company is selling the goods quickly.
6	Receivables turnover	Sales / Trade Receivable	3.65	2.93	24.68	The company is managing its debtors effectively.
7	Trade Payable Turnover Ratio	Purchase / Trade Payable	4.06	4.95	-18.06	The company is managing its creditors timely and efficiently.
8	Net Capital Turnover Ratio	Sales/Average Working Capital	3.08	2.60	18.26	The Company is managing its cash flow efficiently indicating that the revenues of the company are generated to continue its operations.
9	Net Profit Margin Ratio (%)	Net Income / Net Sales	3.11	(5.05)	-151.47	The company has earned profit in prevailing market conditions.
10	Return on Capital Employed	EBIT/ Total Assets - Current Liabilities	0.13	0.02	485.44	The company has earned profit in prevailing market conditions.
11	Return on Investment (%)	EBIT/ Average Operating Assets	7.44	1.17	534.07	The company has earned profit in prevailing market conditions.

51A Financial instruments

(i) Fair values hierarchy

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



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

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

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

(ii) **Fair value of instruments measured at amortised cost**

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

Particulars	Level	March 31, 2024		March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans and advances	Level 3	265.18	265.18	161.84	161.84
Trade receivable	Level 3	1,297.55	1,297.55	1,215.71	1,215.71
Cash and cash equivalents	Level 3	52.17	52.17	45.29	45.29
Other Bank balance	Level 3	183.39	183.39	42.58	42.58
Security deposit	Level 3	23.47	23.47	30.82	30.82
Other receivables	Level 3				
Total financial assets		1,821.76	1,821.76	1,496.25	1,496.25
Financial liabilities					
Borrowings	Level 3	1,942.06	1,942.06	1,890.27	1,890.27
Trade payables	Level 3	615.14	615.14	360.53	360.53
Other financial liabilities	Level 3	230.90	230.90	97.41	97.41
Total financial liabilities		2,788.11	2,788.11	2,348.21	2,348.21

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

iii) **Financial instruments by category**

Particulars	March 2024			March 31, 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Loans and advances			265.18		-	161.84
Trade receivable			1,297.55		-	1,215.71
Cash and cash equivalents			52.17		-	45.29
Other Bank balance			183.39		-	42.58
Security deposit			23.47		-	30.82
Other receivables			-			
Total			1,821.76			1,496.25



Financial liabilities						
Borrowings	-	-	1,942.06	-	-	1,890.27
Trade payable	-	-	615.14	-	-	360.53
Other financial liabilities	-	-	230.90	-	-	97.41
Total	-	-	2,788.11	-	-	2,348.21

51B Financial risk management

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

A) Credit risk

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

- cash and cash equivalents,

Credit risk management

Credit risk rating

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

A: Low

B: Medium

C: High

Assets under credit risk -

Credit rating	Particulars	March 31, 2024	March 31, 2023
Low	Loans and advances	265.18	161.84
	Trade receivable	1,297.55	1,215.71
	Cash and cash equivalents	52.17	45.29
	Other Bank balance	183.39	42.58
	Security deposit	23.47	30.82
	Other receivables	-	-

Cash & cash equivalents and bank deposits

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

Trade receivables

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



Other financial assets measured at amortised cost

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

B) Liquidity risk

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

Maturities of financial liabilities

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

31 March 2024	Upto 1 year	More than 1 years	Total
Borrowings	1,012.13	929.93	1,942.06
Trade payable	615.14	-	615.14
Other financial liabilities	230.90	-	230.90
Total	1,858.17	929.93	2,788.11
31 March 2023	Upto 1 year	More than 1 years	Total
Borrowings	975.83	914.44	1,890.27
Trade payable	360.53	-	360.53
Other financial liabilities	97.41	-	97.41
Total	1,433.78	914.44	2,348.21

C) Market risk

a) Interest rate risk

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

b) Price risk

Exposure

The Company' is not exposed to price risk arises from market rates of financial assets.

52 Capital management

The Company' s capital management objectives are

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



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

Particulars	March 31, 2024	March 31, 2023
Total borrowings	1,942.06	1,890.27
Less : cash and cash equivalent	52.17	45.29
Net debt*	1,889.89	1,844.97
Total equity	1,488.72	1,341.29
Net debt to equity ratio	1.27	1.38

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

53. a) Revenue from Operations

Amount in Lakh

Particulars	Sales Value	
	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	Rupees	Rupees
Multiplexers, Interface Card, Converter, Modem & Routers, Digital Radio System, Digital Voice Data Recorder, Encryptors, Mast, Antenna, PDU and power supply and others	3,164.89	1,662.97
Export Sale Telecom	445.74	679.79
Services Charges Export	738.19	544.67
Services	131.43	250.38
Infra Service Charges	251.32	417.39
Total	4,732	3,555
Less: Sales Return	-	-
	4,732	3,555
Other Operating Revenue		
Duty Drawback	2.75	2.57
Sale of Scrap	0.09	-
Total	4,734.41	3,557.78



55.b) Raw Material Consumed

Particulars	VALUE	
	Current Year 2024 Rupees	Previous Year 2023 Rupees
Elect. Compo. & Modules	818.27	252.15
Mechanical H/W & Sub system	543.48	46.49
Others	1,100.41	1,187.00
Infra Service -Material	7.03	224.28
Total	2,469.19	1,709.92

53.c) Value of Imported and Indigenous material consumed

Particulars	Current Year 2024		Previous Year 2023	
	Percent	Value Rupees	Percent	Value Rupees
Raw Material & Components				
Imported	14.16	349.65	4.67	79.83
Indigenous	85.84	2,119.53	95.33	1,630.09
Stores and Spares		-		-
Imported		-		-
Indigenous	100	25.81	100.00	18.09
Total		2,495.00		1,728.01

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

53.d) Value of imports on CIF basis

Particulars	Current Year 2024 Rupees	Previous Year 2023 Rupees
Raw Material and Components	353.61	83.39
Capital Goods	247.93	-
Raw Material Traded Goods	-	-
Total	601.54	83.39

53.e) Earnings in Foreign Exchange

Particulars	Current Year 2024 Rupees	Previous Year 2023 Rupees
Export of Goods of F.O.B.	445.74	679.79
Others	-	-
-Export Service in Foreign Currency	-	-
-Domestic Sales in Foreign Currency	12.04	-
-Domestic Services in Foreign Currency	738.19	544.67
Total	1,195.97	1,224.47



53.f) Expenditure in Foreign Currency

Particulars	Current Year 2024 Rupees	Previous Year 2023 Rupees
Technical Services	92.56	108.93
Others	-	-
-Travelling	35.46	40.53
Total	128.02	149.46

As per our Report of even date attached

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

J.M. Khandelwal
Partner
M.No.: 074267

Place: New Delhi
Dated: 17 May, 2024

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Veenita Khurana
Company Secretary

Sharvan Kumar Kataria
Director
DIN: 03399949

Jagjit Singh Chopra
Chief Finance Officer

PRECISION ELECTRONICS LIMITED

“we always know who we are working for”

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