Precision

Precision Electronics Limited

Dated: August 31, 2020

PEL/BSE-2020-21/16
Bombay Stock Exchange Limited
25th Floor, P J Towers,
Dalal Street,
Mumbai 400 001

Stock Code: 517258

Sub: Annual Report

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the annual report of the Company for the financial year ended 31.03.2020.

Thanking You,

For Precision Electronics Limited

Veenita Puri
Company Secretary &
Compliance Officer

Noida Office :
D-10, Sector-3, Noida 201301,
Uttar Pradesh, India
Tel.: +91-120-2551556 / 1557 / 5176 / 5177
Fax: +91-120-2524337
CIN: L32104DL1979PLC009590.
Udyog Aadhaar No. : UK06B0000392

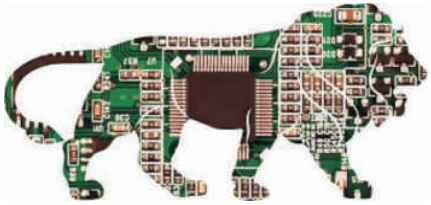
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Roorkee Office :
Plot No. 9 & 10, K.I.E. Industrial Estate,
Roorkee 249406, (Uttrakhand), India
Tel: +91-1332-229154/155
Fax: +91-1332-229155

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

Precision

Precision Electronics Limited





41st Annual Report

2019 - 2020

MOVING AHEAD

"we always know who we're working for"

Design

LAND



Customised Power Supplies



Integrated Vehicular Shelter



HF-DF Antenna

AIR

Automatic Test Equipment

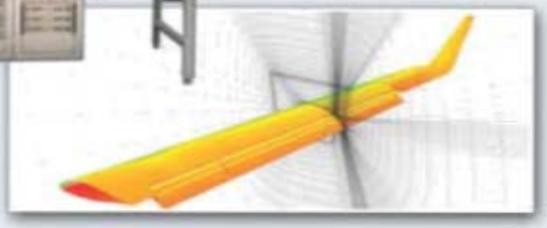




Airborne Customized Power Supply

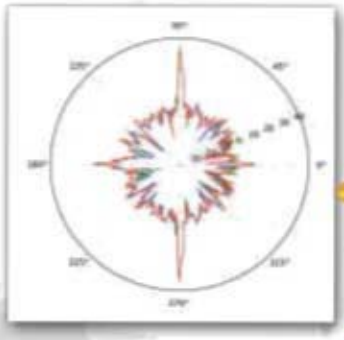
Power Distribution Sys





Low Noise Wing

SEA







Radar Cross Section

ELF Signature of a Ship



Marine Switch Board/Ra

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BOARD OF DIRECTORS & COMMITTEES

Board of Directors

Maj. Gen. Lav Bikram Chand	Chairman
Mr. Ashok Kumar Kanodia	Managing Director
Mr. Nikhil Kanodia	Whole Time Director cum President
Mr. Hardeep Singh Banga	Director
Mr. Neeraj Bajaj	Director
Mr. S.K. Kataria	Director
Mr. Deepto Roy	Director
Mr. Rahul Goenka	Director
Ms. Preeti Grover	Director

Audit Committee

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

Stakeholders Grievance Committee

Mr. S.K. Kataria	Chairman
Maj. Gen. Lav Bikram Chand	Member
Ms. Preeti Grover	Member

Nomination and Remuneration Committee

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

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Ms. Veenita Puri

CHIEF FINANCIAL OFFICER

Mr. Jagjit Singh Chopra

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

PLANTS

At Noida

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

At Roorkee

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

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.com, **Website:** www.pel-india.com

NOTICE OF THE 41ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the **41st Annual General Meeting** of Precision Electronics Ltd. (the Company) will be held on Thursday, S**eptember 24, 2020 at 12.00 p.m. through video conferencing ("VC") / Other Audio visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2020 together with the Reports of Board of Directors and the Auditor's thereon.

2. To re-appoint Mr. Rahul Goenka, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. APPOINTMENT OF MRS. PREETI GROVER AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company read with Schedule IV of the Companies Act, 2013, Mrs.Preeti Grover (DIN:00128513), Additional Non Executive Director of the Company, who has submitted a declaration in writing that she meets the criteria of independence as provided in Section 149(6) and whose performance evaluation is also done by the Board and is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an independent Director of the Company for a term of 5 consecutive years."

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

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 of the Companies Act 2013 (as amended or re-enacted from time to time) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Act, Mr. Ashok Kumar Kanodia (DIN: 00002563), be and is hereby re-appointed as the Managing Director of the Company for a period of 2 years w.e.f 14.08.2020 on the below mentioned terms and conditions:

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

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

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

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

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

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

b) *Encashment of leave at the end of tenure.*

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

d) *He will be entitled for Reimbursement of expenses incurred for the business of the Company in any manner whatsoever.*

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

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

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

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

By Order of the Board
For Precision Electronics Limited

Sd/-
VeenitaPuri
Company Secretary
cum Compliance Officer

Place: Noida
Date: 13.08.2020

Notes

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the special business of this notice is annexed hereto.

2. In view of the continuing Covid-19 Pandemic, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020(collectively "MCA Circulars"), and SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, permitted companies to hold their AGM through Video Conferencing/Other Audio Visual Means without the physical presence of the Members at common venue.

3. Since this AGM is being held pursuant to MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the 41st AGM and hence the proxy form and attendance slip are not annexed to this notice.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

5. As per the provisions under the MCA Circulars, Members attending the 41st AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended)and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

7. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 41st AGM being held through VC/OAVM.

8. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again.

9. The Register of Members and Share Transfer Books of the Company will remain closed from September 18, 2020 to September 24, 2020(both days inclusive).

10. All documents referred to in the accompanying Notice and the Explanatory Statement and other statutory register will be available for inspection by the Members during the AGM. Members may access the same by writing to the Company at its email id cs@pel-india.com.

11. Members seeking further information about the accounts are requested to write atleast 7days before the date of the meeting so that it may be convenient to get the information ready at the meeting.

12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice and the Annual Report calling the 41st AGM has been uploaded on the website of the Company at www.pel-india.com. The Notice can also be accessed from the websites of the Stock Exchange, BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e.www.evoting.nsdl.com.

13. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited, compliances@skylinerta.com.

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

The remote e-voting period begins on September 20, 2020(09:00 AM) and ends on September 23, 2020 (05:00 PM).During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on September 17, 2020 (cut-off date) may cast their vote electronically. The remote e-votingmodule shall be disabled by NSDL for voting thereafter.

a. In Compliance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Company is pleased to provide e-voting facility to the members of the Company whose name appears on the Register of Members as on September 17, 2020 being the cut off date fixed for the purpose, to exercise their right to vote in respect of the resolutions to be passed at the 41st Annual General Meeting.

b. Instructions for e-voting are as under-

I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com.

II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

III. A new screen will open. You will have to enter your User ID, your Password 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 cast your vote electronically.

IV. If you are already registered with NSDL for remote e-Voting, then you can user your existing user ID password to login and cast your vote.

For Members who hold shares in demat account with NSDL, USER-ID is the combination of (DPID + CLIENTID).

For Members who hold shares in demat account with CDSL, USER-ID is 16 digit beneficiary ID.

For Members holding shares in Physical Form, USER-ID is the combination of(Even no. + Folio No.)

V. Your password details are given below:

a) If you are already registered for e-Voting, then you can user 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'.

VI. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

VII. 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, yourPAN,your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

XI. After successful login, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

XII. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

XIII. Select "EVEN" of company for which you wish to cast your vote.

XIV. Now you are ready for e-Voting as the Voting page opens.

XV. 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.

XVI. Upon confirmation, the message "Vote cast successfully" will be displayed

XVII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

XVIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

XIX. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board resolution/Authority letter etc. together with attestedspecimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through email scrutinizer@pel-india.com with a copy marked to evoting@nsdl.co.in.

XX. 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 rest the password.

XXI. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. : 1800-222-990 or send a request at evoting@nsdl.co.in.

XXII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 17, 2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Registrar and Share Transfer Agent (Skyline Financial Services Private Limited). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you may generate new password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

XXIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.

XXIV. The Board of Directors has appointed Adv. Munish K Sharma, as the Scrutiniser for scrutinizing the e-voting process in a fair and transparent manner.

XXV. The Scrutinizer, after the conclusion of voting at the AGM, will first count the e-votes cast at the meeting and thereafter the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XXVI. The results declared along with the report of the Scrutinizer shall be placed on the Company's website www.pel-india.com and on the website of the NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be intimated to the Bombay Stock Exchange within 48 hours of the conclusion of the AGM.

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.com.

   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.com.

2. Alternatively member may send an e-mail request to evoting@nsdl.co.infor obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

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 the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker, may send their request mentioning their name, demat account number/folio number, email id, mobile number at cs@pel-india.com, atleast 7 days before the date of meeting.

6. Shareholders who would like to express their views/have questions may send their questions, atleast 7 days before the meeting, mentioning their name demat account number/folio number, email id, mobile number at cs@pel-india.com. The same will be replied by the company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

Particulars/ Names	Mr. Rahul Goenka	Mrs. Preeti Grover	Mr. Ashok Kumar Kanodia
Date of Birth	15.03.1976	09.07.1972	07.01.1951
Date of Appointment	25.09.2004	19.12.2019	01.05.1979
Qualification	Commerce graduate with MBA	Company Secretary	B.Sc with Physics Honours, Graduate in Electrical Engineering
Expertise in specific functional areas	Indepth knowledge of manufacturing business	Regulatory Compliances and indepth knowledge on various laws	Indepth knowledge of the Company's business
Directorship of other companies (excluding Foreign Companies and Section 8 Companies)	Kohinoor international Pvt. Ltd., Kohinoor Designs Pvt. Ltd., RadhakrishnaFibres Pvt. Ltd.	Nil	VM Farms Pvt. Ltd., SNK Electronics Pvt. Ltd.
Chairmanship/Membership of Committees of other Public Companies	-	Stakeholder Relationship Committee- Precision Electronics Limited	-
Number of shares held in the Company in his own name	0	0	1,02,806 equity shares
Number of Board Meetings attended during 2019-20	1	1	5
Remuneration drawn during Financial Year 2019-20	-	-	Rs.27,57,672
Directors' *inter se* relationship with other Directors/Key Managerial Personnel	Related to Mr. Nikhil Kanodia, Whole Time Director cum President	-	Father of Mr. Nikhil Kanodia, Whole Time Director cum President

Item 2:

Mr. Rahul Goenka is a commerce graduate and MBA from Clark University, Worcester, USA having over 18 years of work experience including with Consultants Inc., Boston USA one of the leading technology solutions provider in the world. Presently he is a Director with apparel & textiles manufacturing and export Company that employs over a 1000 employee across 3 manufacturing sites and export their products to some of the best known brands in UK. Mr. Rahul Goenka has in-depth knowledge of manufacturing and international trade, which has proved to be an asset for the Company.

The Board recommends his re-appointment and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Rahul Goenka himself and Mr. Nikhil Kanodia, Whole Time Director cum President, is interested in passing of this resolution.

Item 3:

Mrs.Preeti Grover is presently the Non Executive Director of the Company and she was appointed as an Additional Director on December 19, 2019. She is a Practicing Company Secretary with over 23 years of vast experience in Public, Private and Listed Companies. She has expressed her preference to be associated with Company as independent director. Currently, the Board is having three Independent. She qualifies to be appointed as an Independent Director and her performance as a non-executive director was evaluated by the whole Board, which was found satisfactory by the Board.

The Board recommends her appointment and none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives except Mrs. Preeti Grover herself is interested in passing of this resolution.

Item No. 4:

Based on Nomination and Remuneration committee's recommendation, in its meeting held on July 23, 2020, the Board of Directors has appointed Mr. Ashok Kumar Kanodia, as Managing Director of the Company, for a term of 2 years subject to the approval of the Members.

Mr. Ashok Kumar Kanodia, Managing Director is the Promoter Founder Director of the Company and pursuant to an ordinary resolution passed in the Annual General Meeting held on September 26, 2015, Mr. Ashok Kumar Kanodia was re-appointed as the Managing Director of the Company w.e.f August 14, 2015 for a period of 5 years at a salary of Rs. 19,68,240 per annum with additional perquisites. Mr. Ashok Kumar Kanodia is currently drawing salary of Rs.26,19,727 per annum plus applicable perquisites.

Mr. Ashok Kumar Kanodia is aged 69 years and on 07.01.2021, he will turn 70 years and therefore, his appointment will require special resolution by the shareholders of the Company. The Board recommends to re-appoint him for a period of two years because of his expertise in the domain in which the Company operates. His vision to foresee the events and planning acumen is beyond comparison. However, the Company has inadequate profits for the year ended 31.03.2020 and therefore, schedule V of the companies, Act, 2013 being followed.

The Board recommends the resolution at Item 4 for approval by the Members. None of the director other than Mr. Ashok Kumar Kanodia himself and Mr. Nikhil Kanodia, his son is concerned or interested in passing of this resolution.

By Order of the Board
For Precision Electronics Limited

Sd/-
VeenitaPuri
Company Secretary
cum Compliance Officer

Place: Noida
Date: 13.08.2020

DIRECTORS' REPORT

To

The Members of

Precision Electronics Ltd.,

Your Directors have pleasure in presenting the 41st Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS

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

(Rs. in million)

PARTICULARS	CURRENT YEAR (FY 2019-20)	PREVIOUS YEAR (FY 2018-19)
Revenue*	**376.9**	**290.4**
Profit before Depreciation, Interest, & Tax	**35.9**	**(23.2)**
Depreciation	**8.0**	**8.5**
Finance Cost	**24.1**	**21.6**
Net profit before Tax	**3.8**	**(53.3)**
Provision for Tax	**(0.6)**	**(5.9)**
Net profit after tax	**4.5**	**(47.4)**

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

DIVIDEND

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

TRANSFER TO RESERVES

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

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

Overall revenue of the Company for the year ended March 31, 2020 was recorded at about Rs.376.9 million which is 29.78% more as compared to previous financial year 2018-19 revenue of Rs.290.4 million. Consequently, PEL earneda profit of Rs.4.5 million as against loss of Rs.47.4 million in the previous financial year (2018-19).

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

2.1 Electronics & Telecommunication Division

Electronics &Telecom division revenue during the year ended March 31, 2020 is **Rs.311.29** million as against Rs.263.30 million in the previous year (2018-19). Manufacturing plants are located at Noida UP (in the NCR region) and Roorkee (Uttarakhand)

2.2 Infrastructure (Works Contract) Division

Infrastructure division revenue during the year ended March 31, 2020 is **Rs.61.10** million as against Rs.26.20 million in the previous year (2018-19). The division undertakes niche turnkey assignments of civil, electrical, networking and turnkey installation and commissioning of radars, sensors, data links and setting up the command and control room at defence establishments.

The changes because of COVID-19 have been discussed in detail under next heading Management Discussion and Analysis, which started before the close of the financial year and continue till the date of this report, which might affect the financial position of the Company. The Company has shifted its manufacturing operations from Roorkee to Noida unit under a consolidation process that would result in efficient resource optimization and reduce cost. The Roorkee Unit has been leased out.

3. MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The national leadership's clarion call for an "Atmanirbhar Bharat" to achieve self-sufficiency and reduce dependency on imports from unreliable neighbours, has resulted in policies being tweaked, tenders recalled and re-floated to ensure that Indian design, developed and manufactured equipment are given a clear preference. There is already an RFP asking for an Indian developed and manufactured 4G telecom network with an intention to open the Telcomarketin the near future for a fully Indian 5G solution. Your company is poised well to take advantage of this situation.

Opportunities, Threats, Risk & Concerns

Opportunities

Business opportunities have increased due to Atmanirbhar Bharat policy of the Government. Under this national vision, special dispensation by way of purchase preference is being accorded to the MSME sector. Since your company is in Electronics & Telecom industry and its presence in the defence sector, will result in additional business opportunities.

Threats, Risk & Concerns

Uncertainties have emerged with COVID that caused the shutdown of the country for the first two months of the current financial year 2020-2021. With the number of cases increasing, it is expected that State Governments will resort to shutdowns to manage and control the spread. This will create uncertainty of supply-chain; travel restrictions, increased cost and cash flow will be adversely effected. Since your Company's revenues are dependent on procurement by the Govt. and their undertakings, budget allocation under the current financial situation is a cause of concern. Your Company is sanguine of the situation and is in good financial standing to tide over challenging cash flows which may happen as a result of the aforementioned scenarios.

SEGMENTWISE/PRODUCT WISE PERFORMANCE

The Company has a well-balanced product portfolio of in-house designed and engineered products MRO services and niche EPC contracts that are qualified by both defence and the civil sector customers,. Efforts are being made to expand the product offering. Pneumatic Masts were manufactured and delivered. Segment wise performance of the Company is as follows:

Electronics & Telecom Segment: Telecom equipment has contributed nearly two thirds of the revenues of the Company. The Company this year bagged and executed a large export contract involving intricate fabrication, machining and fitting of electronics parts. Telecom equipment to BSNL/MTNL and power systems to GE Healthcare continues to be manufactured and delivered to the customers. In addition, SATCOM products that were added in the product portfolio last year are expected to bring-in sizable revenues during the current FY 2020-21. Long standing service contract to provide technical assistance on board the Navy new-buildships and MRO services of UAV ground control equipment of the Army on behalf of our foreign Israeli partner continues.

Infra (EPC) Services: Your Company continues to be active in this sector and has contracts in hand from GAIL and Telecom service providers in the North East region. In addition, sizable business opportunities to install networking system in Defence installation are under consideration.

OUTLOOK/BUSINESS PLAN:

Business environment is undergoing dramatic changes with no clear cut path for the future. Experts are of the opinion that COVID will be around for nearly a year and its effect well beyond the current FY. It is also recognized that Government expenditure budget may undergo a change and expenditure would be prioritized or would be curtailed. Keeping these factors in mind, your Company has initiated its own: "BUSINESS CONTINUITY PLANNING" that revolves around optimization of its operations and to turn the adverse conditions into opportunities and increase revenues and profits despite disruptions during current FY 2020-21. Under this exercise it is proposed to:

a) Optimization of workforce: A detailed study of the present work force was coordinated with orders in hand and orders that are projected to fructify during the year. Based on this a required skill matrix was created and activities that could be undertaken from home were identified and encouraged. This is expected to result in a cost reduction of about 30% while ensuring that all the competences of the Company are intact.

b) Cost Optimization: One of the critical decisions under this head was to shift the Roorkee Unit to Noida wherein additional infrastructure and capacity exists. This will result in vertical integration of operations under the same roof and would result in significant cost savings and operational efficiencies. In addition, the Roorkee facility is being leased out from August' 20 onwards.

c) Investment in Business Development: Additional efforts are being made to identify programs and customers wherein funding is in place, programs are strategic in nature and hence are less likely to get curtailed. Our efforts are to ensure that all prospective customers are contacted regularly and any opportunity wherein your Company can participate in not missed. Since we are a design and manufacturing company, this will add to our product portfolio in the long run. In addition, due to closure many of our competitors may not be as active as before and this can be an added advantage.

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

Sl. No.	Particulars	Financial Year 2019-20	Financial Year 2018-19	Explanation Thereof
1	Debt Equity Ratio	0.45	0.76	The company policy is to remain within 2.00 the normal prevalent standard. The main factor behind the change is reduction in debt.
2	Receivables turnover	4.41	2.24	The ratio indicates the management of the debtors and sales by the company. The company is managing its debtors effectively.
3	Interest coverage ratio	(0.81)	(3.79)	The Interest Coverage Ratio (ICR) is a financial ratio that is used to determine how well a company can pay the interest on its outstanding debts. The company has improved its position.
4	Net Profit Margin Ratio	1.42	(16.61)	The company has earned profit in prevailing stressed market conditions.
5	Operating profit Margin	1.03	(18.39)	Operating Profit Margin is profitability or performance ratio that reflects the percentage of profit a company produces from its operations, prior to subtracting taxes and interest charges.
6	NET WORTH	1,455.38	1,401.54	The net worth of the company has increased due to profits earned.

INTERNAL FINANCIAL CONTROL& OTHERS

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

HUMAN RESOURCE DEVELOPMENT

The total number of employees of the Company as on 31st March 2020 stood at 178.

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.

FINANCIAL FACILITIES

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

4. DIRECTOR'S RESPONSIBILITY STATEMENT

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

a) that in the preparation of the annual accounts for the Financial Year ended 31st March, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the year under review;

c) that the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the Directors have prepared the annual accounts on a 'going concern' basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. CORPORATE GOVERNANCE

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

6. ANNUAL SECRETARIAL COMPLIANCE REPORT

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

7. CORPORATE SOCIAL RESPONSIBILITY(CSR)

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

8. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

Form AOC-2 is attached herewith as Annexure II to show the related party transactions. The transaction entered was on arm length basis in its normal course of business, for the period beginning from April 2019 to March 2020.

Mr. Ashok Kumar Kanodia, Managing Director and Mr. Nikhil Kanodia, Whole Time Director cum President form part of promoter and promoter group. The transactions with them during the financial year 2019-20 are given in Note 42 of Balance sheet.

9. RISK MANAGEMENT

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

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

During the year under review, changes were as under :

a) Mr. Deepto Roy, Non-Executive Director, has been appointed as an Independent Director w.e.f 02.05.2019;

b) Maj. Gen. Lav Bikram Chand has been appointed as Non Executive Director cum Chairperson of the Company, w.e.f 14.05.2019;

c) Mr. Sharvan Kumar Kataria, Independent Director has been re-appointed as an Independent Director w.e.f 26.09.2019;

d) Mrs. Ranjna Gudoo, Non Executive Director of the Company, has retired w.e.f 26.09.2019.

e) Mrs. Preeti Grover has been appointed as an Additional Director of the Company w.e.f 19.12.2019,to hold office till the conclusion of ensuing Annual General Meeting of the Company

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

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

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board confirming that they continue to fulfill all the requirements to qualify for their appointment as Independent Director under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year under review, Mr. Sharvan Kumar Kataria, was re-appointed as Non Executive Independent Director for another period of 5 years and Mr. Deepto Roy as a Non-Executive Independent Director for a period of 5 years. Also, resolution proposing the appointment of Mrs. Preeti Grover, as a Non-Executive Independent Director for a period of 5 years shall be taken up in the ensuing Annual General Meeting by means of ordinary resolution.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors

pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities & Exchange Board of India (SEBI) under SEBI (LODR) Regulations, 2015. The Company has devised an evaluation matrix for the performance evaluation and an external consultant "M/s Munish K Sharma & Associates" was engaged to collate and evaluate the results.

A meeting of Independent Director was held on July 23, 2020 without the attendance of other directors (Non-Independent) to review the performance of Non-Independent Directors, the Board as a Whole and the Chairman of the Company and to assess the flow of information between Company Management and the Board.

Pursuant to Rule 8(iiia) of The Companies (Accounts) Rules, 2014 and the performance evaluation carried on by the Board, the Board is of the opinion that the independent directors are expert in their fields and have relevant experience to serve the Company in the long run. During the financial year 2019-20, Mr. Sharvan Kumar Kataria, Independent Director, qualified the online proficiency self assessment test for Independent Director's databank and Mr. Deepto Roy, Independent Director, shall do so.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

11. AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITOR

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

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

SECRETARIAL AUDITOR

The Board has appointed M/s Munish K Sharma & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as Annexure III to this Report and the qualifications thereof are explained with the Management comments.

INTERNAL AUDITORS

The Board of Directors has pursuant to Section 138 of the Companies Act, 2013 and on recommendation of the Audit Committee has appointed M/s Rajendra K. Goel& Co., Chartered Accountants, as the Internal Auditors of the Company for the financial year 2019-20.

12. DISCLOSURES

VIGIL MECHANISM

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

AUDIT COMMITTEE

The Audit Committee comprises of following three Independent Directors and during the Financial Year 2019-20, five meeting(s) of the committee were convened, the attendance record of members of the committee is as follows:

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of following members and during the Financial Year 2019-20 two meetings of the committee were convened, the attendance record of members of the committee are as follows:

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

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

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.com".

MEETINGS OF THE BOARD

The Board of Directors met five times on 02.05.2019, 24.05.2019, 10.08.2019, 13.11.2019 and 13.02.2020 during the financial year 2019-20. For further details, please refer report on Corporate Governance of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS.

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

ANNUAL RETURN

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

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

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

PARTICULARS OF EMPLOYEES

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

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

Mr. Yogesh Singh (38) Sr. Manager - Production, 03.10.2007, 9,15,600, MBA (Operations) (19), Ahuja Radios Private Limited., Mr. Rohit Kumar Nagaich (32) Deputy Manager – Mechanical, 29.10.2019, 11,50,872, M. Tech (Mechanical) (7), SRK Tele Energy India Private Ltd., Ms. Puneet Kaur Arora (37) AGM HR & Admin, 01.06.2009, 12,90,240, MBA (HR) (12), Digi Tech Information Technologies Private Limited, Mr. Ashok Verma

(48) AGM (Design), 17.12.2007, 18,00,000/-, B.E (E & C) (19), Copper Connections, Mr. Amit Mittal (50), Senior Deputy General Manager, 14.02.2006, 19,20,000/-, B.E (E&C) (26), Punjab Wireless system Ltd., Mr. Jagjit Singh Chopra (51), Chief Financial Officer, 25.04.2014, 23,79,996/-, Chartered Accountant (22), Blessings Advertising Pvt. Ltd., Mr. Amitbir Singh Banga (27), Joint President, 02.05.2019, 24,00,000/-, Master of Science in Finance, Victora Auto Pvt. Ltd., son of Mr. Hardeep Singh Banga, Non Executive Director, Mr. Deepak Jagga (48), Senior Vice President Marketing, 01.04.2002, 26,30,916/-, B.E (Electronics) (30), Mr. Ashok Kumar Kanodia (69), Managing Director, 01.05.1979, 0.74% equity shares, 29,90,729/-, B.E. Electrical (41), Mr. Nikhil Kanodia (43), Whole Time Director cum President, 24.67% equity shares, 63,49,800/-, M.S. Electrical & Computer Engineering (22), Fujitsu Network Communications, Son of Mr. Ashok Kumar Kanodia, Managing Director. .

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

FIXED DEPOSITS

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

SIGNIFICANT & MATERIAL ORDERS:

There is no significant or material order for the period under review i.e. Financial year 2019-20.

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

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

13. LISTING OF SECURITIES

The Shares of the Company are listed with The Bombay Stock Exchange Limited, PherozeJeejeebhoy Towers, Dalal Street, Mumbai. (Scrip Code: 517258). It is confirmed that the Company has paid Annual Listing Fee for the financial year 2019-20 to BSE.

14. ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY

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

The Company continues to maintain excellent track record on safety. The site had no accidents during the year 2019-20. PEL also has a Workman Safety Committee under section 41G of Factories Act 1948. This Committee meets at regular intervals to take measures for worker's protection in order to make PEL a safe place to work.

15. CAUTIONARY STATEMENT

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

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

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

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

VENTURES/ASSOCIATE COMPANIES DURING THE YEAR

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

18. CAPITAL STRUCTURE:

The paid up share capital of the Company is Rs.13,84,87,620/- (Rupees Thirteen Crore Eighty Four Lakhs Eighty Seven Thousand Six Hundred and Twenty Only) comprising of 1,38,48,512 fully paid up equity shares of Rs.10/- each amounting to Rs.13,84,85,120/- and Rs.2500/- on account of forfeited shares. The Company has neither made any issue/allotment nor made any buy back of securities during the Financial Year 2019-20.

19. COMPLIANCE WITH SECRETARIAL STANDARDS:

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

20. MAINTENANCE OF COST RECORDS:

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

21. RECEIPT OF AMOUNT FROM DIRECTORS:

During the Financial Year 2019-20, the Company has received following amounts from the Directors as referred in sub-clause (viii) of clause (c) of sub-rule (1) of Rule 2 of Companies (Acceptance of Deposits) Rules, 2014 along with declarations thereof:

S. No.	Name of Director	Amount Received by the Company	Date of Receipt
1.	Mr. Ashok Kumar Kanodia	Rs. 25,00,000	02.03.2020

22. ACKNOWLEDGMENTS:

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

FOR AND ON BEHALF OF THE BOARD

Place: Noida
Date: 13.08.2020

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

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

Annexure-II

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Mr. Hardeep Singh Banga, Managing Director of Victora Auto Pvt. Ltd., partner in Victora Automotive Inc., Director of Victora Stock Invest Pvt. Ltd., and shareholder holding more than 2% of shares in Bhunit Engineering Co. Pvt. Ltd.
2	Nature of contract/arrangement /transaction	The services were for repair and maintenance of CNC machines job work, purchase of raw material.
3	Duration of the contracts/ arrangements/transaction	April 2019 to March 2020
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The loan of Rs. 2,95,00,000 was taken from Victora Stock Invest Pvt. Ltd., during the financial year 2019-20, pursuant to the ordinary resolution passed in the AGM held on 26.09.2019.The Service Purchase Order for Rs. 1,57,88,400/- p.a. has been entered with Victora Automotive Inc. and Rs. 1,25,31,600/- p.a. has been entered with Victora Auto Private Limited. Purchase order of Rs. 11,76,300 p.a. has been entered with Victora Auto Private Limited and job work for Rs. 9,33,545 p.a.has been entered with Bhunit Engineering Co. Pvt. Ltd.
5	Date of approval by the Board	The transactions were at arm length basis and the Audit committee members vide its meeting held on 02.05.2019 provided omnibus approval to the same.
6	Amount paid as advances, if any	NIL

Annexure-I

Secretarial Compliance Report of Precision Electronics Limited for the year ended 31ST March, 2020

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

(a) all the documents and records made available to us and explanation provided by **Precision Electronics Limited** ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchange,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the Financial Year ended **31st March, 2020** ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and

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

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

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***Not Applicable for the period under review***

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***Not Applicable for the period under review***

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; ***Not Applicable for the period under review***

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***Not Applicable for the period under review***

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; ***Not Applicable for the period under review***

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, and circulars/ guidelines issued thereunder;

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

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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	High	*Shares held by Mr. Hans Jurgen Wagner* and Knowledge Holdings & Investments Pte. Ltd. (Promoter and Promoter Group) are not in dematerialized form. *Disclosure under Regulation 30 (2) of SEBI (SAST) Regulation 2011, by Mr. Hans Jurgen Wagner was not made.*
2.	Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Medium	*Related party transactions for the half year ended 31.03.2019 was not submitted to the stock exchange. However, the listed entity has submitted the financial statements inclusive of related party transactions for the year ended 31.03.2019.*

3.	Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Low	*The listed entity has submitted the Annual Report along with the notice of the Annual General Meeting for the FY 2018-19 to the stock exchange, next day of the completion of dispatch of aforesaid report to its shareholders. .*

(b) TThe listed entity has maintained proper records under the provisions of the above applicable Regulations and circulars/ guidelines issued thereunder insofar as it appear from our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

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

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

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Not Applicable	*The Company has not submitted the Annual Report for the FY 2017 -18 to the stock exchange within twenty one working days from the date of Annual General Meeting. However,* the Company has submitted the same to the stock exchange on 15th January, 2019.	No action required	Not Applicable
2.		*Shares held by Mr. Hans Jurgen Wagner and Knowledge Holdings & Investments Pte. Ltd. (Promoter and Promoter Group) are not in dematerialized form.*	The correspondence made to Mr. Hans Jurgen Wagner were not responded and Knowledge Holdings & Pte. Ltd is informed of dematerialisation requirement. They have obtained PAN.	There is no comment in case of Mr. Hans Jurgen Wagner. And in case of Knowledge Holdings & Pte. Ltd, the listed entity has approached it for dematerialisation.

For Munish K. Sharma & Associates
Company Secretaries

Aaina Gupta
Partner
M. No.: A43233
C.P. No. 12387
UDIN: A043233B000400238

Place: **Kaushambi, Ghaziabad**
Date: **30th June, 2020**

ANNEXURE-III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

WeWe 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, 2020 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, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

  e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Apprenticeship Act, 1961;

(vii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(viii) Employee State Insurance Act, 1948;

(ix) The Equal Remuneration Act, 1976;

(x) The Payment of Gratuity Act, 1972;

(xi) The Minimum Wages Act, 1948;

(xii) The Payment of Wages Act, 1936;

(xiii) Industrial Employment (Standing Orders) Act, 1946;

(xiv) Factories Act, 1948;

(xv) Environmental Laws;

(xvi) Income Tax Act, 1961;

(xvii) The Maternity Benefit Act, 1961;

(xviii) Goods and Services Tax Act, 2017;

(xix) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

(xx) The Payment of Bonus Act, 1965;

(xxi) The Official Secrets Act, 1923;

(xxii) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.

(xxiii) The Code on Wages, 2019 to the extent applicable.

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

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

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

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

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

**Disclosure under Regulation 30 (2) of SEBI (SAST) Regulation 2011, by Mr. Hans Jurgen Wagner was not made.*

2. *Related party transactions for the half year ended 31.03.2019 were not submitted to the stock exchange.*

   However, the listed entity has submitted the financial statements inclusive of related party transactions for the year ended 31.03.2019.

3. *The listed entity has submitted the Annual Report along with the notice of the Annual General Meeting for the FY 2018-19 to the stock exchange, next day of the completion of dispatch of aforesaid report to its shareholders.*

4. *The Company has generally deposited the statutory dues on time, however, in few cases, the Company has delayed in depositing the Provident Fund, Employees State Insurance and GST within the prescribed time and subsequently the delay of filing respective returns. The Management explained that the delay occurred due to some operational issues in ERP and in some cases cash flow position was the reason for the same.*

5. *The Company in few cases has delayed the payments of outstanding dues to Micro or Small Enterprises suppliers during the period under review. The Management explained that the delay of beyond 45 days relates to the retention amount that was not due as per terms of the contract.*

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 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

For Munish K. Sharma & Associates
Company Secretaries

CS Aaina Gupta
Partner
M. No.: A43233
C.P. No. 22837
UDIN: A043233B000561663

Date: 07th August, 2020
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.*

'Annexure A'

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. Where ever 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 is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to COVID - 19 situation, we were not able to verify the information physically, therefore we rely on the information as provided by the management and the responsible officers through electronic mode/ courier service etc.

For Munish K. Sharma & Associates
Company Secretaries

CS Aaina Gupta
Partner
M. No.: A43233
C.P. No. 22837
UDIN: A043233B000561663

Date: 07th August, 2020
Place: Kaushambi, Ghaziabad

ANNEXURE-IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

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

(A) CONSERVATION OF ENERGY

1) The Steps taken or impact on conservation of energy :

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

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

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

3) The Capital investment on energy conservation equipment:

No capital expenditure has been incurred on energy conservation equipment during the financial year 2019-20.

(B) TECHNOLOGY ABSORPTION

1) Efforts, in brief

With the renewed policy initiative of the Government to promote MSMEs and provide preferential market access to "Indigenous Design Developed and Manufactured", our design and development efforts are geared towards increasing the local content in all our products and developing products asked for by customers.

2) Benefits

i. PEL will have ownership of the design which will lead to control on cost, quality and the supply chain

ii. Ability to enhance the product in line with the customer expectations which will result in higher product life and better margin.

iii. Product portfolio will get expanded.

3) Information regarding technology imported during last 3 years:

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

4) Expenditure on R&D:

(a)	Capital	Rs. NIL
(b)	Recurring	Rs. 122.23L
(c)	Total	Rs. 122.23L

Total R&D as a Percentage of total turnover: 3.28%

(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 2019-20".

ANNEXURE -V

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

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for FY 2019-20	% of increase of remuneration in FY 2019-20	Ratio of remuneration to each Director/KMP to median remuneration of employees	Comparison of the Remuneration of the Director/ KMP against the performance of the Company
1	Mr. Ashok K Kanodia Managing Director	29,90,729	10%	11.5	The remuneration of Director/ KMP is slightly low in comparison to the market scenario.
2.	Mr. Nikhil Kanodia, Whole Time Director cum President	63,49,800	10%	24.4	
2	Mr. Jagjit Singh Chopra Chief Finance Officer	23,79,996	Nil	9.2	
4	Ms. Veenita Puri Company Secretary cum Compliance Office	7,50,000	Nil	2.9	

ii. The median remuneration of employees of the Company during the financial year was INR 2,59,740.

iii. In the financial year, there was an increase of 4.4% in the median remuneration of employees.

iv. There were 178 permanent employees on the rolls of Company as on March 31, 2020

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 8%

vi. The Remuneration is as per the remuneration Policy of the Company.

CORPORATE GOVERNANCE REPORT

Corporate Governance is a code of conduct which guides and instructs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to the interest of the Shareholders, the Creditors, the Government and the Society at large.

A. MANDATORY DISCLOSURES

1. PRECISION'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a good corporate citizen, your Company is committed to good corporate governance and believes in attainment of highest level of transparency, accountability, integrity in all its operation and places emphasis on responsible conduct. Disclosure relating to Company's operation and financial performance are made to stakeholders.

2. BOARD OF DIRECTORS

Composition

The composition of the Board of Directors of the Company is guided by the requirements of Companies Act 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2020, the Board of the Company consists of Nine (9) Directors comprising of two executive directors, four non-executive non-independent directors including a woman director and three non-executive independent directors. The ratio between executive and non-executive director is 2:7.

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, 2020 have been made by the Directors and taken note in the Board meeting held on May 30, 2020.

The composition of the Board of Directors along with their brief resume as on March 31, 2020 is given as under:

Mr. Lav Bikram Chand- Non Executive Director cum Chairperson

Mr. Lav Bikram Chand has completed his graduation from National Defence Academy (NDA), M. Tech. in Computer Science from IIT (Madras) and Master of Management studies from Osmania University. He is accomplished armed forces professional with over thirty eight years of widespread experience in the field of Information Communication Technology Infrastructure planning/designing and implementation, Communication Security and has in depth knowledge of integration of Electronic Warfare (EW) systems in all terrains in India. The General is a third generation army officer and is well connected and regarded in the armed forces and is well versed with the domain that Precision is involved.

Mr. Ashok Kumar Kanodia – Managing Director

Mr. Ashok Kumar Kanodia has over 41 years of experience in the field of Electronics and is the founder, promoter director of "Precision Electronics Ltd.". He completed B.Sc with Physics honours from St Xavier College, Kolkata (Calcutta University) in 1970 and thereafter went for higher education to the prestigious Massachusetts Institute of Technology (MIT), USA where he graduated in Electrical Engineering and Business Management. He has always been associated with various committees formulated for policy making. His leadership extends to shaping National Policies and Regulations as Member of the IT/Telecom Hardware Task Force set up by the Prime Minister of India and as President of the Telecommunication Equipment Manufacturers Association (TEMA) of India, the only Government recognized association of domestic telecom equipment manufacturers. He served back-to-back terms from 1999-2001.

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

He is currently the Chairman of the Specialist group on Defence 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 – Whole Time Director cum President

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 inTexas, USA.

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

Mr. Hardeep Singh Banga- Non Executive Director

Mr. Hardeep Singh Banga is the Managing Director of Victora Auto Pvt Ltd, a Company engaged in designing and manufacturing of auto components and caters to Auto manufacturers in the most developed markets in USA, EU, Mexico etc. It exports more than 70% of its products that are used in marquee brands like the Mercedez, Audi, VW etc. Mr. Hardeep Singh Banga is a pioneer in auto manufacturing industry.

Mr. Neeraj Bajaj - Non Executive Independent Director

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

Mr. Sharvan Kumar Kataria – Non Executive Independent Director

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

Mr. Deepto Roy – Non Executive Independent Director

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

Mr. Rahul Goenka – Non Executive Director

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

Mrs. Preeti Grover - Non Executive Director

Mrs. Preeti Grover is a Practicing Company Secretary with over 23 years of vast experience in Public, Private and Listed Companies. She is also an elected member of the Managing Committee- Noida Chapter of NIRC-ICSI.

Currently, the Board is having three independent Directors and inclusion of one women independent director will add more experience and diversity to the committees' composition and therefore, it is proposed to the shareholders to appoint her as an Independent Director in the coming AGM.

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

Meetings & Attendance

Dates of Board Meetings were fixed in advance and agenda papers were circulated to Directors within time as stipulated under various provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 read with Secretarial Standard on Board Meeting.

During the financial year 2019-20 Five (5) Board Meetings were held on May 2, 2019, May 24, 2019, August 10, 2019, November 13, 2019 and February 13, 2020. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013, SEBI (LODR) Regulations, 2015 read with Secretarial Standard on Board Meeting.

Directors' Attendance Records and Directorships held:

Name of Directors	Category	No. of Board Meeting Attended	Attended last AGM	No. of other Director-ships	No of other Board Committees in which he is member/ Chairperson.	
					Chairman	Member
Maj. Gen. Lav Bikram Chand*	Chairman (NED)	4	Yes	-	-	-
Mr. Ashok Kumar Kanodia	MD	5	Yes	-	-	-
Mr. Nikhil Kanodia	WTD cum President	5	Yes	-	-	-
Mr. Hardeep Singh Banga	NED	2	No	-	-	-
Mr. Neeraj Bajaj	NEID	4	No	1	1	1
Mr. Sharvan Kumar Kataria	NEID	5	Yes	-	2	-
Mr. Deepto Roy	NEID	2	No	-	-	1
Mr. Rahul Goenka	NED	1	No	-	1	-
Mrs. Preeti Grover**	NED	1	NA	-	-	1
Mrs. Ranjna Guddo***	NED	-	No	-	-	1

*Maj. Gen. Lav Bikram Chand has been appointed as Non Executive Director cum Chairperson w.e.f 14.05.2019.

** Mrs. Preeti Grover has been appointed as Non Executive Director w.e.f 19.12.2019. ***Mrs. Ranjna Guddoo has retired w.e.f 26.09.2019.

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

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

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

The last Annual General Meeting was held on September 26, 2019.

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

Mr. Hardeep Singh Banga, Non-Executive Director is holding 34,45,777 equity shares of Rs. 10/- each in the Company aggregating to 24.88% paid up share capital of the Company.

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

3. AUDIT COMMITTEE

Powers

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

Terms of Reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for the appointment, remuneration and terms of appointment of the auditor.
- Approval of payment to statutory Auditors for any other services rendered by the statutory Auditors.
- Reviewing with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to :

a. Matters required to be included in the Directors responsibility Statements to be included in the Board's report in terms of Clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013.

b. Changes, if any, in accounting policies and practices and reasons for the same.

c. Major accounting entries involving estimates based on the exercise of judgement by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualifications in the draft audit report.

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

Review of information by Audit Committee

The Audit Committee reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- Management letters/letters of internal control weakness issued by the statutory auditors;
- Internal auditors reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.

Meetings and Attendance

During the year 5(Five) Audit Committee meetings were held on May 2, 2019, May 24, 2019, August 10, 2019, November 13, 2019 and February 13, 2020. 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*	*Attended*
1.	Mr. Sharvan Kumar Kataria	NEID	Committee Chairman	5
2.	Mr. Neeraj Bajaj	NEID	Member	5
3.	Mr. Deepto Roy	NEID	Member	1

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

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

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

- Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Director and the Board.
- Devising a policy on Board diversity.
- Indentifying 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.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. INTRODUCTION

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

1.1.1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

1.1.2. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

1.1.4 Ensuring that Remuneration and Compensation offered by the Company is in compliance with Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations.

2. Scope and Exclusion:

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

3. Terms and References:

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

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

3.2 **"Key Managerial Personnel" means**

i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;

ii. Company Secretary

iii. Chief Finance Officer

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

4. Remuneration to Managing Director and Key Managerial Personnel

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

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

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

4.2 Remuneration to Non-Executive/Independent Directors

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

4.3 Remuneration to other employees

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

4.4 Loan to Employees

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

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

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

During the year 2019-20, (Two) Nomination and Remuneration committee meetings were held on July 3, 2019 and November 13, 2019.

The Nomination and Remuneration Committee consists of following members:

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

Details of remuneration and perquisites paid to directors for the year 2019-20 (In Rs.)

(In ₹)

Directors	*Salary*	*Perquisites*	*Commission*	*Sitting Fees*	*Total*
Maj. Gen. Lav Bikram Chand (Retd.)	Nil	Nil	Nil	92,000	92,000
Mr. Ashok Kumar Kanodia	25,98,072	1,59,600	-	-	27,57,672
Mr. Nikhil Kanodia	58,95,000	1,59,600	-	-	60,54,600
Mr. Hardeep Singh Banga	Nil	Nil	Nil	30,000	30,000
Mr. Neeraj Bajaj	Nil	Nil	Nil	1,70,000	1,70,000
Mr. Rahul Goenka	Nil	Nil	Nil	51,000	51,000
Mr. Sharvan Kumar Kataria	Nil	Nil	Nil	2,84,000	2,84,000
Mr. Deepto Roy	Nil	Nil	Nil	55,000	55,000
Mrs. Preeti Grover	Nil	Nil	Nil	23,000	23,000
Mrs. Ranjna Gudoo	Nil	Nil	Nil	72,000	72,000

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

Salary:Rs. 19,68,240 per annum.

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

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

Managing Director shall also be eligible to the following perquisites:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these are not taxable under the Income Tax Act 1961.
2. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service,
3. Encashment of leave at the end of tenure.
4. Provision for use of chauffeur driven Company car for official duties and cellular phone (including payment for local and overseas official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
5. He will be entitled for Reimbursement of expenses incurred for the business of the Company in any manner whatsoever.

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

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

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

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

Commission @1% net profits of the Company.

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

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

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

He shall also be eligible to the following perquisites:

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

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

Encashment of leave at the end of tenure.

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

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

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

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

6. STAKEHOLDERS GRIEVANCE COMMITTEE

During the year, 31 (Thirty one) meetings of the Shareholder's Grievance Committee Meeting were held. The composition and Attendance of members at Shareholder's Grievance Committee as on March 31, 2020 is as follows:

S. No.	*Name of Directors*	*Category*	*Status*	*Meeting Attended*
1.	Mr. Rahul Goenka*	NED	Committee Chairman	10
2.	Mr. Sharvan Kumar Kataria**	NEID	Committee Chairman	31
3.	Maj. Gen. Lav Bikram Chand***	NED	Member	9
4.	Mrs. Preeti Grover****	NED	Member	2
5.	Mrs. Ranjna Gudoo*****	NED	Member	17

* Mr. Rahul Goenka resigned from being the member Chairperson of the Committee w.e.f 12.02.2020, **Mr. Sharvan Kumar Kataria has been appointed as the Chairperson of Comittee w.e.f 13.02.2020, ***Maj. Gen Lav Bikram Chand, has been appointed as the member of the committee w.e.f 30.09.2019, ****Mrs. Preeti Grover has been appointed as the member of the Committee w.e.f 13.02.2020, *****Mrs. Ranjna Gudoo has retired w.e.f 26.09.2019.

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

The only complain received during the year was solved to the satisfaction of the complainant within the prescribed time.

7. GENERAL MEETINGS OF SHAREHOLDERS

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2016-2017	25.09.2017	03:00 P.M.	B.C .Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi – 110019	No
2017-2018	27.09.2018	02:30 P.M.	B.C .Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi – 110019	Yes
2018-2019	26.09.2019	02:30 P.M.	B.C .Pal Memorial Auditorium, A-81, Chittaranjan Park, New Delhi – 110019	Yes

- One Special resolution was passed in the previous AGM held on 26.09.2019.
- No special resolution passed last year through postal ballot
- No Special Resolution is proposed to be conducted through postal ballot in ensuing AGM.

8. MEANS OF COMMUNICATION

a) 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.com.

b) The Company keeps on updating its website to provide comprehensive relevant information. The Company believes that all the stakeholders should have access to adequate information about the Company and in today's electronics age website is the best media for such dissemination of information. All information, which could have a material bearing on the share prices, is released at the earliest.

c) The Company has not made any formal presentations to the institutional investors or to the analysts during the year.

9. GENERAL SHAREHOLDER INFORMATION

i) AGM - Date, Time and Venue : September 24, 2020, 12.00 p.m. Through Video Conferencing/OAVM

ii) Financial Year: **2019- 20**

iii) Dividend payment **:** No Dividend is recommended.

v) Listing on Stock Exchanges **:** Equity Shares are listed on The Bombay Stock Exchange Mumbai. The Company has paid the Listing fee for the period Apr. 1, 2020 to March 31, 2021

vi) Stock Code **:** 517258

Vii) Share Price Data : High, Low during last year

Month	BSE INDEX		PRECISION	
	High	Low	High Price (In Rs.)	Low Price (In Rs.)
Apr-19	39487.45	38460.25	35.55	25.05
May-19	40124.96	36956.1	37.30	28.00
Jun-19	40312.07	38870.96	31.25	24.35
July-19	40032.41	37128.26	33.50	27.55
Aug-19	37807.55	36102.35	38.60	33.20
Sep-19	39441.12	35987.8	39.55	34.30
Oct-19	40392.22	37415.83	41.35	31.10
Nov-19	41163.79	40014.23	41.70	34.20
Dec-19	41809.96	40135.37	39.00	33.95
Jan-20	42273.87	40476.55	38.00	33.60
Feb-20	41709.3	38219.97	37.90	19.95
Mar-20	39083.17	25638.90	19.00	16.50

Share Price Performance of
Precision Electronics Limited (PEL) in comparison with BSE Sensex
for the period April 1, 2019 to March 31, 2020



(vii) Registrar Transfer Agent : Skyline Financial Services Pvt. Ltd.
D- 153/A First Floor Okhla Industrial Area Phase – 1
New Delhi - 110020

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

(ix) Distribution of shareholding: Shareholding Pattern as on March 31, 2020.

Category Code	Category of Shareholder	Number of shareholders	Total number of shares
(A)	**Promoter and Promoter Group**		
(1)	**Indian**		
(a)	Individuals / Hindu Undivided Family	6	3626540
(b)	Central Government / State Government(s)	0	0
(c)	Bodies Corporate	2	21592
(d)	Financial Institutions / Banks	0	0
(e)	Any Other (specify)	0	0
	Sub-Total (A)(1)	**8**	**3648132**
(2)	**Foreign**		
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	1	189730
(b)	Bodies Corporate	1	3179905
(c)	Institutions	0	0
(d)	Any Other (specify)	0	0
	Sub-Total (A)(2)	**2**	**3369635**
	Total Shareholding of Promoter and Promoter group (A)= (A)(1)+(A)(2)	**10**	**7017767**
(B)	**Public shareholding**		
(1)	**Institutions**		
(a)	Mutual Funds	4	8700
(b)	Venture Capital funds	0	0
(c)	Alternative investment funds	0	0
(d)	Foreign Venture Capital Investors	0	0
(e)	Foreign portfolio investors	0	0
(f)	Financial institutions/ banks	5	3050
(g)	Insurance Companies	0	0
(h)	Provident fund/ pension funds	0	0
	Any other specify		
	Sub-Total (B)(1)	**9**	**11750**
2	Central Government / State Government(s)/ president of India	0	0
	Sub-Total (B)(2)	**0**	**0**
3	**Non-Institutions**		
(a)	Individual shareholders holding nominal share capital up to Rs. 2 lakh.	13399	998369
ii.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	17	5433368
(b)	NBFCs registered with RBI	0	0
	Employee trusts	0	0
	Overseas depositories (holding DRs) (balancing figure)	0	0
	Any other specify	181	387258
	Sub-Total (B)(3)	**13597**	**6818995**
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	**13606**	**6830745**
	Total (A) + (B)	**13615**	**13848512**

x) As on March 31, 2020 of the total eligible shares 1,02,11,048 were held in dematerialized form and the balance 36,37,464 shares in physical form.

xi) Out standing GDR/ ADR: NIL

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

xiii) Plant Location : **a) Noida Plant**

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

b) Roorkee Plant

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

xiv) Address for correspondence : **Registered Office:**

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

Corporate Office:

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

10. OTHER DISCLOSURES

a) There is no material significant related party transaction with related parties that may have potential conflict with the interest of the Company at large, except as given in Directors report.

b) There were no instances of non-compliance by the Company or penalties, strictures imposed on the Company by the Stock exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last three years.

c) The Company has formulated and implemented a Whistle Blower Policy and no personnel is denied access to the audit committee.

d) The company has complied with all the mandatory requirements of SEBI (LODR) Regulations 2015 and following non-mandatory requirements are complied with:

- Company has appointed separate persons as Chairman and Managing Director.
- Internal auditor may report directly to the audit committee.

e) Demat Suspense Account-Nil

f) The Company does not have any subsidiary. Shareholders can reach for Company's policies and the business information at www.pel-india.com, which is regularly updated in order to meet the corporate governance requirement and for the benefit of shareholders/ investors.

g) A certificate from the Company Secretary in practice is obtained that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

h) The total fees paid to the statutory auditors of the Company for the financial year 2019-20 is Rs. 5,00,000 per annum.

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

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

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

FOR AND ON BEHALF OF THE BOARD

Sd/-
Ashok Kumar Kanodia
Managing Director

Place: Noida
Date: 30-05-2020

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, 2020 and that to the best of their knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 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 controlling 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 during the year;
   ii. There has not been any significant changes in accounting policies except for the adoption of IND-AS for the financial year 2019-20 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: 04.07.2020

Sd/-
Ashok Kumar Kanodia
Managing Director

Sd/-
Jagjit Singh Chopra
Chief Finance Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations)

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Rahul Goenka	00002440	25/09/2004
2.	Mr. Ashok Kumar Kanodia	00002563	01/05/1979
3.	Mr. Neeraj Bajaj	00035778	29/12/2017
4.	Ms. Preeti Grover	00128513	19/12/2019
5.	Mr. Hardeep Singh Banga	00393643	11/08/2018
6.	Mr. Deepto Roy	01241534	27/09/2014
7.	Mr. Nikhil Kanodia	03058495	11/08/2017
8.	Mr. Sharvan Kumar Kataria	03399949	05/02/2011
9.	Mr. Lav Bikram Chand	08451881	14/05/2019

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

For Munish K. Sharma & Associates
Company Secretaries

CS Aaina Gupta
Partner
M. No.: 43233
C.P. No. 22837
UDIN: A043233B000577052

Date: 13th August, 2020
Place: Kaushambi, Ghaziabad

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,

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

We have examined the compliance of conditions of Corporate Governance by **Precision Electronics Limited** ("the Company") for the year ended on 31st March, 2020 as stipulated in Regulations 17 to 20, 22, 23, 25, 26, 27 and clauses (b) to (g), (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

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

Related party transactions for the half year ended 31.03.2019 was not submitted to the stock exchange. However, the listed entity has submitted the financial statements inclusive of related party transactions for the year ended 31.03.2019.

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

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

For Munish K. Sharma & Associates
Company Secretaries

CS Aaina Gupta
Partner
M. No.: 43233
C.P. No. 22837
UDIN: A043233B000577052

Date: 13th August, 2020
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 2020, 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, 2020, the Profit and total comprehensive income, changes in equity and the cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

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

Key Audit Matters

A. Evaluation of uncertain Sales Tax positions

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

Auditor's Response

We obtained from the Company's management, details of the status as of 31 March 2020 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

Company's business model

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

Auditor's response

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

opinion.

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

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

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

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

We consider quantitative materiality and qualitative factors in ;

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate Report in **"Annexure 2".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion & to the best of our information & according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

SK Nemani
Partner
Membership No: 037222
Place: New Delhi
Dated: 04 July, 2020

ANNEXURE – 1

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

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

ii) (a) The inventories excluding material in transit have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.

(b) The discrepancies noticed on physical verification of Inventory as compared to book records which has been properly dealt with in the books of account were not material.

iii) The Company has not granted any loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company.

iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013. Therefore the provisions of this clause do not apply.

vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2020 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, there are disputed dues of Sales Tax aggregating to Rs. 11,70,000 which have not been deposited as at 31st March, 2020 are mentioned hereunder:

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

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

ix) Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon.

x) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

iv) Based upon the audit procedures performed and the information and explanation given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

v) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company

vi) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.

vii) Based upon the audit procedures performed and the information and explanation given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.

viii) Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.

ix) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly , the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

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

SK Nemani
Partner
Membership No: 037222
Place: New Delhi
Dated: 04 July, 2020

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Precision Electronics Ltd. ("the Company") as of 31 March 2020 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SK Nemani
Partner
Membership No: 037222
Place: New Delhi
Dated: 04 July, 2020

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

To

The Board of Directors
Precision Electronics Limited
D-1081, New Friends Colony
New Delhi - 110025

We have audited the standalone financial results of **Precision Electronics Limited** (the 'Company') for the year ended 31 March 2020, attached herewith and being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These quarterly financial results as well as the financial results for the year ended 31 March 2020 have been prepared on the basis of interim financial statements which are the responsibility of the Company's management.

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in **Accounting Standard for Interim Financial Reporting (Ind AS 34),** prescribed under Section 133 of the Companies Act, 2013 ('the Act')] read with relevant rules issued thereunder, other accounting principles generally accepted in India and in accordance with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016.

Our responsibility is to express an opinion on these financial results based on our audit of the interim financial statements for the year ended 31 March 2020 and our review of standalone financial results for the nine months period ended 31 December 2019.

Attention is drawn to Note 3 to the financial results regarding the figures for the quarter ended 31 March 2020 as reported in these financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial results for the quarter as well as for the year ended on 31 March 2020 :

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard ;

and

(ii) give a true and fair view of the net Loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS 34 prescribed under Section 133 of **the Act** for the quarter ended 31 March 2020 and Profit in year-to-date results from 1 April 2019 to 31 March 2020.

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

SK Nemani
Partner
Membership No: 037222
Place: New Delhi
Dated: 04 July, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(Amount in Rs.)

Particulars			Note No(s)	As at March 31, 2020	As at March 31, 2019
I.	ASSETS				
	Non-Current Assets				
	(a)	Property, Plant and Equipments	4	7,87,07,143	8,00,51,771
	(b)	Intangible Assets	5	7,165	10,763
	(c)	Intangible assets under developments	6	98,89,400	1,48,46,100
	(d)	Deferred tax assets (Net)	7	3,64,29,162	3,61,22,140
	(e)	Financial Assets			
		i. Investments		-	-
		ii. Others financial assets	8	51,59,806	86,00,072
	(f)	Other non-current assets	9	4,23,330	8,12,068
	Total non-current assets			13,06,16,006	14,04,42,914
	Current assets				
	(a)	Inventories	10	11,87,64,785	13,47,67,086
	(b)	Financial assets			
		i. Investments		-	-
		ii. Trade receivables	11	8,45,06,757	12,93,82,195
		iii. Cash and cash equivalents	12	1,11,05,862	13,23,306
		iv. Bank balance other than (iii) above	13	74,58,996	95,90,376
		v. Other financial assets	14	93,35,597	1,10,53,853
	(c)	Current Tax Assets (Net)	15	1,97,87,779	1,45,93,705
	(d)	Other current assets	16	1,31,00,933	80,68,747
	Total current assets			26,40,60,709	30,87,79,268
	Total Assets			39,46,76,715	44,92,22,181
II.	EQUITY AND LIABILITIES				
	Equity				
	(a)	Equity share Capital	17	13,84,87,620	13,84,87,620
	(b)	Other Equity	18	70,50,182	16,65,971
	Total Equity			14,55,37,802	14,01,53,591
	Liabilities				
	Non-Current liabilities.				
	(a)	Financial Liabilities			
		i. Borrowings	19	6,57,66,430	10,66,45,787
		ii. Other financial liabilities		-	-
	(b)	Provisions	20	1,32,07,042	93,10,171
	(c)	Other non-current liabilities	21	8,47,419	8,40,848
	Total non-current liabilities			7,98,20,891	11,67,96,806
	Current liabilities				
	(a)	Financial liabilities			
		i. Borrowings	22	8,90,21,443	8,31,76,939
		ii. Trade payables	23	6,22,61,520	8,52,39,651
		iii. Other financial liabilities	24	6,28,542	3,84,335

BALANCE SHEET AS AT MARCH 31, 2020

(Amount in Rs.)

Particulars	Note No(s)	As at March 31, 2020	As at March 31, 2019
(b) Other current liabilities	25	1,74,06,519	2,13,30,939
(c) Provisions	26	-	21,39,920
Total current liabilities		16,93,18,024	19,22,71,784
Total liabilities		24,91,38,915	30,90,68,590
Total equity and liabilities		39,46,76,715	44,92,22,181

As per our Report of even date attached

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

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

Place: New Delhi
Dated: 4th July, 2020

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Veenita Puri
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in Rs.)

Particulars		Note No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
I.	INCOME			
	Revenue from operations (Gross)	27	37,23,86,689	28,95,01,163
	Other Income	28	45,35,151	8,94,769
	Total Revenue (I)		37,69,21,839	29,03,95,932
II.	EXPENSES			
	Cost of materials consumed	29	14,52,96,741	12,85,00,423
	Purchase of Traded Goods		-	-
	Changes in inventories of workin-progress, stock-in-trade and finished goods	30	25,59,079	4,19,63,935
	Excise Duty,VAT, Sales tax and Service tax		-	-
	Other Direct Costs	31	3,75,13,696	1,64,78,707
	Employee benefit expenses	32	8,94,81,997	7,57,79,633
	Finance costs	33	2,41,55,758	2,16,34,960
	Depreciation and amortisation expenses	4,5	80,15,802	84,68,828
	Other expenses	34	6,60,39,733	5,08,75,250
	Total Expenses(II)		37,30,62,806	34,37,01,736
III.	Profit / (Loss) before exceptional items and income tax.(I-II)		38,59,033	(5,33,05,804)
IV.	Exceptional items (net of tax)		-	-
V.	Profit/ (Loss) before tax (III-IV)		38,59,033	(5,33,05,804)
VI.	Tax Expenses			
	Current tax		-	-
	Earlier years tax		-	-
	MAT Credit Entitlement		-	-
	Deferred tax		(6,20,697)	(58,93,358)
	Total tax expenses		(6,20,697)	(58,93,358)
VII.	Profit / Loss for the year (V -VI)		44,79,730	(4,74,12,446)
VIII.	Other Comprehensive Income:			
A.)	Items that will not classified to profit or loss		-	-
	(i) Remeasurement of defined benefit plans;		12,18,156	(11,78,411)
	(ii) Equity Instruments through OCI.		-	-
B)	Items that will be re classified to profit or loss		-	-
C)	Income tax effect on such items		(3,13,675)	3,03,500
	Other comprehensive income for the year after tax (VIII)		9,04,481	(8,74,911)
IX.	Total comprehensive income for the year (VII+VIII)		53,84,211	(4,82,87,357)
	Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year,			
	Basic earnings per share	35	0.32	-3.42
	Diluted earning per share	35	0.32	-3.42

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

As per our Report of even date attached

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

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

Place: New Delhi
Dated: 4th July, 2020

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Veenita Puri
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
I.	CASH FLOW FROM OPERATING ACTIVITIES		
	Total Comprehensive Income	53,84,211	(4,82,87,357)
	Adjustments for:		
	Depreciation and amortization expenses	80,15,802	84,68,828
	Gain on disposal of property, plant and equipment	(11,290)	(2,32,139)
	Changes in fair value of financial assets at fair value through profit or loss		
	Dividend and interest income classified as investing cash flows	(9,45,390)	(7,73,101)
	Finance costs	2,41,55,758	2,16,34,960
		3,65,99,092	(1,91,88,809)
	Change in operating assets and liabilities		
	(Increase) / decrease in trade and other receivables	4,48,75,438	2,61,78,216
	(Increase) / decrease in inventories	1,60,02,301	2,66,70,089
	Increase/(decrease) in trade payables	(2,29,78,131)	(1,40,99,337)
	(Increase) / decrease in other financial assets	51,58,522	(57,88,387)
	(Increase)/decrease in other non-current assets	3,88,738	(7,01,846)
	(Increase)/decrease in other current assets	(50,32,187)	6,84,633
	Increase/(decrease) in provisions	17,56,950	(2,35,512)
	Increase/(decrease) in Other non current Liabilities	6,571	7,243
	Increase/ (decrease)in other current liabilities	21,64,285	1,23,66,824
	Cash generated from operations	7,89,41,580	2,58,93,114
	Income taxes paid	(55,01,096)	(1,00,28,351)
	Prior period adjustments		
	Net cash inflow from/(used) operating activities	7,34,40,484	1,58,64,764
II.	CASH FLOW FROM INVESTING ACTIVITIES		
	Payments for property, plant and equipment	(74,92,128)	(33,52,429)
	Payment for software development costs	49,56,700	-
	Proceeds from sale of property, plant and equipment	8,35,846	6,87,620
	Interest received	9,45,390	7,73,101
	Decrease /(Increase) in Term Deposits with Banks	21,31,380	(36,26,414)
	Net cash flow from /(used) in investing activities.	13,77,188	(55,18,122)
III.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from borrowings	(4,03,85,508)	4,72,11,474
	Repayment of borrowings	(4,93,849)	(3,71,88,940)
	Interest Paid (net)	(2,41,55,758)	(2,16,34,960)
	Net cash flow from /(used) in financing activities.	(6,50,35,115)	(1,16,12,426)
IV.	NET INCREASE /(DECREASE) IN CASH & CASH EQUIVALENTS (I+II+III)	97,82,557	(12,65,785)
V.	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	13,23,306	25,89,091

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
	Effects of exchange rate changes on cash and cash equivalents		
VI.	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,11,05,862	13,23,306

NOTES:

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	3,99,692	5,11,106
Cheques in hand		
Balances with Scheduled banks in	34,06,629	1,75,440
Current accounts		
Fixed Deposits with Bank.	72,99,541	6,36,760
Balances per statement of cash flows	1,11,05,862	13,23,306

As per our Report of even date attached

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

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

Place: New Delhi
Dated: 4th July, 2020

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Veenita Puri
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Statement of Changes in Equity for the period ended 31st March, 2020

Amount in Rupees

EQUITY SHARE CAPITAL.	Amount
As at March 31, 2018	13,84,87,620
Changes in equity share capital.	-
As at March 31, 2019	13,84,87,620
Changes in equity share capital.	-
As at March 31, 2020	13,84,87,620

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income		
	Share Application Pending allottment	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 April 1 ,2018	-	-	-	84,08,930	4,12,55,235	-	2,89,161	4,99,53,327
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period.								
Total Comprehensive Income for the year	-	-	-	-	(4,74,12,445)	-	(8,74,911)	(4,82,87,356)
Transfer to retained earnings								-
Any other change to be specified.								-
Balance as at March 31, 2019	-	-	-	84,08,930	(61,57,210)	-	(5,85,750)	16,65,971
Changes in accounting policy or prior period errors								-
Restated balance at the beginning of the reporting period.								-
Total Comprehensive Income for the year	-	-	-	-	44,79,730	-	9,04,481	53,84,211
Transfer to retained earnings								-
Any other change to be specified.								-
Balance as at March 31, 2020	-	-	-	84,08,930	(16,77,480)	-	3,18,731	70,50,182

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

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

Place: New Delhi
Dated: 4th July, 2020

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

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Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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 July 4, 2020.

NOTE 2. APPLICATION OF NEW AND REVISED IND -AS

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

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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Compliance with Ind AS

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

Historical Cost Convention

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

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

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

Current versus non-current classification

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

a. Expected to be realised or intended to be sold or consumed in normal operating cycle.

b. Held primarily for the purpose of trading, or

c. Expected to be realised within twelve months after the reporting period other than for above, or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle

b) It is held primarily for the purpose of trading

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

c) It is due to be settled within twelve months after the reporting period other than for (a) above, or

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

All other liabilities are classified as non-current.

Fair value measurement

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

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

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

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

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

- Level 1 — Quoted (unadjusted)

  This hierarchy includes financial instruments measured using quoted prices.

- Level 2

  Level 2 inputs include the following:

  a. quoted prices for similar assets or liabilities in active markets.

  b. quoted prices for identical or similar assets or liabilities in markets that are not active.

  c. inputs other than quoted prices that are observable for the asset or liability.

  d. Market – corroborated inputs.

- Level 3

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

Non-current assets held for sale

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

Property Plant and Equipment

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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, 2020

Intangible assets

Recognition of intangible assets

Research and development

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

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

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

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

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

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

Computer software

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

De-recognition of intangible assets

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

Intangible assets under development

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

Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Subsequent measurement

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

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

De-recognition

A financial asset is de-recognized only when

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 116

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 116.

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

Financial liabilities

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Initial recognition and measurement

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

Subsequent measurement

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

Trade and other payables

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

Impairment of non-financial assets

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Inventories

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

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

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

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

Revenue recognition

Sale of Goods and Rendering of Services

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Rental income

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

Insurance Claims and Export Incentives

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

Leases

As a lessee

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

As a lessor

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

Foreign currency transactions

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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.

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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Borrowing Costs

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

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Cash Flow Statement

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

Cenvat Credit and Input Tax Credit (ITC)

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

Earnings per share

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

Income taxes

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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, 2020

NOTE-4. PROPERTY, PLANT AND EQUIPMENT

Amount in Rupees

	Land Freehold Roorkee	Land Leasehold Noida	Building Freehold	Building Leasehold	Plant and Machinery	Lab Equipments and other Fixed assets	Computers	Office Equipments	Furnitures and fixtures	Vehicles	Mould and dies	Total
As at March 31,2018	1,33,99,442	24,82,941	6,98,30,344		6,64,42,418	58,68,789	2,44,74,522	90,97,864	1,18,39,822	77,04,711	2,85,600	21,14,26,453
Additions					1,56,368	-	1,46,258	3,14,530	1,80,005	25,55,268	-	33,52,429
Disposal/Adjustments					3,71,338	-	-	17,01,304	33,129	17,35,504	-	38,41,275
As at March 31,2019	1,33,99,442	24,82,941	6,98,30,344	-	6,62,27,448	58,68,789	2,46,20,780	77,11,090	1,19,86,698	85,24,475	2,85,600	21,09,37,607
Additions	-	-	-	-	54,69,345	46,810	3,71,228	1,08,364	2,27,956	12,68,425	-	74,92,128
Disposal/Adjustments	-	-	-	-	36,30,384	-	1,22,77,169	-	-	17,36,997	-	1,76,44,550
As at March 31,2020	**1,33,99,442**	**24,82,941**	**6,98,30,344**	**-**	**6,80,66,409**	**59,15,599**	**1,27,14,839**	**78,19,454**	**1,22,14,654**	**80,55,903**	**2,85,600**	**20,07,85,185**
Accumulated depreciation and impairment												-
As at March 31,2018	-	77,592	3,25,53,479		4,08,10,033	35,47,161	2,36,77,929	83,64,479	99,40,982	67,28,978	1,07,543	12,58,08,176
Depreciation for the year	-	38,796	20,87,292		43,20,136	3,67,825	94,241	2,12,398	6,85,128	6,40,800	16,830	84,63,446
Disposal/Adjustments	-	-	-		2,24,380	-	-	16,37,171	33,129	14,91,114	-	33,85,794
Reversal of op bal adjs	-	-	-									
As at March 31,2019	-	1,16,388	3,46,40,771	-	4,49,05,789	39,14,986	2,37,72,170	69,39,706	1,05,92,981	58,78,664	1,24,373	13,08,85,828
Depreciation for the year	-	38,796	20,93,012		43,42,344	3,85,025	1,49,531	1,28,085	4,62,353	3,96,187	16,875	80,12,208
Disposal/Adjustments	-	-	-		31,20,291	-	1,20,42,533	-	-	16,57,170	-	1,68,19,994
Reversal of op bal adjs	-	-	-		-		-	-	-	-	-	-
As at March 31, 2020	**-**	**1,55,184**	**3,67,33,783**	**-**	**4,61,27,842**	**43,00,011**	**1,18,79,168**	**70,67,791**	**1,10,55,334**	**46,17,681**	**1,41,248**	12,20,78,042
Net Book Value												
As at April 1, 2016 (Deemed Cost)	1,33,99,442	24,82,941	4,15,22,184	-	3,50,06,705	33,42,916	8,41,855	13,57,449	40,08,754	34,22,153	2,11,715	10,55,96,114
As at March 31, 2018	1,33,99,442	24,05,349	3,72,76,865		2,56,32,385	23,21,628	7,96,593	7,33,385	18,98,840	9,75,733	1,78,057	8,56,18,277
As at March 31, 2019	1,33,99,442	23,66,553	3,51,89,573	-	2,13,21,659	19,53,803	8,48,610	7,71,384	13,93,717	26,45,811	1,61,227	8,00,51,771
As at March 31, 2020	**1,33,99,442**	**23,27,757**	**3,30,96,561**	**-**	**2,19,38,567**	**16,15,588**	**8,35,671**	**7,51,663**	**11,59,320**	**34,38,222**	**1,44,352**	**7,87,07,143**

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.

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 - products

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Amount in Rupees

NOTE-5. OTHER INTANGIBLE ASSETS

	As at March 31, 2020		As at March 31, 2019	
Application Software				
Cost or Deemed cost				
Opening Balance	1,56,21,769		1,56,21,769	
Addition during the year	-		-	
Disposal/adjustment/transfer	-	**1,56,21,769**	-	1,56,21,769
Accumulated amortization				
Opening Balance	1,56,11,006		1,56,05,624	
Addittions during the year	3,598		5,382	
Disposal/adjustment/transfer	-	**1,56,14,404**	-	1,56,11,006
		7,165		10,763

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 life may be shorter or longer than 3 years, depending on technical innovations and competitor actions.

NOTE-6. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2020		As at March 31, 2019	
Application Software				
Gross Cost				
Opening Balance	1,48,46,100		1,48,46,100	
Expenditure during the year	-		-	
Less: Sale Proceeds	4956700	98,89,400	-	1,48,46,100
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, 2020

NOTE-7. DEFERRED TAX ASSETS (NET)

		As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets (Net)			
A)	**Deferred Tax Assets**		
	Provision for doubtful receivable & Advances	12,93,402	12,25,372
	Expenses disallowed u/s 43B of Income Tax Act, 1961	34,00,813	29,48,399
	Accumulated losses and unabsorbed depreciation as per Income Tax Act.	4,07,80,923	4,14,80,577
		4,54,75,138	4,56,54,348
B)	**Deferred Tax Liability**		
	Difference between WDV of Income tax and Companies Act	90,45,976	95,32,208
		90,45,976	95,32,208
C)	**Deferred Tax Assets/(Liability) Net (A-B)**	**3,64,29,162**	**3,61,22,140**

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	Provisions	Other Items	Total
As at March 31,2018	3,26,09,088	(6,45,058)	12,34,581	(32,73,329)	2,99,25,282
(Charged) / credited					
- to profit or loss	92,13,047		(9,209)	(33,10,480)	58,93,358
- to other comprehensive income	-	3,03,500	-	-	3,03,500
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31,2019	4,18,22,135	(3,41,558)	12,25,372	(65,83,809)	3,61,22,140
(Charged) / credited					
- to profit or loss	(3,85,979)		68,030	9,38,646	6,20,697
- to other comprehensive income	-	(3,13,675)	-	-	(3,13,675)
- Deferred tax on basis adjustments	-	-	-	-	-
As at March 31,2020	4,14,36,156	(6,55,233)	12,93,402	(56,45,163)	3,64,29,162

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Amount in Rupees

NOTE-8. NON CURRENT FINANCIAL ASSETS OTHER

	As at March 31, 2020	As at March 31, 2019
Fixed deposits with Bank (Maturity more than twelve months)	**27,01,215**	62,99,287
Security Deposits	**24,58,591**	23,00,785
Total	**51,59,806**	86,00,072

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

NOTE-9. OTHER NON CURRENT ASSETS

	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	**4,23,330**	8,12,068
Total	**4,23,330**	8,12,068

NOTE-10 INVENTORIES

	As at March 31, 2020	As at March 31, 2019
Inventories (As certified and valued by the management)		
Raw Materials & Components	**5,42,66,884**	6,75,16,140
Goods-in-process (Manufacturing)	**6,05,53,729**	6,69,63,800
Goods-in-process (Infra Services)	**39,19,035**	-
Finished Goods	**-**	-
Traded Goods	**-**	68,043
Stores & Spare Parts	**25,137**	2,19,103
Total	**11,87,64,785**	13,47,67,086

NOTE-11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

	As at March 31, 2020	As at March 31, 2019
Unsecured - Considered good:	**8,45,06,757**	12,93,82,195
Total	**8,45,06,757**	12,93,82,195

NOTE-11.1 AGE OF RECEIVABLES

	As at March 31, 2020	As at March 31, 2019
Within the credit period	**3,07,72,571**	7,45,09,891
1-180 days past due*	**3,32,16,423**	3,19,23,697
181-365 days past due	**28,88,312**	1,12,33,235
More than 365 days past due	**1,76,29,452**	1,17,15,372
Total	**8,45,06,757**	12,93,82,195

*The amount Include foreign bill discounting for Rs. 2,80,49,972/-

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

NOTE-12 CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019
Balances with Banks	**34,06,629**	1,75,440
Cheques , drafts on hand	**-**	-
Cash on Hand	**3,99,692**	5,11,106
Fixed deposits with bank (Original maturity less than 3 months)	**72,99,541**	6,36,760
Total	**1,11,05,862**	13,23,306

NOTE-13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

	As at March 31, 2020	As at March 31, 2019
Fixed Deposit with Bank (Maturity less than 12 months)	**74,58,996**	95,90,376
Total	**74,58,996**	95,90,376

NOTE-14 CURRENT FINANCIAL ASSETS - OTHER ASSETS/ADVANCES

	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
a. Security Deposits		
Secured - Considered good;	**4,04,400**	3,73,700
	-	-
b. Other advances	**-**	**-**
Secured - Considered good;	**89,31,197**	1,06,80,153
Total	**93,35,597**	1,10,53,853

NOTE-15 CURRENT TAX ASSETS (NET)

	As at March 31, 2020	As at March 31, 2019
Advance tax/TDS (net of tax)	**1,36,92,277**	84,98,203
MAT credit entitlement	**60,95,502**	60,95,502
Total	**1,97,87,779**	1,45,93,705

NOTE-16 OTHER CURRENT ASSETS

	As at March 31, 2020	As at March 31, 2019
Balance with Central Excise, GST , VAT and custom authorities	**89,99,723**	54,16,269
GST Receivable	**-**	-
Interest Receivable	**8,94,982**	8,81,116
Prepaid expenses	**32,06,228**	17,71,361
Others	**-**	**-**
Total	**1,31,00,933**	80,68,747

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

NOTE-17 EQUITY SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital		
At the beginning of the period	**20,00,00,000**	20,00,00,000
Increase during the year	**-**	-
As at end of the period	**20,00,00,000**	20,00,00,000

(i) ISSUED , SUBSCRIBED AND PAID UP

	As at March 31, 2020	As at March 31, 2019
1,38,48,512 Equity shares of Rs 10/- each fully paid up.	**13,84,85,120**	13,84,85,120
Add: Forfieted Shares (Amount paid up)	**2,500**	2,500
Total	**13,84,87,620**	13,84,87,620

(ii) MOVEMENT IN EQUITY SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019
	No. of shares held	No. of shares held
At the beginning of the period	**1,38,48,512**	1,38,48,512
Add: Shares issued during the year	**-**	-
Add: Bonus shares issued during the year.	**-**	-
Less: Shares bought back during the year	**-**	-
As at end of the period	**1,38,48,512**	1,38,48,512

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

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

	As at March 31, 2020	As at March 31, 2019
	No. of shares held	No. of shares held
Mr. Ashok Kumar Kanodia	**-**	-
Percentage of Holdings	**-**	-
Mr. Pradeep Kanodia	**-**	-
Percentage of Holdings	**-**	-
Knowledge Holding and Investment Pte Ltd.	**31,79,905**	31,79,905
Percentage of Holdings	**22.96%**	22.96%
Mr. Nikhil Kanodia	**34,15,901**	34,15,901
Percentage of Holdings	**24.67%**	24.67%
Mr. Hardeep Singh Banga	**34,45,777**	30,65,312
Percentage of Holdings	**24.88%**	22.13%

NOTE-18 OTHER EQUITY

	As at March 31, 2020	As at March 31, 2019
(i) General Reserve	**84,08,930**	84,08,930
(ii) Retained Earnings	**(13,58,748)**	(67,42,959)
	70,50,182	16,65,971

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

(i) RETAINED EARNINGS

	As at March 31, 2020	As at March 31, 2019
Opening Balance	**(67,42,959)**	4,15,44,397
Changes in accounting policy or prior period items	**-**	-
Net Profit for the period	**53,84,211**	(4,82,87,356)
Items of Other Comprehensive Income recognised directly in Retained Earnings.	**-**	-
Remeasurement of Defined Benefit plans		
Closing Balance	**(13,58,748)**	(67,42,959)

NOTE-19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2020	As at March 31, 2019
Vehicle Loans*	**12,90,860**	11,31,916
Loans for other Parties*	**-**	4,45,38,301
Loans for Director**	**6,44,75,570**	6,09,75,570
Total	**6,57,66,430**	10,66,45,787

Security

*Hypothecation of Car

Terms of Repayment

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

** The loans from director taken before 1st April,2014 amounting to Rs 22,375,570/- . The loan from director to be repaid on demand but not before 1st April 2020.

NOTE-20 PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Provisions for Employee Benefits	**1,32,07,042**	93,10,171
Total	**1,32,07,042**	93,10,171

NOTE-21 OTHER NON- CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Leasehold Obligations	**8,47,419**	8,40,848
Total	**8,47,419**	8,40,848

NOTE-22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2020	As at March 31, 2019
Loans repayable on demands		
(i) from Banks- Secured*	**4,63,86,889**	7,08,82,175
(ii) from Bank- foreign bill discounting	**2,80,49,972**	-
(iii) buyers credit	**-**	-
(iv) from NSIC**	**1,45,84,582**	1,22,94,764
	8,90,21,443	8,31,76,939

* Working capital facilities from The South Indian Bank Limited is secured by way of hypothecation of stock of raw

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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

NOTE-23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
For Goods & Services	**6,22,61,520**	8,52,39,651
	6,22,61,520	8,52,39,651

NOTE-23.1 MiCRO, SMALL AND OTHER THAN MICRO AND SMALL ENTERPRISES

		As at March 31, 2020	As at March 31, 2019
(a)	total outstanding dues of Micro Enterprises and small Enterprises ; and	**45,50,766**	2,19,85,150
(b)	total outstanding dues of creditors other than Micro Enterprises and small Enterprises.	**5,77,10,755**	6,32,54,501
		6,22,61,520	8,52,39,651

NOTE-24 CURRENT LIABILITIES - OTHER FINANCIAL LIABILITIES

		As at March 31, 2020	As at March 31, 2019
a)	Current maturities of long term debts		
	Secured		
	Loans from others	**-**	**-**
	Kotak Mahindra Prime Ltd.	**3,71,789**	1,49,367
	ICICI Bank	**2,56,753**	2,34,968
b)	Interest Accrued	**-**	**-**
		6,28,542	3,84,335

NOTE-25 CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

		As at March 31, 2020	As at March 31, 2019
Branch Office			
a)	Advances from customers	**75,82,569**	56,04,945
b)	Others:	**-**	-
	i) Creditors for capital goods	**-**	-
	ii) Expenses Payable	**55,13,261**	24,58,991
	iii) Other Employees related liabilities	**12,12,948**	76,77,530
	iv) Statutory Liabilities	**30,97,741**	55,89,474
		1,74,06,519	2,13,30,939

NOTE-26 CURRENT LIABILITIES - PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits	**-**	21,39,920
Provision - Others	**-**	-
	-	21,39,920

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Amount in Rupees

NOTE-27. REVENUE FROM OPERATIONS (GROSS)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	**25,44,80,253**	18,47,55,761
Sale of Services	**11,73,73,116**	10,47,27,587
	37,18,53,369	28,94,83,348
Other Operating Revenue		
Duty Drawback	**5,33,320**	17,815
Sales of Scrap	**-**	-
Total	**37,23,86,689**	28,95,01,163

NOTE-28. OTHER INCOME

	For the year ended March 31, 2020	For the year ended March 31, 2019
Other non operating income*(Profit on sale of Fixed Assets)	**11,290**	2,32,139
Interest Income	**9,45,390**	7,73,101
Others	**35,78,471**	-1,10,471
Total	**45,35,151**	8,94,769

NOTE-29. COST OF MATERIAL CONSUMED

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock	**6,75,16,140**	5,22,27,285
Add: Purchases during the year	**13,20,47,485**	14,37,89,278
	19,95,63,625	19,60,16,563
Less: Closing Stock	**5,42,66,884**	6,75,16,140
Total	**14,52,96,741**	12,85,00,423

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Valued and as certified by Management		
Opening Stock		
- Finished Goods (Manufacturing)	**68,043**	4,69,994
- Traded Goods	**-**	-
- Goods-in-process (Manufacturing)	**6,69,63,800**	9,90,45,784
- Goods-in-process (Infra Services)	**-**	94,80,000
Closing Stock		
- Finished Goods (Manufacturing)	**-**	68,043
- Traded Goods	**-**	-
- Goods-in-process (Manufacturing)	**6,05,53,729**	6,69,63,800
- Goods-in-process (Infra Services)	**39,19,035**	-
Total	**25,59,079**	4,19,63,935

NOTE-31. OTHER DIRECT COSTS

	For the year ended March 31, 2020	For the year ended March 31, 2019
Project and labour service charges	**2,06,07,528**	1,51,84,416
Consumption of Stores and Spares Parts.	**13,64,129**	1,21,617
Die Making Charges	**8,06,000**	-
Job Work Expenses	**1,47,36,039**	11,72,674
Total	**3,75,13,696**	1,64,78,707

NOTE-32. EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and allowances	**8,29,15,385**	7,11,36,060
Contribution to Provident and ESI Funds	**27,24,912**	27,40,525
Workmen and staff welfare expenses	**38,41,700**	19,03,048
	8,94,81,997	7,57,79,633
Less: Transferred to Intangible assets under development	**-**	-
Total	**8,94,81,997**	7,57,79,633

NOTE-33. FINANCE COSTS

	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank Loan Interest	**91,84,276**	73,16,212
Other Interest	**1,09,03,199**	1,17,64,448
Bank Charges	**18,00,417**	17,00,711
Other Borrowing costs	**22,67,866**	8,53,589
	2,41,55,758	2,16,34,960

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

NOTE-34. OTHER EXPENSES

	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	**56,88,704**	45,75,217
Rent	**24,77,088**	7,64,589
Security Services	**25,30,868**	16,74,439
Repairs & Maintenance	**-**	-
- Building	**20,83,687**	2,48,210
- Plant & Machineries	**11,24,671**	10,76,997
- Others	**15,17,950**	7,72,822
Insurance	**7,94,227**	6,44,376
Legal and professional fee	**50,45,096**	35,81,690
Technical Consultancy	**99,33,766**	66,75,693
Testing fee	**8,63,180**	6,11,190
Auditor fees	**-**	-
Statutory Audit	**4,50,000**	4,50,000
Tax audit	**50,000**	1,00,000
Other matters	**-**	50,000
Reimbursment of expenses	**-**	-
Travelling expenses (including foreign travel)	**1,05,83,902**	81,81,454
Marketing & Distribution expenses	**28,51,752**	70,61,421
Vehicle Running Maintenance	**18,06,452**	11,96,990
Miscellaneous expenses	**1,79,75,199**	1,32,44,922
Provision for Trade receivables	**2,63,191**	-34,760
Total	**6,60,39,733**	5,08,75,250

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**Basic & Diluted Earnings per share before extra ordinary items**		
	Profit /(Loss) after tax	**44,79,730**	(4,74,12,446)
	Profit attributable to ordinary shareholders	**44,79,730**	(4,74,12,446)
	Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	**1,38,48,512**	1,38,48,512
	Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	**1,38,48,512**	1,38,48,512
	Nominal value of ordinary share	**10**	10
	Earnings per share basic	**0.32**	-3.42
	Earnings per share diluted	**0.32**	-3.42
(B)	**Basic & Diluted Earnings per share after extra ordinary items**		
	Profit /(Loss) after tax	**44,79,730**	(4,74,12,446)
	Profit attributable to ordinary shareholders	**44,79,730**	(4,74,12,446)
	Weighted average number of ordinary shares (used as denominator for calculating basic EPS)	**1,38,48,512**	1,38,48,512
	Weighted average number of ordinary shares (used as denominator for calculating diluted EPS)	**1,38,48,512**	1,38,48,512
	Nominal value of ordinary share	**10**	10
	Earnings per share basic	**0.32**	-3.42
	Earnings per share diluted	**0.32**	-3.42

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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 31.03.2020	Amount as at 31.03.2019
A.	Contingent Liabilities not provided for:			
	i)	Guarantees and LC	**105,299,403**	75,416,153
		Less : Bank balances in restricted Fixed Deposits. held under lien as margin money	**15,731,370**	12,116,167
			89,568,033	63,299,986
	ii)	Disputed demands in respect of Central Sales Tax and Value Added Tax	**1,170,000**	1,575,129
B.	Commitments			
	i)	Capital Commitments net of Advances	**-**	-
	ii)	Other Commitments	**-**	-

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

39. Revenue from operations for the year ended 31 March 2020 is net of Goods and Service Tax (GST) .

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

Particulars			**As at March 31, 2020**	As at March 31, 2019
a.	Principal amount due		4,550,766	21,985,150
	Interest due on above		Nil	Nil
b.	Interest paid during the period beyond the appointed day		Nil	Nil

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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

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

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

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Not later than one year	139,131	160,000
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 Ind AS-24

A) List of Related Party

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

a) Ashok Kanodia (HUF) - (HUF of Managing Director)

b) Mr. Nikhil Kanodia - (Son of Managing Director)

c) Mr. Hardeep Singh Banga (Non-Executive Director).

ii) Key Management Personnel

a) Mr. Ashok Kanodia - (Managing Director of the Company)

b) Mr. Nikhil Kanodia – (Whole Time Director cum President)

c) Mr. Jagjit Singh Chopra (Chief Financial Officer of the Company)

d) Miss. Veenita Puri (Company secretary of the Company)

B) Transactions with Related Parties **(Fig. in '000)**

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

	Current Year	Previous Year
Rent	150	120
Salary including Perquisites	2,062	-
Amount payable	679	193

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

ii) Key Management Personnel

Remuneration including perquisites	8,812	6,407
Interest	6,223	4,922
Salary including Perquisites	3,012	2,903
Unsecured loan taken during the year	3,500	8,000
Unsecured loan repaid during the year	-	2,200
Unsecured loan at year – end	64,475	60,975
Amount payable other than unsecured loan	18,791	16,699

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

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

a) Defined Contribution Plan

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund	569,398	523,543
Employer's Contribution to Pension Scheme	1,291,146	1,184,114

b) Defined Benefit Plan

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

1. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	**Current year**	Previous year
Discount Rate	**7.25%**	7.50%	**6.76%**	7.65%
Salary Escalation	**7.00%**	7.00%	**7.00%**	7.00%
Mortality Table			**2012-14 (IAL Ultimate)**	2006-08 (IAL Ultimate)

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

2. Table showing changes in present value of obligations

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	**Current year**	Previous year
Present value of obligations as at beginning of year	**11,955,255**	12,110,079	**2,832,184**	2,774,475
Interest cost	**896,644**	908,256	**195,922**	200,697
Current Service Cost	**1,414,918**	1,133,765	**832,478**	1,150,450
Benefits Paid	**(3,254,422)**	(1,018,434)	**(542,229)**	(301,977)
Actuarial (gain)/Loss on Obligations	**1,218,156**	(1,178,411)	**(1,185,484)**	(991,461)
Present value of obligations as at end of year	**12,230,551**	11,955,255	**2,132,871**	2,832,184

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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	**3,337,345**	3,198,951	-	-
Expected return on plan assets	**161,808**	251,488	-	-
Contributions	**911,648**	905,339	-	-
Benefits paid	**(3,254,422)**	(1,018,434)	**-**	-
Actuarial (gain)/Loss on Plan Assets	-	**-**	-	-
Fair value of Plan assets as at end of year	**1,156,380**	3,337,345	**-**	-

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	**3,337,345**	3,198,951	-	-
Actual return on plan assets	**161,808**	251,488	-	-
Contributions	**911,648**	905,339	-	-
Benefits paid	**(3,254,422)**	(1,018,434)	**-**	-
Fair value of Plan assets as at end of year	**1,156,380**	3,337,345	**-**	-
Present Value of obligation at the year end	**12,230,551**	11,955,255	**2,132,871**	2,832,184
Funded Status	**(11,074,171)**	(8,617,909)	**(2,132,871)**	(2,832,184)
Excess of actual over estimated return on Plan Assets.	-	**-**	-	-

5. Actuarial Gain/Loss recognized

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	**Current year**	Previous year
Actuarial gain/Loss for the year Obligations	**1,218,156**	1,178,411	**1,185,484**	991,461
Actuarial gain/Loss for the year Plan assets	-	**-**	-	-
Total (gain) /Loss for the year	**1,218,156**	(1,178,411)	**(1,185,484)**	(991,461)
Actuarial (gain)/Loss recognized In the year	**1,218,156**	(1,178,411)	**(1,185,484)**	(991,461)
Unrecognized Actuarial (Gain)/ Loss at the end of the IVP	-	**-**	-	-

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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	**12,230,551**	11,955,255	**2,132,871**	2,832,184
Fair value of plan assets as at the end of the year	**1,156,380**	3,337,345	**-**	-
Funded status	**(11,074,171)**	(8,617,909)	**(2,132,871)**	(2,832,184)
Net assets/ (liability) recognized In the balance sheet	**(11,074,171)**	(8,617,909)	**(2,132,871)**	(2,832,184)

7. Expenses Recognized in statement of Profit & Loss

Particulars	Gratuity		Leave Encashment	
	Current year	Previous year	**Current year**	Previous year
Current Service cost	**1,414,918**	1,133,765	**832,478**	1,150,450
Interest Cost	**896,644**	908,256	**195,922**	200,697
Expected return on plan assets	**(161,808)**	(251,488)	-	-
Net Actuarial (gain)/Loss recognized in the year	**1,218,156**	(1,178,411)	**(1,185,484)**	**(991,461)**
Expenses recognized in statement of Profit & Loss	**3,367,910**	612,122	**(157,084)**	**359,686**

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	**1,218,156)**	**(**1,178,411)	**(1,185,484)**	(991,461)
Expenses recognized in statement of Profit & Loss	**3,367,910**	612,122	**(157,084)**	(359,686)

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

	Consideration	**Leave (Rs.)**
(a)	Present Value of Obligations as on 31/03/2019	2,832,184
(b)	Interest Cost	195,922
(c)	Current Service Cost	832,478
(d)	Benefits Paid over I.V. P	542,229*
(e)	Expected Present value of obligations as on 31/03/2020	
	(a)+(b)+(c)-(d)	3,318,355
(f)	Present value of obligations as on 31/03/2020 (based on the	
	basis adopted for 31/03/2019)	2,044,545
(g)	Present value of obligations as on 31/03/2020 (based on the	
	basis adopted for 31/03/2020)	2,132,871
(h)	Experience Adjustment (f)-(e)	(1,273,810)
(i)	Difference in Present Value of Obligations (g)-(f)	88,326
(j)	Actuarial (Gain) / Loss (h)+(i)	(1,185,484)

- This pertains only to leave encashment

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

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 2020		**Amount as at March 31 2019**	
	USD	**Rs.**	**USD**	**Rs.**
Foreign trade payable	**325,335**	**24,637,631**	326,595	22,662,438
Foreign trade receivable	**542,847**	**40,762,371**	100,552	6,902,880

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

Particulars	**Balance as on 01.04.2019**	**Provided during the year.**	**Paid/Adjusted during the year**	**Balance as on 31.03.2020**
Non-current provisions				
Gratuity	8,617,910	3,367,910	911,649	11,074,171
Accumulated leaves	2,832,184	157,084	856,397	2,132,871
Total	**11,450,094**	**3,524,994**	**1,768,046**	**13,207,042**
Current provisions				
Gratuity	1,836,920	-	1,836,920	-
Accumulated leaves	303,000	-	303,000	-
Total	**2,139,920**	**-**	**2,139,923**	**-**

46. Segment Reporting:

a) Business Segments : Based on guiding principles given in Ind AS - 108 "Segment Reporting "issued by the Institute of Chartered Accountants of India, the Company's Business Segments include: **Telecom and Infra Services**.

b) Geographical Segments: Since the Company's activities / operations are primarily within the Country & considering the nature of the products/services it deals in, the risk & returns are the same. As such there is only one geographical segment.

c) Information about business segments

	TELECOM		**INFRA SERVICES**		**TOTAL**	
Particulars	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Segment revenue						
External sales*	**311,291,751**	263,286,600	**61,094,938**	26,214,563	**372,386,689**	289,501,163
Inter segment sales	**-**	-	**-**	-	**-**	-
Total revenue	**311,291,751**	263,286,600	**61,094,938**	26,214,563	**372,386,689**	289,501,163
Segment results	**44,806,724**	(10,117,011)	**(5,056,872)**	(12,418,563)	**39,749,852**	(22,535,574)
Unallocated(expenses)/Income					**(11,735,061)**	(9,378,609)
Operating(loss)/profit					**27,069,401**	(32,322,567)
Finance expenses					**24,155,758**	21,634,960
Interest income					**945,390**	651,724
Profit/(Loss) before taxation					**3,859,033**	(53,305,803)
Wealth tax, Earlier years tax &Mat Credit Entitlement					**-**	-
Deferred Tax Assets					**(620,697)**	(5,893,358)
Provision for Income Tax					**-**	-
Net profit after tax					**4,479,730**	(47,412,445)
Other Compehensive Income					**904,481**	(874,911)

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Total Comprehensive Income					**5,384,211**	(48,287,356)
Segment Assets	**330,124,586**	398,612,451	**28,122,966**	7,301,455	**358,247,553**	405,913,906
Unallocated assets					**36,429,162**	43,308,275
Total assets					**394,676,715**	449,222,181
Segment Liabilities	**76,814,077**	111,443,827	**16,061,003**	(134,456)	**92,875,080**	111,309,371
Share Capital					**145,537,802**	140,276,570
Secured & Unsecured Loans					**154,787,873**	189,822,726
Unallocated Liabilities					**1,475,961**	7,813,514
Total liabilities					**394,676,715**	449,222,181
Depreciation	**7,503,492**	**8,027,060**	**512,310**	**441,768**	**8,015,802**	8,468,828

* Telecom sales include service receipts.

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

48. Current year figures are shown in bold fonts.

49. 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.

50. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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

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

MANAGEMENT OF LIQUIDITY RISK

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

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

Rs. in 000's

Particulars	Carrying amount	Less than 12months	More than 12months	Total
As at March 31, 2020				
Trade payables	62261	37786	24475	62261
Other liabilities including borrowings	155416	89649	65767	155416
As at March 31, 2019				
Trade payables	85239	60764	24475	85239
Other liabilities including borrowings	190206	83561	106645	190206
As at March 31, 2018				
Trade payables	99,338	74913	24475	99,338
Other liabilities including borrowings	163,509	66,886	96,623	163,509

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2020

Market Risk

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

Credit Risk

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

Trade Receivables

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

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

Financial instruments and cash deposits

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

Capital management

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

Particulars	31-March-20 Rs.'000	31-March-19 Rs.'000	31-March-18 Rs.'000
Borrowings (Excl preference shares)	154,787	189,823	163,357
Trade Payables	62,261	85,239	99,339
Other Payables	18,035	21,715	25,791
Less: Cash and Cash equivalents	-3,806	-686	-2,589
Deposits	-17,460	-16,525	-11,325
Total Debt	**213,818**	**279,566**	**274,573**
Equity	146,062	140,154	188,441
Total Capital	**142,890**	**140,154**	**188,441**
Capital and Total debt			
Gearing ratio	**1.46**	**1.99**	**1.469**

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

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

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

Particulars	March 2020			March 2019			April 1, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
1) Financial Assets									
I) Bank deposits	-		10,001	-		6,935			5,964
II) Trade receivables	-		84,507	-		129,382			155,560
III) Cash and Cash equivalents	-		3,806	-		686			2,589
IV) Other Bank balances			7,459			9,590			5,361
V) Security deposit for utilities and premises	-		2,863	-		2,674			2,330
VI) Other receivables	-		8,931	-		10,680			6,174
Total financial assets			**117,567**			**159,948**			**1,77,978**

Particulars	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
2) Financial liabilities									
I) Borrowings									
A) From Banks	-	-	89,021	-	-	83,176	-	-	66,734
B) From Others	-	-	65,766	-	-	106,645	-	-	96,623
C) Preference Shares	-	-		-	-		-	-	
II) Deposits	-	-		-	-		-	-	
III) Trade payables	-	-	62,262	-	-	85,239	-	-	99,338
IV) Other liabilities	-	-	629	-	-	384	-	-	152
Total Financial liabilities	**-**	**-**	**217,678**	**-**	**-**	**275,444**	**-**	**-**	**262,847**

measurement

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

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

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

52. OVERALL PRINCIPLES:

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

53. FIRST TIME ADOPTION OF IND AS

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

Exemptions and exceptions availed

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

A Ind- AS optional exemptions

Deemed cost

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

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

Leases

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

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

Impairment of financial assets

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

Ind AS mandatory exceptions

Estimates

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

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

Classification and measurement of financial assets

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

54. a) Revenue from Operations

Particulars	Sales Value	
	For the Year ended March 31, 2020 Rupees	For the Year ended March 31, 2019 Rupees
Multiplexers, Interface Card, Converter, Modem & Routers, Digital Radio System, Digital Voice Data Recorder, Encryptors, Mast, Antenna, PDU and power supply and others	7,94,67,628	17,22,74,735
Export Sale Telecom	17,71,60,963	1,11,53,514
PCM-Trading Goods	-	-
Services	5,62,78,178	8,04,14,021
Infra Service Charges	6,10,94,938	2,62,14,563
Total	37,40,01,707	29,00,56,833
Less: Sales Return	21,48,338	6,26,670
	37,18,53,369	28,94,30,163
Other Operating Revenue		
Duty Drawback	5,33,320	17,815
Sale of Scrap	-	53,185
Total	37,23,86,689	28,95,01,163

54.b) Raw Material Consumed

Particulars	VALUE	
	Current Year 2020 Rupees	Previous Year 2019 Rupees
Elect. Compo. & Modules	3,56,50,978	7,64,66,941
Mechanical H/W & Sub system	12,96,233	1,36,02,248
Others	6,52,96,904	3,80,95,542
Infra Service -Material	4,30,52,626	3,35,693
Total	14,52,96,741	12,85,00,424

54.c) Value of Imported and Indigenous material consumed

Particulars	Current Year 2020		Previous Year 2019	
	Percent	Value Rupees	Percent	Value Rupees
Raw Material & Components				
Imported	57.66	8,37,80,325	32.17	4,13,35,158
Indigenous	42.34	6,15,16,416	67.83	8,71,65,266
Stores and Spares				
Imported	-	-	-	-
Indigenous	100.00	13,64,129	100.00	1,21,617
Total		14,66,60,870		12,86,22,041

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

54.d) Value of imports on CIF basis

Particulars	Current Year 2020 Rupees	Previous Year 2019 Rupees
Raw Material and Components	**7,61,40,601**	4,62,53,175
Capital Goods	**-**	-
Raw Material Traded Goods	**-**	-
Total	**7,61,40,601**	4,62,53,175

54.e) Earnings in Foreign Exchange

Particulars	Current Year 2020 Rupees	Previous Year 2019 Rupees
Export of Goods of F.O.B.	**17,71,60,963**	1,11,53,514
Others		
Export Service in Foreign Currency	**-**	-
Domestic Sales in Foreign Currency	**-**	-
Domestic Services in Foreign Currency	**63,32,257**	66,28,694
Total	**18,34,93,220**	1,77,82,208

54.f) Expenditure in Foreign Currency

Particulars	Current Year 2020 Rupees	Previous Year 2019 Rupees
Technical Services	**86,05,766**	58,60.876
Others		
Travelling	**38,81,764**	20,05,294
Total	**1,24,87,530**	78,66,170

As per our Report of even date attached
Balance Sheet

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

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

Place: New Delhi
Dated: 4th July, 2020

For and on behalf of the board

Ashok Kumar Kanodia
Managing Director
DIN: 00002563

Sharvan Kumar Kataria
Director
DIN: 03399949

Veenita Puri
Company Secretary

Jagjit Singh Chopra
Chief Finance Officer

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Production

Voice/ Data Acquisition



RF Switch

em

Antenna Pedestal





Inverter







Power Convertor

Services



Training



Technical Documentation

Integrated Ground Control System



Repair





Calibration Lab



Munitions Maintenance

Installation and Commissioning



Sonar





PEL NOIDA & ROORKEE BUILDING

INFRASTRUCTURE





SERVICES & CAPABILITIES

PROJECTS





PRODUCTS

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Tel: +91-120-2551556 / 1557,
Fax: +91-120-2524337

E-mail: contacts@pel-india.com, **Website:** www.pel-india.com

"we always know who we're working for"

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