

20th
ANNUAL
REPORT
1998-1999



PRECISION **E**LECTRONICS **L**IMITED

PRECISION ELECTRONICS LIMITED

Board of Directors	: SHRI MOHAN SINGH	- Nominee RCTC
	SHRI ASHOK KANODIA	- Managing Director
	SHRI PRADEEP KANODIA	- Executive Director
Company Secretary	: SHRI RAVI BATRA	
Registered Office	: D-1081, NEW FRIENDS COLONY NEW DELHI-110 065	
Corporate Office & Works	: D-10, SECTOR - 3, NOIDA - 201 301 (U.P.)	
Branch Office	: 134, BIPLABI RASH BEHARI BASU ROAD, (CANNING STREET), CALCUTTA - 700 001.	
Auditors	: M/S. RAJENDRA K. GOEL & COMPANY NEW DELHI	



PRECISION ELECTRONICS LIMITED

Regd. Office : D-1081, New Friends Colony, New Delhi - 110 065

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the Company will be held on Monday, the 27th September, 1999 at 10.00 A.M. at LTG Auditorium, Copernicus Marg, New Delhi-110 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Pradeep Kanodia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office until the conclusion of next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place : New Delhi
Date : 27.07.99.

RAVI BATRA
(COMPANY SECRETARY)

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
2. Proxies in order to be effective should be duly completed and signed in the enclosed form and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 1999 to 27th September, 1999 (both days inclusive).
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director/Company Secretary of the Company at least seven days before the date of the meeting so that the information required may be made available at the meeting.

PRECISION ELECTRONICS LIMITED**DIRECTORS' REPORT**

To the Members of

Precision Electronics Ltd.

Your Directors have pleasure in presenting the 20th Annual Report of the Company alongwith the audited statements of accounts for the year ended March 31, 1999.

PERFORMANCE OF THE COMPANY

Summary of the financial results are as under:

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Total Income	614	625
Total expenditure	1501	2165
Net Profit/(-) Loss	-887	-1540
Profit/(-)loss brought forward,	-2143	-603
Balance carried forward	-3030	-2143

Operations of the Company suffered during the current year due to :

- Low capacity utilization.
- Delay in execution of orders due to liquidity constraints.
- Delay in mobilisation of financial resources.

BUSINESS PLAN

Mobilizing financial resources is the priority of the year. Your Company has orders worth about Rs.22 Crores in hand but the execution of the orders is not at desired speed due to continued funds constraints. Your Company is trying its utmost to arrange funds and is in negotiations with some investors. Company is in dialogue with its bankers to facilitate order execution. We are hopeful that a mutually acceptable solution would soon emerge.

As was stated last year, Company's Telecom Division does not solely depend on DOT for its Telecom orders. Orders stated above have been secured from Non-DOT segment of the telecom Market. This is a major achievement and would stabilize the Company in future. Development of Control Electronics has been slow due to the cash crunch.

PCB Division is looking up with better demand in local market and prices are firming up. However, International market is going through a demand recession due to meltdown of the Far Eastern economies and with surplus capacities, prices are under intense competitive pressure.

DIVIDEND

No dividend is possible for the year.

FINANCIAL REVIVAL SCHEME

The Company has been registered with Board for Industrial & Financial Reconstruction (BIFR) u/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 as a Sick Industrial Company for need based relief and concessions for financial reconstruction. IFCI has been appointed as Operating Agency.

EXPENDITURE ON R & D

Research, development and improvement of products is an inbuilt ongoing activity within the existing manufacturing operations of the Company. Expenditure on R&D is not separately allocated and identified.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

During the year under review technology absorption for Control Electronics is in process.

PRECISION ELECTRONICS LIMITED

CONSERVATION OF ENERGY

The Company follows a regular schedule of preventive maintenance and servicing of all its energy intensive machines and equipment to ensure that they operate at optimum energy consumption levels.

FOREIGN EXCHANGE

Foreign Exchange equivalent to Rs. 92 lac was earned during the year. Export sales were Rs. 69 lac during the year and are expected to increase further in future. The Company has identified export business as its thrust area.

FIXED DEPOSITS

No deposit falling within the purview of Section 58A of the Companies Act, 1956 has been accepted by the Company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri Pradeep Kanodia, Director of the Company, retire by rotation from the Board of Directors and, being eligible, offer himself for reappointment.

YEAR 2000 COMPLIANCE (Y2K)

Compliance of Y2K is being handled by the Company in the following manner :

- Machines and instruments having processors are being checked and the process of identification and rectification is on.
- Based on plans for upgradation / modification of hardware / software, an expenditure of Rs. 10 Lac is estimated to ensure Y2K readiness of all systems installed.
- The Company is actively interfacing with suppliers & customers so that Y2K issue is handled in the most optimum manner in the present circumstances.

AUDITORS

M/S Rajendra K. Goel & Co. the auditors of the Company retire at this year's annual general meeting and being eligible offer themselves for reappointment.

LISTING OF SECURITIES

The shares of the Company are listed with the following Stock Exchanges :

- I. The Delhi Stock Exchange Association Ltd.
West Plaza, Indira Gandhi Stadium,
Indraprastha Estate,
New Delhi
- II. The Stock Exchange - Mumbai
Pheroze Jeejeebhoy Towers,
Dalal Street,
Mumbai
- III. The Calcutta Stock Exchange Ltd.
Lyons Range,
Calcutta
- IV. The Stock Exchange - Ahmedabad
Kamdhenu Complex,
Opp. Sahajanand College,
Panjarapole,
Ahmedabad

Listing fees for Ahmedabad Stock Exchange is paid upto '97 and for Calcutta Stock Exchange '98. It is confirmed that Annual listing fee upto the current financial year has been paid by the Company to Delhi and Bombay Stock Exchange.

PRECISION ELECTRONICS LIMITED

ACKNOWLEDGEMENTS

The Directors wish to thank the Government authorities, financial institutions, bankers, other business associate and shareholders for their encouragement and co-operation. The Directors also acknowledge the dedication and contribution made by the employees at all levels.

Statement of employees falling within the purview of Section 217 (2A) of the Companies Act, 1956 is annexed.

FOR AND ON BEHALF OF THE BOARD

PLACE: NEW DELHI
DATE: 27-07-1999

PRADEEP KANODIA
Executive Director

ASHOK KANODIA
Managing Director

