Chairman's Statement

Dear Stakeholders,

I, welcome you to the 52nd Annual General Meeting of M/s PEC Limited. I have been entrusted with the Additional Charge of the Chairman of your Company. The Annual Report for the Financial Year ending 31st March, 2023, along with Directors Report, Audited Annual Accounts Statements and Auditors Report of your company are with you.

The company is not carrying any business activities since September, 2019. In the year 2022-23 your Company had a NIL sales turnover of with a Net Loss of Rs. 243.93 Crore during the FY 2022-23. This loss is primarily attributed to the interest payable to lender banks.

I would like to acknowledge the valuable contribution made by the Members on the Board which merits special mention.

I thank you heartily for your support.

Jai Hind!

(Hardeep Singh)
Chairman cum Managing Director
(Additional Charge)

Dated: 19-09-2023

PEC LIMITED
Balance Sheet as at 31 March 2023

	Particulars	Note No.	As at 31 March 2023 (Rs In Crores)	As at 31 March 2022 (Rs In Crores)
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant & Equipment	2	-	-
	(d) Other Intangible Assets	3	-	-
	(c) Intangible Assets under devlopment			
	(d) Investment property	4	-	-
	(e) Financial Assets			
	(i) Investments	5	0.00	0.00
	(ii) Trade Receivables	6	-	-
	(iii) Loans	7	-	-
	(iv) Other Financial Assets	8	-	-
	(f) Deferred Tax Assets (Net)			
	(g) Non-Current Assets (others))	9	-	-
	Total Non-Current Assets (A)		0.00	0.00
2	Current Assets			
	(a) Inventories	10	-	-
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	11	40.19	41.70
	(iii) Cash & Cash Equivalents	12	63.28	63.40
	(iv) Bank Balances other than (iii) above			-
	(v) Loans	13	0.47	0.58
	(vi) Other Financial Assets	14	-	-
	(c) Current Tax Assets (Net)	15	6.57	6.55
	(d) Others Current Assets	16	0.96	0.40
	(e) Assets Held for Sale		0.02	0.02
	Total Current Assets (B)		111.49	112.65
	Total Assets (A+B)		111.49	112.65
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	17	60.00	60.00
	(b) Other Equity	18	(2,526.86)	(2,283.98)
	Equity Attributale to Equity Shareholders of the Company		(2,466.86)	(2,223.98)
	Non Controlling Interest		-	-
	Total Equity (A)		(2,466.86)	(2,223.98)
	Liabilities			
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowing			
	(ii) Trade payables-MSME			
	(iii) Trade payables-Others		-	-
	(iv) Other Financial Liabilities			
	(b) Provisions	19	-	-
	(c) Other Non-Current Libilities			
	(d) Deffered tax Liabilities (Net)			
3	Total Non-Current Liabilities (B)		-	-
	Current Liabilities			
	(a) Financial Liabilties			
	(i) Borrowing	20	2,157.59	1,915.49
	(ii) Trade payables-MSME		-	-
	(iii) Trade payables-Others	20A	72.76	72.01
	(iv) Other Financial Liabilities	21	43.02	43.02
	(b) Provisions	22	19.28	19.69
	(c) Other Current Liabilities	23	285.59	286.31
	(d) Current Tax Liabilities (Net)	24	0.11	0.11
	Total Current Liabilities (C)		2,578.35	2,336.63
	Total Equity and Liabilities (A+B+C)		111.49	112.65
	Notes to Accounts	1 to 60		

The Significant Accounting Policies and Notes are integral part of these financial statements.

For and on behalf of the Board of PEC Limited

Atul Taneja CFO M: 23785	PK JAIN CGM
Kapil Kumar Gupta DIR (Mkt) Ad. Charge DIN 08751137	Hardeep Singh CMD (Ad. Charge) DIN 09778990
Shweta Pahuja Company Secretory M: A27993	

M/s P. D. Agrawal & Co.
Chartered Accountants
FRN 001049C

CA Tarun Gupta
Partner
Membership No: 077468

Place: New Delhi
Date:

PEC LIMITED

Statement of Profit and Loss for the year ended 31 March 2023

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
			(Rs In Crores)	(Rs In Crores)
1	Revenue from Operations	25	-	-
	Less: Excise duty		-	-
	Revenue from operations (net)		-	-
2	Other Income	26	4.88	1.94
3	Total Income (1+2)		4.88	1.94
4	Expenses			
	(a) Cost of materials consumed			
	(i) Purchases of Stock-in-trade	27 A	-	-
	(ii) Changes in Inventories of Stock-in-trade	27 B	-	-
	(b) Employee Benefits Expense	28	7.32	9.94
	(c) Finance Costs	29	244.77	309.02
	(d) Depreciation and Amortization Expense		-	-
	(e) Other Expenses	30	1.75	2.43
	Total Expenses [4(a) to 4(e)]		253.84	321.39
5	Profit / (Loss) before exceptional and tax (3-4)		(248.96)	(319.45)
6	Exceptional items (net)	31	5.03	5.16
7	Profit / (Loss) Before Tax (5+6)		(243.93)	(314.29)
8	Tax Expense:			
9	Profit / (Loss) from continuing operations		(243.93)	(314.29)
10	Profit / (Loss) from Discontinuing operations			
11	Tax Expenses of discontinuing operations			
12	Profit / (Loss) from Discontinuing operations (after Tax) (09-11)		(243.93)	(314.29)
13	Profit / (Loss) for the Period		(243.93)	(314.29)
14	Other Comprehensive Income			
A	(i) Items that will not be reclassified to profit & loss	32	1.05	(0.48)
	(ii) Income tax relating to Items that will not be reclassified to profit & loss			-
B	(i) Items that will be reclassified to profit & loss			-
	(ii) Income tax relating to Items that will be reclassified to profit & loss			-
15	Total Other Comprehensive Income		1.05	(0.48)
16	Total Comprehensive Income for the year (13+14) (Comprising profit & loss and other comprehensive income)		(242.88)	(314.77)
	Profit Attributable to:			
	Owners of the company		(242.88)	(314.77)
	Non Controlling Interest			
			(242.88)	(314.77)
	Other Comprehensive Income Attributable to:			
	Owners of the company			
	Non Controlling Interest			
	Total Profit and Comprehensive Income Attributable to:			
	Owners of the company		(242.88)	(314.77)
	Non Controlling Interest			
			(242.88)	(314.77)
17	Earnings per Equity Share of ` 100 each			
	Basic (in Rs)		(404.79)	(524.62)
	Diluted (in Rs)		(404.79)	(524.62)
	Notes to Accounts	1 to 60		

The Significant Accounting Policies and Notes are integral part of these financial statements.
In terms of our Report of even date

For and on behalf of the Board of PEC Limited

M/s P. D. Agrawal & Co.
Chartered Accountants
FRN 001049C

CA Tarun Gupta
Partner
Membership No: 077468

Place: New Delhi
Date:

Atul TanejaPK JAIN
CFOCGM
M: 23785

Kapil Kumar GuptaHardeep Singh
DIR (Mkt) Ad. ChargeCMD (Ad. Charge)
DIN 08751137DIN 09778990

Shweta Pahuja
Company Secretory
M: A27993

PEC LIMITED

Cash Flow Statement for the year ended 31 March 2023

(Rs in Crore)

PARTICULARS		For the year ended 31st March 2023	For the year ended 31st March 2022
Cash flow from operating activities			
Net profit before tax		(242.88)	(314.77)
Adjustment for			
Interest paid (Finance Cost)		244.77	309.02
Rental Income		-	-
Depreciation		-	-
Foreign Exchange (Gain)/Loss		-	-
Interest Income		(4.78)	(1.92)
Provisions no longer required written back		(5.03)	(5.33)
Provision for Doubtful Debts		-	0.12
Operating profit before working capital changes	(i)	**(7.91)**	**(12.88)**
(Increase)/Decrease in Trade Receivable		3.52	5.15
Increase/(Decrease) in Other Non-Current Provision		-	-
Increase/(Decrease) in Trade payable		0.75	(1.77)
Increase/(Decrease) in Other Liabilities		0.72	99.89
Increase/(Decrease) in Other Provision		0.41	(0.99)
(Increase)/Decrease in Financial Assets		(0.11)	0.21
(Increase)/Decrease in Other Asset		0.58	2.14
Total		**5.85**	**104.63**
Cash generated from operations	(i) + (ii)	**(2.06)**	**91.75**
Income tax (paid)/received (net)		(0.16)	1.21
Net cash flow from operating activities	(A)	**(2.22)**	**92.96**
Cash flow from Investing activities:			
Proceeds from sale of Fixed Assets		-	-
Rental Income		-	-
Interest received		4.78	1.92
Net cash from investing activities	**(B)**	**4.78**	**1.92**
Cash flow from financing activities			
Borrowings/(Repayments) of loans and credits		242.10	210.15
Interest paid		(244.77)	(309.02)
Net cash from financial activities	(C)	**(2.67)**	**(98.87)**
Net increase/(decrease) in cash & cash equivalents		(0.12)	(3.99)
Cash & cash equivalents at beginning of the period		63.40	67.39
Cash & cash equivalents at end of the period		**63.28**	**63.40**

In accordance with Indirect Method set out in Indian Accounting Standard- 7 issued by the Institute of Chartered Accountants of India

Notes:

1. Figures in brackets represents outflow.
2. Previous year figures have recasted/restated wherever necessary.
3. Balance with bank includes Rs. 0.04 Crore lying in National Commercial Bank, Albeida, which is not repatriable and has been excluded from cash and cash equivalents.

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Balance with Banks		
a) in Current Account	1.61	1.27
b) in term depsoit with original maturity upto 12 months	6.32	62.13
c) in term depsoit with original maturity more than 12 months	55.35	-
d) debit balance in cash credit account		
cheques/drafts/stamps on hand		
cash on hand		
Total	**63.28**	**63.40**

In terms of our Report of even date

For and on behalf of the Board of PEC Limited

M/s P. D. Agrawal & Co.
Chartered Accountants
FRN 001049C

Atul TanejaPK JAIN
CFOCGM
M: 23785

CA Tarun Gupta
Partner
Membership No: 077468

Hardeep Singh
DIR (Mkt) Ad. ChargeCMD (Ad. Charge)
DIN 08751137DIN 09778990

Place: New Delhi
Date:

Shweta Pahuja
Company Secretory
M: A27993

PEC LIMITED

Statement of changes in Equity for the year ended on 31st March 2023

A. Equity Share Capital

Particulars	No. of Shares	Face Value	Amount
		(Rs.)	(Rs In Crores)
Balance as at 01.04.2022	6,000,000	100	60.00
Change in share capital due to prior period error	-	-	-
Restated balance as at April1, 2022	6,000,000	100	60.00
Change in share capital during 2022-23	-	-	-
Balance as at 31.03.2023	6,000,000	100	60.00

Particulars	No. of Shares	Face Value	Amount
		(Rs.)	(Rs In Crores)
Balance as at 01.04.2021	6,000,000	100	60.00
Change in share capital due to prior period error	-	-	-
Restated balance as at April1, 2021	6,000,000	100	60.00
Change in share capital during 2021-22	-	-	-
Balance as at 31.03.2022	6,000,000	100	60.00

B. Other Equity

(Rs In Crores)

Particulars	Share application	General Reserve	Trading Risk Reserve	Retained Earnings: Profit after tax	Total Amount
Balance as at 31.03.2021	-	-	-	(2,283.98)	(2,283.98)
Changes in accounting policy or prior period error	-	-	-	-	-
Balance as at 01.04.2021	-	-	-	(2,283.98)	(2,283.98)
Total comprehensive income for the year	-	-	-	-	-
Dividend paid during the year 2021-22	-	-	-	-	-
Transfer to other reserve	-	-	-	-	-
Balance as at 31.03.2022	-	-	-	(2,283.98)	(2,283.98)
Balance as at 01.04.2022	-	-	-	(2,283.98)	(2,283.98)
Total comprehensive income for the year	-	-	-	(242.88)	(242.88)
Dividend paid during the year 2022-23	-	-	-	-	-
Transfer to other reserve	-	-	-	-	-
Balance as at 31.03.2023	-	-	-	(2,526.86)	(2,526.86)

The Significant Accounting Policies and Notes are integral part of these financial statements.
In terms of our Report of even date

For and on behalf of the Board of PEC Limited

M/s P. D. Agrawal & Co.
Chartered Accountants
FRN 001049C

Atul TanejaPK JAIN
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M: 23785

CA Tarun Gupta
Partner
Membership No: 077468

Kapil Kumar GuptaHardeep Singh
DIR (Mkt) Ad. ChargeCMD (Ad. Charge)
DIN 08751137DIN 09778990

Significant Accounting Policies of PEC Limited for FY 2022-23

Assumption Non Going Concern Basis

Note No. 1

1 **i) General Information**

The Company is incorporated and domiciled in India and a public sector undertaking under the administrative control of Ministry of Commerce & Industry, Government of India and 100% shares held by Government of India. The registered office of the Company is situated at "3rd Floor F block, MMTC DRDO, Flatted Factory Complex, jhandewalan, New Delhi.

ii) Significant Accounting Policies

a. Statement of Compliance and basis of preparation of Financial Statements.

The financial statements has been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015.

b. The Board of Directors of Company on 31.03.2021 in Board Meeting (320th) has passed a resolution to prepare accounts on Non Going concern basis for the FY 2021-22. Consequent upon such decision accounts for FY 2021-22 are prepared on Non-going concern basis.

2 **Subsequent Cost**

As Expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset, all essential capital expenditure (e.g. Furniture, Computer, etc.) should has been booked in the Statement of Profit and Loss.

3 **Revenue Recognition**

Interest received from bank on deposits and other miscellaneous income receipts to be recognized as 'Other Income'.

4 **Purchases and Sales**

Purchases

As the Company has no revenue operation, Purchases have been accounted for as Miscellaneous Expenditure Account

Sales

As the Company has no sales, receipt against sales of sundry materials have been accounted for as Miscellaneous Receipt Account.

In case of dealings on behalf of the Government (including consignments under Government's Gifts/Grant Scheme), Purchases and Sales and incidental expenses or income thereof are accounted for under respective heads of accounts. Surplus or deficit to Government account, after adjusting service margin accrued to the Company is adjusted in trade income or cost of sales respectively.

5 **Expenses**

Trade Expenses include expenses incurred by Associates on behalf of the Company and/or by the Company as per Agreement with the respective Associates are accounted for on the basis of statements furnished by them/ recovered from them.

Interest payable if any, on advances and progressive payments received from Associates & Suppliers are accounted for on accrual basis.

6 **Other Operating Revenue**

As the core activities of the company has ceased, the income relating to the sales / services for e.g. dispatch earned, subsidy, claims against losses on trade transactions, interest on credit sales and trade related advances (other than on overdue) etc., which are derived based on the terms of related trade agreements with business associates or schemes on related trade, are accounted for under 'Other Non-Operating Revenue'.

7 **Claims**

Claims are recognized in the Statement of Profit & Loss on accrual basis including receivables from Govt. towards subsidy, cash incentives, reimbursement of losses etc, when it is not unreasonable to expect ultimate collection. Claims recognized but subsequently becoming doubtful are provided for through Statement of Profit and Loss. Insurance claims are accounted upon on cash basis from the insurance company.

8 **Service Income**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the completion of the transaction at the end of the reporting period. The outcome of a transaction has not been estimated even though all the related conditions are satisfied.

9 **Interest income**

Interest income is on a time proportion basis taking into account the amount outstanding and the effective interest rate.

10 **Revenue Recognition on Actual Realization**

Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since realisability of such items is uncertain, in accordance with the provisions of Ind AS-115 as under:

a. liquidated damages from suppliers /Contractors, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/ service tax / sales tax /VAT and interest thereon etc.

   Interest on overdue recoverable, if any, where realisability is uncertain.

b. Liquidated damages on suppliers/ underwriters.

c. Miscellaneous income on account of damages or compensation recovered

   from the suppliers/buyers.

d. Realisable Value on account of sale of residuals.

e. Decreed/Contested dues by associates and interest thereon, if any

11 **Property, Plant and Equipments**

All Property, Plant and Equipment (PPE) are stated at residual/realizable value as the Non - Going Concern assumption.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period. The company has chosen the cost model of recognition and this model is applied to an entire class of PPE.

12 **Non-Current Assets Held for Sale**

The company classifies a non-current asset(or disposal subsidiary Company) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The non-current asset (or disposal subsidiary Company) classified as held for sale is measured at the lower of its carrying amount and the fair value less costs to sell.

13 **Depreciation**

Till FY 2020-21, depreciation was provided on straight line method as per the useful lives on the basis of technical evaluation with regard to the total working life and salvage value. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Certain items like calculators, wall clock, kitchen utensils etc. whose useful life is very limited are directly charged to revenue in the year of purchase. Salvage value of assets are taken as under:-

Assets Descriptions	Salvage value (Rs.)
Mobile	20
Air Conditioners	500
Computer	500
Furniture	50
Electrical Appliances	50
Any other less than Rs.5000/ -	1

On the basis of technical evaluation with regard to the total working life and salvage value, fixed assets are being depreciated on straight Line Method at the following useful lives as mentioned below:-

Assets Descriptions	In years
Building Flats	20
Furniture and Fixings	5
Office Equipments	3
Air Conditioners	5
Data Processing Equipments – Computers and Severs etc	3
Vehicles	5
Audio Visual Equipment	3

Asset costing Rs.5,000 or below is depreciation @100% in the year of purchase leaving token value of 1/- each without considering the working life of the asset ,so as to ascertain the existence of the assets in the financial records.

Amortization of Intangible Assets Software 3 years or License period whichever is earlier as applicable

a. However for the year, all items of PPE is valued at its disposal/salvage value and no depreciation is being provided.

b. Difference between the book value of PPE and disposal/salvage value is being charged to Profit & Loss Account.

14 **Borrowing Cost**

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Foreign currency translation

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are retranslated. Foreign currency monetary items (except overdue recoverable where reliasibility is uncertain) are converted using the closing rate as defined in the Ind AS-21.

Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss as on the date of year end is recognized in the Statement of Profit and Loss. Liability in foreign currency relating to acquisition of fixed assets is converted using the closing rate. The difference in exchange is recognized in the Statement of Profit and Loss.

15 **Inventory:-**

Inventories are stated at the lower of cost or net realisable value. Net realisable value represents the

estimated selling price for inventories less all estimated costs of completion and costs necessary to make the

sale. The method of determination of cost and valuation is as under:

i. Stocks held by the Company are physically verified/certified by Surveyors and by the management.

ii. Stock in Trade held on Non-Government Account is valued at Lower of Cost or Net Realizable Value. Cost includes cost of procurement and all direct and indirect costs incurred to bring the stocks to the condition as at the time of valuation. Cost is determined as per specific identification method in respect of items handled on back to back arrangement with business associates.

Stock in Trade held on Government Account under PDS or otherwise is valued at realizable value.

16 **Provisions**

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

17 **Contingent Liabilities / Assets**

Contingent liabilities :-

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depending upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements. Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognizes a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made Contingent Liabilities are disclosed in the General Notes forming part of the accounts.

Contingent Assets:-

Contingent Assets are not recognized in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognized in the financial statements.

18 **Employee benefits**

i. Short term employee benefits are recognized as an expense at their undiscounted amount in the accounting period in which the employee has rendered services.

ii. Provision for gratuity, Leave encashment/availment, employee`s family benefit scheme is made on the basis of actuarial valuation using the projected unit credit method.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets for Gratuity (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

(I) Liability towards post-retirement medical benefits is provided based on actuarial valuation and has been provided in respect of present and retired employees.

(ii) Employees benefit under defined contribution plan comprising provident fund has been recognized based on undiscounted obligation of the company to contribute to the plan. The same is paid to a fund administered through a separate trust based on disbursement of salary.

(i) Payment of Ex-gratia and Notice pay on Voluntary Retirement Scheme/ Voluntary Separation Scheme / Retrenchment compensation are charged to revenue in the year incurred.

(ii) Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India (LIC). The Company makes contributions based on a specified percentage of each eligible employee's salary. Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under PLI / PRP Scheme, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

19 **Taxation Income tax expense represents the sum of the tax currently payable and deferred tax**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current and deferred tax for the year Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

20 **Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties. After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized. Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset at the Company.

21 **Impairment of Non-Financial Assets**

The Company reviews the carrying amount of its assets on each Balance Sheet date for the purpose of ascertaining impairment indicators if any, by considering assets of entire one Plant as Cash Generating Unit (CGU). If any such indication exists, the assets' recoverable amount is estimated, as higher of the Net Selling Price and the Value in Use. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash- generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

22 **Financial instruments**

Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Subsequent to initial recognition, non -derivative financial instruments are measured as described below:

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

23 **Foreign currency Fluctuations**

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost. Subsequent to initial recognition, derivative financial instruments are measured as described below:

Cash flow hedges Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of income and reported within foreign exchange gains/ (losses), net within results from operating activities.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of income.

Changes in fair value and gains/ (losses) on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded in finance expense.

24 **Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

Taking into account the nature of activities of the company, prior period errors are considered material if the items of income / expenditure collectively (net) exceed 0.5% of sales turnover of the company.

Significant Judgments, Assumptions and Estimations in applying Accounting Policies

<u>Classification of Leases</u>

The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

Inventories

The Company estimates the cost of inventories taking into account the most realizable evidence,Management also estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

Defined Benefit Obligation (DBO)

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss._Useful lives of depreciable/ amortisable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets.Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

25 **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date..

26 **Revenue Recognition**

IND AS 115 addresses the recognition of revenue from customer contracts and impacts on the amounts and timing of the recognition of such revenue.

As the company id on a Non-Going status , no policy is required on this account.

PEC LIMITED
NOTES TO ACCOUNTS
Notes forming part of the Financial Statement as at 31st March 2021

Note: 2 PROPERTY PLANT AND EQUIPMENT

(Rs In Crores)

Particular	Building	Computer	Furniture and fixture	Office Equipemnet	Vehicle	Total
Year ended 31st March 2019						
Gross carrying amount	0.20	2.12	1.20	2.14	0.41	6.07
Deemed cost as 1st april 2018	0.20	2.12	1.20	2.14	0.41	6.07
Addition		-	0.01	0.01	-	0.02
Deletion	-	0.05	-	0.06	-	0.11
Gross carrying amount as at 31st March 2018	0.20	2.07	1.21	2.09	0.41	5.98
Accumulated Depreciation:						
Accumulated Depreciation as at 1st April 2018	0.19	2.04	1.17	2.05	0.41	5.86
Depreciation Charged during the year		0.03	0.01	0.05	-	0.09
Deletion during the year	-	0.04	-	0.06	-	0.10
Closing Accumulated	0.19	2.03	1.18	2.04	0.41	5.85
Net Carrying Amount As at 31st March 2019	0.01	0.04	0.03	0.05	-	0.13
Year ended 31st March 2020						
Gross carrying amount	0.20	2.04	1.60	1.65	0.41	5.90
Deemed cost as 1st april 2019	0.20	2.04	1.60	1.65	0.41	5.90
Addition	-	-	-	-	-	-
Deletion	0.01	0.03	-	0.03	-	0.07
Gross carrying amount as at 31st March 2019	0.19	2.01	1.60	1.62	0.41	5.83
Accumulated Depreciation:						
Accumulated Depreciation as at 1st April 2019	0.19	2.02	1.57	1.63	0.41	5.82
Depreciation Charged during the year	-	-	-	-	-	-
Deletion during the year	0.01	0.03	-	0.03	-	0.07
Closing Accumulated	0.18	1.99	1.57	1.60	0.41	5.75
Net Carrying Amount As at 31st March 2020	0.01	0.02	0.03	0.02	-	0.08
Year ended 31st March 2021						
Gross carrying amount	0.20	2.04	1.60	1.65	0.41	5.90
Deemed cost as 1st april 2020	0.20	2.04	1.60	1.65	0.41	5.90
Addition	-	-	-	-	-	-
Deletion	-	1.60	1.00	1.45	-	4.05
Gross carrying amount as at 31st March 2020	0.20	0.44	0.60	0.20	0.41	1.85
Accumulated Depreciation:						
Accumulated Depreciation as at 1st April 2020	0.19	2.03	1.60	1.65	0.41	5.88
Depreciation Charged during the year	-	-	-	-	-	-
Deletion during the year	-	1.60	1.00	1.45	-	4.05
Closing Accumulated	0.19	0.43	0.60	0.20	0.41	1.83
Net Carrying Amount As at 31st March 2021	0.01	0.01	-	-	-	0.02

Note 2.1 Company has adopted to continue with carrying value of its Property, Plant & Equipment as recognised in the financial statement as at the date of transition to Ind AS measured as per previous GAAP.

Note 2.2 Building includes Three flats owned by PEC at Neelam Gulzar Coopratíve Housing Socity Limited Andheri East Mumbai, Two Flats at Parsn Tower Egmore Chennai.

Note 2.3 Market Value of Properties is Rs 20 Cr as per valauation report dated 08/09/2021.

Note 2.4 For FY 2021-22 The opening balances of PPE has been classified as "Assets held for Sale" separetley

Note 2.5 Title deeds of Immovable properties are held in the name of Company.

PEC LIMITED
NOTES TO ACCOUNTS
Note- 3 Intangible Asset

(Rs In Crores)

Particular	Total
Year ended 31st March 2019	
Gross carrying amount	0.10
Deemed cost as 1st april 2018	0.10
Addition	
Deletion	
Gross carrying amount as at 31st March 2018	0.10
Accumulated Depreciation	
Accumulated Depreciation as at 1st April 2018	0.05
Depreciation Charged during the year	0.05
Deletion during the year	
Closing Accumulated Depreciation as on 31st March 2018	0.10
Net Carrying Amount As at 31st March 2019	-
Year ended 31st March 2020	
Gross carrying amount	0.10
Deemed cost as 1st april 2019	0.10
Addition	
Deletion	
Gross carrying amount as at 31st March 2019	0.10
Accumulated Depreciation	
Accumulated Depreciation as at 1st April 2019	0.10
Depreciation Charged during the year	-
Deletion during the year	
Closing Accumulated Depreciation as on 31st March 2020	0.10
Net Carrying Amount As at 31st March 2020	-
Year ended 31st March 2021	
Gross carrying amount	0.10
Deemed cost as 1st april 2020	0.10
Addition	
Deletion	
Gross carrying amount as at 31st March 2020	0.10
Accumulated Depreciation	
Accumulated Depreciation as at 1st April 2020	0.10
Depreciation Charged during the year	-
Deletion during the year	
Closing Accumulated Depreciation as on 31st March 2021	0.10
Net Carrying Amount As at 31st March 2021*	-

*WDV of intengible assets as on 31.03.2022 is Rs 1500/-. According to the Accounting Ploicy based on Non going Concern basis w.e.f /01/04/2021 all the assets previously grouped under "Intengible Assets are now transfred to Other current Assets as " Assets held for Sale"

Original purchase price of software (61 microsoft licence for lifetime) is Rs 0.08 crore)

PEC LIMITED
NOTES TO ACCOUNTS

Note: 4 Investment Property

(Rs In crores)

Particulars	Total
Deemed cost as at April 1, 2019	0.15
Additions	-
Disposal/Adjustments	-
Gross carrying value as at March 31, 2020	0.15
Accumulated Depreciation as at April 1,2019	0.15
Additions	-
Disposal/Adjustments	-
Accumulated Depreciation as at March 31,2020	0.15
Net Carrying value as at March 31, 2020	-
Gross carrying value as at April 1, 2020	0.15
Additions	-
Disposal/Adjustments	-
Gross carrying value as at March 31, 2021	0.15
Accumulated Depreciation as at April 1,2020	0.15
Additions	-
Disposal/Adjustments	-
Accumulated Depreciation as at March 31,2021	0.15
Net Carrying value as at March 31, 2021	-
Note 3.1 Investment property includes flats at Asiad Village Delhi. (As per IND AS 40 the property is shown as investment property after adoption of IND AS from FY 2017-18)	

Note: 5. Financial Asset -Investment

(Rs In Crores)

	Particulars	As at 31 March 2023	As at 31 March 2022
		Rs in crores	Rs in crores
Non Trade Investments (At cost, Unquoted)):			
(a)	Neelam Gulzar Cooperative Housing Society Ltd., Mumbai (15 Ordinary Shares of Rs 50/- each fully paid up)	-	-
	Total (a)	-	-
(b)	Investment in equity instruments		
	i) Tea Trading Corporation of India Limited - Subsidiary Company (11,14,193 Equity Shares of Rs 100 each fully paid up)	-	-
	Total (b)	-	-
	Total (a)+(b)	-	-

Note:- a) Investment in Neelam Gulzar Cooperative Housing Society Ltd., Mumbai is valued at Rs 750 (Rs 250 each for Three Flats)

b) (i) Investment in Tea Trading Corporation of India Ltd. is valued at Rs 1 (Previous Year Rs 1)

PEC LIMITED
NOTES TO ACCOUNTS

NOTE 6: Financial Assets - Trade Receivables

(Rs In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
Long-term trade receivables (including Trade receivables on deferred credit terms)		
Secured, considered good		
Unsecured		
i)considered good		
ii)Doubtful trade receivables	-	-
iii)Doubtful Claims	-	-
Total	-	-
Less: Provision for doubtful trade:		
i)Receivables	-	-
ii)Claims	-	-
Total	-	-
Total	-	-

NOTE 7: Financial Asset- Loans

(Rs In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
(a) Loans and advances to employees *		
Secured, considered good	-	-
Interest Accrued on Advances to Employees but not due	-	-
Unsecured, considered good	-	-
Interest Accrued on Advances to Employees but not due	-	-
(I)	-	-
(b) Loans and advances to associates/suppliers		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
(II)	-	-
Total (I)+(II)	-	-

* Long-term loans and advances to employees include amounts due from unsecured:

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
Directors/Officers	-	-
Interest Accrued but not due on advances to Officers	-	-
Total	-	-

PEC LIMITED
NOTES TO ACCOUNTS

NOTE 8: Financial Assets - Other Financial Assets

(Rs In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
Advances		
Secured, considered good	-	-
Unsecured, considered good		
Total	-	-
Less: Provision for doubtful advances		
Total	-	-

NOTE 9: Non-Current Asset (Others)

(Rs In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
(a) Secuitity Deposit		
Secured	-	-
Unsecured	-	-
b) Prepaid Expenses (Ind AS)	-	-
Total	-	-

NOTE 10: INVENTORIES

(Rs In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
(As certified by the Management)		
(a) Stock-in-trade including with handling agents	-	-
(b) Goods-in-transit	-	-
Total	-	-

PEC LIMITED
NOTES TO ACCOUNTS

NOTE 11: Financial Assets-Trade Receivable

(Rs In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
(a)Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Secured considered good		
(ii) Unsecured considered good	40.19	41.70
(iii) Having Significant increase in credit risk		-
(iv) Credit Impaired	929.18	934.03
Total	969.36	975.73
Less: Provision for doubtful trade receivables	-929.18	-934.03
(I)	40.19	41.70
(b) Other Trade receivables		
		-
(i) Secured considered good		
(ii) Unsecured considered good		-
(iii) Having Significant increase in credit risk		-
(iv) Credit Impaired		-
(II)	-	-
Total (I)+(II)	40.19	41.70

Trade Receivable ageing schedule as at 31 March 2023

(Rs In Crores)

Particulars	Less thann 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 years	More than 3 years	Total
	Rs in crores	Rs in crores	Rs in crores	Rs in crores	Rs in crores	Rs in crores
i) Undisputed trade Receivables - considered good	-	-	-	0.01	40.18	40.19
ii) Undisputed trade Receivables - which have significant increase in credit risk	-					
iii) Undisputed trade Receivables - credit impaired	-	-	-	-	119.67	119.67
iv) Disputed trade Receivables - considered good	-					-
v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed trade Receivables - credit impaired	-	-	-	-	809.51	809.51

Trade Receivable ageing schedule as at 31 March 2022

(Rs In Crores)

Particulars	Less thann 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 years	More than 3 years	Total
	Rs in crores	Rs in crores	Rs in crores	Rs in crores	Rs in crores	Rs in crores
i) Undisputed trade Receivables - considered good	-	-	0.01	0.35	41.34	41.70
ii) Undisputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed trade Receivables - credit impaired	-	-	-	-	119.67	119.67
iv) Disputed trade Receivables - considered good	-					-
v) Disputed trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed trade Receivables - credit impaired	-	-	-	-	814.36	814.36

PEC LIMITED
NOTES TO ACCOUNTS

NOTE 12: Financial Assets - Cash and Cash Equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
(a) Cash & Cash Equivalents		
(i) Cash in Hand	-	-
(ii) Cheques, Drafts in hand	-	-
Balances with Banks	-	-
(i) In Current/Cash Credit accounts	1.65	1.31
(ii) In deposits account- having maturity within 3 months	-	-
Total	**1.65**	**1.31**
Provision for blocked funds in foreign bank*	-0.04	-0.04
Total (a)	**1.61**	**1.27**
(b) Other Bank Balances		
(i) In deposit accounts		
Maturing within 12 months	6.32	62.13
Maturing after 12 months	55.35	-
Total (b)	**61.67**	**62.13**
Total (a)+(b)	**63.28**	**63.40**

*Provision made for Balance with National Commercial Bank, Albeida, Libya as it is non repartiable.

NOTE 13 : Financial Asset-Loans

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
(a) Loans and advances to employees*		
Secured, considered good	0.04	0.11
Interest Accrued on Advances to Employees but not due	0.10	0.11
Unsecured, considered good	0.08	0.08
Interest Accrued on Advances to Employees but not due	0.24	0.25
Credit Impaired	619.20	619.20
Less: Provision for doubtful loans and advances	-619.20	-619.20
Others	0.01	0.03
Total	**0.47**	**0.58**
Particulars		
***Short-term loans and advances to employees include amounts due from:**		

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
Directors / Officer	-	-
Interest Accrued but not due	-	-
Firms in which any director is a partner (give details per firm)	-	-
Private companies in which any director is a director or member (give details per company)	-	-
Total	-	-

PEC LIMITED
NOTES TO ACCOUNTS

Notes: 14 Other Financial Asset

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
Interest Accrued on Bank Deposits	-	-
Interest on Trade recievable	-	-
Total	**-**	**-**

NOTE 15 : Current Tax Assets (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs in crores	Rs in crores
Advance Income Tax (Net of Provision of tax)	5.23	5.28
Sales Tax deposit under protest	0.25	0.25
Service Tax deposit under protest	0.57	0.57
VAT Inward	0.03	0.02
GST Credit receivable	0.49	0.43
Total	**6.57**	**6.55**

Note 16: OTHER CURRENT ASSETS

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
	Rs in crores	Rs in crores
Secuirity Deposits		
(i) Security Deposits	0.09	0.09
(ii) other Deposits	-	-
Total (A)	**0.09**	**0.09**
Prepaid Expenses (B)	-	-
Loans and Advances to suppliers		
Unsecured, Considered Good	-	-
Due from Gratuity trust	0.51	-
Due from CPF Trust	-	-
Others	0.36	0.31
Total (C)	0.87	**0.31**
Total (A)+ (B) + (C)	0.96	0.40

NOTES TO ACCOUNTS

33. Contingent liabilities:

(Rs in Crore)

Sl. No.	Particulars	As at 31.3.2023	As at 31.3.2022
A	*(i) Guarantees is sued by banks on behalf of the Company*	*0.90*	*1.60*
	*(ii) Interest not charged by banks******	*29.10*	-
B	*Claims against the Company due to legal cases not acknowledged as Debts (excluding legal cases where amounts are unascertainable)***	*53.54*	*54.57*
C	*Demands in respect of Statutory Liabilities against which the Company or the concerned Department has preferred an Appeal**	*88.34*	*85.91*
Total		**171.88**	**142.08**

* “ Of the aforesaid amount, Rs 9.25 Crore (Previous Year Rs 9.25 Crore) is recoverable from one of our associate, if, the case is decided against the Company.” Amount are taken as per show cause notice/demand order/demand notice.

** Of the aforesaid amount, Rs 25 Crore was related to arbitration case filed by one of our associate, as per the Arbitration Award dated 04.09.2019 PEC is not require to pay any amount. However other party filed appeal against the Arbitration Award. and amount, Rs 3.37 Crore was related to arbitration case filed by one of our associate wherein PEC has also filed counter claim of Rs 9.94 Crore.

***Interest amount not charged by banks Rs 29.10 Cr Bank of Baroda erstwhile Vijaya Bank] and subject to reconciliation (P/Y Rs Nil).

34. Balances in Associate Accounts/Claims Receivable/ Other Current Liabilities/Loans & Advances (Assets) are subject to reconciliation/confirmation and consequential adjustments that may arise on such reconciliation.

35. Sundry Debtors as at the year-end include Rs 40.19 Crore (Previous Year 41.70 Crore) which matches with equivalent amount of Sundry Creditors and shall be paid after realization from Sundry Debtors.

36. In the absence of any information from Associates/Suppliers, amount due to Micro, Small and Medium Enterprises cannot be ascertained in terms of Section 22 of the “Micro, Small & Medium Enterprises Development Act, 2006”.

37. **Related Party Transactions:**

The related parties as per provisions of Indian Accounting Standard -24, “Related Party Disclosures”, issued by The Institute of Chartered Accountants of India, are disclosed below:-

(a) Names of related parties and description of relationship:

Full-Time Director		
I.	Shri Hardeep Singh	Chairman -cum -Managing Director (Additional Charge) w.e.f. 27.10.2022
II.	Shri Kapil Kumar Gupta	Director (Additional Charge) w.e.f. 12.10.2020
III.	Shri VIbhu Nayar	Chairman -cum -Managing Director (Additional Charge) (01.03.2022 to 31.08.2022)
IV.	Shri Sanjay Chadha	Chairman -cum -Managing Director (Additional Charge) (14.05.2020 to 28.02.2022)
V.	Shri J. Ravi Shanker	Director (Additional Charge) (08.08.2018 upto 07.08.2022)
Part Time Director		
I.	Shri Anup Singh	Government Nominee Director w.e.f. 22.03.2021
II.	Dr. C.Vanlalramsanga	Government Nominee Director w.e.f. 22.03.2021
III.	Smt Sukhpreet Kaur	Independent Director (27.01.2020 to 25.01.2023)
Key Management Personnel		
I.	Shri Atul Taneja	Chief Financial officer w.e.f- 28.10.2022
II.	Smt. Shweta Pahuja	Company Secretary (on contract) w.e.f. 17.12.2021

(b) Remuneration to the aforesaid full time Directors was paid by the Company as per rules of the Company. Such remuneration and all other payments/benefits paid/accrued to the Key Management Personnel and their relatives are detailed as under:

However, no salary has been paid to Director and Part Time Directors during the year.

S. No.	Particulars	Year ended 2022-23	Year ended 2021-22
1.	Key Management Personnel	0.15	0.05
2.	Provident Fund & Family Contribution	0.01	-
3.	Other Perquisites and Benefits	0.01	-
	Total	**0.17**	**0.05**

(c) M/s Tea Trading Corporation of India Limited (TTCIL) is a wholly owned subsidiary of the Company, which was demerged by the Ministry of Commerce & Industry from M/s State Trading Corporation (STC) by its order dated 28th March 2003. TTCIL was already under liquidation, when it was made a subsidiary of PEC and no statement of asset & liabilities etc. were provided to the company upon its demerger from STC. The Company has no control over its subsidiary i.e. TTCIL, therefore, it is unable to present consolidated financial statements under section 129 (3) of Companies Act, 2013.

(d) The company is using leasehold premises of MMTC and paying Annual rent of Rs 0.45 Crore during 2022-23 (P/Y 0.12 Cr)

38. Earnings Per Share (EPS):

Particulars	Year ended 2022-23	Year ended 2021-22
A. Profit/(loss) for the year, attributable to the owners of the company (` in Crore)	(242.89)	(314.77)
B. Adjusted Weighted average number of Equity Shares outstanding during the period (No. of shares)	60,00,000	60,00,000
C. Basic and Diluted EPS (A/B) (`)	(404.81)	(524.62)
D. Profit/(loss) for the year, attributable to the owners of the company (` in Crore)	(242.89)	(314.77)
E. Adjusted Weighted average number of Equity Shares outstanding during the period (No. of shares)	60,00,000	60,00,000
F. Basic and Diluted EPS (D/E) (`)	(404.81)	(524.62)

39. Deferred Tax:

In compliance with Indian Accounting Standard-12, issued by The Institute of Chartered Accountants of India, the Company has carried forward losses as at the year-end which results in Deferred Tax Assets (net). The company has not accounted for Deferred tax assets (net) on a prudent basis, as it does not has virtual certainty of generating future taxable income to offset the same.

40. Employee Benefits:

As per Indian Accounting Standard – 19 "Employee benefits", the disclosures as defined in the Indian Accounting Standard are given below:

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized as expense for the year is as under:

(Rs in Crore)

Particulars	Year ended 2022-23	Year ended 2021-22
Employer's Contribution to Provident and Pension Fund	0.40	0.45
Employer's Contribution to PEC Defined Contribution Superannuation Fund	0.27	0.32

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The obligation of the company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by the Government. Overall Interest earning and cumulative surplus is more than the statutory interest payment requirement.

Defined Benefit Plan

A. Gratuity

The employees' gratuity fund scheme is as per Gratuity Act managed by the Trust under a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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 liability for gratuity is recognized in the books as per actuarial valuation.

B. Post-Retirement Medical Facility (PRMF)

The company has Post-retirement Medical Facility (PRMF) under which retired employee and their spouses are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. Postretirement medical benefits are recognized in the books as per actuarial valuation.

C. Leave

The Company provides Earned leave (EL) and Half Pay Leave (HPL) benefit to the employees of the Company which accrue annually at 30 days and 20 days respectively. The maximum ceiling for encashment of leave at the time of superannuation/cessation from service other than on disciplinary ground shall be limited to 300 days (EL & HPL combined). EL is en-cashable while in service leaving a minimum balance of 15 days twice a year. The scheme is unfunded and liability for the same is recognized on the basis of Actuarial Valuation.

D. Pension

The Company has defined contribution pension plan for its existing employees in pursuance to the guidelines issued by the Department of Public Enterprises. In this regard PEC Employees Defined Contribution Superannuation Pension Trust has been formed. Under the scheme the employer's contribution is 9% of basic plus VDA of eligible employees and the funds of the trust are managed by LIC. An employee has to be member of trust for a minimum period of 15 years to avail the benefit of this scheme. In case the employee leaves the company before completion of 15 years only employee contribution along with interest is payable to him. However, this condition does not apply to the employees who join the other CPSE having the same Pension Scheme.

I). The summarized position of various Defined Benefits recognized in Statement of Profit &Loss, OCI and Balance Sheet:

(Rs in Crore)

Particulars		**Gratuity**	**Leave**	**Post-Retirement Medical Benefits**
		(Funded)	**(Non-Funded)**	**(Non-funded)**
Defined Benefit Obligation	**C.Y.**	3.11	1.65	17.63
	P.Y.	3.45	1.62	18.07
Fair Value of Plan Assets	**C.Y.**	0.24	0.00	0.00
	P.Y.	0.52	0.00	0.00
Funded Status (Surplus/Deficiet)	**C.Y.**	-3.11	-1.65	-17.63
	P.Y.	-3.45	-1.62	-18.07
Net Defined Benefit Assets/(Liabilities)	**C.Y.**	-3.11	-1.65	-17.63
	P.Y.	-3.45	-1.62	-18.07

ii). Movement in Defined Benefit Obligation:

(Rs in Crore)

Particulars		**Gratuity**	**Leave**	**Post Retirement Medical Benefits**
		(Funded)	**(Non-Funded)**	**(Non-funded)**
Defined Benefit Obligation - Beginning of the year	**C.Y.**	3.45	1.62	18.06
	P.Y.	3.16	1.66	18.65
Past Service Cost	**C.Y.**	0.00	0.00	0.00
	P.Y.	0.00	0.00	0.00
Current Service Cost	**C.Y.**	0.16	0.11	0.06
	P.Y.	0.17	0.11	0.05
Interest Cost	**C.Y.**	0.24	0.12	1.29
	P.Y.	0.21	0.11	1.25
Benefits Paid	**C.Y.**	-0.45	-0.50	-0.86
	P.Y.	-0.98	-0.76	-1.11
Re-measurement - Acturial Loss/(Gain)	**C.Y.**	0.30	0.31	-0.92
	P.Y.	0.89	0.50	-0.78
Defined Benefit Obligation - End of the year	**C.Y.**	3.11	1.65	17.63
	P.Y.	3.45	1.62	18.07

iii). Movement in Plan Assets

(Rs in Crore)

Particulars		Gratuity (Funded)
Fair Value of plan Assets - Beginning of the year	C.Y.	0.52
	P.Y.	1.30
Interest Income	C.Y.	0.04
	P.Y.	0.09
Employees Contribution	C.Y.	0.00
	P.Y.	0.00
Benefits Paid	C.Y.	-0.45
	P.Y.	-098
Re-measurement - Acturial (Loss)/Gain	C.Y.	0.13
	P.Y.	0.12
Re-measurement - Return on Plan Assets greater/(less) than discount rate	C.Y.	0.00
	P.Y.	0.00
Fair Value of plan Assets - End of the year	C.Y.	0.24
	P.Y.	0.53

iv). Amount recognized in Statement of Profit and Loss.

(Rs in Crore)

Particulars		Gratuity (Funded)	Leave (Non-Funded)	Post Retirement Medical Benefits (Non-funded)
Past Service Cost	C.Y.	0.00	0.00	0.00
	P.Y.	0.00	0.00	0.00
Current Service Cost	C.Y.	0.16	0.11	0.06
	P.Y.	0.17	0.10	0.05
Service Cost {A}	C.Y.	0.16	0.11	0.06
	P.Y.	0.17	0.10	0.05
Net Interest on Net Defined Benefit Liability/(Asset) {B}	C.Y.	0.20	0.12	1.29
	P.Y.	0.12	0.11	1.25
Acturial (Gain)/Loss on Obligation {C}	C.Y.	0.00	0.30	-0.92
	P.Y.	0.00	0.50	-0.77
Cost recognised in P&L {A+B+C}	C.Y.	0.36	0.53	0.43
	P.Y.	0.29	0.72	1.30

v). Amount recognized in OCI:

(Rs in Crore)

Particulars		Gratuity	Leave	Post Retirement Medical Benefits
		(Funded)	(Non-Funded)	(Non-Funded)
Acturial Gain/(Loss) due to DBO Experience	**C.Y.**	0.30	0.00	0.92
	P.Y.	0.88	0.00	0.78
Acturial Gain/(Loss) arising during the period	**C.Y.**	0.17	0.00	0.00
	P.Y.	-0.20	0.00	0.00
Return on Plan Assets greater/(less) than discount rate	**C.Y.**	0.13	0.00	0.00
	P.Y.	0.12	0.00	0.00
Acturial Gain/(Loss)recognised in OCI	**C.Y.**	0.43	0.00	0.92
	P.Y.	-0.76	0.00	0.78

vi). Sensitivity Analysis:

(Rs in Crore)

Assumption	Change in Assumption	Gratuity	Leave	Post Retirement Medical Benefits
		(Funded)	(Non-Funded)	(Non-Funded)
Discount Rate	**0.50%**	-0.05	-0.03	-0.68
	-0.50%	0.05	0.03	0.68
Salary Growth Rate	**0.50%**	0.04	0.03	0.00
	-0.50%	-0.04	-0.03	0.00
Medical Cost Rate	**0.50%**	0.00	0.00	0.68
	-0.50%	0.00	0.00	-0.68

vii). Actuarial Assumption

(Rs in Crore)

Particulars		Gratuity (Funded/Non-Funded)	Leave (Non-Funded)	Post Retirement Medical Benefits (Non-Funded)
Method Used		**Projected Unit Credit (PUC) Method**	**Projected Unit Credit (PUC) Method**	**Projected Unit Credit (PUC) Method**
Discount Rate	**C.Y.**	7.34%	7.34%	7.34%
	P.Y.	7.16%	7.16%	7.16%
Rate of Salary Increase	**C.Y.**	6.40%	6.40%	-
	P.Y.	6.40%	6.40%	-
Mortality Rate	**C.Y.**	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)
	P.Y.	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)

viii). Expected Benefit Payments:

(Rs in Crore)

Year of Payment	Gratuity	Leave	Post-Retirement Medical Benefits
	(Funded)	(Non- Funded)	(Non- Funded)
Year Ended March,2023	0.92	0.40	1.49
Year Ended Ma rch,2024	0.68	0.38	0.27
Year Ended March,2025	0.57	0.29	0.20
Year Ended March,2026	0.30	0.13	0.16
Year Ended March,2027	0.30	0.11	0.13
Year Ended March,2028	0.21	0.09	0.11
April 2028 onwards	0.48	0.24	15.71

ix). Category of Investment in Plan Assets.

(Rs in Crore)

Category of Investment	% of Fair Value of Plan Asset	
	2022-23	2021-22
GOI Securities	34.11	55.52
Public Sector Securities	-	-
State Government Securities	-	-
Special Deposits	1.59	2.40
Others (including bank balances)	64.30	42.08

41. Foreign Exchange Exposure as on 31.03.2022 and 31.03.2021.

(Rs in Crore)

Receivables										
	Hedged					Unhedged				
	2022-23		2021-22			2022-23		2021-22		
	Foreign Currency	Equivalent (`)	Foreign Currency	Equivalent (`)		Foreign Currency	Equivalent (`)	Foreign Currency	Equivalent (`)
US ($)	-	-	-	-	US ($)	-	-	0.04	2.55
Pound (£)	-	-	-	-	Pound (£)	-	-	-	-

Payables									
	Hedged					Unhedged			
	2022-23		2021-22			2022-23		2021-22	
	Foreign Currency	Equivalent (`)	Foreign Currency	Equivalent (`)		Foreign Currency	Equivalent (`)	Foreign Currency	Equivalent (`)
US ($)	-	-	-	-	US ($)*	-	-	-	-
Pound (£)	-	-	-	-	Pound (£)	-	-	-	-

	2022-23				2021-22			
	Receivables		Payables		Receivables		Payables	
	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged
* Own Exposure	-	-	-	-	-	-	-	-
* On behalf of Associate	-	-	-	-	-	2.55	-	-

42. The information of Foreign Currency Income and Expenditure is as under:-

(Rs in Crore)

Particulars	Year ended 2022-23	Year ended 2021-22
Expenditure in Foreign Currency		
CIF/FOB value of Imported Materials	0.00	0.00
Foreign Tours	0.00	0.00
Other Expenses	0.00	0.00
Total	**0.00**	**0.00**
Earnings in Foreign Currency		
FOB value of Exports	0.00	0.00
Total	**0.00**	**0.00**

43. In terms of Indian Accounting Standard 108 – Segment Reporting issued by the Institute of Chartered Accountants of India, the Company has identified business segments as primary reporting segment, which are Import, Export and Domestic. The Secondary Segments are identified based on geographical location, as in India and Abroad. Details are placed at Annexure ''A''.

44. As required by the Indian Accounting Standard 36- Impairment of Assets notified by the Institute of Chartered Accountants of India, the company has carried out an assessment of impairment of assets and confirms that there has been no impairment loss during the year.

45. Compliance of the Companies (Indian Accounting Standard) Rules as amended from time to time has been made. The Company has large number of transactions and diversified activities, which may have put operational constraints in strictly following the said rules. Deviation if any, has been stated in the accounting policies of the Company.

46. Present value of obligation in respect of Post-Retirement Medical Benefit (PRMB) and half pay and earned leaves amounts to Rs.19.28 Crore (Previous Year Rs. 19.69 Crore) as at 31.03.2023 as per Actuarial Valuation and accordingly liability has been created in terms of IndAS-19. The company has neither earmarked its investment nor has created any corpus for this purpose.

47. The Company had to obtain prior approval from its shareholders for loans and advances made to suppliers/associates exceeding threshold limit stated u/s 186 of Companies Act, 2013. The Company has obtained shareholders' approval in its 44th Annual General Meeting and compounded the same by regional director.

48. Reconciliation of provisions in terms of Indian Accounting Standard - 37 is as under:-

(Rs in Crore)

Particulars of Provision	Opening Balance as on 01.04.2022	Addition during the year	Adjustment during the year	Closing Balance as on 31.03.2023
Provision of Taxation*	6.76	-	0.96	5.80
Leave Encashment	1.62	0.03	0.00	1.65
Provision for Post-Retirement Medical Benefit	18.07	0.00	0.44	17.63

* In view of net taxable loss, no tax provision for the current year has been made.

49. In respect of GR-1 forms outstanding beyond due date in 1 cases is on account of foreign buyer (Pisces Hong Kong) going into liquidation. The Company had filed application with the Authorized Dealer for extension of time/waiver/write off. Pending decision on the application, the liability, if any, that may arise is unascertainable.

50. The company has charged depreciation based on technical evaluation instead of depreciation as stated in Part C of schedule II of the companies Act, 2013. The company has not charged depreciation in current year in compliance with provisions of non-going concern accounting treatment.

51. Previous year figures have been reclassified/recasted/regrouped and rounded off suitably to make them comparable with figures of the current year.

52. Financial risk management, objectives and policiesThe company's activities expose it to the following financial risks:

-market risk

-credit risk and

-liquidity risk.

The company has not arranged funds that have any interest rate risk.

a) Marketrisk

(i) Foreign ExchangeRisk

The company has import and export transactions and hence has foreign exchange risk primarily with respect to the US$. The company has not arranged funds through long term borrowings. The short term foreign currency loans (buyer's credit) availed from banks are fixed interest rate borrowings. As a result, the company does not have any interest rate risk. The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company has no exposure in respect of foreign currency receivable/payable since loss/gain is to the account of the Associate supplier/customer except on provision towards litigation settlement where matter is still under dispute. Also the company has taken forward exchange contracts in respect of payables at the risk and cost of the associate.

The following tables show the summary of quantitative data about the company's exposure to foreign currency risk from financial instruments expressed in `:

(Rs in crore as at March 31, 2023)

Particulars	**US Dollars (in Equiv INR)**	**Other Currencies (in Equiv INR)**	**Total**
Cash & cash equivalents	-	-	-
Trade Receivable	-	-	-
Demurrage / Despatc h Receivable	-	-	-
Other Receivable	-	-	-
Total Receivable in foreign currency	-	-	-
Foreign Currency Loan payable	-	-	-
Interest on foreign currency loan payable	-	-	-
Trade Payables	-	-	-
Freight Demurrage / Despatch Payable	-	-	-
Provision toward s Litigation Settlement	-	-	-
Others	-	-	-
Total Payable in Foreign Currency	-	-	-

(Rs in crore as at March 31, 2022)

Particulars	**US Dollars (in Equiv INR)**	**Other Currencies (in Equiv INR)**	**Total**
Cash & cash equivalents	-	-	-
Trade Receivable	2.55	-	2.55
Demurrage / Despatch Re ceivable	-	-	-
Other Receivable	-	-	-
Total Receivable in foreign currency	2.55	-	2.55
Foreign Currency Loan payable	-	-	-
Interest on foreign currency loan payable	-	-	-
Trade Payables	-	-	-
Freight Demurrage / Despatch Payable	-	-	-
Provision towa rds Litigation Settlement	-	-	-
Others	-	-	-
Total Payable in Foreign Currency	-	-	-

Sensitivity:

As of March 31, 2023 and March 31, 2022, every 1% increase or decrease of the respective foreign currencies compared to our functional currency would impact our profit before tax by approximately Rs NIL crore and Rs NIL crore, respectively.

a) Price Risk

The company's exposure to equity securities price risk is Nil. Hence, it has no impact on profit or loss.

b) Credit Risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Trade Receivables

The company's has outstanding trade receivables are mostly secured through matching creditors of Rs 49.12 Crore. (P/Y Rs 49.12 Cr).

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of IndAS 109. The company's historical experience for customers, present economic condition and present performance of the customers, future outlook for the industry etc are taken into account for the purposes of expected credit loss.

Credit Risk Exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Rs in crore as at March 31, 2023)

Particulars	Gross amount	Impairment	Car rying Value
Not past due	-	-	-
Past due less than 30 days	-	-	-
Past due more than 30 days but not more than 60 days	-	-	-
Past due more than 60 days but not more than 90 days	-	-	-
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	969.18	929.18	40.00
Total	**969.18**	**929.18**	**40.00**

(Rs in crore as at March 31, 2022)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	-	-	-
Past due less than 30 days	-	-	-
Past due more than 30 days but not more than 60 days	-	-	-
Past due more than 60 days but not more than 90 days	-	-	-
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	975.73	934.03	41.70
Total	**975.73**	**934.03**	**41.70**

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables.

Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We considers the credit quality of term deposits with scheduled banks which are subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since major loans like house building loans, vehicle loans are secured against the property for which loan is granted to the employees. The other employee loans are covered under personal guarantee of concerned employees along with surety bonds of other serving employees. There are no impairment provisions as a teach reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

C) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. The company maintains sufficient balance in cash and cash equivalents to meet short term liquidity requirements. The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the undisclosed cash flow so financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

(Rs in crore as at March 31, 2023)

Particulars	Less than 6 months	6months to1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	0.00	0.00	1.33	3.84	67.41	**72.58**
Short term borrowings	2157.59	-	-	-	-	**2157.59**
Other Financial Liabilities	43.02	-	-	-	-	**43.02**
Total	**2200.61**	**0.00**	**1.33**	**3.84**	**67.41**	**2273.19**

(Rs in crore as at March 31, 2022)

Particulars	Less than 6 months	6months to1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	0.01	0.16	1.90	24.64	45.30	**72.01**
Short term borrowings	1915.49	-	-	-	-	**1915.49**
Other Financial Liabilities	43.02	-	-	-	-	**43.02**
Total	**1958.52**	**0.16**	**1.18**	**25.36**	**45.30**	**2030.52**

53. Assets Given on Operating Lease:

Future minimum lease rentals receivable as per the lease agreements:

(Rs in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Not Later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than five years	-	-

Clause 4: The lease may be extended for a further period of two years at mutually agreeable terms and conditions.

Clause 10: The lessee shall not subject, assign or otherwise part with the possession of the said demised premises in part or whole- in any manner whatsoever without obtaining prior written permission of the lessor. The right of lessee is absolutely non-transferable.

54. Non-Going Concern

PEC is facing severe liquidity crisis as all the lender banks have declared PEC's accounts as NPA due to non-payment of interest on the banking limits availed by the Company Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impact the Going Concern Status and Company Operations in future. The Company is in process of One Time Settlement (OTS) with lender banks. Considering the facts given above:-

The Board of Directors of Company on 31.03.2021 passed a resolution to prepare accounts on Non Going concern basis for the FY 2021-22. Hence Accounts are prepared on Non going concern basis since FY 2021-22..

55. For celebrating its 40th anniversary, PEC had distributed gold coins to all employees; however one gold coin is available with PEC in its safe custody as no claimants were available. PEC shall give this coin to claimant as and when application received.

56. Following Ratios to be disclosed:-

(Rs in Crore)

Particulars	**31.03.2023**	**31.03.2022**
1. Current Ratio	0.04	0.05
2. Debt- Equity Ratio	(1.04)	(1.05)
3. Debt Service Coverage Ratio	(0.11)	(0.14)
4. Return on Equity Ratio	-	-
5. Inventory Turnover Ratio	-	-
6. Trade Receivable Turnover Ration	-	-
7. Trade Payable Turnover Ration	-	-
8. Net Capital Turnover Ratio	-	-
9. Net Profit Ratio	-	-
10. Return on Capital Employed	(0.09)	(0.14)
11. Return on Investment	-	-

1. Current Ratio: Current Assets/ Liabilities, Current Assets include inventories, trade receivables, cash & cash equivalents, loans, other financial assets. Current Liabilities include Borrowing, trade payable, and other financial liabilities.

2. Debt-Equity Ratio : Debit/Equity, Debt include Total Liabilities other than Shareholder fund

3. Debit Service Coverage Ratio : EBIT/Borrowing + Interest

4. Return on Equity: Net Profit/ Share holder fund

5. Inventory Turnover Ratio : Cost of Golds Sold / Average Inventory

6. Trade Receivable turnover Ratio : Net Credit Sale / Average Trade Receivable

7. Trade payables turnover ratio : Credit purchase / Average Trade Payable

8. Net capital turnover ratio : Turnover / Shareholder fund

9. Net Profit Ratio : Net Profit / Turnover

10. Return on Capital employed : EBIT / Shareholder Fun + Long term Debits

11. Return on investment : Return / Cost of Investment

57. There is no proceedings have been initiated or are pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

58. Relationship with struck off companies:

The company has no transaction with companies struck off under section 248 of the companies act, 2013 or section 560 of Companies act 1956.

59. The expenses of Rs 0.04 Cr understated during the FY 2021-22 due to non-submission of corresponding bills accordingly amount of Rs 0.04 Cr has been booked under current loans and advances since FY 2021-22.

60. Note 1 to 60 forms an integral part of the Financial Statements for the year ended 31 March, 2023.In terms of our report of even date.

In terms of our Report of even date

For and on behalf of the Board of PEC Limited

M/s P. D. Agrawal & Co.
Chartered Accountants
FRN 001049C

Atul Taneja
CFO
M: 23785

PK JAIN
CGM

CA Tarun Gupta
Partner
Membership No: 077468

Kapil Kumar Gupta
DIR (Mkt) Ad. Charge
DIN 08751137

Hardeep Singh
CMD (Ad. Charge)
DIN 09778990

Place: New Delhi
Date:

Shweta Pahuja
Company Secretory
M: A27993

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INDEPENDENT AUDITOR'S REPORT

To the Members of 'PEC Limited'

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of 'PEC Limited' (the "Company"), which comprise the Standalone Balance Sheet as at 31st March, 2023, the Standalone Statement of Profit and Loss(including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its deficit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. Assets Held for Sale

We draw attention to Note No 1(ii)(b) where the Board of Directors of the Company has passed a resolution to prepare accounts on a non-going concern basis since FY 2021-22. Accordingly changes have been made in the significant accounting policies of the Company and the presentation of financial statements.

As per Note No. 1(11) in the Notes to Accounts it is further stated that the Property, Plant and Equipment (PPE) are stated at residual/realizable value on the basis of the assumption of Non-Going Concern and the PPE has been transferred to "Assets Held for Sale".

Ind As 105 "Non -Current Assets held for Sale and Discontinued Operations" requires that asset meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Loss.

We have observed that the Company has not conducted exercise to ascertain the fair value of all the assets as at 31.03.2023 composed under the head “Assets Held for Sale” except movable assets having an assessable value of Rs 0.04 crore (book value of Rs 0.01 Crore). The company has relied on valuation reports dated 08.07.2021 for valuation of immovable assets having assessable value of Rs 20 Crore (book value of Rs 0.01 Crore). Hence, there is non-compliance with the conditions of Ind As 105.

2. We draw attention to Note No 15 to the Notes to Accounts where the GST credit receivable as per books of account is Rs 0.49 crore. There is no reconciliation between the GST Credit receivable in the books of accounts and the balance in the GST portal's credit ledger. However the company has reversed previously claimed ITC during the FY 2022-23 which is yet to be reconciled and recorded in books of accounts.

3. We draw attention to Note No 20A and Note 35 to the Standalone Ind As financial statements where the Company has outstanding Trade Payable amounting to Rs. 72.76 crore, out of which an amount of Rs. 40.19 crore matches with equivalent amount of Sundry Debtors which the company shall pay on realization from Sundry Debtors.

   Out of Rs 40.19 crore, 40.18 crore has been outstanding for more than 3 years. No provision for Bad & Doubtful debts have been created for the amount of Rs 40.18 crore.

   We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone Ind AS Financial Statements.

Emphasis of Matter

I. We draw attention to Note No 26 to the Standalone Ind As financial statements; the Company has made fixed deposit accounts with IDBI Bank at lower rate interest i.e. 5.35% per annum to 5.8% per annum as compare to the prevailing market rate.

II. The Company should expedite the process of downsizing in order to rationalize the manpower considering the fact that company has discontinued business operations since Sept 2019 and has been mainly focusing on recovery of outstanding dues through legal proceedings. This will help company significantly to cut cost in long run.

III. One-Time Settlement (OTS) proposals with Banks- As per the information and explanation given to us, the Banks have requested PEC to submit a revised concrete proposal as the existing proposal is not in tune with the outstanding amount due. The Canara Bank (formerly Syndicate Bank) has moved an application for recovery of the outstanding amount of Rs. 2,119.27 crore (amount as per summon received by the Company) in the Debts Recovery Tribunal to which Bank of Baroda & Punjab National Bank are additional applicants. The case was admitted before DRT on 09/05/2022. The Company is pursuing the matter. The next date of hearing is 08/08/2023.

IV. The Company is pursuing the recovery of the outstanding amount of Rs 1,548.38 crore (at the beginning of the year) from the defaulting associates for whom Provision for Bad & Doubtful Debts have been created in earlier years. During the year under audit only Rs 6.31 crore has been realized, which seems very less . We draw attention to Note No 30 to the Standalone Ind AS financial statements, the company has booked the legal expenses amounting to Rs. 0.43 crore during the year.

V. We draw attention to Note No 29 to the Standalone Ind AS financial statements; the company has booked “Finance Cost” of Rs 244.77 crore. All the Banks except Bank of Baroda (Earlier Vijaya Bank) have duly charged interest despite the accounts declared NPA.During the year the Company has not provided the interest in the case of Bank of Baroda (Earlier Vijaya Bank), whenever in the FY 2021-22 interest amounting to Rs 102.28 crore debited in the books of accounts. A corresponding banking liability of Rs 102.28 crore has been created which is reflected in the schedule of Other Current Liabilities (Note No 23). However interest not charged by Bank of Baroda (Earlier Vijaya Bank) of Rs 29.10 Crore has been shown under contingent liability during the FY 2022-23.

VI. We draw attention to Note No. 34 to the Standalone Ind AS financial statements in respect of balances under Sundry Payable/ Sundry Receivable/ Claims receivable/ Loans & Advances/ other liabilities, which have not been confirmed and any adjustments due to consequent reconciliation, if any, required is not ascertainable.

VII. We draw attention to Note No 36 to the Standalone Ind AS financial statements, where the Company has not obtained confirmation from its Associates and Suppliers required under Section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006'.

As explained by the management there is no proper system in place regarding the details of goods/ services received from Medium, Small and Micro Enterprises (MSME) whose return is to be filed as per the notification dated 22nd January 2019 as per “Specified Companies (Furnishing of Information about payment to Micro and Small enterprise Suppliers) Order 2019. Due to the non-maintenance of the above required information, the Company is not filing the returns required by ROC in MSME-1. Further, due to this, there may be default in making payment to the MSME suppliers along with applicable rate of interest if payment is not made within 45 days for which no provision has been created in the books of account. We are unable to comment upon the amount of provision to be made as it is not ascertainable due to non-maintenance of records.

VIII. We draw attention to Note No 46 to the Standalone Ind AS financial statements in respect of provision made for employee benefits in respect of post-retirement medical benefits (PRMB) and earned/half pay leaves. The present value of obligation as per actuarial valuation report in respect of the aforesaid employee benefits as at 31st March 2023 is Rs. 19.28 crore. The company has neither earmarked any investment nor has created any corpus for this purpose.

IX. We draw attention to Note No 49 to the Standalone Ind AS financial statements in respect of non-provision of liability, if any, arises in case of non-extension of time/waiver/write off of GR-1 forms. The Company is pursuing the matter with the authorities.

X. We draw attention to Note No 59 to the Standalone Ind AS financial statements in respect of non-adjustment of current loans and advances amounting to Rs. 0.04 crore due to non-submitting of corresponding bills pending since FY 2021-22.

Key Audit Matters

Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to be communicated in our report.

Information Other than the Standalone Financial Statement and Auditors' Report Thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information includes the Director's Report, Corporate Governance Report, Business Responsibility Report and Management Discussion and Analysis of Annual Report but does not include the Standalone Financial Statements and our report thereon. The Director's Report, Corporate Governance Report, Business Responsibility Report and Management Discussion and Analysis of Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

In preparing the Standalone Ind AS 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, the Company has ceased operations since September, 2019 therefore the Management has prepared these financial statements on a non-going concern basis as per decision of the Board of Directors in the meeting which was held on 31.03.2021. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

However, the financial statements of the Company have been prepared on a non-going concern basis as decided by the Board of Directors .

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 Ind AS Financial Statements of the current period and are therefore reported in Basis of Qualified Opinion para and Emphasis on matter para. 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.

Other Matters

A. We did not audit the financial statements of wholly owned subsidiary Company viz Tea Trading Corporation of India Limited. which was demerged from State Trading Corporation vide order dated 28.03.2003 of the Ministry of Commerce & Industry and whose financial statements were not available with the management since inception and investment therein has been shown at Rs One (Refer Note 37 C of Standalone Financial Statements) In absence of the records of subsidiary, no consolidation of Accounts was made available to conduct the audit under Ind AS.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure-A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

1. 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 except for the matter described in the Basis for Qualified Opinion paragraph;

2. Except for the matter described in the Basis for Qualified Opinion paragraph, 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;

3. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

4. Except for the effects arising from the matters described in the Basis for Qualified

Opinion paragraph and Emphasis of Matters paragraph above, In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with relevant rules issued thereunder and Rules 3 & 4 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;

5. The going concern matters described in Basis for Qualified Opinion paragraph and Emphasis on matter paragraph above, in our opinion, may have an adverse effect on the functioning of the company;

6. Being a Government company, pursuant to notification no. GSR 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India, provision of sub section (2) of section 164 of the Companies Act, 2013 in respect of disqualification of directors is not applicable to the company;

7. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in Annexure - B; and

8. 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, in our opinion and to the best of our information and according to the explanations given to us:

   I. The Company has disclosed the pending litigations as contingent liability – Refer Note 33 to the Standalone Ind AS Financial statements, the impact of the same on and in its financial position is unascertainable as the matters are sub-judice;

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

   iii. According to the information and explanation given to us, the Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act, 2013 and rules made thereunder..

iv. a. The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in notes to accounts to the Standalone Ind AS Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented to us that, to the best of their knowledge and belief, as disclosed in notes to accounts to the Standalone Ind AS Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures that were considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. There has been no dividend declared by the Company during the year.

vi. The Company has not used such accounting software for maintaining its books of accounts which can record audit trail facility and thus the question of tampering with the feature of audit trail cannot be commented upon.

1. As required by C & AG of India through sub-directions, issued under Section 143 (5) of the Company's Act, we give our report in the attached "Annexure-C"

For P.D. Agrawal & Co.

Chartered Accountants

FRN. 001049C

Place: New Delhi

Date:

Tarun Gupta

Partner

Membership No. 077468

UDIN:

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"ANNEXURE- A"

FORMING PART OF THE INDEPENDENT AUDITORS' REPORT

(Annexure-A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

We further report that:

i. Details of Tangible and Intangible assets

a. A. The Company's proper records showing full particulars, including quantitative details and the situation of Property, Plant & Equipment (Now, classified as "Assets held for Sale") as required under the Companies Act, 2013 are in process of updating. The Company is maintaining quantitative details of PPE held at the end of the financial year in the Fixed Asset Register; however no details for opening balances, additions/deletions during the year and closing balance are incorporated in the same.

B. The Company has written off the value of Intangible assets in the books of accounts. There are no records maintained showing full particulars of intangible assets.

b. The Company has a Programme of conducting physical verification of items of fixed assets lying at the office and godown situated in Delhi. The physical verification report for both the places has been received. Pursuant to the programmer, the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

c. Title Deeds of immovable property are held in the name of the Company based on original documents of Delhi & Mumbai and Duplicate original title deeds of Chennai property.

d. According to the information and explanation given to us and on the basis of the examination of the record of the Company, the Company has not revalued its Property, Plant and Equipment (now classified as "Assets held for disposal") or intangible assets or both during the year. However the Company has obtained valuation report of its Movable Assets (Valuation is Rs. 3,57,294/-) during the FY 2022-23 whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets.

e. According to the information and explanation given to us and on the basis of the examination of the record of the Company, no proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988(45 of 1988) and rules made there under and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. Details of Inventory & Working Capital

a) As per information and explanation provided by the management, the Company is not conducting any business. The company does not have any inventory, hence clause 3(ii)(a) of the Order is not applicable to the Company.

b) According to the information and explanation given to us and on the examination of the books of accounts of the company, the company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. Hence the question of filing quarterly returns or statements with such banks or financial statements does not arise. Accordingly clause 3(ii)(b) of the Order is not applicable to the Company.

iii. Details of any Investment, any Guarantee or Security or Advances or Loans given

As per information and explanation provided by the management, the Company has not made investments in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

iv. Compliance in respect of Loans to Directors

According to the information and explanations given to us, and as per the records verified by us, the Company has complied with the provisions of Section 185 and 186.

v. Acceptance of Deposits

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Maintenance of Cost Records

According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government for the Company under Section 148(1) of the Act. Accordingly clause 3(vi) of the order is not applicable to the Company.

vii. Undisputed & Disputed Statutory Dues

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and services tax, sales tax, service tax, value added tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, sales tax, service tax, value added tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

b. According to information and explanations given to us, status of income tax, duty of customs, service tax, VAT and sales tax not deposited by the Company on account of disputes are as under:

Sl. No.	Name of Statute	Nature ofdues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs In crore)	Amount Deposited/under protest / adjusted by tax authorities (in crore)	Amount not Deposited (Rs In crore)
1	Income Tax Act, 1961	Income Tax	2008-09	CIT (Appeals), Delhi	0.02	NIL	0.02
2	Income Tax Act, 1961	Income Tax	2012-13	ITAT, Delhi	0.52	-	0.52

3	Customs Act,1962	Customs Duty (Penalty)	2002-05	Office of Commissioner of Central Excise & Customs, Surat	0.19	-	0.19
4	Customs Act, 1962	Customs Duty	2009-10	Office of Commissioner of Customs, Mumbai	0.07	-	0.07
5	Customs Act, 1962	Customs Duty (Penalty)	2012-13	CESTAT, Ahmedabad	6.25	-	6.25
6	Customs Act,1962	Customs Duty (Penalty)	2012-13	CESTAT, Ahmedabad	3.00	-	3.00
7	Finance Act,1994	Service Tax	2006-07 to 2010-11	CESTAT, Delhi	7.53	0.56	6.97
8	Central Sales Tax Act, 1956	SalesTax (Tax & Penalty)	2000-01	Madras High Court	3.48	-	3.48
9	Maharashtra Sales Tax	SalesTax (Tax & Penalty)	2002-03	Sales Tax Dept. Mumbai	11.36	-	11.36
10	Maharashtra Sales Tax	SalesTax (Tax & Penalty)	2003-04	Sales Tax Dept. Mumbai	3.75	-	3.75
11	Delhi VAT	VAT (Tax & Penalty	2013-14	Delhi VAT	27.88	-	27.88

12	Income tax Act, 1961	Income Tax	2017-18	CIT (Appeals), Delhi vide order no. ITBA/AST/S/143(3)/2019-20/1023210186(1) dated 27.12.2019	7.22	-	7.22
13	Andhra Pradesh VAT	VAT (Tax & Penalty)	2016-17	Sales Tax Dept. AndhraPradesh vide TIN: 37180129845/2016- 17 (CST) dated 21.07.2022	0.07	-	0.07
14	Delhi VAT	VAT	2016-17	Sales Tax Dept. vide order no. 150083704517 dated 04.03.2021	14.38	-	14.38
15	Service Tax	Service Tax	2016-17 & 2017-18 (Q1)	Service Tax Dept. vide Demand cum Show Cause Notice no. 54/2022-23	0.75		0.75
16	Custom Act	Custom Act	2015-16	CESTST, MUMBAI	1.32	-	1.32
17	Income Tax	Income Tax Act	2011-12	CIT (Appeal)	0.55	-	0.55
	Total				88.34	0.56	88.90*

*Refer Note No 33 for Statutory Liabilities shown as contingent.

viii. Unrecorded Income

The Company does not have any transactions to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

ix. Default in repayment of borrowings

(a) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

S. No.	Nature of the Borrowing, including debt securities	Name of Lender	Amount unpaid as on 31.03.2023 (Rs in crore)	Principal Amount (Rs in crore)	Interest (Rs in crore)	Date of NPA	Number of days of delay or unpaid (upto 31.03.2023)
1	Cash Credit Account	Bank of Baroda (Earlier Vijaya Bank)	419.44	278.26	141.18*	17-03-2019	1475
2	Short Term Loan	Canara Bank (Earlier Syndicate Bank)	1177.52	625.86	551.66	17-09-2018	1656
3	Cash Credit Account	Punjab National Bank (Earlier United Bankof India)	135.51	102.18	33.33	30-09-2018	1643
4	Cash Credit Account	Punjab NationalBank	558.95	383.71	175.24	30-03-2019	1462
		Total	**2,291.42#**	**1,390.01**	**901.41**		

#As per Note 20 to the Standalone Ind As financial statements the borrowings of the Company as per Books of Accounts is Rs 2,157.59 crore. For the difference of Rs 133.83 crore between the amount unpaid and borrowings as per books of account please refer to Point III of "Emphasis of Matter Paragraph" section of our report.

* Bank of Baroda earlier Vijaya Bank has not charged interest of Rs. 102.28 crore and the same is shown in schedule 23 of annual accounts as banking liability as on 31.03.2022 and the same is carried forward in financial year 2022-23 and the un-booked interest for financial year 2022-23 is shown under contingent liabilities amounting to Rs. 29.10 crore in Note No. 33.

(a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

However the Company is maintaining current account & have bank deposits of Rs 61.67 crore (as at 31.03.2023 see Note 12) with IDBI Bank and ICICI Bank which are not a lender bank.

(b) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained. Since the Company has not taken any term loan during the year, the clause 3(xi)(c) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, the Company has not raised any funds during the year . Hence clause 3(xi)(d) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. Proceeds of Public Issue (including debt instruments)/Preferential Issue

a. According to the information and explanations given to us and as per the records verified by us, the Company has not raised any money during the year through initial/further public offer (including debt instruments). Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company and hence not commented upon.

b. According to the information and explanation given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. Frauds and Whistle -Blower Complaints

a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c. No whistleblower complaints have been noticed to be received by the Company during the year.

xii. Nidhi Companies

The Company is not a Nidhi Company during the year under review and hence, the criteria as stipulated under Nidhi Rules 2014 are not applicable to the Company. The reporting under Clause 3(xii) of the Order is not applicable to the Company.

ixiii. Related Party Transactions

As per the information and explanations given during the course of our verification, there was no transaction with the related parties pursuant to Section 177 and 188 of the Companies Act except as reported by the Company in Note No. 37.

xiv. Internal Audit System

a) In our opinion and according to the information and explanation given to us, the company is not conducting any business and has appointed an external CA Firm for conducting Internal Audit during the year.

b) We have read the Internal Audit Report and considered the observations of the Internal Auditor in the Independent Auditor's Report.

xv. **Non-Cash Transactions with Directors**

As per the information and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of section 192 of the Act and hence the clause 3(xv) of the Order is not applicable to the Company..

xvi. **Provision of 45-IA of the Reserve Bank of India Act, 1934**

(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have CICs as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. **Cash Losses**

The Company has incurred cash losses in the financial year amounting to Rs 142.84 crore and in the year immediately preceding the financial year of Rs. 212. .01 crore.

xviii. **Resignation of Statutory Auditors**

The Statutory Auditors of the Company are appointed by C&AG of India every year. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. **Material Uncertainty on Meeting Liabilities**

On the basis of the financial ratios, ageing, and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumption, we have observed that since the Company has ceased its business operations and prepared financial statements on a non-going concern basis, material uncertainty exists as on the date of the audit report. There are a number of legal cases regarding trade receivables and the borrowings from bank amounting to Rs. 2,157.59 crore as on 31.03.2023 (figure as per note 20) which had become NPA since long indicates that the Company is not capable of meeting its existing liabilities at the date of balance sheet as and when they fall due within a period of one year from date of Balance Sheet.

xx. Transfer to Fund Specified under Schedule VII of the Companies Act, 2013

Since the Company has huge accumulated losses and is not a going concern, it is not required to spend any amount of CSR and the question of any amount being transferred to Corporate Social Responsibility (CSR) Fund does not arise. Therefore reporting under the clause 3(xx) of the order is not applicable to the Company

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report

For P.D. Agrawal & Co.

Chartered Accountants

Firm Registration No. 001049C

Tarun Gupta

Partner

Membership No. 077468

UDIN:

Place: New Delhi

Date:

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ANNEXURE - 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Point no. 7 of paragraph 1 under `Report on other legal and regulatory requirements' section of the Independent Auditor's Report of even date on the Standalone Ind AS Financial statements of PEC Limited for the year ended 31st March, 2023)

Report on the Internal Financial Controls over financial reporting 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 'PEC Limited' ("the Company") as at 31st March, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the company for the year ended on that date.

Responsibilities of management and those charged with governance for the Internal Financial Controls

The Company's management 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 the 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

Auditor's responsibility for the audit of the Internal Financial Controls with reference to financial statements

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements, 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 qualified audit opinion on the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial statements.

Meaning of Internal Financial Controls over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial statements includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS 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 Standalone Ind AS Financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements

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

Material weakness

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as on March 31, 2023:

1. No Proper filing system;
2. Non-obtaining confirmation of balances of Trade payable and reconciliation thereof;
3. No documented policy
   - A. For filing of legal cases against debtors, associates for recovery of dues and advances;
   - B. For writing off of debts/advances/claims;
4. Non maintenance of information under Section-22 of The Micro, Small and Medium Enterprises Development Act, 2006,which attract penal provisions;
5. Non maintenance of Register in form MBP-4 with regards to Directors;
6. Pending reconciliation of GST input with the books of accounts.
7. Non-compliance of provisions of Companies Act with regards to the Board Meeting and the appointment of independent directors.
8. Pending reconciliation of Income tax provision;

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

According to the information and explanations given to us and based on our audit, material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate Company's Internal Financial Controls over financial reporting with reference to these Standalone Ind AS Financial statements were operating effectively as of March 31, 2023, 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.

The financial impact consequent to such material weakness could not be ascertained.

Explanatory Paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Standalone Ind AS Financial Statements of PEC Limited, which comprise the Balance Sheet as at March 31, 2023, and the related Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant counting policies and other explanatory information, and our report dated _____________, expressed a qualified opinion.

For P.D. Agrawal & Co.

Chartered Accountants

Firm Registration No. 001049C

Tarun Gupta

Partner

Membership No. 077468

UDIN:

Place: New Delhi

Date:

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ANNEXURE - 'C' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under `Report on other legal and regulatory requirements' section of the Independent Auditor's Report of even date on the Standalone Ind AS Financial statements of PEC Limited for the year ended 31st March, 2023)

Directions and Sub-Directions issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013 in respect of annual accounts of PEC Limited for the year 2022-23.

Sr No.	Directions/ Sub Directions	Auditor's Responses	Action taken thereon by management	Impact on Standalone Ind AS Financial statements
A	**Directions**			
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to information and explanations given to us, 1. The accounting transactions of the Company are accounted in 'Tally ERP9' so ftware in which the branches as well as the head office are integrated with each other. 2. Company is maintaining Payroll Software but it is not integrated with the accounting software. The Company is not maintaining Performance Management System (PMS), and Leave Management System (LMS) as a result they are not interfaced with each other as well as with Accounting Software.	No action is required	No Impact

2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).	According to information and explanations given to us, there is no restructuring of an existing loan or cases of waiver/ write -off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan. Further the Company was in discussion with the Lender Banks for "one time settlement" (OTS) for the dues of banks for which the Company is in continuing default. However OTS could not materialise, the Canara Bank (Earlier Syndicate Bank) has filed case in DRT(P) Rule 1993, case has been admitted on 09.05.2022.	No action is required	No Impact
3	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information & explanation given to us, the Company has not received any fund under any scheme of the Central/State Government during the year.	No action is required	No Impact
B	**Sub-Directions**			
	NIL			

For P.D. Agrawal & Co.
Chartered Accountants
Firm Registration No. 001049C

Tarun Gupta
Partner
Membership No. 077468
UDIN:

Place: New Delhi
Date:

Management Replies to Statutory Auditors Report for FY 2022-23

S. No	Management Replies
1.	The assets held by the company are broadly classified into two main categories i.e. Immovable and Movable assets. Accordingly in order to comply with Ind AS 105 the company has obtained valuation report in FY 2022-23 w.r.t. movable assets to arrive at NRV wherein the WDV is substantially lower than prevailing NRV accordingly the company has valued movable assets at cost which is less than NRV. W.r.t. immovable assets which consist of land and building we have obtained the valuation report dated 08/07/2021 wherein assessable value was arrived at Rs 20 Crore however the same is shown in books at carrying value i.e Rs 0.01 Crore. Considering the above fact that we have shown asses at carrying cost which is substantially lower than NRV accordingly we have complied with the requirements of IND AS 105.
2	The company has discontinued business operations resulting in Nil turnover of the company for the FY 2022-23, ITC claimed in previous years has been reversed in FY 2022-23 on GST Portal and Reconciliation of ITC at GST Portal and Books of Accounts will be done in current FY 2023-24.
3	The matching debtors amounting to Rs. 40.19 Crore are covered on back to back basis as per agreement with respect to associates. With the specific clause having broad wording as below: "Payment to supplies shall be made by PEC after receipt of payment from buyer after deducting PEC trading margin, Taxes and any other expense incurred by PEC on behalf of supplier." Moreover, as pointed out that an amount of Rs. 40.18 Cr outstanding for more than 3 years, the company has not received any claims and no risk envisaged as they are covered under back to back arrangement.
	Emphasis of Matter

I	The Company has placed available funds considering then prevailing best interest rates however the rates increases subsequently was due to repo rate hikes by RBI. Since PEC has already made FD it was not feasible to break them in between considering fact that it shall entail penalty @ 1% for premature withdrawal. However, we took up the matter with the bank for penalty waiver and fresh FD have been made at prevailing rates of interest @ 7.15% and 7.25% upon receipt of waiver.
II	The Board of PEC Limited has already approved the proposal of VRS and it was sent to Ministry of Commerce on 13/04/2022. The proposal of VRS pending with Ministry of Commerce for approval.
III	The company is pursuing the matter for defending the interest of the company at an appropriate legal forum as per the direction of the MOC.Further, as per direction of the Board ASG has been appointed.
IV	The company is pursuing the recovery cases at appropriate legal forums and most of the cases are subjudice. Which are reviewed on a regular basis by he management and the last review was done in June, 2023. Being subjudice matters, recovery is dependent upon outcomes of the proceedings.
V	The company has booked interest as per the accounting policy and does not have any financial implication at this stage.
VI	This point is continuing from last years and the company is replying as under:- The accounts with the associates are settled on completion of each transaction and difference if any are reconciled. Provision for consequential adjustment of losses is not envisaged.
VII	The company has discontinued its business from sept 2019 as directed by MOC. Further, all the suppliers were from Overseas markets only.
VIII	As directed by MOC, PEC is under process for exploring schemes of medical benefit for employees from National Health Authority. Further, the company does not have own fund to create this corpus

IX	This point is continuing from last years and the company is replying as under:- Approval for waiver has already applied through Authorized Dealer from RBI as the liquidation process of overseas buyers has already completed and no more foreign Exchange is expected.
X	The appropriate discloser in this regard has been given in notes to accounts at Note No. 59 of financial statement for FY 2022-23.
XI	**Material Weakness** The ministry of Commerce & industry is contemplating for closure of the PEC and as per directions PEC has stopped new business from sept 2019, PEC is under process to reduce manpower and expenditure. As on 31st March 2023 PEC has 35 regular employees and out of which 07 on deputation with other organizations. In view of the above best efforts are being made by utilizing available resources. However suggestions of the auditor are appreciated and considered. 1. There is no financial implication, however noted for future compliance. 2. This point is continuing from last many years and the company is replying as under:- The accounts with the associates are settled on completion of each transaction and differences if any are reconciled before final settlement. Provision for consequential adjustment of losses is not envisaged. However PEC has stopped business since September 2019 3. (a & b) The same is done based on the fact and merit of the case to safeguard interest of PEC. 4. The company has discontinued its business from sept 2019 as directed by MOC. Further, all the suppliers were from Overseas markets only. 5. There is no related transaction as prescribed in section 184(2) or 188 entered during the year so in compliance with section 189, no entry has been made in the register of contract with related parties. 6. The same may be reviewed in FY 2023-24. 7. The independent director is appointed by MOC and no nomination has been received during the FY 2022-23.