

**51<sup>st</sup>**  
**Annual Report**  
**2021-22**



**PEC LIMITED**



## Company Profile

### Board of Directors

**Chairman – cum –Managing Director**  
(Additional Charge)

**Shri Hardeep Singh**  
(From 27.10.2022)

**Shri Vibhu Nayar**  
(From 01-03-2022 upto 31-08-2022)

**Shri Sanjay Chadha**  
(From 14-05-2020 to 28.02.2022)

**Director-Marketing (Additional Charge)**

**Shri Kapil Kumar Gupta**  
(From 12-10-2020)

**Shri J. Ravi Shanker**  
(From 08.08.2018 to 08.08.2022)

**Part-Time Directors (Government Nominee)**

**Dr. C. Vanlalramsanga** (From 22-03-2021)

**Shri Anup Singh** (From 22-03-2021)

**Part-Time Directors (Independent)**

**Smt. Sukhpreet Kaur**  
(From 27-01-2020)

**Shri Ashish Kumar Gupta**  
(From 17.12.2018 to 16.12.2021)

**Company Secretary**

**Smt. Shweta Pahuja** (From 17.12.2021)

**Smt. Neha Chaudhary**  
(From 23-06-2020 upto 31-08-2021)

**Statutory Auditor**

M/s PVRN & Co.  
Chartered Accountants, New Delhi



## Chairman's Statement

Dear Stakeholders,

I have been entrusted the Additional Charge of Chairman cum Managing Director of your Company and it gives me pleasure to welcome you all to the 51st Annual General Body Meeting of your Company and hope that you and your family are doing well.

Your company has been directed to cease all business activities since September, 2019. In the year 2021-22, the Company has Nil sales turnover with a net loss of Rs. 314.77 Crore. The major loss reported during the year is on account of interest accrued of Rs. 309.02 crore and the accounts of the company for the FY 2021-22 have been prepared on Non-going Concern basis.

In view of the various litigation, legal and recovery cases and closure of business. The company has a onerous task of fulfilling its obligation as per law.

I would also like to acknowledge the valuable contribution made by the Members on the Board which merits special mention and I thank you heartily for your continued support.

Thank You,

Jai Hind!

Sd/-  
**(Hardeep Singh)**  
Chairman Cum Managing Director (Additional Charge)  
**PEC Limited**

Dated: 9th November, 2022



## DIRECTORS' REPORT

To

The Members  
PEC Limited ("The Company")

Your Directors are presenting their 51st Annual Report on the working of the Corporation together with the audited Financial Statements for the year ended 31st March, 2022 alongwith the Auditor's Report and Comments on the accounts by the Comptroller & Auditor General (C&AG) of India.

### Financial Summary and Highlights

The performance of the Company during the year 2021-22 vis-à-Vis the previous year is summarized as below:-

(Rs. in Crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Turnover	Nil	Nil
Financials		
Profit Before Tax & OCI	(-)314.29	(-)129.62
Profit After Tax & OCI	(-)314.77	(-)129.09
Net Worth	(-)2,223.98	(-)1909.21

### Company Affairs

Your Company has reported NIL turnover for the financial year. Net Loss for FY 2021-22 is Rs. 314.77 Cr.

### Dividend

During the year 2021-22, the company continued to pass through a difficult financial phase as PEC's accounts remained NPA. Further, no business activities were undertaken during the year 2021-22 and the Company reported a net loss of Rs. 314.77 Cr. The company had a negative net worth of Rs. 2223.98 Cr. as on 31.03.2022. As a result, the accumulated losses of PEC increased to Rs.2283.98 Cr. as on 31.03.2022, therefore the Board of Directors of the Company have not recommended any dividend for the year 2021-22.

### Transfer to/from Reserves

Keeping in view the current financial position of the Company, The Board of Directors has not transferred any amount to the General Reserve.

### Capital Advance

Your company had NIL Capital Advance in the current financial year.



### **Change in the Nature of Business**

PEC has stopped business activities since Sept. '2019 as per direction of the Ministry of Commerce as PEC earmarked for closure.

### **Material Changes and Commitments**

The Company's outstanding as on 31st March, 2022 is as per point No. V of Annexure-4 (Form No. MGT-9 Extract of Annual Report)

### **Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future**

As per Directions of the Administrative Ministry, PEC has stopped business activities since September, 2019 further OTS with consortium of banks is underway, however Banks have filed case in DRT against PEC.

### **Code of Conduct**

The Board has enunciated a Code of Conduct for the Directors and Senior Management Personnel of the Corporation, which has been circulated to all concerned.

### **Subsidiary Company**

Tea Trading Corporation of India Ltd., a wholly-owned subsidiary of your Company, continues to be under winding up process by the Official Liquidator appointed by the Hon'ble Court of Calcutta. Since Tea Trading Corporation of India Limited is under the winding up process, we have not considered this in the preparation of Consolidated Financial Statements.

### **Deposits**

The Company has not accepted any public deposits during the financial year under reviewed within the meaning of chapter V of Companies Act, 2013. Therefore, the requirement of Chapter V of the Companies Act, 2013 is not applicable.

### **Energy Conservation, Technology Absorption**

The Company was engaged in trading activities and further carried no business in FY 2021-22 thus the information required on conservation of energy, technology absorption as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8(3) of The Companies (Accounts) Rules, 2014, is NIL.

### **Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo of your company have been NIL.

### **Meetings of the Board**

Four meetings of the Board of Directors have been convened, complying with the requirement of Section 173 of the Companies Act 2013 and Secretarial Standard -1 issued by the Ministry of Corporate Affairs.



### Disclosure of Composition of Audit Committee

The Audit Committee consists of following members:

Sr. No.	Name of the Members	Position
1.	Shri Ashish Kumar Gupta	Chairperson till 16-12-2021
2.	Shri J. Ravi Shanker	Member
3.	Smt. Sukhpreet Kaur	Chairperson

However, the reconstitution of the audit committee has been done.

### Vigil Mechanism and Whistle Blower Policy

The Company has a Vigil Mechanism and Whistle-blower policy.

### Particulars of Loans, Guarantees or Investments under Section 186

The Company has not provided/given any loans, guarantees and has not made any investments covered under the provisions of section 186 of the Companies Act, 2013.

### Particulars of Contracts or Arrangements with Related Parties

Company has not entered into any contracts/arrangements/transactions with related parties as referred to in sub section (1) section 188 of the Companies Act, 2013, except rent paid to MMTC Ltd. for office premises.

### Risk Management Policy

The Company has a Risk Management Policy, however the company is not carrying out any business activity since Sept 2019.

### Statement for Adequacy of Internal Financial Controls

The Company is having a Delegation of Powers (DOP), which lays down the financial powers available to various levels of Company's executives.

The Company has appointed as its Internal Auditor (One of the qualified officers from PEC) for the FY 2021-2022 which conducted Internal Audit of Company.

The company is not carrying out any business activities and the manpower of PEC has also been reduced significantly due to implementation of VRS in pursuance of the directions of the Administrative Ministry.

### Rajbhasha

A fortnight-long program was organized in PEC to mark Hindi Pakhwada from 7th September, 2021 to 25th September, 2021 and employees participated in various competitions held during Hindi Pakhwada.

### Vigilance

Vigilance Awareness Week was observed from 26th October, 2021 to 01st November, 2021.



## Management Discussion and Analysis Report

Detailed Management Discussion and Analysis Report forming part of the Annual Report of the Company are placed as Annexure-1.

## Corporate Governance

The Pursuant to Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE), Government of India, a Report on Corporate Governance for the year 2021-22 forming part of this report is placed at Annexure-2.

Mrs. Atima Khanna, Practicing Company Secretaries has examined and certified the compliance of Corporate Governance. The Certificate forms part of this report and is placed as Annexure-2.

## Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of the last three preceding financial years. However, during the FY 21-22 the unspent amount of Rs. 0.25 Crore carried forward from previous years has been transferred to "Prime Minister's Relief Fund".

An annual Report on Company's CSR activities in prescribed format as per the Companies (Corporate Social Responsibility Policy) Rule' 2014 is placed at Annexure-3.

## Particulars of Employees

PEC being a wholly-owned Government Company, the terms and conditions of appointment and remuneration of its whole time Functional Directors are determined by the Government through the Ministry of Commerce and Industry, of being the administrative ministry of the Company. The Non-Executive, Part-Time Directors (Government Nominees) do not draw any remuneration or sitting fee. The Non-Executive Part-Time Non-Official (Independent Directors) is paid a sitting fee for each Board/Committee meeting attended at an approved fee by the Board.

The eligibility criteria for appointment of Independent Directors are laid down by the Department of Public Enterprises of the Government of India. Declaration of Independence in the prescribed format has been obtained from them every year to confirm that they continue to qualify as Independent Director.

## Key Managerial Personnel

PEC has nominated its CMD, all functional Directors and Company Secretary as Key Management Personnel pursuant to Section 203 of the Companies Act, 2013. Details regarding appointments/relinquishment of Functional Directors are given elsewhere in this report.

## Directors' Responsibility Statement

At present, PEC is not carrying out any business activity and is continuing as a non-operative Company for the time being. The position of One Independent Director and One



functional director are lying vacant further the functional directors (including CMD) are on Additional Charge.

The accounts of PEC for the year 2021-22 were published on non-going concern basis. Therefore, no specific Directors' responsibility statement can be maintained in the report.

### **Extract of Annual Return**

As required under section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return pursuant to Section 92(3) of the Act is annexed to this report as Annexure-4.

### **Anti-Sexual Harassment Policy**

The Company has laid down a Policy of Prevention/prohibition and Redressal of Sexual Harassment of Women in PEC in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received in this regard. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No such complaint has been received during the year 2021-22.

During the FY 21-22 the meeting was held on 22.09.2021. Following are the members of Internal Complaints Committee;

<b>Sr. No.</b>	<b>Name of the Members</b>	<b>Position</b>
1.	Smt. Sukhpreet Kaur	Chairperson
2.	Smt. Monisha Lakra	Member
3.	Smt. Sumati Anand	Independent External Member

### **Statutory Auditors**

M/s PVRN & Co., Chartered Accountants were appointed as Statutory Auditors of the company for the financial year 2021-22 by the C&AG. Their Report along with replies of the Management is attached herewith and forms part of the Annual report.

### **Comments of C&AG**

The CAG has decided not to conduct the supplementary audit of the financial statement of PEC Limited for the year ended 31st March, 2022 under section 143 (6) (a) of the Act., their Report is attached and forms part of the Annual Report.

### **Acknowledgements**

The Board appreciates and places on record the contribution made by the employees during the year under review and support received from the Ministry of Commerce & Industry and the various stakeholders like bankers, investors, customers and statutory authorities for their valuable guidance and support.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

As per Directions of the Administrative Ministry, PEC has stopped business activities since September, 2019.

### Human Resource

PEC's manpower as on 31st March, 2022 is 37 comprising 35 Managers and 02 Staff.

The composite representation of SC, ST, OBC & persons with disabilities (PWD) to the total manpower is 29.73% (11 employees), 8.11% (03 employees), 16.22% (06 employees) and 5.41% (02 employees) respectively. There is no fresh recruitment in the company.

### STATICAL INFORMATION ON RESERVATION OF SCs/STs/OBCs as on 31.03.2022

Group	Employee on Roll	SCs	% age	STs	% age	OBCs	% age
A	35	10	28.57	03	08.57	05	14.28
B	02	01	50.00	00	00.00	01	50.00
C	00	00	00.00	00	00.00	00	00.00
Total	37	11	29.73	03	08.11	06	16.22

### Corporate Social Responsibility

During the FY 21-22 the unspent amount of Rs. 0.25 Crore carried forward from previous years has been transferred to "Prime Minister's Relief Fund". An Annual Report on CSR is enclosed herewith as Annexure-3 to the Directors' Report.

### Way Forward

PEC continues to strive in its efforts to recover dues from defaulted associates to sustain itself.

### Cautionary Statement

Statements in the Management's Discussion & Analysis describing the Company's objectives, expectations or anticipations may be forward-looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from the expectations.

As the company is not carrying out any business activity and the manpower of PEC has also been reduced significantly due to implementation of VRS in pursuance of the directors of Administrative Ministry. The position of One Independent Director and One functional director are lying vacant further the functional directors (including CMD) are on Additional Charge due to which difficulties are being faced by the company in completing various administrative tasks and functional requirements.



## Last ten year data

(Rs. in Crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17 (Restated)	2017-18	2018-19	2019-20	2020-21	2021-22
	Sales	11649.01	9780.37	6186.76	3746.59	4254.07	4451.92	617.87	8.03	-
Exports	3029.12	2556.03	601.22	122.7	64.1	327.61	51.97	7.79	-	-
Domestic	1659.38	1543.49	613.29	191.59	209.86	275.21	42.66	0.24	-	-
Imports	6960.51	5680.85	4972.25	3432.3	3980.11	3849.1	523.24	-	-	-
Income	159.63	43.02	-137.61	-1110.84	-62.17	-26.09	-474.95	-129.54	-113.7	-302.86
Expenditure	46.56	41.04	42.18	31.18	30.76	30.87	24.7	17.73	15.92	11.43
Establishment	27.46	24.73	29.54	21.65	22	22.25	17.96	12.64	13.79	9.94
Administration	19.1	16.31	12.64	9.53	8.76	8.62	6.74	5.09	2.13	1.49
Prior Period Adjustment	-	-	0.01	0.11	-0.09	-	-	-	-	-
Profit Before Tax	113.07	1.98	-179.79	-1142.02	-92.84	-56.96	-499.65	-147.27	-129.62	-314.29
Tax	16.12	1.27	28.75	-	-	-	-	-	-	-
Profit After Tax	96.95	0.71	-208.54	-1142.02	-92.84	-56.96	-499.65	-147.27	-129.62	-314.29
OCI	-	-	-	-	0.65	3.02	0.46	0.25	0.53	-0.48
Profit After Tax & OCI	-	-	-	-	-92.19	-53.94	-499.19	-147.02	-129.09	-314.77
Capital Employed	586.13	1568.51	1453.1	-45.21	-251.48	-189.56	-155.4	-185.69	-203.87	-308.49
Shareholder's Funds	362.04	362.75	154.21	-987.81	-1079.97	-1133.91	-1633.1	-1780.12	-1909.21	-2223.98
Loan Funds	224.09	1205.76	1298.89	942.6	828.49	944.35	1477.7	1594.43	1705.34	1915.49

## Report on Corporate Governance

### Company's Philosophy on Corporate Governance

Company has laid down policies such as Code of Conduct for Board Members and Senior Management Personnel, Whistle Blower Policy, Policy on preservation of documents.

### Board of Directors

As on 31-03-2022 the Board comprises CMD having Additional Charge, Two Directors having Additional Charge and Three Part-Time Directors consisting of Two Government Nominee Directors and one Independent Directors. The names of Directors on the Board as on date along with their qualification, dates of appointment and categories under which they were appointed, are as under:-

S. No.	Name of Director	Qualification	Date of Appointment	Category
1.	Shri Vibhu Nayar	IAS	01.03.2022	Chairman-cum- Managing Director (Additional Charge)
2.	Shri J. Ravi Shanker	B.Tech. IIT, Delhi	08.08.2018	Director, Marketing (Additional Charge)
3.	Shri Kapil Kumar Gupta	Chartered Accountant (CA)	12.10.2020	Director, Marketing (Additional Charge)
4.	Smt. Sukhpreet Kaur	B.Sc., MBA	27.01.2020	Independent Director
5.	Dr. C. Vanlalramsanga	IES (2001 batch, PhD (Economics), MPA(LKYSPP,NUS), MA(Economics)	22.03.2021	Non-Executive Part-Time Government Director (Ministry of Commerce & Industry)
6.	Shri Anup Singh	B.Sc	22.03.2021	Non-Executive Part-Time Government Director (Ministry of Commerce & Industry)

The composition of the Board of Directors, attendance in Board Meetings, Annual General Meeting and other Directorship held during the year 2021-22 are as :-



S. No.	Name & Designation of Directors	No. of Board meetings attended	Attendance at last Annual General Meeting	Directorship held in other Public Limited Companies
<b>WHOLE-TIME DIRECTORS</b>				
1.	Shri Sanjay Chadha CMD (Additional Charge) (From 14.05.2020 till 28.02.2022)	4/4	Yes	1. PEC Limited 2. MMTC Limited
2.	Shri Vibhu Nayar CMD (Additional Charge) (From 01.03.2022)	NA	NO	1. MMTC Limited 2. India Trade Promotion Organisation 3. ITPO Services Ltd. 4. State Engg and Servicing Co of tamil Nadu Ltd 5. PEC Limited 6. Tamil Nadu Trade Promotion Organisation 7. Karnataka Trade Promotion Organisation
3.	Shri J. Ravi Shanker Director (Additional Charge)	4/4	Yes	1. PEC Limited 2. MMTC Limited 3. Free Trade Warehousing Limited 4. MMTC-PAMP India Private Limited. 5. Neelachal Ispat Nigam Ltd. (NINL) 6. MMTC Transnational Pte Limited, Singapore
4.	Shri Kapil Kumar Gupta, Director (Additional Charge)	4/4	Yes	1. PEC Limited 2. MMTC Limited 3. STCL 4. Free Trade Warehousing Limited 5. MMTC-PAMP India Private Limited. 6. Neelachal Ispat Nigam Ltd. (NINL)
<b>PART-TIME DIRECTORS</b>				
5.	Smt. Sukhpreet Kaur (Non-official Independent Director)	4/4	Yes	1. PEC Limited
6.	Dr. C. Vanlalramsanga (Govt. Nominees)	3/4	Yes	1. PEC Limited 2. Aizawl Smart City Limited
7.	Shri Anup Singh (Govt. Nominees)	4/4	Yes	1. PEC Limited. 2. STCL Ltd.

### Changes in Directorship

Following are the changes in the Board of Directors of your Company since 1st April, 2021:-

- Shri Sanjay Chadha, Additional Secretary, Department of Commerce, MOC&I has relinquished the additional charge of Chairman-cum-Managing Director w.e.f. 28.02.2022.
- Shri Vibhu Nayar, IAS, India Trade Promotion Organisation (ITPO) has assumed the additional charge of Chairman-cum-Managing Director w.e.f. 01.03.2022.
- Shri Ashish Kumar Gupta, B.tech (Civil),M.Plan (Urban Planning) has relinquished the charge of Independent Director w.e.f. 16.12.2021.

### Board Meetings and Procedures Board Meetings

Four (4) Board meetings were held during the year and the maximum time gap between two (2) meetings did not exceed four (4) months. The details of the Board meetings are as under: -

S. No.	Board Meeting No.	Date	Board Strength	No. of Directors Present
1.	321	02.08.2021	7	7
2.	322	12.10.2021	7	7
3.	323	23.12.2021	7	6
4.	324	23.02.2022	7	7

### Board Procedures

The Board meets regularly at least once in a quarter, however in the current year no meeting is held in its first quarter of the financial year. Detailed agenda papers are circulated in advance amongst the members for facilitating meaningful, informed and focused discussions at the meetings.

The minutes of the meetings of the Board of Directors/Committee of Management are maintained as per the applicable laws.

### Dispute Settlement Committee

Board in its 311th Board Meeting held on 20th March, 2019, directed to form the Dispute Settlement Committee (DSC) in PEC. DSC of the Company comprises Head of Finance, a representative from Legal side, if available, one Director of PEC Limited and a member from the panel of Conciliators who shall be the Chairman and Head of the DSC. The Chairman-Cum-Managing Director shall be the final authority to decide the name of the members from the panel of Conciliators who shall be the Chairman and Head of the DSC. No meeting of the Dispute Settlement Committee was held during the Financial Year 2021-22.



### Audit Committee - Composition and Attendance

The details of the Members of the Audit Committee are furnished below:-

1. Shri. Ashish Kumar Gupta – Chairperson till 16.12.2021
2. Shri. J. Ravi Shanker - Member
3. Smt. Sukhpreet Kaur – Chairperson

The Audit Committee has discharged such roles as envisaged under the provisions of Section 177 of the Companies Act, 2013. The Audit committee should have at least 3 directors & majority of members shall be independent directors as per DPE guidelines. There should be four meetings in a financial year whereas two (2) Audit Committee meetings were held during the year. The details of the Audit Committee meetings are as under: -

S. No.	Audit Committee Meeting No.	Date	Audit Committee Strength	No. of Members Present
1	13th	23.09.2021	3	3
2	14th	23.02.2022	2	2

### Risk Management

The Company is having a Board approved Risk Management Policy to take care of various risks associated with the business, however the company is not carrying any business activities since sept.'2019.

### Remuneration Committee– Composition And Attendance

No meeting of the Remuneration Committee was held during the Financial Year 2021-22.. The details of members of Remuneration committee are furnished below:-

1. Dr. C Vanlalramsanga - Chairperson
2. Shri J. Ravi Shanker- Member
3. Smt. Sukhpreet Kaur - Member

### Committee of the Board on Corporate Social Responsibility and Sustainable Development:

No meeting of the Corporate Social Responsibility and Sustainable Development Committee was held during the Financial Year 2021-22.

The details of members of Remuneration committee are furnished below:-

1. Dr. C Vanlalramsanga - Chairperson
2. Shri J. Ravi Shanker - Member
3. Shri Ashish Kumar Gupta - Member

### Committee of Management

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted the Committee of Management (COM) with CMD as its Chairman, Functional Director(s) and Head of Finance as Members and Company Secretary as Secretary to the Committee, with distinct role, accountability and authority.

### Directors' Remuneration

The Company, being a Government Company, terms and conditions of appointment and remuneration of its Whole-Time Functional Directors are fixed by the Government through the Ministry of Commerce & Industry. The Non-Executive Part Time Directors (Government Nominees) except Independent Directors do not draw any remuneration or sitting fee.

The details of remuneration paid for the year 2021-22 to Directors (except Independent Director) are as under

S.No.	Name of Directors	Salary & benefits (Rs.in Crore)	No. of shares of PEC held as on 31.03.2022
<b><u>Functional Directors</u></b>			
1.	Shri Sanjay Chadha, CMD (Additional Charge) (Till 28.02.2022)	-	Nil
2.	Shri Vibhu Nayar CMD (Additional Charge) (From 01.03.2022)	-	Nil
2.	Shri J. Ravi Shanker, Director (Additional Charge)	-	Nil
3.	Shri Kapil Kumar Gupta Director (Additional Charge)	-	Nil
<b><u>Part-Time Directors (Govt. Nominees)</u></b>			
7.	Dr. C Vanlalramsanga (w.e.f 22.03.2021)	-	1
8.	Shri. Anup Singh (w.e.f. 22.03.2021)	-	1

### General Body Meeting

The details of General Body Meetings of the Company held during the last three years are as under:-



Nature of Meeting	Financial Year	Date of Meeting	Venue
Annual General Meeting	2020-21	23.12.2021	Cypress Hall, First Floor, India Habitat Centre, Lodhi Road, New Delhi-110003.
Annual General Meeting	2019-20	31.03.2021	Udyog Bhawan, Ministry of Commerce & Industry, New Delhi
Annual General Meeting	2018-19	24.02.2020	Udyog Bhawan, Ministry of Commerce & Industry, New Delhi

### Disclosure

#### Disclosure on Materially Significant Related Party Transaction

During the year, there were no transactions of material nature with the Directors or the Management or the subsidiary or relatives that had potential conflict with the interest of the Company, except payment of rent to MMTC Ltd. for office premises.

### Shareholders' Information

1. The 50th Annual General Meeting was held on 23.12.2021 at Cypress Hall, First Floor, India Habitat Centre, Lodhi Road, New Delhi-110003.
2. The Company's financial year is from 1st April to 31st March.
3. Dividend payment

The details of dividend paid during the last 3 years are as under:-

Year	Rate (%)	Amount (₹ Crore )	Date of Payment
2020-21	Nil	Nil	NA
2019-20	Nil	Nil	NA
2018-19	Nil	Nil	NA

### Whistle Blower Policy

The Company has adopted a Whistle Blower Policy.

### Risk Management

The Board of Directors approved the Risk Management Policy to take care of various risks associated with the business undertaken by your Company, however the company is not carrying any business activities since sept.'2019.

### Particulars of Loans, Guarantees or Investments u/s 186

Details of loans, guarantees and investments covered under the provisions of Section 186 of the



Companies Act, 2013 are given in Note 4, 5, 7, 13 and 33 respectively of the note forming part of the Financial Statements.

### **Shareholding Pattern**

The entire paid up equity capital of Rs. 60 Crore divided into 60 Lakh shares of Rs. 100 each is held by the President of India.

### **Compliance on Corporate Governance**

The Company complies with the requirements of the guidelines on Corporate Governance for CPSEs 2010 issued by DPE, However the company is not carrying out any business activity and the manpower of PEC has also been reduced significantly due to implementation of VRS in pursuance of the directors of Administrative Ministry. The position of One Independent Director and One functional director are lying vacant further the functional directors (including CMD) are on Additional Charge due to which difficulties are being faced by the company in completing various administrative tasks and functional requirements.

Certain non- compliance being observed as on 31st March, 2021-

1. Form Dir-12 for cessation of Mr. Ashish Kumar Gupta will be filed after the Audit .
2. Form ADT-1 for the Financial Year 21-22 was filed on 07/09/2022.

M/s A.K & Associates, Practicing Company Secretaries has examined and certified the compliance of Corporate Governance, the Certificate form is attached herewith and forms part of the Annual Report.

# A.K & ASSOCIATES

B-14, Vasant Kunj Enclave, New Delhi-110070  
Ph- 9873676963, 011- 61115152  
Email: -atimakhanna@gmail.com



## Compliance Certificate on Corporate Governance

To  
The Members,  
PEC Limited

We have examined the compliance of condition of Corporate Governance by PEC Limited (“the Corporation”) for the year ended on 31st March, 2022 as stipulated Guidelines on Corporate Governance for Central Public sector enterprises.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the guidelines of Corporate Governance for central public sector enterprises except that-

1. Board meeting was not held in first quarter of the financial year and it was not in conformity with DPE Guidelines. However Company conducted its requisite meeting in remaining quarters.
2. Composition of Audit committee and its frequency of meetings were not in conformity with DPE Guidelines.
3. Certain non-compliances were observed as follows
  - a) Form Dir-12 for cessation of Mr. Ashish Kumar Gupta has not been filed, whereas the company is in the process of filing the same with registrar of companies.
  - b) Form ADT-1 for the Financial Year 21-22 was filed on 07/09/2022.

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

**For A K & Associates**



**ATIMA KHANNA (Practicing Company Secretary)**

C.P. No. 10296

M. No. F9216

Place: New Delhi

UDIN Number: F009216D001284688

Date: 18<sup>th</sup> October, 2022

**Management Replies on compliance certificate on Corporate Governance are as follow:**

S.no	Observation	Reply of Management
1.	Composition of Audit committee and its frequency of meetings were not in conformity with DPE Guidelines.	The tenure of Sh. Ashish Gupta has been completed on 17th December, 2021. We have provided the desired information to the ministry with regard to the re-appointment of the Non-official Independent director. The response from the ministry is awaited.
2.	Form Dir-12 for cessation of Mr. Ashish Kumar Gupta has not been filed till date.	Compliance is in the process.
3.	Form ADT-1 for the Financial Year 21-22 was filed on 07/09/2022 with an additional fee of Rs. 7800/-.	We have received acceptance from the auditor during the audit.

## Annual Report Corporate Social Responsibility Activities (2021-22)

### 1. Vision Statement

The aim of the Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that the Corporation becomes a socially responsible corporate entity committed to improving the quality of life of the society at large.

### 2. The composition of CSR committee

i.	Dr. C. Vanlalramsanga	- Chairperson
ii.	Shri Ashish Kumar Gupta	- Member
iii.	Shri J. Ravi Shanker	- Member

### 3. Average net profit / (Loss) of the company for the last three financial years

FY	Net Profit / (Net Loss) (PBT) Rs. in Crore
2019-20	(147.27)
2020-21	(129.62)
2021-22	(314.29)
TOTAL	
AVG. PROFIT/ (LOSS)	(197.06)*

### 4. Prescribed CSR expenditure (\*2% of the amount as in item 3 above in case of profit)

Nil due to losses in the last three year.

### 5. Details of CSR spent during the Financial Year

- (a) Total amount to be spent for the Financial Year:- Nil
- (b) In view of losses and non-availability of profits in the last 3 years, no fresh allocation of the CSR fund was made for FY 2021-22. Carried forward from previous year 2016-17 amounting to Rs.25,42,041/- has been spent in the financial year 2021-22

Amount Allocated from the Carried Forward of Previous Years for the Activities during 2021-22: Nil

Amount Spent in Financial Year: Rs.0.25 Crores.

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its board report.

Not applicable

## Form No. MGT 9 Extract of Annual Return

**As on financial year ended on 31.03.2022 {(Pursuant to Section 92 (3)  
of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014)}**

I	REGISTRATION & OTHER DETAILS:	
i	CIN	U74899DL1971GOI005600
ii	Registration Date	21/04/1971
iii	Name of the Company	PEC Limited
iv	Category of the Company	Company Limited by Shares/Union Government Company
v	Address of the Registered office & contact details	
	Address :	F-Block, 3rd Floor, Flatted Factory Complex, F&G Block, Jhandewalan Jewellery Complex, Rani Jhansi Road, Delhi-110055
	Town/City :	New Delhi
	State :	Delhi
	Country Name :	India
vi	Whether listed company	No
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	NA
	Address :	NA
	Town / City :	NA
	State :	NA
	Pin Code:	NA
	Telephone :	NA
	Fax Number :	NA
	Email Address :	NA
II	PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY :- The company has stopped business activities since sept.'2019.	

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES						
No. of Companies for which information is being filled : 1						
S. No.	Name of the Company	Address of the Company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	M/s Tea Trading Corporation of India Limited.	7 Wood St. Kolkata WB 700016	U51226WB1971PLC028174	Subsidiary	100%	Section 2(87)(ii)

IV	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)								
IV (A)	Category-wise Share Holding								
Category of Shareholders Demat	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	0%	-	-	-	0%	0%
b) Central Govt	-	60,00,000	60,00,000	100%	-	60,00,000	60,00,000	100%	0%
c) State Govt(s)	-	-	-	0%	-	-	-	0%	0%
d) Bodies Corp.	-	-	-	0%	-	-	-	0%	0%
e) Banks / FI	-	-	-	0%	-	-	-	0%	0%
f) Any other	-	-	-	0%	-	-	-	0%	0%
(2) Foreign									
a) NRI - Individual/	-	-	-	0%	-	-	-	0%	0%
b) Other - Individual/	-	-	-	0%	-	-	-	0%	0%
c) Bodies Corp.	-	-	-	0%	-	-	-	0%	0%
d) Banks / FI	-	-	-	0%	-	-	-	0%	0%
e) Any Others	-	-	-	0%	-	-	-	0%	0%
<b>Total shareholding of Promoter (A)</b>	-	<b>60,00,000</b>	<b>60,00,000</b>	<b>100%</b>	-	<b>60,00,000</b>	<b>60,00,000</b>	<b>100%</b>	<b>0%</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	0%	-	-	-	0%	0%
b) Banks / FI	-	-	-	0%	-	-	-	0%	0%
c) Central Govt	-	-	-	0%	-	-	-	0%	0%
d) State Govt(s)	-	-	-	0%	-	-	-	0%	0%
e) Venture Capital Funds	-	-	-	0%	-	-	-	0%	0%
f) Insurance Companies	-	-	-	0%	-	-	-	0%	0%
g) FIIs	-	-	-	0%	-	-	-	0%	0%
h) Foreign Venture Capital Funds	-	-	-	0%	-	-	-	0%	0%
i) Others (specify)	-	-	-	0%	-	-	-	0%	0%
<b>Sub-total (B)(1):-</b>	-	-	-	<b>0%</b>	-	-	-	<b>0%</b>	<b>0%</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0%	-	-	-	0%	0%
ii) Overseas	-	-	-	0%	-	-	-	0%	0%
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	0%	-	-	-	0%	0%

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	0%	-	-	-	0%	0%
c) Others (specify)	-	-	-	0%	-	-	-	0%	0%
<b>Sub-total (B)(2):-</b>	-	-	-	<b>0%</b>	-	-	-	<b>0%</b>	<b>0%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	<b>0%</b>	-	-	-	<b>0%</b>	<b>0%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	<b>0%</b>	-	-	-	<b>0%</b>	<b>0%</b>
<b>Grand Total (A+B+C)</b>	-	<b>60,00,000</b>	<b>60,00,000</b>	<b>100%</b>	-	<b>60,00,000</b>	<b>60,00,000</b>	<b>100%</b>	<b>0%</b>

<i>IV (B) Shareholding of Promoters</i>								
Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
1.	President of India	59,99,998	100%	0%	59,99,998	100%	0%	0%
2.	Shri Anup Singh (w.e.f. 22.03.2021)*	NA	NA	NA	1	0%	0%	0%
3.	Dr. C. Vanlalramsanga (w.e.f. 22.03.2021)*	NA	NA	NA	1	0%	0%	0%
	<b>TOTAL</b>	<b>60,00,000</b>	<b>100%</b>	<b>0%</b>	<b>60,00,000</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>

\*These shares are held by Directors in their official capacity. They have no beneficial interest in these shares as beneficial interest lies with the President of India.

<i>IV (C) Change in Promoters' Shareholding (please specify, if there is no change)</i>				
Sl. No. 1 – President of India	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	<b>60,00,000</b>	<b>100%</b>	<b>60,00,000</b>	<b>100%</b>
Changes During the Year				
Increase				
Date	Reason for Increase			
NA	Allotment	-	0%	-
NA	Bonus	-	0%	-
NA	Sweat	-	0%	-
NA	Other	-	0%	-
Decrease				
Date	Reason for Decrease			
NA	Transfer	-	0%	-
NA	Other	-	0%	-
<b>At the end of the year</b>	<b>60,00,000</b>	<b>100%</b>	<b>60,00,000</b>	<b>100%</b>



IV (D)		Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):			NA	
Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
<b>At the beginning of the year</b>		-	0%	-	0%	
Changes During the Year						
Increase						
Date	Reason for Increase					
NA	Allotment	-	0%	-	0%	
NA	Bonus	-	0%	-	0%	
NA	Sweat	-	0%	-	0%	
NA	Other	-	0%	-	0%	
Decrease						
Date	Reason for Decrease					
NA	Transfer	-	0%	-	0%	
NA	Other	-	0%	-	0%	
<b>At the End of the year (or on the date of separation, if separated during the year)</b>		-	0%	-	0%	

IV(E)		Shareholding of Directors and Key Managerial Personnel:			
Name: Shri Anup Singh Designation: Nominee Director (Nominee of President of India)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>		<b>1</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
Changes During the Year					
Increase					
Date	Reason for Increase				
NA	Allotment	-	0%	-	0%
NA	Bonus	-	0%	-	0%
NA	Sweat	-	0%	-	0%
22.03.2021	Other (Transfer)	-	0%	1	0%
Decrease					
Date	Reason for Decrease				
NA	Transfer	-	0%	-	0%
NA	Other	-	0%	-	0%
<b>At the End of the year</b>		<b>1</b>	<b>0%</b>	<b>1</b>	<b>0%</b>

IV(E) Shareholding of Directors and Key Managerial Personnel:					
Name: Dr. C. Vanlalramsanga Designation: Nominee Director (Nominee of President of India)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		1	0%	0	0%
Changes During the Year					
<b>Increase</b>					
Date	Reason for Increase				
NA	Allotment	-	0%	-	0%
NA	Bonus	-	0%	-	0%
NA	Sweat	-	0%	-	0%
22.03.2021	Other (Transfer)	-	0%	1	0%
<b>Decrease</b>					
Date	Reason for Decrease				
NA	Transfer	-	0%	-	0%
NA	Other	-	0%	-	0%
At the End of the year		1	0%	1	0%

V	INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment			
	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1915,48,66,930.28	-	-	1705,33,60,711.63
ii) Interest due but not paid**	-	-	-	59,35,07,157.20
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1915,48,66,930.28</b>	<b>-</b>	<b>-</b>	<b>1764,68,67,868.83</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1915,48,66,930.28	-	-	1915,48,66,930.28
ii) Interest due but not paid**	102,28,14,374.18	-	-	102,28,14,374.18
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2017,76,81,304.46</b>	<b>-</b>	<b>-</b>	<b>2017,76,81,304.46</b>
Note: *Inclusive of default in payments of Short term loans, cash credits, L/C Devolvement, Interest due but not paid etc.				
** Contingent Liabilities of Bank interest.				



<b>VI DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>			
<b>VI (A) Remuneration of Directors and Key Managerial Personnel</b>			
Sl. No.	Particulars of Remuneration	Shri Anupam Misra (Director)	Total Amount (In Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	<b>Total VI(A)</b>	NIL	NIL

<b>VI (B) Remuneration to other Directors:</b>				
Sl. No.	Particulars of Remuneration	Shri Ashish Kumar Gupta	Smt. Sukhpreet Kaur (From 27.01.2020)	Total Amount (In Rs.)
1	Independent Directors :			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	-
2	Other Non-Executive Directors			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total VI (B)=(1+2)</b>	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

<b>VI (C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD</b>			
Sl. No.	Particulars of Remuneration	Name of the KMP Ms. Shweta Pahuja Company Secretary on fixed term contract basis (w.e.f 17-12-2021)	Total Amount (in Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,10,000	2,10,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>2,10,000</b>	<b>2,10,000</b>

<b>VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA



**PEC LIMITED**  
**Balance Sheet as at 31 March 2022**

(₹ in Crore)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment	2	-	0.02
(d) Other Intangible Assets	3	-	-
(c) Intangible Assets under development		-	-
(d) Investment property	4	-	-
(e) Financial Assets			
(i) Investments	5	0.00	0.00
(ii) Trade Receivables	6	-	0.66
(iii) Loans	7	-	0.61
(iv) Other Financial Assets	8	-	0.07
(f) Deferred Tax Assets (Net)		-	-
(g) Non-Current Assets (others))	9	-	0.14
<b>Total Non-Current Assets (A)</b>		<b>0.00</b>	<b>1.50</b>
<b>2 Current Assets</b>			
(a) Inventories	10	-	-
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	11	41.70	40.86
(iii) Cash & Cash Equivalents	12	63.40	67.39
(iv) Bank Balances other than (iii) above		-	-
(v) Loans	13	0.58	0.06
(vi) Other Financial Assets	14	-	-
(c) Current Tax Assets (Net)	15	6.55	7.77
(d) Others Current Assets	16	0.40	2.45
(e) Assets Held for Sale		0.02	-
<b>Total Current Assets (B)</b>		<b>112.65</b>	<b>118.53</b>
<b>Total Assets (A+B)</b>		<b>112.65</b>	<b>120.03</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	17	60.00	60.00
(b) Other Equity	18	(2,283.98)	(1,969.21)
<b>Equity Attributable to Equity Shareholders of the Company</b>		<b>(2,223.98)</b>	<b>(1,909.21)</b>
Non Controlling Interest		-	-
<b>Total Equity (A)</b>		<b>(2,223.98)</b>	<b>(1,909.21)</b>
<b>Liabilities</b>			
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowing		-	-
(ii) Trade payables-MSME		-	-
(iii) Trade payables-Others		-	-
(iv) Other Financial Liabilities		-	-



(b) Provisions	19	-	15.52
(c) Other Non-Current Liabilities		-	-
(d) Deferred tax Liabilities (Net)		-	-
<b>Total Non-Current Liabilities (B)</b>		-	<b>15.52</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowing	20	1,915.49	1,705.34
(ii) Trade payables-MSME		-	-
(iii) Trade payables-Others	20A	72.01	73.78
(iv) Other Financial Liabilities	21	43.02	43.02
(b) Provisions	22	19.69	5.04
(c) Other Current Liabilities	23	286.31	186.42
(d) Current Tax Liabilities (Net)	24	0.11	0.12
<b>Total Current Liabilities (C)</b>		<b>2,336.63</b>	<b>2,013.72</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>112.65</b>	<b>120.03</b>
<b>Notes to Accounts</b>	<b>1 to 61</b>		

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

For PVRN & CO.

Chartered Accountants

Firm Registration No. 004062N

For and on behalf of the Board of PEC Limited

Sd/-

CA Vinay Kumar Gupta

Partner

Membership No.: 086879

Sd/-

(Atul Taneja)

JGM (Head of Finance)

Sd/-

(PK JAIN)

(Chief General Manager)

Sd/-

(Shweta Pahuja)

(Company Secretary)

M No. A27993

Place: New Delhi

Date: 18-08-2022

Sd/-

(Kapil Kumar Gupta)

Dir (Mkt) Ad. Charge

DIN:08751137

Sd/-

(Vibhu Nayar)

Chairmen Cum -  
Managing Director  
(Ad. Charge)

DIN: 03590141



## PEC LIMITED

### Statement of Profit and Loss for the year ended 31 March 2022

(₹ in Crore)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>1 Revenue from Operations</b>	25	-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
<b>2 Other Income</b>	26	1.94	2.76
<b>3 Total Income (1+2)</b>		<b>1.94</b>	<b>2.76</b>
<b>4 Expenses</b>			
(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	9.94	13.79
(c) Finance Costs	29	309.02	114.34
(d) Depreciation and Amortization Expense		-	0.02
(e) Other Expenses	30	2.43	2.18
<b>Total Expenses [ 4(a) to 4(e) ]</b>		<b>321.39</b>	<b>130.33</b>
<b>5 Profit / (Loss) before exceptional and tax (3-4)</b>		<b>(319.45)</b>	<b>(127.57)</b>
<b>6 Exceptional items (net)</b>	31	5.16	(2.05)
<b>7 Profit / (Loss) Before Tax (5+6)</b>		<b>(314.29)</b>	<b>(129.62)</b>
<b>8 Tax Expense:</b>			
<b>9 Profit / (Loss) from continuing operations</b>		<b>(314.29)</b>	<b>(129.62)</b>
<b>10 Profit / (Loss) from Discontinuing operations</b>		-	-
<b>11 Tax Expenses of discontinuing operations</b>		-	-
<b>12 Profit / (Loss) from Discontinuing operations (after Tax) (09-11)</b>		<b>(314.29)</b>	<b>(129.62)</b>
<b>13 Profit / (Loss) for the Period</b>		<b>(314.29)</b>	<b>(129.62)</b>
<b>14 Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit & loss	32	(0.48)	0.53
(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		-	-
<b>15 Total Other Comprehensive Income</b>		<b>(0.48)</b>	<b>0.53</b>
<b>16 Total Comprehensive Income for the year (13+14) (Comprising profit &amp; loss and other comprehensive income)</b>		<b>(314.77)</b>	<b>(129.09)</b>
<b>Profit Attributable to:</b>			
Owners of the company		(314.77)	(129.09)
Non Controlling Interest			
<b>Other Comprehensive Income Attributable to:</b>			
Owners of the company		(314.77)	(129.09)
Non Controlling Interest			
<b>Total Profit and Comprehensive Income Attributable to:</b>			



Owners of the company		(314.77)	(129.09)
Non Controlling Interest		(314.77)	(129.09)
17 Earnings per Equity Share of ₹ 100 each			
Basic (in Rs)		(524.62)	(215.15)
Diluted (in Rs)		(524.62)	(215.15)
<b>Notes to Accounts</b>	<b>1 to 61</b>		

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

For **PVRN & CO.**

Chartered Accountants

Firm Registration No. 004062N

**For and on behalf of the Board of PEC Limited**

Sd/-

**CA Vinay Kumar Gupta**

Partner

Membership No.: 086879

Sd/-

**(Atul Taneja)**

JGM (Head of Finance)

Sd/-

**(PK JAIN)**

(Chief General Manager)

Sd/-

**(Shweta Pahuja)**

(Company Secretary)

M No. A27993

Place: New Delhi

Date: 18-08-2022

Sd/-

**(Kapil Kumar Gupta)**

Dir (Mkt) Ad. Charge

DIN:08751137

Sd/-

**(Vibhu Nayar)**

Chairmen Cum -

Managing Director

(Ad. Charge)

DIN: 03590141

**PEC LIMITED**  
**Cash Flow Statement for the year ended 31 March 2022**

(₹ in Crore)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flow from operating activities</b>			
Net profit before tax		(314.77)	(129.09)
<b>Adjustment for</b>			
Interest paid (Finance Cost)		309.02	114.34
Rental Income		-	(0.10)
Depreciation		-	0.02
Foreign Exchange (Gain)/Loss		-	-
Interest Income		(1.92)	(2.61)
Provisions no longer required written back		(5.33)	(2.09)
Provision for Doubtful Debts		0.12	4.08
<b>Operating profit before working capital changes</b>	(i)	<b>(12.88)</b>	<b>(15.45)</b>
(Increase)/Decrease in Trade Receivable		5.15	4.20
Increase/(Decrease) in Other Non-Current Provision		-	0.03
Increase/(Decrease) in Trade payable		(1.77)	(1.86)
Increase/(Decrease) in Other Liabilities		99.89	2.55
Increase/(Decrease) in Other Provision		(0.99)	0.24
(Increase)/Decrease in Financial Assets		0.21	45.37
(Increase)/Decrease in Other Asset		2.14	0.40
<b>Total (ii)</b>		<b>104.63</b>	<b>50.93</b>
<b>Cash generated from operations</b>	(i) + (ii)	<b>91.75</b>	<b>35.48</b>
Income tax (paid)/received (net)		<b>1.21</b>	<b>(0.23)</b>
<b>Net cash flow from operating activities (A)</b>		<b>92.96</b>	<b>35.25</b>
<b>Cash flow from Investing activities:</b>			
Proceeds from sale of Fixed Assets		-	0.03
Rental Income		-	0.10
Interest received		1.92	2.61
<b>Net cash from investing activities (B)</b>		<b>1.92</b>	<b>2.74</b>
<b>Cash flow from financing activities</b>			
Borrowings / (Repayments) of loans and credits		210.15	110.90
Interest paid		(309.02)	(114.34)
<b>Net cash from financial activities</b>	(C)	<b>(98.87)</b>	<b>(3.44)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	(A)+(B)+(C)	<b>(3.99)</b>	<b>34.54</b>
Cash & cash equivalents at beginning of the period		<b>67.39</b>	<b>32.84</b>
Cash & cash equivalents at end of the period		63.40	67.39

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 2022	For the year ended 31st March 2021
Balance with Banks		
a) in Current Account	1.27	0.45
b) in term deposite with original maturity upto 12 months	62.13	66.94
c) debit balance in cash credit account	-	-
cheques/drafts/stamps on hand		
cash on hand		
<b>Total</b>	<b>63.40</b>	<b>67.39</b>

In terms of our Report of even date

For PVRN & CO.

Chartered Accountants

Firm Registration No. 004062N

For and on behalf of the Board of PEC Limited

Sd/-

CA Vinay Kumar Gupta

Partner

Membership No.: 086879

Sd/-

(Atul Taneja)

JGM (Head of Finance)

Sd/-

(PK JAIN)

(Chief General Manager)

Sd/-

(Shweta Pahuja)

(Company Secretary)

M No. A27993

Place: New Delhi

Date: 18-08-2022

Sd/-

(Kapil Kumar Gupta)

Dir (Mkt) Ad. Charge

DIN:08751137

Sd/-

(Vibhu Nayar)

Chairmen Cum -  
Managing Director

(Ad. Charge)

DIN: 03590141



## PEC LIMITED

### A. Statement of changes in Equity for the year ended on 31st March 2022

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 April 1, 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

Particulars	No. of Shares	Face Value	Amount
		(Rs.)	(Rs In Crores)
Balance as at 01.04.2020	6,000,000	100	60.00
Change in share capital due to prior period error	-	-	-
Restated balance as at April 1, 2020	6,000,000	100	60.00
Change in share capital during 2020 -21	-	-	-
Balance as at 31.03.2021	6,000,000	100	60.00

### B. Other Equity

Particulars	Share application money pending allotment	General Reserve	Trading Risk Reserve	Retained Earnings:	Total Amount
				Profit after tax	
Balance as at 31.03.2020	-	-	-	(1,840.12)	(1,840.12)
Changes in accounting policy or prior period error	-	-	-	-	-
Balance as at 01.04.2020	-	-	-	(1,840.12)	(1,840.12)
Total comprehensive income for the year	-	-	-	(129.09)	(129.09)
Dividend paid during the year 2020-21	-	-	-	-	-
Transfer to other reserve	-	-	-	-	-
Balance as at 31.03.2021	-	-	-	(1,969.21)	(1,969.21)
Balance as at 01.04.2021	-	-	-	(1,969.21)	(1,969.21)
Total comprehensive income for the year	-	-	-	(314.77)	(314.77)
Dividend paid during the year 2021-22	-	-	-	-	-
Transfer to other reserve	-	-	-	-	-
Balance as at 31.03.2022	-	-	-	(2,283.98)	(2,283.98)

In terms of our Report of even date  
For PVRN & CO.

Chartered Accountants

Firm Registration No. 004062N

Sd/-  
CA Vinay Kumar Gupta  
Partner

Membership No.: 086879

Place: New Delhi  
Date: 18-08-2022

For and on behalf of the Board of PEC Limited

Sd/-  
(Atul Taneja)  
JGM (Head of Finance)

Sd/-  
(Kapil Kumar Gupta)  
Dir (Mkt) Ad. Charge  
DIN:08751137

Sd/-  
(PK JAIN)  
(Chief General Manager)

Sd/-  
(Vibhu Nayar)  
Chairmen Cum -  
Managing Director (Ad. Charge)  
DIN: 03590141

Sd/-  
(Shweta Pahuja)  
(Company Secretary)  
M No. A27993

**Significant Accounting Policies of PEC Limited for FY 2021-22 (Onwards)****Assumption Non Going Concern Basis****NOTE: 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 recognized 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:-

<b>Assets Descriptions</b>	<b>In years</b>
Building Flats	20
Furniture and Fixings	5
Office Equipments	3
Air Conditioners	5
Data Processing Equipments –Computers and Servers 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 reliability 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

### **Classification of Leases**

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 is 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 2022

#### NOTE : 2 Property Plant and Equipment

(₹ In Crores)

Particular	Building	Computer	Furniture and fixture	Office Equipment	Vehicle	Total
<b>Year ended 31st March 2019</b>						
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
<b>Accumulated Depreciation:</b>						
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
<b>Year ended 31st March 2020</b>						
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
<b>Accumulated Depreciation:</b>						
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
<b>Year ended 31st March 2021</b>						
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
<b>Accumulated Depreciation:</b>						
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
<b>Net Carrying Amount</b>						
<b>As at 31st March 2021</b>	<b>0.01</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.02</b>

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 Cooperative Housing Society Limited Andheri East Mumbai, Two Flats at Parsn Tower Egmore Chennai.

Note 2.3 Market Value of Properties is Rs 20 Cr as per valuation 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" separately

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

**PEC LIMITED****Notes forming part of the Financial Statement as at 31st March 2022****NOTE : 3 Intangible Asset**

(₹ 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 intangible assets as on 31.03.2022 is Rs 1500/-. According to the Accounting Policy based on Non going Concern basis w.e.f /01/04/2021 all the assets previously grouped under "Intangible 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 forming part of the Financial Statement as at 31st March 2022

### NOTE : 4 Investment Property

(₹ In Crores)

Particulars	Total
Deemed cost as at April 1, 2019	0.15
Additions	-
Disposal/Adjustments	-
<b>Gross carrying value as at March 31, 2020</b>	<b>0.15</b>
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	-
<b>Gross carrying value as at April 1, 2020</b>	<b>0.15</b>
Additions	-
Disposal/Adjustments	-
<b>Gross carrying value as at March 31, 2021</b>	<b>0.15</b>
Accumulated Depreciation as at April 1,2020	0.15
Additions	-
Disposal/Adjustments	-
<b>Accumulated Depreciation as at March 31,2021</b>	<b>0.15</b>
<b>Net Carrying value as at March 31, 2021</b>	<b>-</b>

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 Assets Investment

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Non Trade Investments (At cost, Unquoted):</b>		
(a) Neelam Gulzar Cooperative Housing Society Ltd., Mumbai (15 Ordinary Shares of Rs 50/- each fully paid up)	-	-
<b>Total (a)</b>	-	-
(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)	-	-
<b>Total (b)</b>	-	-
<b>Total (a)+(b)</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 forming part of the Financial Statement as at 31st March 2022****NOTE : 6 Financial Assets - Trade Receivables**

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Long-term trade receivables (including Trade receivables on deferred credit terms)		
Secured, considered good		
Unsecured		
i) considered good		
ii) Doubtful trade receivables	-	473.32
iii) Doubtful Claims	-	465.53
<b>Total</b>	-	<b>938.85</b>
Less: Provision for doubtful trade: i) Receivables	-	(472.66)
ii) Claims	-	(465.53)
<b>Total</b>	-	<b>(938.19)</b>
<b>Total</b>	-	<b>0.66</b>

**NOTE : 7 Financial Asset- Loans**

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Loans and advances to employees *		
Secured, considered good	-	0.26
Interest Accrued on Advances to Employees but not due	-	0.11
Unsecured, considered good	-	-
Interest Accrued on Advances to Employees but not due	-	0.24
<b>(I)</b>	-	<b>0.61</b>
(b) Loans and advances to associates/suppliers		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	619.72
Less: Provision for doubtful advances	-	(619.72)
<b>(II)</b>	-	-
<b>Total (I)+(II)</b>	-	<b>0.61</b>
* Long-term loans and advances to employees include amounts due from unsecured:		
Particulars	As at 31 March 2022	As at 31 March 2021
Directors/Officers	-	-
Interest Accrued but not due on advances to Officers	-	-
<b>Total</b>	-	-

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 8 Financial Assets - Other Financial Assets

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances		
Secured, considered good	-	0.07
Unsecured, considered good		
<b>Total</b>	-	<b>0.07</b>
Less: Provision for doubtful advances		
<b>Total</b>	-	<b>0.07</b>

### NOTE : 9 Non-Current Asset (Others)

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Secuity Deposit		
Secured	-	0.00
Unsecured	-	0.13
(b) Prepaid Expenses (Ind AS)	-	0.01
<b>Total</b>	-	<b>0.14</b>

### NOTE : 10 INVENTORIES

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(As certified by the Management)		
(a) Stock-in-trade including with handling agents	-	-
(b) Goods-in-transit	-	-
<b>Total</b>	-	-

### NOTE : 11 Financial Assets-Trade Receivable

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(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	41.70	40.60
(iii) Having Significant increase in credit risk	-	-
(iv) Credit Impaired	934.03	-
<b>Total</b>	<b>975.73</b>	<b>40.60</b>
Less: Provision for doubtful trade receivables	-934.03	
<b>(I)</b>	<b>41.70</b>	<b>40.60</b>
(b) Other Trade receivables		
(i) Secured considered good		
(ii) Unsecured considered good	-	0.26
(iii) Having Significant increase in credit risk	-	-
(iv) Credit Impaired	-	-
<b>Total (I)+(II)</b>	<b>41.70</b>	<b>40.86</b>

## PEC LIMITED

### Notes forming part of the Financial Statement as at 31st March 2022

#### Trade Receivable ageing schedule as at 31 March 2022

(₹ In Crores)

Particulars	Less than 6 months	6 Months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
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

#### Trade Receivable ageing schedule as at 31 March 2021

(₹ In Crores)

Particulars	Less than 6 months	6 Months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed trade Receivables - considered good	-	-	0.35	3.60	36.91	40.86
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	-	-	-	-	818.52	818.52

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 12 Financial Assets - Cash and Cash Equivalents

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash & Cash Equivalents		
(i) Cash in Hand	-	-
(ii) Cheques, Drafts in hand	-	-
Balances with Banks	-	-
(i) In Current/Cash Credit accounts	1.31	0.49
(ii) In deposits account- having maturity within 3 months	-	-
<b>Total</b>	<b>1.31</b>	<b>0.49</b>
Provision for blocked funds in foreign bank*	-0.04	-0.04
<b>Total (a)</b>	<b>1.27</b>	<b>0.45</b>
(b) Other Bank Balances		
(i) In deposit accounts		
Maturing within 12 months (Flexi Deposit)	62.13	66.94
Maturing after 12 months	-	-
<b>Total (b)</b>	<b>62.13</b>	<b>66.94</b>
<b>Total (a)+(b)</b>	<b>63.40</b>	<b>67.39</b>

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

### NOTE : 13 Financial Asset-Loans

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Loans and advances to employees*		
Secured, considered good	0.11	-
Interest Accrued on Advances to Employees but not due	0.11	0.02
Unsecured, considered good	0.08	0.02
Interest Accrued on Advances to Employees but not due	0.25	0.01
Credit Impaired	619.20	-
Less: Provision for doubtful loans and advances	-619.20	-
Others	0.03	0.01
<b>Total</b>	<b>0.58</b>	<b>0.06</b>
<b>Particulars</b>		
*Short-term loans and advances to employees include amounts due from:		
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
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)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 14 Other Financial Asset

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest Accrued on Bank Deposits	-	-
Interest on Trade receivable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### NOTE : 15 Current Tax Assets (Net)

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Income Tax (Net of Provision of tax)	5.28	5.67
Sales Tax deposit under protest	0.25	0.25
Service Tax deposit under protest	0.57	0.57
VAT Inward	0.02	0.02
GST Credit receivable	0.43	1.26
<b>Total</b>	<b>6.55</b>	<b>7.77</b>

### NOTE : 16 OTHER CURRENT ASSETS

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Security Deposits</b>		
(i) Security Deposits	0.09	0.01
(ii) other Deposits	-	-
<b>Total (A)</b>	<b>0.09</b>	<b>0.01</b>
<b>Prepaid Expenses (B)</b>	<b>-</b>	<b>0.12</b>
<b>Loans and Advances to suppliers</b>		
Unsecured, Considered Good	-	-
Due from Gratuity trust	-	0.76
Due from CPF Trust	-	0.91
Others	0.31	0.65
<b>Total (C)</b>	<b>0.31</b>	<b>2.32</b>
<b>Total (A)+ (B) + (C)</b>	<b>0.40</b>	<b>2.45</b>

### NOTE : 17 Equity Share Capital

(₹ In Crores)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Rs in crores	Number of shares	Rs in crores
(a) Authorised Share Capital	6,000,000	60.00	6,000,000	60.00
6000000 Equity shares of Rs 100 each	6,000,000	60.00	6,000,000	60.00
(b) Issued/subscribed and paid up share capital	6,000,000	60.00	6,000,000	60.00
6000000 Equity shares of Rs 100 each	6,000,000	60.00	6,000,000	60.00
(c) Subscribed and fully paid up				
Equity shares of Rs 100 each	6,000,000	60.00	6,000,000	60.00
<b>Total</b>	<b>6,000,000</b>	<b>60.00</b>	<b>6,000,000</b>	<b>60.00</b>

Equity Shares issued and subscribed do not enjoy any differential rights. The company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividend and share in the company's residual assets.

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### Reconciliation of no. of Shares:

(₹ In Crores)

Class of Share Capital	Opening as at 01.04.2021	Issued during the year by way of Bonus Share	Bought back during the year	Closing as at 31.03.2022
Equity Share of Rs 100 each	6,000,000	-	-	6,000,000
Previous Year	6,000,000	-	-	6,000,000

### As at 31 March 2022 As at 31 March 2021

Name	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
Government of India	6,000,000	100%	6,000,000	100%

### NOTE : 18 Other Equity

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(a) Special Purpose Trading Risk Reserve</b>		
As per last accounts	-	-
Add: Addition during the year	-	-
Less: Transferred to Appropriation during the year	-	-
Closing balance	-	-
<b>(b) General Reserve</b>		
As per last accounts	-	-
Add: Addition during the year	-	-
Less: Transferred to Surplus/(Deficit) in Statement of Profit & Loss	-	-
Closing balance	-	-
<b>(c) Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	(1,969.21)	(1,840.12)
Current Year Profit/(Loss) after tax	(314.77)	(129.09)
Appropriations:		
Prior period adjustmnets	-	-
Transfer from Special Purpose Trading Risk Reserve	-	-
Transfer from General Reserve	-	-
Closing Balance	(2,283.98)	(1,969.21)
<b>Total (a)+(b)+(c)</b>	<b>(2,283.98)</b>	<b>(1,969.21)</b>

### NOTE : 19 Long - Term Provisions

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employees benefits (Refer Note no. 40)		
Earned Leave	-	1.21
Half Pay Leave	-	0.08
Post Retirement Medical Benefits	-	14.23
<b>Total</b>	<b>-</b>	<b>15.52</b>

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 20 Financial Liabilities- Borrowings

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
From Banks		
Secured (against hypothecation of inventories, trade receivables and other current assets present and future on pari pasu basis)	1,915.49	1,705.34
<b>Total</b>	<b>1,915.49</b>	<b>1,705.34</b>

The loans have not been guaranteed by any of the directors.

The loans have been taken from Banks under Cash Credit/Overdraft/Working Capital Demand Loans and Others and are repayable within one year.

### NOTE : 20A Trade Payables

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Payables	72.01	73.78
<b>Total</b>	<b>72.01</b>	<b>73.78</b>

(₹ In Crores)

Particulars	As at 31 March 2022					
	Less than 6 months	6 Months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	0.01	0.16	1.18	0.72	69.94	72.01
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(₹ In Crores)

Particulars	As at 31 March 2021					
	Less than 6 months	6 Months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	0.03	1.19	0.94	3.87	67.75	73.78
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

### NOTE : 21 Other Financial Liabilities

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Interest accrued but not due on Trade Payables	-	-
(b) Interest accrued but not due on borrowings	-	-
(c) Payable for expenses	-	-
(d) Other Liabilities	43.02	43.02
<b>Total</b>	<b>43.02</b>	<b>43.02</b>



## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 22 Short-Term Provisions

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Provision for employee benefits:		
(i) Provision for post-employment medical benefits (Refer Note No. 40)	18.07	4.41
(b) Provisions for Employees Benefits		
(i) Provision for Leave Encashment	1.62	0.38
(c) Others		
(i) Provision for Corporate Social Responsibility & Sustainable Development	-	0.25
<b>Total</b>	<b>19.69</b>	<b>5.04</b>

### NOTE : 23 Other Current Liabilities

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Other Liabilities	2.64	2.60
(ii) provident Fund	0.05	0.09
(iii) Trade / security deposits received	1.14	1.18
(iv) Margin Money from Customers	10.06	10.14
(v) Payable to Associates	168.93	168.85
(vi) Pension arrear	0.15	0.15
(vii) Banking Liability	102.28	3.41
(viii) Due from Gratuity trust	1.06	-
<b>TOTAL</b>	<b>286.31</b>	<b>186.42</b>

### NOTE : 24 Current Tax Liabilities (Net)

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory remittances		
i) Sales Tax/VAT/WCT/GST	0.03	0.02
ii) TDS/Withholding Tax	0.08	0.10
<b>TOTAL</b>	<b>0.11</b>	<b>0.12</b>

### NOTE : 25 Revenue from Operations

(₹ In Crores)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Sale of products [Refer Clause (i) below]	-	-
(b) Other operating revenues [Refer Clause (ii) below]	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products comprises @:		
<b>Clause (i) Traded goods</b>		
Domestic Sales	-	-
Export Sales	-	-
<b>Total - Sale of products</b>	<b>-</b>	<b>-</b>
<b>Clause (ii) Other operating revenues</b>		
Interest Income (Trade)	-	-
Misc Income/Bank Charges Recovered	-	-
<b>Total - Other operating revenues</b>	<b>-</b>	<b>-</b>

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 26 Other Income

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest income [Refer Clause (i) below]	1.92	2.61
(b) Other non-operating income [Refer Clause (ii) below]	0.02	0.15
<b>Total</b>	<b>1.94</b>	<b>2.76</b>
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(i) Interest income:</b>		
- from Banks on deposits	1.86	2.58
- from Others	0.06	0.03
<b>Total - Interest income</b>	<b>1.92</b>	<b>2.61</b>
<b>(ii) Miscellaneous income</b>	<b>0.02</b>	<b>0.05</b>
Rental Income	-	0.10
Reversal of Liability/ Credit Balances Written Back	-	-
<b>Total - Other non-operating income</b>	<b>0.02</b>	<b>0.15</b>

### NOTE : 27A Purchases

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Import Purchases	-	-
b) Domestic Purchases	-	-
c) Purchases for Export	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### NOTE : 27 B Changes in Inventories of Stock-in-Trade

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year:	-	-
Stock-in-trade	-	-
Inventories at the beginning of the year:	-	-
Stock-in-trade	-	-
Net (Increase) / Decrease	-	-

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 28 Employee Benefits Expenses

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(a) Employees Benefits Expense</b>		
Salaries and Allowances	4.84	6.47
Leave encashment	0.71	0.89
Employer's Contribution towards Pension Fund	0.32	0.42
Provident Fund & Family contribution	0.45	0.59
Welfare Expenses	-	-
- Medical Expenses	1.42	1.60
- Others	0.05	0.06
- VRS (One Time)	1.87	3.32
Gratuity	0.28	0.34
<b>Total (a)</b>	<b>9.94</b>	<b>13.69</b>
<b>(b) Remuneration to Directors</b>		
Salaries and Allowances	-	0.08
Leave encashment	-	-
Employer's Contribution towards Pension Fund	-	0.01
Provident Fund & Family contribution	-	0.01
Welfare Expenses	-	-
- Others & Medical Expenses	-	-
<b>Total (b)</b>	<b>-</b>	<b>0.10</b>
<b>Grand Total (a)+(b)</b>	<b>9.94</b>	<b>13.79</b>

### NOTE : 29 Finance Costs

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>(a) Interest expense on:</b>		
Borrowings from Banks	309.02	114.34
<b>Total</b>	<b>309.02</b>	<b>114.34</b>

### NOTE : 30 Other Expenses

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>ADMINISTRATIVE EXPENSES</b>		
Advertisement & Publicity	-	-
Books & Periodicals	-	0.00
Conveyance & Car Hire	-	-
Electricity	0.06	0.07
Entertainment	-	-
Insurance(Non Trade)	0.07	0.02
Lease Rental IT Services	0.04	0.12
Legal Expenses	0.10	0.13
Miscellaneous Expenses	0.27	0.26
Office Maintenance	0.57	0.33
Postage & Courier Charges	0.00	0.00

Printing & Stationery	0.03	0.03
Professional/Consultancy Charges	0.05	0.05
Rate & Taxes	-	0.00
Rent	0.08	0.24
Repairs & Renewals (Others)	-	0.66
Security Charges	0.06	0.06
Subscription & Membership Fees	0.02	0.00
Telephone & Fax	0.05	0.07
Travelling Expenses(Inland)	0.04	0.03
Vehicle Running & Maintenance	0.03	0.04
Interest(Others)	0.01	0.00
Sitting fee	0.01	0.02
(I)	1.49	2.13
<b>TRADE EXPENSES</b>		
Bank Charges	0.00	0.00
Clearing & Handling Charges	-	-
Commission	-	-
Difference in exchange	-	-
L/c & Negotiation Charges and other bank charges	0.00	-
Other Trade Expenses	0.88	-
(II)	<b>0.88</b>	<b>0.00</b>
Printing & Stationery	0.03	0.03
Professional/Consultancy Charges	0.05	0.05
Rate & Taxes	-	0.00
Rent	0.08	0.24
Repairs & Renewals (Others)	-	0.66
Security Charges	0.06	0.06
Subscription & Membership Fees	0.02	0.00
Telephone & Fax	0.05	0.07
Travelling Expenses(Inland)	0.04	0.03
Vehicle Running & Maintenance	0.03	0.04
Interest(Others)	0.01	0.00
Sitting fee	0.01	0.02
(I)	1.49	2.13
<b>TRADE EXPENSES</b>		
Bank Charges	0.00	0.00
Clearing & Handling Charges	-	-
Commission	-	-
Difference in exchange	-	-
L/c & Negotiation Charges and other bank charges	0.00	-
Other Trade Expenses	0.88	-
(II)	<b>0.88</b>	<b>0.00</b>

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>PAYMENT TO AUDITORS</b>		
- Statutory Audit Fee	0.06	0.04
- Tax Audit Fee	-	0.01
- Certification Charges		
Reimbursement of expenses		
(III)	<b>0.06</b>	<b>0.05</b>
<b>Total (I)+(II)+(III)</b>	<b>2.43</b>	<b>2.18</b>

## PEC LIMITED

Notes forming part of the Financial Statement as at 31st March 2022

### NOTE : 31 Exceptional Items (Net)

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provision for Doubtful Debts/Advances	(0.17)	(4.14)
Provisions written back on recovery	5.33	2.09
<b>Total</b>	<b>5.16</b>	<b>(2.05)</b>

### NOTE : 32 Component of Other Comprehensive Income(OCI)

(₹ In Crores)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of Defined Benefit Plans		
-Leave encashment	(0.50)	(0.23)
-Post-Retirement medical benefit	0.78	(0.34)
-Gratuity	(0.76)	1.10
<b>Total</b>	<b>(0.48)</b>	<b>0.53</b>

### NOTE : 33 Contingent liabilities:

(₹ In Crores)

Sl. No.	Particulars	As at 31.3.2022	As at 31.3.2021
A	(i) Guarantees issued by banks on behalf of the Company	1.60	1.60
	(ii) Interest not charged by banks***	-	59.35
B	Claims against the Company due to legal cases not acknowledged as Debts (excluding legal cases where amounts are unascertainable)**	54.57	54.21
C	Demands in respect of Statutory Liabilities against which the Company or the concerned Department has preferred an Appeal*	86.40	139.36
	<b>Total</b>	<b>142.57</b>	<b>254.52</b>

\* “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 07 Cr PNB & Rs 21.59 Cr United Bank of India (Rs 17.16 Cr pertains to FY 2019-20) & Rs 30.76 Cr Vijaya Bank] and subject to reconciliation.

**NOTE : 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.

**NOTE:35** Sundry Debtors as at the year-end include Rs 41.70 Crore (Previous Year 41.52 Crore) which matches with equivalent amount of Sundry Creditors and shall be paid after realization from Sundry Debtors.

**NOTE: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”.

**NOTE: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:

**Key Management Personnel**

<b><u>Full-Time Director</u></b>		
I.	Shri Vibhu Nayar	Chairman-cum-Managing Director (w.e.f. 01.03.2022)
II.	Shri J. Ravi Shanker	Director Additional Charge (w.e.f. 08.08.2018)
III.	Shri Kapil Kumar Gupta	Director Additional Charge (w.e.f. 12.10.2020)
IV.	Shri Sanjay Chadha	Chairman-cum-Managing Director (w.e.f. 14.05.2020 to 28.02.2022)
<b><u>Part Time Director</u></b>		
I.	Shri Anup Singh	Part Time Director (w.e.f. 22.03.2021)
II.	Dr. C.Vanlalramsanga	Part Time Director (w.e.f. 22.03.2021)
III.	Smt Sukhpreet Kaur	Independent Director (w.e.f. 27.01.2020)
IV.	Shri Ashish Kumar Gupta	Independent Director (w.e.f 17.12.2018 to 16.12.2021)
<b><u>Key Management Personnel</u></b>		
I.	Smt. Shweta Pahuja	Company Secretary (on contract basis w.e.f. 17.12.2021)
II.	Smt. Neha Chaudhary	Company Secretary (on fixed term contract basis w.e.f. 23.06.2020 to 01.09.2021)

(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:

(₹ In Crores)

S. No.	Particulars	Year ended 2021-22	Year ended 2020-21
1.	Directors' Remuneration	0.00	0.08
2.	Provident Fund & Family Contribution	0.00	0.01
3.	Other Perquisites and Benefits	0.00	0.01
4.	Rent & Electricity	0.00	0.00
5.	Others	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.10</b>

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

(₹ In Crores)

S. No.	Particulars	Year ended 2021-22	Year ended 2020-21
1.	Key Management Personnel (Company Secretary)	0.05	0.06
2.	Provident Fund & Family Contribution	0.00	0.00
3.	Other Perquisites and Benefits	-	-
4.	Rent & Electricity	-	-
5.	Others	0.00	0.00
	<b>Total</b>	<b>0.05</b>	<b>0.06</b>

(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 rent of Rs 0.12 Crore during 2021-22.

**NOTE : 38 Earnings Per Share (EPS):**

	Particulars	Year ended 2021-22	Year ended 2020-21
A.	Profit/(loss) for the year, attributable to the owners of the company (₹ in Crore)	(314.77)	(129.09)
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) (₹)	(524.62)	(215.15)
D.	Profit/(loss) for the year, attributable to the owners of the company (₹ in Crore)	(314.77)	(129.09)
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) (₹)	(524.62)	(215.15)

**NOTE : 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.

**NOTE : 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

(₹ In Crores)

Particulars	Year ended 2021-22	Year ended 2020-21
Employer's Contribution to Provident and Pension Fund	0.45	0.60
Employer's Contribution to PEC Defined Contribution Superannuation Fund	0.32	0.43

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:

(₹ In Crores)

Particulars		Gratuity	Leave	Post-Retirement Medical Benefits
		(Funded)	(Non-Funded)	(Non-funded)
Defined Benefit Obligation	C.Y.	3.45	1.62	18.07
	P.Y.	3.16	1.66	18.65
Fair Value of Plan Assets	C.Y.	0.52	0.00	0.00
	P.Y.	1.30	0.00	0.00
Funded Status (Surplus/Deficient)	C.Y.	-3.45	-1.62	-18.07
	P.Y.	-1.86	-1.66	-18.65
Net Defined Benefit Assets/(Liabilities)	C.Y.	-3.45	-1.62	-18.07
	P.Y.	-1.86	-1.66	-18.65

- ii). Movement in Defined Benefit Obligation:

(₹ In Crores)

Particulars		Gratuity	Leave	Post Retirement Medical Benefits
		(Funded)	(Non-Funded)	(Non-funded)
Defined Benefit Obligation - Beginning of the year	C.Y.	3.16	1.66	18.65
	P.Y.	4.91	2.22	17.86
Past Service Cost	C.Y.	0.00	0.00	0.00
	P.Y.	0.00	0.00	0.00
Current Service Cost	C.Y.	0.17	0.11	0.05
	P.Y.	0.17	0.13	0.05
Interest Cost	C.Y.	0.21	0.11	1.25
	P.Y.	0.34	0.15	1.21
Benefits Paid	C.Y.	-0.98	-0.76	1.11
	P.Y.	-1.25	-1.06	0.82
Re-measurement - Actuarial Loss/(Gain)	C.Y.	0.89	0.50	-0.78
	P.Y.	-0.1	0.23	0.35
Defined Benefit Obligation - End of the year	C.Y.	3.45	1.62	18.07
	P.Y.	3.16	1.66	18.65

## iii). Movement in Plan Assets

(₹ In Crores)

Particulars	Gratuity	
	(Funded)	
Fair Value of plan Assets - Beginning of the year	C.Y.	1.30
	P.Y.	2.29
Interest Income	C.Y.	0.09
	P.Y.	0.16
Employees Contribution	C.Y.	0.00
	P.Y.	0.00
Benefits Paid	C.Y.	-0.98
	P.Y.	-1.25
Re-measurement - Actuarial (Loss)/Gain	C.Y.	0.12
	P.Y.	0.11
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.	0.53
	P.Y.	1.30

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

(₹ In Crores)

Particulars		Gratuity	Leave	Post Retirement Medical Benefits
		(Funded)	(Non-Funded)	(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.	0.17	0.11	0.05
	P.Y.	0.17	0.13	0.05
Service Cost {A}	C.Y.	0.17	0.11	0.05
	P.Y.	0.17	0.13	0.05
Net Interest on Net Defined Benefit Liability/(Asset) {B}	C.Y.	0.12	0.11	1.25
	P.Y.	0.18	0.15	1.21
Actuarial (Gain)/Loss on Obligation {C}	C.Y.	0.00	0.50	0.00
	P.Y.	0.00	0.23	0.00
Cost recognised in P&L {A+B+C}	C.Y.	0.29	0.72	1.30
	P.Y.	0.34	0.51	1.26

## v). Amount recognized in OCI:

(₹ In Crores)

Particulars		Gratuity	Leave	Post Retirement Medical Benefits
		(Funded)	(Non-Funded)	(Non-Funded)
Actuarial Gain/(Loss) due to DBO Experience	C.Y.	0.38	0.00	0.78
	P.Y.	0.30	0.00	-0.35
Actuarial Gain/(Loss) arising during the period	C.Y.	-0.20	0.00	0.00
	P.Y.	-0.26	0.00	0.00
Return on Plan Assets greater/(less) than discount rate	C.Y.	0.12	0.00	0.00
	P.Y.	0.11	0.00	0.00
Actuarial Gain/(Loss) recognised in OCI	C.Y.	-0.76	0.00	0.78
	P.Y.	1.10	0.00	-0.35

## vi). Sensitivity Analysis:

(₹ In Crores)

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.

(₹ In Crores)

Particulars	Gratuity		Leave	Post Retirement Medical Benefits
	(Funded/Non-Funded)		(Non-Funded)	(Non-Funded)
Method Used	Projected Unit Credit (PUC) Method		Projected Unit Credit (PUC) Method	Projected Unit Credit (PUC) Method
Discount Rate	C.Y.	7.16%	7.16%	7.16%
	P.Y.	6.70%	6.70%	6.70%
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:

(₹ In Crores)

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 March, 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.

(₹ In Crores)

Category of Investment	% of Fair Value of Plan Asset	
	2021-22	2020-21
GOI Securities	55.52	34.43
Public Sector Securities	-	12.75
State Government Securities	-	5.36
Special Deposits	2.40	1.49
Others (including bank balances)	42.08	45.97

**NOTE : 41 Foreign Exchange Exposure as on 31.03.2022 and 31.03.2021.**

(₹ In Crores)

Receivables									
Hedged					Unhedged				
2021-22		2020-21			2021-22		2020-21		
Foreign Currency	Equivalent (₹)	Foreign Currency	Equivalent (₹)		Foreign Currency	Equivalent (₹)	Foreign Currency	Equivalent (₹)	
US (\$)	-	-	-	-	US (\$)	0.04	2.55	0.04	2.55
Pound (£)	-	-	-	-	Pound (£)	-	-	-	-

Payables									
Hedged					Unhedged				
2021-22		2020-21			2021-22		2020-21		
Foreign Currency	Equivalent (₹)	Foreign Currency	Equivalent (₹)		Foreign Currency	Equivalent (₹)	Foreign Currency	Equivalent (₹)	
US (\$)	-	-	-	-	US (\$)*	-	-	-	-
Pound (£)	-	-	-	-	Pound (£)	-	-	-	-

	2021-22				2020-21			
	Receivables		Payables		Receivables		Payables	
	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged
* Own Exposure	-	-	-	-	-	-	-	-
* On behalf of Associate	-	2.55	-	-	-	2.55	-	-

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

(₹ In Crores)

Particulars	Year ended 2021-22	Year ended 2020-21
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
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**NOTE : 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".

**NOTE : 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.

**NOTE: 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.

**NOTE: 46** Present value of obligation in respect of Post-Retirement Medical Benefit (PRMB) and half pay and earned leaves amounts to Rs.19.69 Crore (Previous Year Rs. 20.31 Crore) as at 31.03.2022 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.

**NOTE: 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.

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

(₹ In Crores)

Particulars of Provision	Opening Balance as on 01.04.2021	Addition during the year	Adjustment during the year	Closing Balance as on 31.03.2022
Provision of Taxation*	7.14	-	0.38	6.76
Corporate Social Responsibility & Sustainable Development	0.25	-	0.25	0.00
Leave Encashment	1.67	0.00	0.05	1.62
Provision for Post-Retirement Medical Benefit	18.65	0.00	0.8	18.07

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

**NOTE: 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.

**NOTE: 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.

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

**NOTE:52** Financial risk management, objectives and policies

The 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) Market Risk**

**(i) Foreign Exchange Risk**

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, 2022)

Particulars	US Dollars (in Equiv INR)	Other Currencies (in Equiv INR)	Total
Cash & cash equivalents	-	-	-
Trade Receivable	2.55	-	2.55
Demurrage / Despatch Receivable	-	-	-
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 towards Litigation Settlement	-	-	-
Others	-	-	-
Total Payable in Foreign Currency	-	-	-



(Rs in crore as at March 31, 2021)

Particulars	US Dollars (in Equiv INR)	Other Currencies (in Equiv INR)	Total
Cash & cash equivalents	-	-	-
Trade Receivable	2.55	-	2.55
Demurrage / Despatch Receivable	-	-	-
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 towards Litigation Settlement	-	-	-
Others	-	-	-
Total Payable in Foreign Currency	-	-	-

**Sensitivity:**

As of March 31, 2022 and March 31, 2021, 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.

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, 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	0.00	-	0.00
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	975.73	934.03	41.70
<b>Total</b>	<b>975.73</b>	<b>934.03</b>	<b>41.70</b>

(Rs in crore as at March 31, 2021)

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	0.26	-	0.26
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	979.45	938.12	41.33
<b>Total</b>	<b>979.71</b>	<b>938.12</b>	<b>41.59</b>

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 consider 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 at the 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 undiscovered 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, 2022)

Particulars	Less than 6 months	6 months to 1 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
<b>Total</b>	<b>1958.52</b>	<b>0.16</b>	<b>1.18</b>	<b>25.36</b>	<b>45.30</b>	<b>2030.52</b>

(Rs in crore as at March 31, 2021)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	0.03	1.19	4.81	26.40	41.35	73.78
Short term borrowings	1705.34	-	-	-	-	1705.34
Other Financial Liabilities	43.02	-	-	-	-	43.02
<b>Total</b>	<b>1748.39</b>	<b>1.19</b>	<b>4.81</b>	<b>26.40</b>	<b>41.35</b>	<b>1822.14</b>

#### NOTE :53 Assets Given on Operating Lease:

Future minimum lease rentals receivable as per the lease agreements:

(₹ In Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Not Later than 1 year	-	0.10
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.

**NOTE: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 for FY 2021-22 are prepared on Non going concern basis.

**NOTE: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.

**NOTE:56 Following Ratios to be disclosed:-**

(₹ In Crores)

Particulars	31.03.2022	31.03.2021
a. Current Ratio	0.05	0.06
b. Debt- Equity Ratio	(1.05)	(1.05)
c. Debt Service Coverage Ratio	(0.14)	(0.07)
d. Return on Equity Ratio	-	-
e. Inventory Turnover Ratio	-	-
f. Trade Receivable Turnover Ration	-	-
g. Trade Payable Turnover Ration	-	-
h. Net Capital Turnover Ratio	-	-
i. Net Profit Ratio	-	-
j. Return on Capital Employed	0.14	0.07
k. 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 Debts
11. Return on investment : Return / Cost of Investment

**NOTE: 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.

**NOTE: 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.

**NOTE: 59** The income of Rs 0.88 crore was overstated during the FY 2019-20 due to non-booking of corresponding expenses accordingly an amount of Rs 0.88 crore has been booked under trade expenses during the current year.

**NOTE: 60** The expenditure of Rs 0.17 crore was understated during the FY 2020-21 due to non-submission of corresponding bills, accordingly an amount of Rs 0.17 crore has been booked under non trade expenses during the current year.”

**NOTE: 61** Note 1 to 61 forms an integral part of the Financial Statements for the year ended 31 March, 2022. In terms of our report of even date.

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

For **PVRN & CO.**

Chartered Accountants

Firm Registration No. 004062N

**For and on behalf of the Board of PEC Limited**

Sd/-

**CA Vinay Kumar Gupta**

Partner

Membership No.: 086879

Sd/-

**(Atul Taneja)**

JGM (Head of Finance)

Sd/-

**(PK JAIN)**

(Chief General Manager)

Sd/-

**(Shweta Pahuja)**

(Company Secretary)

M No. A27993

Place: New Delhi

Date: 18-08-2022

Sd/-

**(Kapil Kumar Gupta)**

Dir (Mkt) Ad. Charge

DIN:08751137

Sd/-

**(Vibhu Nayar)**

Chairmen Cum -  
Managing Director  
(Ad. Charge)

DIN: 03590141



## P V R N & CO.

Chartered Accountants

6772, Deshbandhu Gupta Road

Dev Nagar, Karol Bagh,

New Delhi 110005

Phone No. - 41881559, 9810089022

E-mail: vinayguptacal@gmail.com

### INDEPENDENT AUDITORS' 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 comprises the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and Statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**The Board of Directors has passed a resolution to prepare the accounts of the Company on a non going concern basis, hence the financial statements for the year under audit have been prepared on non going concern. The current year figures are not comparable with that of previous year because the accounts for the financial year 2020-21 were prepared on a going concern basis and the same has not been reclassified.**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the “Basis for Qualified Opinion” section, the aforesaid Ind As standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its loss, total 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. Thus, there has been change 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 any exercise to ascertain the fair value of all the assets composed under the head “Assets Held For Sale” except buildings having an assessable value of Rs 20 crore ( the valuation reports were dated 08th July 2021). Hence, there is non compliance with the conditions of Ind As 105.

## 2. Statutory Dues

### i) Goods & Services Tax (GST)

We draw attention to Note No 15 to the Notes to Accounts where the GST credit receivable as per books of account is Rs 0.43 crore.

- There is no reconciliation between the GST Credit receivable as per books of accounts and balance lying in the credit ledger on GST portal.
- As per GST Provisions, a registered person can claim Input Tax Credit (ITC) on inward supplies of goods or services intended to be used in course or furtherance of business but certain conditions of ITC must be fulfilled.
- Company has not conducted any business during the year, claimed ITC on the basis of Auto Populated figure shown on GST Portal. This is Violation of GST Provision.
- The Company should have ignored the Auto Populated figure while filing GSTR 3B, this would have avoided the difference with the books of accounts.
- No Satisfactory Explanation Furnished by respected division.
- There is no reconciliation between the GST outward supply as per portal and books of accounts.
- The GST Annual Return for FY 2020-21 was filed with delay in July 2022

3. We draw attention to Note No 20A to the Standalone Ind As financial statements where the Company has outstanding Trade Payable amounting to Rs. 72.01 crore, out of which Rs. 41.70 crore matches with equivalent amount of Sundry Debtors which the company shall pay on realization from Sundry Debtors. However, the company does not have back to back agreement to make the payment to Sundry Creditors after realization from Sundry Debtors. Mere matching of Sundry Debtors and Sundry Creditors does not mean back to back arrangement. In the absence of any such arrangement the Company should have created a provision for bad and doubtful debts for the amount of Rs 41.70 crore receivable from Sundry Debtors. Out of Rs 41.70 crore, 41.34 crore has been outstanding for more than 3 years. No provision for Bad & Doubtful debts have been created for the amount of Rs 41.34 crore.

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

### Emphasis of Matter

- I. We draw attention to Note No 26 to the Standalone Ind As financial statements, the Company has earned interest income on flexi deposit accounts. From the month of July 2021 to November 2021, the management had deposited the funds in flexi deposit accounts in such a manner that it has earned a lower rate of interest on deposit than the prevailing market rate, thus causing a loss to the exchequer for approximately Rs. 0.36 crore.
- II. We draw attention to Note No 30 to the Standalone Ind As financial statements, the trade expenses amounting to Rs 0.88 crore are on account of understatement of purchase cost for goods exported by the Company in FY 2019-20, the same has been charged to the Statement of Profit & loss during FY 2021-22.
- III. The employees of the Company mark their attendance using a Biometric system and the security guard deployed at the entrance gate of the office premises also records the name of the employee, in a register manually maintained by him, at the time of his/her entry in the office premises. But due to the Covid 19 guidelines up to 23rd August, 2021 the employees were making attendance on a physical register maintained in the office without recording the time of entry into the office in the said physical register. From 23rd August, 2021 the system of Biometric attendance was resumed.
  - For the purposes of the audit we have checked the records for the months of November, 2021 and March, 2022 and it has been observed that the sequence of the employees punched in the biometric system was not in the same sequential serial wise names as entered by the security guard in his manually entered physical register.
  - We were informed that the biometric machine was faulty for some time during the period under audit.
  - The periodic backup of the attendance recorded in the biometric machine has not been made available to us for verification in spite of our repeated requests.
  - We have also been informed that the raw data stored in the biometric machine has been lost and the same has also not been provided to us for verification purposes.



- The company has provided us attendance documents in pdf form claimed to be generated by them on monthly basis for salary purposes from the biometric machine.
- As per the circular issued by the Personnel Division of the Company every employee shall work for at least 8 hours in a day. Our audit observed that during the year some employees have worked for even less than 6 hours.

In the absence of the backup records and raw data of the Biometric machine, we are not able to verify the correctness and genuineness of the attendance documents generated in pdf form provided to us for our verification. In view of the same we are not able to comment upon the expenses incurred in this regard by the company and also any financial impact on the financial statements of the company is not ascertainable.

- IV. 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 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 Company is pursuing the matter. The next date of hearing is 20/08/2022.
- V. We draw attention to point c of note 33 of the Standalone Ind AS financial statements where the Company has disclosed the demand of Statutory Liabilities. We have observed that the concerned employee was unaware about the current status of the ten cases where the Statutory Liabilities under disputes are amounting to Rs 36.17 crore. For instance, the case of Assessment under CST Act before Department of Trade & Taxes Delhi (FY 2013-14), the original assessment order dated 21.03.2018 where the demand was Rs 22.18 crore. However the Company had filed an appeal against the said order on 03.03.2021 the disputed amount was revised to Rs 27.88 crore, which was not incorporated in Note No 33 (Contingent liabilities) to the Standalone financial statements of FY 2020-21. Thus the contingent liabilities for FY 2020-21 were understated by Rs 5.70 crore. The revised figure has been incorporated in the current year's contingent liabilities after our observation during the audit.
- VI. The Company is pursuing the recovery of the outstanding amount of Rs 1,557.91 crore ( at the beginning of the year) from the defaulting associates for whom Provision for Bad & Doubtful Debts have been created in earlier years. The memorandum interest for the financial year 2021-22 calculated by the Company on the outside the Books of Accounts is Rs.2,814 crore. During the year under audit only Rs 4.79 crore has been realized which is less than 0.5 % of the total outstanding amount. The task of recovery from associates/debtors is overseen by the Audit committee, we were shown the minutes of the

two meetings conducted during the year but the matter of recovery was not discussed in any of the meetings.

Further, PEC had constituted a Dispute Settlement Committee (DSC) for settlement of outstanding amounts receivable from various associates/debtors. As informed by the management, no meetings of the Committee (DSC) were conducted during the year. Since the Company is not conducting any business and still incurring operational expenses to recover the bad debts, the management should ensure timely follow up for the cases already referred to DSC.

- VII. We draw attention to Note No 29 to the Standalone Ind AS financial statements, the company has booked "Finance Cost" of Rs 309.02 crore. All the Banks except Bank of Baroda (Earlier Vijaya Bank) have duly charged interest despite the accounts declared NPA. In the case of Bank of Baroda (Earlier Vijaya Bank), the Company has duly provided the interest amount of Rs 102.28 crore in the books of accounts, out of which Rs 73.18 crore pertains to FY 2020-21 and Rs 29.10 crore belongs to FY 2021-22. 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).
- VIII. 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.
- IX. 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.

- X. 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 2022 is Rs. 19.69 crore. The company has neither earmarked any investment nor has created any corpus for this purpose.



XI. 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.

The points I to XI above have no impact on the financial statements except for point III, the financial impact of which will be ascertained if the management deducts employees salary or accumulated leaves and then provision for actuarial report will be affected.

### **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.

### **Management's Responsibility 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 ("the Act") with respect to the preparation and presentation 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 of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

### **Auditors' Responsibility for the audit of the Standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion 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 and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to



modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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**

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-1" 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 stated elsewhere in the report;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
3. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity, referred to in this report are in agreement with the books of account.
4. Except for the effects arising from the matters described in the Basis of Qualified Opinion and Emphasis of Matters section of our report, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder and Rule 3&4 of the Companies (Indian Accounting Standards) Rules, 2015)
5. The going concern matter prescribed under “Basis for Qualified Opinion” may have an adverse effect on the functioning of the Company.
6. We have been informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India;
7. With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in “Annexure-2”.
8. We have been informed that the provisions of Section 197 of the Act in relation to managerial remuneration are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India;
9. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
  - a. There are pending litigations including matters relating to sales tax, custom duty and excise duty Income tax/sales tax which are disclosed as contingent liability - refer to Note No. 33 to the standalone Ind AS financial statements, the impact of the same is unascertainable as the matters are sub-judice.
  - b. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts.



- c. 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.
- d. i) The respective management of the Company, whose financial statements have been audited under the Act, have been represented to us that, to the best of their knowledge and belief, other than as disclosed in notes to accounts, no funds ( which are material either individually or in the aggregate) have been advanced or loaned or invested ( either borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identifies 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.
- ii) The respective management of the Company, whose financial statements have been audited under the Act, have been represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;and
- iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, whose financial statement have been audited under the Act, nothing has come to our attention that has caused us to believe that the representations under sub clause (i) and (ii) of rule 11(e) as provided under (i) and (ii) above, contain any material misstatement
- e. There has been no dividend declared by the Company during the year.
- f. 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.



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-3"

For P V R N & CO|  
Chartered Accountants  
FRN: 004062N

**CA Vinay Kumar Gupta**  
Partner

Membership no: 086879  
UDIN : 22086879AQALE26891

Place: New Delhi

Date: 18-08-2022



**Annexure-1 to the Independent Auditors' Report on the Standalone Ind AS Financial Statements of PEC LIMITED.**

(Referred to in Paragraph (a) under the “Other Legal & Regulatory Requirements”)

**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 updation. 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 have been received. Pursuant to the programme, 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. We were not shown any FIR with Police or intimation to registering authority etc. for misplaced original title deeds.
- 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
- 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**

As explained 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 2022 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 of dues	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	CIT (Appeals), 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	Sales Tax (Tax & Penalty)	2000-01	Madras High Court	3.48	-	3.48
9	Maharashtra Sales Tax	Sales Tax (Tax & Penalty)	2002-03	Sales Tax Dept. Mumbai	11.36	-	11.36
10	Maharashtra Sales Tax	Sales Tax (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. Andhra Pradesh 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
	<b>Total</b>				<b>86.47</b>	<b>0.56</b>	<b>85.91*</b>

\*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 31.03.2022 (Rs in crore)	Principal Amount (Rs in crore)	Interest (Rs in crore)	Date of NPA	Number of days of delay or unpaid (upto 31.03.2022)
1	Cash Credit Account	Bank of Baroda (Earlier Vijaya Bank)	390.35	278.26	112.09	17-03-2019	1110
2	Short Term Loan	Canara Bank (Earlier Syndicate Bank)	997.00	625.86	371.14	17-09-2018	1291

3	Cash Credit Account	Punjab National Bank (Earlier United Bank of India)	120.78	102.18	18.60	30-09-2018	913
4	Cash Credit Account	Punjab National Bank	509.64	383.71	125.93	30-03-2019	1097
		<b>Total</b>	<b>2,017.77*</b>	<b>1,390.01</b>	<b>627.76</b>		

*As per Note 20 to the Standalone Ind As financial statements the borrowings of the Company as per Books of Accounts is Rs 1,915.49 crore. For the difference of Rs 102.28 between the amount unpaid and borrowings as per books of account please refer to Point VI of “Emphasis of Matter Paragraph” section of our report*

- (b) 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 Wilful 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 62.13crore (as at 31.03.2022 see Note 12) with IDBI Bank which is not a lender bank in violation of the RBI guidelines, is a case of diversion of funds.

- (c) 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. Term loans raised by the Company during the year are nil. Hence clause 3(xi)(c) of the Order is not applicable to the Company.
- (d) 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.
- (e) 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.
- (f) 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.

**xiii. 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 Internal Auditor from within the organisation. Over the period of last 10 years the Internal Auditor has been majorly appointed from within the organisation.
- 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 212.01 crore and in the year immediately preceding the financial year of Rs. 129.07 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. 1915.49 crore as on 31.03.2022 (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 V R N & CO**  
Chartered Accountants  
FRN: 004062N

CA Vinay Kumar Gupta  
Partner

Membership no: 086879  
UDIN : 22086879AQALE26891

Place: New Delhi  
Date: 18-08-2022



**Annexure-2 to the Independent Auditors' Report of even date on the Ind AS standalone financial statements of PEC Limited.**

Report on the Internal Financial Controls over financial reporting under Section 143(3) (i) of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of PEC Limited. (“The Company”) as of March 31, 2022, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for 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 (the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the Ind AS 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 of our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting:**

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting:**

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

**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, 2022:

1. No consistency in storing backup of files in secondary devices. The raw data of biometric machine was not provided to us;
2. No attendance time for in and out of employees was available until Company resumed the biometric system of marking attendance after ease in Covid - 19 norms;
3. No physical verification of Certificate of flexi deposit issued by the bank;
4. Non renewal of Anti Virus Software and Firewall license of computer systems;
5. The vouchers are not numbered in a chronological manner;



6. Non segregation of IPD & OPD medical bills received for reimbursement result in excess payment beyond the ceiling limit;
7. Delay in completion of internal audit;
8. Non recruitment of any expert or paralegal staff for handling or assisting in legal matters for the Company;
9. No Proper handing over of charge to other employees for recovery cases;
10. No proper or full knowledge of status of claims receivables by person handling it;
11. There is no documented policy on rotation of Employees;
12. No provision for penal actions to employees for taking unauthorised leaves and for keeping the backup of valuable data.
13. Non maintenance of details relating to case wise legal expenses incurred;
14. No teamwork exists among the employees which results in delayed decision making;
15. No verification of cost worksheet (for interest calculation) of Claims Receivables by Head of Department of the recovery division;
16. No Proper filing system;
17. Some journal entry vouchers prepared by the subordinates are not signed by the reporting officer;
18. Non-obtaining confirmation of balances of Trade payables and reconciliation thereof;
19. 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;
20. Non maintenance of information under Section-22 of The Micro, Small and Medium Enterprises Development Act, 2006, which attract penal provisions;
21. Non maintenance of Register in form MBP-4 with regards Directors;
22. Non-maintenance of registers of Custom Bond and Bank Guarantees;
23. Delay in booking of expenditure;
24. 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:**

In our opinion, the Company has, except for effects of the material weaknesses described above on achievement objectives of the control criteria, in other material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P V R N & CO  
Chartered Accountants  
FRN: 004062N

CA Vinay Kumar Gupta  
Partner

Membership no: 086879  
UDIN : 22086879AQALE26891

Place: New Delhi  
Date: 18-08-2022

**Annexure-3: To the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements of PEC Limited.**

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of PEC Limited for the financial year 2021-22 issued by the Comptroller & Auditor General of India under section 143 (5) of the Companies Act, 2013.

1.	<p>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.</p>	<p>a. Company is maintaining books of account in Tally ERP Software in which the branches as well as the head office are integrated with each other.</p> <p>b. Further, stock of inventories and consumables are not being routed through the IT System. As a result of this, there is no system in place for maintaining manual entries that can be integrated with accounting software.</p> <p>c. 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.</p> <p>d. Further the Company is not maintaining proper backup of the valueable data.</p>
2.	<p>Whether there is any restructuring of an existing loan or cases of waiver / write off of debts/ loans/ interest etc., made by the lender to the Company due to Company's inability to repay the loan?</p> <p>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).</p>	<p>There are no restructuring of an existing loan or cases of waiver / write off of debts/ loans/ interest etc., made by the lender to the Company due to the Company's inability to repay the loan.</p> <p>As per the information given to us, 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 registered on 09.05.2022.</p>



3.	Whether the fund (grants/subsidy etc.) received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions? List of 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.
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For **P V R N & CO**  
Chartered Accountants  
FRN: 004062N

**CA Vinay Kumar Gupta**  
Partner

Membership no: 086879  
UDIN : 22086879AQALE26891

Place: New Delhi  
Date: 18-08-2022



## Management Replies to Statutory Auditors Report for FY 2021-22

The report of the statutory auditor for the FY 21-22 was submitted to CAG vide letter dated 29th August, 2022. The CAG has decided not to conduct the supplementary audit of the financial statement of PEC Limited for the year ended 31st March, 2022 under section 143 (6) (a) of the Act.

S. No.	Management Replies
1.	<p>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 w.r.t. immovable assets to arrive at NRV wherein the WDV is substantially lower than current NRV accordingly the company has valued immovable assets at cost which is less than NRV.</p> <p>W.r.t. movable assets which consist only of computers (physical verification of the same was also carried out by your audit team) have been valued at residual value as per accounting policy totaling to Rs. 1 Lac only which is negligible.</p> <p>However, the company is going for revaluation of all assets in 2022-23.</p>
2	<p>The company has discontinued business operations resulting in Nil turnover of the company for the FY 2021-22,</p> <p>ITC is available on the GST portal, which, if not claimed, will expire after 6 months from the end of the respective financial year, therefore to safeguard the interest of the company, PEC took input credit on the basis of data available on the GST portal. However, considering the opinion of the Statutory auditor, the said ITC was reversed on the GST portal. The same was communicated to the audit team.</p> <p>The delay in filing of Annual GST return was due to the lack of clarity on applicability of filing of annual return, considering Nil turnover in FY 20-21, however considering the opinion of the statutory auditor annual return was filed accordingly.</p>
3	<p>The company has discontinued its business from sept 2019, however matching debtors amounting to Rs. 41.70 Crore are covered on back to back basis as per agreement with respect to associates.</p> <p>With the specific clause having broad wording as below:</p> <p>“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.”</p> <p>Moreover, as pointed out that an amount of Rs. 41.34 Cr outstanding for more than 3 years, the company has not received any claims as they are covered under back to back arrangement.</p>

	These are old contracts and no audit observations regarding the same were received earlier.
	<b>Emphasis of Matter</b>
I	<p>IDBI has majority ownership of government of india/LIC.PEC has earned less interest income may be debatable under different circumstances. However, there was no intention to earn less interest.</p> <p>The Company has placed available funds considering then prevailing situation and OTS proposal submitted to lender banks wherein the available funds were offered to banks towards settlement of outstanding dues. However OTS settlement could not materialize on expected timeline. Accordingly, the situation was reviewed to maximize return on available funds.</p>
II	<p>Appropriate disclosure in compliance with proposed revised accounting policy is made in notes to accounts, as below:</p> <p>“ The income of Rs 0.88 crore was overstated during the FY 2019-20 due to non-booking of corresponding expenses, accordingly an amount of Rs 0.88 crore has been booked under trade expenses during the current year.”</p> <p>However, as per Ind AS there is no concept of prior period except adjustment in respective year.</p>
III	<p>This is basically an administrative matter and concern Division heads ensure the employees are attending office as per the work exigencies including attending external matters. Further as per SOP attendance records in the biometric system are only considered as authenticated records for the purpose of attendance.</p> <p><b>The audit team was informed as under:</b></p> <p>The biometric software on the computer retrieves the data from the biometric machine and provides for download in PDF and/or excel format. The Personnel Division gets data in PDF form for each month and keeps print out to calculate leaves etc.</p> <p>Due to technical issues the data prior to july 2022 stored in the biometric machine got lost and was not available for downloading again. However attendance data as available for the FY 2021-22 was provided to the audit team.</p>
IV	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.
V	No Notice received from the department as of now, the status of cases mentioned is as “status quo”. However, concerned employees have been asked to be proactive in pursuing the statutory matters.



VI	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 and the last review was done in May, 2022. Being sub judice matters, recovery is dependent upon outcomes of the proceedings.
VII	The company has booked interest as per the accounting policy and does not have any financial implication at this stage.
VIII	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. The confirmation was sent in 2020-21 and further will be reviewed in 2022-23.
IX	The company has discontinued its business from sept 2019 as directed by MOC. further, all the suppliers were from Overseas markets only.
X	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
XI	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.
XIi	<p><b>Material Weakness</b></p> <p>The ministry of Commerce &amp; 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 2022 PEC has 37 regular employees and out of which 10 on deputation with other organizations.</p> <p>In view of the above best efforts are being made by utilizing available resources. However suggestions of the auditor are appreciated and considered.</p> <ol style="list-style-type: none"> <li>1. Periodic Backup of important records are stored in secondary devices. The biometric data retrieved from the machine was duly made available during the course of audit. This is basically an administrative matter and concern Division heads ensure the employees are attending office as per the work exigencies including attending external matters. Further as per SOP attendance records in the biometric system are only considered as authenticated records for the purpose of attendance.</li> </ol>

2. Concern Division heads ensure the employees are attending office as per the work exigency.
3. All FDR in physical form are available with the company.
4. The company is in the process of renewal of the same.
5. There is no financial implication, however noted for future compliance.
6. Recovery done and corrective action taken to avoid future occurrence.
7. To avoid delay in internal audit, the company will explore appointment of an external agency as internal auditor as per procedure.
8. PEC had a full fledged legal division till year 2018. However, because of the uncertain future of the company all the legal professionals have reigned. Further as per directions of MOC there is mandate to reduce manpower and expenses in the organization, therefore efforts were made to hire legal consultants on contract basis, but no candidate appeared for the interview. PEC has a panel of Law firms for handling its legal cases.
9. Before relieving of the employees handing over of charge is done as per the company policy.
10. The company is pursuing the matter for recoveries through available legal recourse. The company has a panel of lawyers and most of the recovery cases are subjudice.
11. Employees are transferred based on work exigency and job requirement with the approval of competent authority. Work within the division is delegated by the reporting officer and orders are issued accordingly. Moreover, with the reduced manpower rotation may not be feasible.
12. The concerned employees are regularly advised to avoid unauthorized leaves and backup of the data is available. Recovery of unauthorized leaves is done at the time of relieving as per company policy.
13. The concerned recovery division maintains all the records relating to each case. However legal expenses incurred by the company during the year are maintained in tally and shown appropriately in P&L of the company audited during the year. The company generally takes lawyers from its panel firms and fee is charged as per approved schedule.
14. Based on work exigency, profiles of the employees are changed due to high attrition. In order to safeguard PEC interest, Marketing divisions have been designated as recovery/legal divisions as PEC no longer has a separate legal division for pursuing legal cases. This is a subjective issue and apparently has no financial implication.



	<p>15. Claims receivables are prepared by the company as per contracts with the associates and are persaud for recovery by the concerned recovery division.</p> <p>16. The company's records have been digitized. Files /records are being maintained as required under Companies Act and statutory/legal requirements.</p> <p>17. As per practice all the payment vouchers are authorized by the reporting officer.</p> <p>18. This point is continuing from last many years and the company is replying as under:-</p> <p style="padding-left: 40px;">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. The confirmation was sent in 2020-21 and further will be reviewed in 2022-23.</p> <p>19. (a &amp; b) The same is done based on the fact and merit of the case to safeguard interest of PEC.</p> <p>20. The company has discontinued its business from sept 2019 as directed by MOC. further, all the suppliers were from Overseas markets only.</p> <p>21. 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.</p> <p>22. There is no custom bond at present and bank guarantees are maintained in computerized mode and register which was shown to the audit team.</p> <p>23. Expenditures are booked as and when incurred based on approval of competent authority.</p> <p>24. Some of Income Tax cases are pending at IT Appeal hence provision is carried forward. The same shall be reconciled and necessary adjustments will be made on disposal of the case.</p>
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The Audit Committee decided to constitute the subcommittee consisting of CGM (Nodal Officer), /JGM (F& A), JGM (HR) and CS to resolve the concerns raised by the auditor in his report such as attendance, disbursement of salaries, reconciliation of accounts with associates and other issues.

**SEGMENT REPORT FOR THE YEAR ENDED 31ST MARCH 2022**

In accordance with Indian Accounting Standard 108 issued by the Institute of Chartered Accountants of India

**Annexure "A"**
**The company has three primary business segments i.e. Export, Import and Domestic**

(₹ In Crores)

PARTICULARS	EXPORT		IMPORT		DOMESTIC		UNALLOCATED		CONSOLIDATED	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>REVENUE FROM OPERATIONS</b>										
Sales										
(India)	-	-	-	-	-	-	-	-	-	-
(Abroad)	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	-	-	-	-	-	-	-	-	-	-
<b>SEGMENT RESULTS</b>	-	-	-	-	-	-	(11.10)	(16.99)	(11.10)	(16.99)
<b>Other Operating Revenue</b>	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	0.02	0.15	0.02	0.15
Interest Expense	-	-	-	-	-	-	(309.02)	(114.34)	(309.02)	(114.34)
<b>PROFIT FROM ORDINARY ACTIVITIES</b>	-	-	-	-	-	-	(320.10)	(131.18)	(320.10)	(131.18)
Exceptional Items	-	-	-	-	-	-	5.33	2.09	5.33	2.09
Tax Expense	-	-	-	-	-	-	-	-	-	-
<b>NET PROFIT</b>	-	-	-	-	-	-	(314.77)	(129.09)	(314.77)	(129.09)
<b>OTHER INFORMATION</b>										
Segment Assets	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Assets	-	-	-	-	-	-	112.65	120.03	112.65	120.03
<b>TOTAL ASSETS</b>	-	-	-	-	-	-	<b>112.65</b>	<b>120.03</b>	<b>112.65</b>	<b>120.03</b>
Segment Liability	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Liabilities	-	-	-	-	-	-	112.65	120.03	112.65	120.03
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	-	<b>112.65</b>	<b>120.03</b>	<b>112.65</b>	<b>120.03</b>

कार्यालय महानिदेशक लेखापरीक्षा  
उद्योग एवं कारपोरेट कार्य  
ए.जी.सी.आर. भवन, आई पी.एस्टेट,  
नई दिल्ली- 110 002



OFFICE OF THE DIRECTOR GENERAL OF AUDIT  
INDUSTRY AND CORPORATE AFFAIRS  
A.G.C.R. BUILDING, I.P. ESTATE  
NEW DELHI- 110 002

संख्या:एएगजी-1/8(12)वार्षिक खाते  
/पीईसी(2021-22)/2022-23/400-100  
दिनांक: 27 सितम्बर 2022

सेवा में,

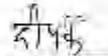
अध्यक्ष एवं प्रबंध निदेशक  
पीईसी लिमिटेड  
एफ. ब्लॉक, तीसरा तल,  
फ्लैटेड फ़ैक्ट्रीज़ कॉम्प्लेक्स,  
अडेवालान ज्वेलरी कॉम्प्लेक्स, रानी झाँसी रोड  
नई दिल्ली - 110055

विषय: कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 11 मार्च 2022 को समाप्त वर्ष के लिए  
पीईसी लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2022 को समाप्त हुए वर्ष के लिए  
पीईसी लिमिटेड (PEC Limited) के वार्षिक वित्तीय लेखों पर उपरोक्त त्रिपय संबंधित संलग्न पत्र अधेषित है।

भवदीय,



(दीपक कपूर)

महानिदेशक लेखापरीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

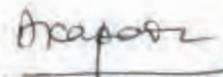
संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PEC LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of PEC Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 August 2022.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of PEC Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**



**(Deepak Kapoor)  
Director General of Audit  
(Industry & Corporate Affairs)  
New Delhi**

**Place: New Delhi**

**Date: 27.09.2022**







## **PEC Limited**

**(A Government of India Undertaking)**

**F-Block, 3rd Floor, Flatted Factory Complex,  
F & G Block, Jhandewalan Jewellery Complex,  
Rani Jhansi Road, New Delhi-110055**

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