

PCL/CS/16149

25th May, 2022

The Secretary
The Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Fax:-022-22723121

Sub: Outcome of Board Meeting– Audited Financial Results for Quarter/Year ended 31st March, 2022

Dear Sir,

Pursuant to the Regulation 30 (6) read with Part A of Schedule III and Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we would like to inform you that the Audited Annual and Quarterly Financial Results of the Company for the Year/Quarter ended 31st March, 2022 together with Statement of Assets & Liabilities as on report date and Cash Flow Statement for the period ended 31st March, 2022 has been considered and approved by the Board of Directors in the 212th Board Meeting of the Company held on 25th May, 2022.

Further, please find enclosed herewith the following information/documents in the prescribed given format:

1. The Audited Financial Results of the Company for the Quarter/Year ended 31st March, 2022.
2. The Statement of Assets & Liabilities of the Company as on the year ended 31st March, 2022 as per Regulation 33(3)(f) of SEBI (LODR) Regulations, 2015
3. The Cash Flow Statement for year ended 31st March, 2022 as per Regulation 33(3)(g) of SEBI (LODR) Regulations, 2015.
4. The Independent Audit Report on Audited Financial Results for the Year ended 31st March, 2022 as provided by our Statutory Auditors -M/s Raj Gupta & Co., Chartered Accountants.
5. Declaration pursuant to Regulation 33(3)(d) on the Audited Financial Results for the period ending 31st March, 2022.

This is for your information & records please.

Thanking you.

Yours faithfully
For Punjab Communications Ltd.


Company Secretary

PUNJAB COMMUNICATIONS LIMITED

Regd Office : B-91, Phase VIII, Industrial Area, S A S Nagar (Mohali)-160071

(CIN:L32202PB1981SGC004616) (Web:www.puncom.com)

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2022



(Rs in Lacs)

Sr. No.	Particulars	PART I				
		Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations	255.78	147.05	718.63	1075.90	2057.55
2	Other income	194.29	204.77	212.59	788.82	846.76
3	Total Revenue (1+2)	450.07	351.82	931.22	1864.72	2904.31
4	Expenses :					
	a) Cost of materials consumed	72.03	63.86	127.35	268.27	460.62
	b) Purchases of Stock-in-Trade	2.11	-	127.00	61.33	321.74
	c) Change in inventories of finished goods, Stock-in-Trade and work-in-progress	(22.11)	(36.61)	73.31	(8.77)	272.99
	d) Excise duty	-	-	-	-	-
	e) Employee benefits expense	604.40	625.15	652.52	2,471.97	2,586.75
	f) Finance costs	0.15	0.31	0.58	2.25	2.89
	g) Depreciation and amortisation expense	7.17	7.25	8.89	28.93	35.15
	h) Other expenses	96.50	73.56	144.85	362.69	414.46
	Total expenses (4)	760.25	733.52	1,134.50	3,186.67	4,094.60
5	Profit/(Loss) before exceptional items and tax (3-4)	(310.18)	(381.70)	(203.28)	(1,321.95)	(1,190.29)
6	Exceptional Items	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	(310.18)	(381.70)	(203.28)	(1,321.95)	(1,190.29)
8	Tax Expense					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax	-	-	-	-	-
	(c) Provision for Income tax w/b for earlier year	-	-	-	73.15	-
9	Profit / (Loss) for the period from continuing operations (7-8)	(310.18)	(381.70)	(203.28)	(1,248.80)	(1,190.29)
10	Profit / (Loss) for the period	(310.18)	(381.70)	(203.28)	(1,248.80)	(1,190.29)
11	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	(i) Re-measurement gains/(losses) on defined benefit obligations	(30.51)	54.08	56.47	(23.09)	76.20
	Other Comprehensive Income/(Expenses)	(30.51)	54.08	56.47	(23.09)	76.20
12	Total Comprehensive Income for the period (10+11) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)	(340.69)	(327.62)	(146.81)	(1,271.89)	(1,114.09)
13	Earnings per Equity Share (EPS) :					
	(a) Basic	(2.58)	(3.17)	(1.69)	(10.39)	(9.90)
	(b) Diluted	(2.58)	(3.17)	(1.69)	(10.39)	(9.90)
14	Paid up Equity Share Capital (Face value of the share is Rs 10/-)	1,202.36	1,202.36	1,202.36	1,202.36	1,202.36
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	2,235.93	3,507.80

Notes :

- The aforesaid Audited Financial Results for the Quarter and Year ended 31st March, 2022 have been taken on record by the Board of Directors in their meeting held on 25th May, 2022.
- The above financial results are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 being mandatory w.e.f. April 1, 2017.
- In terms of Regulation 33(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chief Executive Officer and Chief Financial Officer do hereby certify that financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- The company is primarily engaged in the business of telecom and its spares. As the basic nature of these activities are governed by same set of risks and returns, the sales have been grouped as single segment in the accounts as per Ind AS-108 dealing with "Operating Segments". Other income for the period includes a sum of Rs.369.97 Lacs being interest on the investments made by the company and Rs.394.27 lacs being Rental Income.
- Disclosure related to the Impact of global health pandemic COVID-19 on financial statements:**
COVID-19 pandemic has rapidly spread throughout the world, including India. Governments in India have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities which have adversely impacted the company's operations in terms of customer demand, supply chain matters, reduced travelling to project sites having pan-India spread, resulting in delays in project completion and recovery from customers. However, as the major customers of the company are Government departments like Railways and State Power Corporations, therefore no permanent impairment of debtors is estimated and the company expects to recover the carrying amount of these assets in due course.
Overall operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly increasing spread of virus. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Company's business. However, if the pandemic continues to evolve into a severe worldwide health crisis, the disease can have adverse effects on the company's business, results of operations, financial condition and cash flows.
- The figures for the previous period have been regrouped and restated wherever necessary, to make them comparable.
- Further, the figures for the last quarter ended 31.03.2021 & 31.03.2022 are the balancing figures between audited figures in respect of the respective full financial year and the published figures for the nine months ended 31.12.2020 & 31.12.2021 respectively.

for and on behalf of the Board of Directors

Place : S. A. S. Nagar
Dated : May 25, 2022



(Uma Shankar Gupta), IAS
Managing Director

(J. S. Bhatia)
CFO

WDIN-22529774AJNXY64843

PUNJAB COMMUNICATIONS LIMITED
STATEMENT OF ASSET & LIABILITIES AS ON 31st MARCH, 2022

Amount (Rs. In Lacs)

Particulars	Note	As on 31 st March 2022	As on 31 st March 2021
ASSETS			
(1) Non-Current Assets			
a) Property Plant & Equipment	2	327.62	353.99
b) Investment Property	2A	84.16	108.53
c) Financial Assets			
Investments	3	698.74	698.74
Loans and advances	4	20.36	24.94
Other Financial Assets	5	536.84	127.07
d) Deferred tax assets (net)	6	-	-
e) Other non-current assets	7	145.88	170.02
(2) Current Assets			
a) Inventories	8	425.50	409.27
b) Financial Assets			
Trade receivables	9	1042.63	1,824.45
Cash and cash equivalents	10	334.84	593.85
Other Bank Balances	11	5614.99	6,125.89
Loans and advances	12	5.90	11.59
Other Financial Assets	13	451.26	515.87
c) Other Current Assets	14	17.39	21.05
(3) Non current assets held for sale	14A	23.41	-
TOTAL		9729.52	10,985.27
EQUITY AND LIABILITIES			
Equity			
a) Share Capital	15	1204.80	1,204.80
b) Other Equity	16	2235.93	3,507.80
Liabilities			
(1) Non-Current Liabilities			
a) Financial Liabilities			
Other Financial liabilities	17	41.98	38.51
b) Provisions	18	622.18	576.78
c) Other Non Current Liabilities	19	6.98	10.31
(2) Current Liabilities			
a) Financial Liabilities			
Borrowings	20	-	-
Trade Payables	21	1446.93	1,554.05
Other Financial liabilities	22	3504.55	3,659.04
b) Other Current Liabilities	23	133.23	229.32
c) Provisions	24	142.94	204.66
(3) Liabilities directly associated with Non current assets classified as held for sale	24A	390.00	-
TOTAL		9729.52	10,985.27



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PUNJAB COMMUNICATIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

(Amount Rs. In Lacs)

	For the Year Ended 31 st March, 2022	For the Year Ended 31 st March 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX		
Adjustment for :-	-1,248.79	-1,190.29
Depreciation & Amortization	28.93	35.15
Long term Provision for Employee Benefits	22.31	59.90
Short term Provision for Employee Benefits	-61.72	-2.16
Provision for doubtful written back	-11.41	-0.39
Bad Debt written off	13.51	-
Interest & other financial expenses	2.25	2.89
Profit on sale of fixed assets	-0.52	-
Provision for slow moving stock	22.48	21.46
Interest/Rental Income	-764.24	-828.55
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	-1,997.20	-1,902.00
Adjustment for :-		
Trade and Other Receivables	779.72	604.21
Inventories	-38.71	428.64
Trade and Other Payables	-107.12	-37.44
Other current financial liabilities	-154.48	51.99
Other Non current liabilities	-3.32	-3.33
Other current liabilities	-96.10	38.71
Short Term Loans and Advances	5.69	19.52
Other Financial assets	64.61	32.83
Other Non Current Assets	24.13	161.46
Other Current assets	3.67	57.20
Long Term Loans and Advances	4.58	67.25
Movement in Non Current financial Liabilities	3.47	3.19
CASH FROM/(USED IN) OPERATIONS	-1,511.06	-477.77
Income Tax Paid	-	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	-1,511.06	-477.77
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1.86	-0.55
Sale of Fixed Assets	0.77	-
Movement in Non- Current Investments	-	-
Movement in Non- Current Financial Assets	-409.77	-38.34
Other Bank Balances (Incr)/Dec	510.91	-199.89
Interest/Rental Income	764.24	828.55
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	864.29	589.78
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-2.25	-2.89
Movement in Working Capital Borrowings	-	-38.82
Movement in Non current Assets held for sale	390.00	-
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	387.75	-41.71
Net Change in Cash & Cash Equivalents (A+B+C)	-259.02	70.30
Cash & Cash Equivalents at the beginning of the year	593.85	523.56
Cash & Cash Equivalents at the end of the year	334.83	593.85



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INDEPENDENT AUDITOR'S REPORT

The Members,
Punjab Communications Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Punjab Communications Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, and statement of Cash Flows for the year then ended, and Notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive income and changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of Ind AS Standalone financial statements of the current period. These matters were addressed in the context of our audit of Ind AS Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Raj Gupta & Co.

CHARTERED ACCOUNTANTS

E-mail: carajguptaco@gmail.com

Web-Site : www.carajguptaco.com



1839, Sector 22-B,
Chandigarh-160022
Mob. 98156-43637

We would like to draw the attention to the following matter:

The Company had invested a sum of Rs. 698.74 Lacs (Face Value Rs.700 Lacs) net of commission amounting to Rs.1.26 lacs in the Bonds of UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) for a tenure of 18 months, which was duly guaranteed by the UP-State Government. The Company approached UPCSML for the redemption of bonds on the due date i.e., 20th December 1999. Upon failure of UPCSML to redeem the bonds on the due date, the Company invoked the aforesaid Government Guarantee through a suit filed on 28th November, 2001 at Lower Court, Chandigarh against UPCSML & UP State Govt. for recovery of the aforesaid amount and the Hon'ble Lower Court passed a decree in favor of the Company vide its order dated 30th January 2004.

UP State through Special Secretary filed an application under Order 9 Rule 13 for setting aside the above said Decree being ex pane on 2nd September 2004 and also applied for a stay of execution at the Lower Court Chandigarh. Stay application of UP State was dismissed on 13th September 2004 and the application under 9/13 was kept pending.

UP State Govt, filed the Revision Petition, against the order of dismissal of stay by the lower court, at Hon'ble Punjab & Haryana High Court, Chandigarh. In order to admit their Revision Petition, the Court ordered UP State Govt. to deposit a sum of Rs.735.63 lacs (50% of the Decretal amount). The aforesaid sum of Rs.735.63 lacs was released to the Company against furnishing of Bank Guarantee of equivalent amount on 22nd April 2006.

On 12th March 2010, the application filed by UP State under Order 9 Rule 13 was dismissed by the Lower Court Chandigarh. UP State filed an appeal in the Court of Add. Dist. Judge Chandigarh and got the stay on 21st July 2010. The application of UP State for Stay got dismissed on 10th November 2012.

UP State filed Civil Revision against the order of Distt. Judge Chandigarh at Punjab and Haryana High Court Chandigarh. The Civil Revision filed by UP State was dismissed by the Hon'ble Punjab and Haryana High Court on 20th September 2013.

UP State Govt. filed an appeal against the aforesaid order of the Hon'ble Punjab & Haryana High Court with the Hon'ble Supreme Court through SLP. The Hon'ble Supreme Court vide its order dated 19th January 2015 directed the company to refund the aforesaid sum of Rs 735.63 Lacs to the UP-State Government. In compliance with the aforesaid orders of the Hon'ble Supreme Court, the company refunded Rs.735.63 Lacs by allowing the Hon'ble Court to invoke the Bank Guarantee of the equivalent amount submitted to the court earlier.

In view of the aforesaid order passed by the Hon'ble Supreme Court maintaining that the UP State was not a party defended before the trial court, the company was constrained to file a fresh civil suit against the state of U.P at District Court Chandigarh on 11th March 2016 for recovery of Rs 68,40,31,048/- in order to preserve its right of huge claim. Later on, after the aforesaid invocation of the Bank guarantee of Rs 7,35,63,325/- the company filed a revised claim on 30th October 2018 to the tune of Rs.75,75,94,373/-(Rs 68,40,31,046/- plus Rs 7,35,63,325/-) which is pending.

UPCSMFL is presently under liquidation and the company has filed its claim with the Official Liquidator on 23rd May 2016 at Kanpur later, on account of invocation of Bank Guarantee, a revised claim was filed on 26th September 2018 to the tune of Rs. 1,10,75,01,023/- with interest as on 28th August 2018 in order to maintain its valuable rights in the future. The revised claim was sent through the authorized representative of the company and was duly





acknowledged by the officials of UPCSMFL. It was also sent through the Registered Post which has not been received back thus duly served.

In the light of the aforesaid orders of the Hon'ble Supreme Court, the decree is not maintainable against the State of U.P, therefore the Company filed a fresh execution application against the principal debtor i.e UPCSMFL at the Hon'ble Lucknow Court on 30th January 2016 (as the Decree was issued against both the parties viz., UPCSMFL and the State of UP)

Meanwhile, the Board of Directors of the company discussed that pursuant to Supreme Court Order, the litigation, in this case, is a prolonged one and it was decided that besides the ongoing litigation which the company may carry on, efforts need to be made to settle this case out of the Court at Government Level. Accordingly, DO Letters were sent to the Chief Secretary of State of Uttar Pradesh and to the Secretary, Inter-State Council. After a few correspondences through DO Letters at Chief Secretary Level and at Inter-State Council Level, the company received communication from UPCSMFL and after necessary formalities, a meeting was conducted between Chairman and MD PUNCOM with the Additional Chief Secretary, State of Uttar Pradesh and the MD UPCSMFL through Video Conferencing as a result of which the State of Uttar Pradesh offered a One Time Settlement Scheme (OTS), whereby they offered an interest @ 4.50% along with the Principle of Rs. 7 Crore. The said proposal of OTS offered by the State of Uttar Pradesh was placed in the Board Meeting of the company held on 12th November 2021, whereby it was suggested that an effort may be made to improve the offer by requesting UPCSMFL to give a rate equivalent to borrowings of the company which is in the range of 6% to 7%. Accordingly, a Counter Offer has been sent to the State of Uttar Pradesh as well as to the MD, UPCSMFL and as informed, the reply is awaited as on the date of the report.

The company has reflected the value of the investment in bonds at cost. Further, the principal amount of the bond is fully guaranteed by the UP-State Government, but due to the protracted litigation, the time of recovery is indeterminable. (Also refer to note 5 and 42(a) of the Balance Sheet for the FY 20-21.

Emphasis of Matters

We would like to draw the attention to the following matters:

- 1. Accounting Policy 1(b):** Regarding certain items of income and expenditure which have been accounted for as and when these are incurred, ascertained, or settled. During the year under audit, no entries deviating from the accrual basis of accounting were noticed.
- 2.** As per the information and explanations given to us, the company has been selected for disinvestment by the Cabinet Committee on Disinvestment, Government of Punjab. During the FY 2019-20, the Directorate of Public Enterprises and Disinvestment, Government of Punjab had appointed M/s Resurgent India Limited, Gurgaon (Haryana) as Transaction Advisor for Puncom Disinvestment. During the financial year 2020-21, the Government of Punjab has closed the submission of "Expression of interest" (EOI) by eligible bidders on 1st February 2021. Further, as part of the disinvestment, the company was in the process of Due Diligence activity. For this purpose, DPED has approved the site visit from the period 21/06/2021 onwards till 12/07/2021 i.e. within a three-week period to carry out the due





diligence. Accordingly, due diligence was conducted during this given period. As informed Subsequent to the site visit, certain queries were raised to Puncom, which have been addressed. Thereafter, certain queries have been raised with the Director, Industries, and Commerce which are being replied to as informed.

3. Receivable & payable are shown in the balance sheet which significantly consists of Trade receivable, and trade payable, which are subject to confirmation. (Refer to note no. 9 & 21 of notes to accounts of Standalone financial statements)

Our opinion is not modified on the matters mentioned in Key Audit Matters and in items (1) to (3) in Emphasis of Matters hereinabove.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the 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 financial statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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



Raj Gupta & Co.

CHARTERED ACCOUNTANTS

E-mail: carajguptaco@gmail.com

Web-Site : www.carajguptaco.com



1839, Sector 22-B,
Chandigarh-160022
Mob. 98156-43637

reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

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

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

Materiality is the magnitude of misstatements in the Standalone financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.





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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) In terms of GSR 463 dated 05th June 2015 issued by MCA, the provisions of section 164(2) of Companies Act, 2013 regarding the disqualifications of Directors do not apply to Government Company. Hence the same is not applicable.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we





report that section 197 does not apply to the Government companies. Hence the same is not applicable.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its notes to Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
 - iii. The company is not required to transfer any amount to the Investor Education and Protection Fund.

FOR RAJ GUPTA & CO.
Chartered Accountants
ERN 000203N



CA Sardeep Gupta
(Partner)

M.No.-529774

UDIN: 22529774AJNXV64843

Place: Chandigarh

Dated: 25th May, 2022



"ANNEXURE - A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal Regulatory Requirements" section of our report of even date)

- i. In respect of the Company's Property, Plant, and Equipment:
- (a) (A) The company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant, and Equipment;
 - (B) The company has maintained proper records showing full particulars of Intangible Assets;
 - (b) The company has a regular system of verification of Property, Plant, and Equipment at the end of each year, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. Pursuant to the system, Property, Plant & Equipment were verified by the company and no material discrepancies were noticed on such verification;
 - (c) As per our examination, the title deeds of all immovable properties of the company are held in the name of the company.
 - (d) The company has not revalued any of its Property, Plant & Equipment, and Intangible Assets during the year;
 - (e) As per the information and explanations provided to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In our opinion and according to the information and explanations provided to us:
- (a) The company has a regular system of verification of the inventory at the end of the year and we are of the opinion that the coverage and procedure of such verification are appropriate having regard to the size of the company. Also, no material discrepancies were noticed in such verification.
 - (b) During the year, the company has been sanctioned working capital limits from banks against a 100% margin in excess of five crore rupees on basis of the security of Fixed Deposits (FDRs). Also, as explained the company was not required to file any quarterly returns or statements with such banks.





- iii. According to the information and explanations are given to us, during the year the company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLPs, or any other parties. Hence reporting under clause 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, given guarantees and securities, or made investments to the parties covered under the provisions of sections 185 and 186 of the Companies Act, 2013. Hence, reporting under clause 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us, we are of the opinion that the company has not accepted any deposit or amounts which are deemed to be deposited in pursuance of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
- vi. The company was not required to maintain cost records as per the provisions of Section 148(1). Accordingly, this clause is not applicable.
- vii. According to the information and explanations given to us, books and records as produced and examined by us in respect of statutory dues:
 - (a) The company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, the duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. Further, we report that no undisputed amount payable with respect to such statutory dues was outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.
 - (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022, on account of disputes are given below:





Sr.No	Particulars	Tentative Amount involved	Matter / Cases pending since	Forum where the dispute is pending	Current Status / Reason for pendency
1.	Sales Tax Demand	Rs.14.85 Lacs	FY 2011-12	Sales tax Appellate Tribunal Andhra Pradesh.	Appeal against the Sales Tax Demand for FY 2004-05 was admitted. Matter not listed for hearing yet.
2.	Custom demand	Rs. 60 Lacs	FY 2012-13	Appeal filed before Custom, Excise & Service Tax Appellate Tribunal	Appeal against penalty admitted and stay against recovery is granted. Matter not listed thereafter.

viii. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. In our opinion and according to the information and explanations are given to us:

- (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The company has not been declared a wilful defaulter by any bank or financial institution or any other lender;
- (c) The Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) During the year, the company has not taken any funds on a short-term basis. Accordingly, this clause is not applicable;
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary;





- (f) The Company has not raised any loans on the pledge of securities held in its subsidiary during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable;
- x. In our opinion and according to the information and explanations given to us:
- (a) The Company has not raised moneys by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.;
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly, or optionally), and hence reporting under clause 3(x)(b) of the Order is not applicable;
- xi. In our opinion and according to the information and explanations given to us:
- (a) No fraud by or on the company has been noticed or reported during the course of our audit;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) During the year, no whistleblower complaints have been received by the company.
- xii. The company is a manufacturing company and not a Nidhi Company. Accordingly, this clause does not apply to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the requisite details have been disclosed in the Standalone financial statement, etc., as required by the applicable Indian Accounting Standards.
- xiv. In our opinion and according to the information and explanations given to us:
- (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.





- xv. In our opinion, the company has not entered into any non-cash transactions with its directors or with persons connected with him. Hence provisions of section 192 of the Companies Act, 2013 do not apply to the Company.
- xvi. In our opinion:
- (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has incurred cash losses during the current financial year 2021-2022 amounting to Rs. 12.93 crores and in the preceding financial year 2020-2021 amounting to Rs. 11.55 crores.
- xviii. There has been no resignation of the statutory auditor of the company during the year.
- xix. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and other information accompanying the Standalone financial statements we are of the opinion that no material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, the company does not meet the criteria for the applicability of Section 135 of the Companies Act, 2013. Accordingly, reporting under this clause is not applicable.



Raj Gupta & Co.
CHARTERED ACCOUNTANTS
E-mail: carajguptaco@gmail.com
Web-Site : www.carajguptaco.com



1839, Sector 22-B,
Chandigarh-160022
Mob. 98156-43637

xxi. In our opinion and according to the information and explanations given to us, the company has a fully owned subsidiary company (Punjab Digital Industrial Systems Ltd.) which has been ordered to be wound up by the order of Hon'ble Punjab & Haryana High Court vide order dated 20/02/2009, Due to which the financial statements of PDISL are not being prepared, so we are unable to give our opinion on the same.

Place: Chandigarh
Dated: 25th May, 2022

FOR RAJ GUPTA & CO
Chartered Accountants
FRN:000203N



UDIN: 22529774AJNX464843



"ANNEXURE - B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Punjab Communications Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the Standalone 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 ('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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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





Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 the preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorizations of management and directors of the company; and
- (3) provides reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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.

Opinion

In our opinion, to the best of our knowledge and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting, and such internal financial controls over financial reporting were operating effectively as at 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 RAJ GUPTA & CO

Chartered Accountants

FRN:000203N



CA Sandeep Gupta
(Partner)

M.No.-529774

UDIN: 22529774AJNXY64843

Place: Chandigarh

Dated: 25th May, 2022



REPORT ON DIRECTIONS u/s 143(5) of the Companies Act 2013

As per the directions issued under Section 143 (5) of the Act, we report that:

1. As per information and records produced before us, the company has clear title deeds for immovable properties.
2. As informed to us, there is no case of the waiver/write-off of debts/loans/interest during the year under review.
3. As informed to us, no such inventories are lying with third parties and no assets have been received by the company as gifts from the Government or other authorities during the year under audit.
4. As informed to us, there is no dispute in any contract for the supply of hardware or software except for cases against which the company has made provisions.
5. As informed to us, the company does not provide manpower services to any agency. Therefore, it is not applicable.
6. As per information and explanations provided to us, no franchise agreement had been entered into by the company during the year under audit.
7. As per information and explanations provided to us, no cases have come to our notice wherein software, hardware and IT-enabled systems are redundant/outdated.
8. No grants have been received by the company during the year under audit.

FOR RAJ GUPTA & CO
Chartered Accountants
FRN:000203N



M.No.-529774

Place: Chandigarh
Dated: 25th May, 2022

Raj Gupta & Co.
CHARTERED ACCOUNTANTS
E-mail: carajguptaco@gmail.com
Web-Site : www.carajguptaco.com



1839, Sector 22-B,
Chandigarh-160022
Mob. 98156-43637

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **PUNJAB COMMUNICATIONS LIMITED** for the year ended **31.03.2022** in accordance with the directions/sub-directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

Place: Chandigarh
Dated: 25th May, 2022

FOR RAJ GUPTA & CO
Chartered Accountants
FRN:000203N



M.No.-529774

Date:- 25th May, 2022

Subject:- Declaration pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27.05.2016

In compliance of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 as amended by Circular No. CIR/CFD/CMD/56/2016 dated 27.05.2016, we hereby declare that the Statutory Auditors of the Company, M/s Raj Gupta & Co, Chartered Accountants (FRN: 000203N) have issued Audit Report with unmodified opinion in respect of the standalone audited financial results for the financial year ended 31st March, 2022.

Thanking You,

Yours faithfully

For Punjab Communications Limited



J.S. Bhatia

Chief Financial Officer