

PCL/CS/16206

30<sup>th</sup> August, 2022

The Secretary  
The Bombay Stock Exchange Limited  
25th Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

**Sub: Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Annual Report for the Financial Year 2021-22**

Dear Sir,

In terms of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Annual Report of Punjab Communications Limited for the Financial Year 2021-22 containing the copy of Notice calling 41<sup>st</sup> Annual General Meeting of the Company as to be send to Shareholders of the Company.

The Company shall commence dispatch of the Annual Report for FY 2021-22 containing the Notice of 41<sup>st</sup> AGM, to the shareholders from today i.e. Tuesday, 30<sup>th</sup> August, 2022 through e-mails only, in accordance with Point no. 3 (A) (III) of MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 02/2022 & 02/2021 dated 5<sup>th</sup> May, 2022 & 13<sup>th</sup> January, 2021 respectively, to comply with the provisions of SEBI (LODR) Regulations, 2015 read with SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 in continuation to SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 & SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021, respectively.

The Annual Report for FY 2021-22 containing the Notice of 41<sup>st</sup> AGM is also uploaded on the Company's Website Link at <http://www.puncom.com/financials/financial-report>

Kindly take the same on your records.

Thanking you,

Yours Faithfully,

For Punjab Communications Limited

  
(Company Secretary)  
Encl: a,a

41<sup>st</sup>

**ANNUAL**

**REPORT**

**2021-2022**

**PUNCOM**

**PUNJAB COMMUNICATIONS LIMITED**

[www.puncom.com](http://www.puncom.com)

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## FOR YOUR INFORMATION

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- All correspondence relating to shares of the company may please be sent to the following addresses:

Registered Share Transfer Agents  
(Both for Physical & Demat Category)

Alankit Assignments Limited  
DP & RTA  
Alankit House,  
4E/2, Jhandewalan Extension,  
New Delhi - 110055  
Ph.: (011) 42541234, 23541234  
Fax : 91-11-23552001

Company's Registered Office

B-91, Phase-VIII, Industrial Area,  
S.A.S. Nagar, Mohali-160071 (Punjab)  
Phone : +91-172-2237101 (4 Lines),  
5022901 (4 Lines)  
Fax : +91-172-2237125

- 41<sup>st</sup> Annual General Meeting of the company is scheduled to be held on 28<sup>th</sup> day of September 2022, (Wednesday) at 1100 HRS through Video Conferencing / Other Audio Visual Means (VC/OAVM) (Notice Enclosed).
- Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least 10 days in advance of the Annual General Meeting.
- The Trading of Puncom's scrip has come under compulsory Demat for all investors w.e.f. August 28, 2000 (ISIN INE609A01010).
- The Annual Report also covers reports on "Management Discussion & Analysis" and "Corporate Governance".
- The shares of your company are listed with The Bombay Stock Exchange Ltd., Mumbai (BSE) only.
- As per Amendments to clause 32 of Equity Listing Agreement and Modification of SEBI Circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated 26.4.2011 towards Green Initiatives in the Corporate Governance, Listed Companies are required to send Balance Sheet etc. by electronic mail to its members. Thus, Shareholders having Shares in Electronic Form are requested to **register their e-mail address with concerned Depository Participant (DP)** and Shareholders having Shares in Physical Form are requested to register their e-mail address through letter duly signed with our Share Transfer Agent i.e. **Alankit Assignments Ltd., New Delhi**.
- Further, in compliance with the MCA General Circular No. 02/2022 dated 5th May 2022 in continuation to earlier General Circular No. 02/2021 dated 13th January 2021 and circular no. 20/2020 dated 5th May, 2020 read with SEBI circular no. SEBI/HO /CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular Number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, and Circular Number SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 the Notice of 41st Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with the Annual Report 2021-22 containing Board's Report, Auditors' Report, Audited Financial Statements and other documents, is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories.
- **Update of KYC data of Physical Shareholders**  
During the year, as per the SEBI directions vide Circular No:SEBI/HO/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with Circular No:SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 DATED 14th December, 2021, Company made efforts to update the KYC details of Physical Shareholders. To comply with the SEBI Circulars Company dispatched a Booklet to Physical Shareholders consisting of Forwarding Letter along with annexures / forms such as ISR-1 (Request for registering PAN, KYC Details or Changes / Update thereof, ISR-2 (Confirmation of Signature of Security holder by Banker), ISR-3 (Declaration Form for Opting-out of Nomination by holders of physical securities), SH-13 (Nomination Form) & SH-14 (Cancellation or Variation of Nomination). All these forms are available at Company's website i.e [www.puncom.com](http://www.puncom.com).

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### Annual General Meeting

*Date & Time* : 28<sup>th</sup> September, 2022, Wednesday, at 1100 HRS

*Deemed Venue* : B-91, Phase VIII, Industrial Area, SAS Nagar, Mohali

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**PUNJAB COMMUNICATIONS LIMITED**

Web : [www.puncom.com](http://www.puncom.com) CIN No: L32202PB1981SGC004616

**Corporate Information**  
as on 09.08.2022

<b>Board of Directors</b>	<b>Designation</b>	<b>DIN No.</b>
Sh. Dilip Kumar, IAS	Chairman	03155302
Sh. Mohinder Pal, IAS	Sr. Vice Chairman	02975536
Sh. Uma Shankar Gupta, IAS	Managing Director	06989413
Sh. S.P. Singh, IAS (Retd.)	Independent Director	00297745
Dr. V.P. Chandan, IRSSE (Retd.)	Independent Director	00225793
Dr. Neelu Jain	Independent Director	09548731
CA. D K Singla	Independent Director	01430327
CMA. J. S. Bhatia	Whole Time Director	02554023
CA. Ramesh Goel	Whole Time Director	09699964

<b>Contents</b>	<b>Page No.</b>
<b>Financial Highlights</b>	2
<b>Balance Sheet</b>	3
<b>Profit &amp; Loss Account</b>	4
<b>Cash Flow Statement</b>	28
<b>Statement of change in Equity</b>	29
<b>Independent Auditors' Report</b>	30
<b>CAG Comments</b>	39
<b>Boards' Report</b>	
— Boards' Report	40
— AOC-2	50
— Management Discussion & Analysis Report	51
— Corporate Governance Report	58
— Secretarial Audit Report	72
— Certificate on Corporate Governance	75
<b>Status of Winding up Subsidiaries</b>	
— Punjab Digital Indl. Sys. Ltd. (Under Liquidation)	76
<b>AGM Notice</b>	
— Notice	77
— Explanatory Statement	87

**Company Secretary**

CS Madhur Bain Singh

**Chief Financial Officer**

CMA J.S. Bhatia

**Statutory Auditors**

M/s Raj Gupta & Co.  
Chartered Accountants

**Bankers**

State Bank of India  
Indian Bank (Allahabad Bank merged with Indian Bank)

**Registered Office**

B-91, Phase VIII, Industrial Area,  
S.A.S. Nagar (Mohali)  
Punjab - 160071

**Committee of Directors**

**Audit Committee**

Dr. V.P. Chandan, IRSSE (Retd.)	Chairman
CA. D K Singla	Member
CMA. J.S. Bhatia	Member

**Stakeholders' Relationship Committee**

Dr. V.P. Chandan, IRSSE (Retd.)	Chairman
CA. D K Singla	Member
CMA. J.S. Bhatia	Member

Listing Regulations wherever appearing in the Annual Report means SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

## Financial Highlights 2017–2018 to 2021–2022

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
	<b>Amount (₹ in lacs)</b>				
Sales	3903.39	4466.05	2759.85	2,057.55	1075.90
Other Income	880.39	945.93	896.53	846.76	788.82
<b>Total Income</b>	<b>4783.78</b>	<b>5411.98</b>	<b>3656.38</b>	<b>2,904.31</b>	<b>1864.72</b>
Earning/Loss before Dep.					
Interest and Tax(EBDIT)	-418.41	-189.04	-1099.02	-1152.26	-1293.01
Depreciation	60.88	54.62	44.02	35.15	28.93
Profit/Loss after Tax	-483.14	-270.19	-1143.04	-1190.29	-1248.79
Other Comprehensive Income	101.93	-24.43	-93.47	76.20	-23.09
<b>Total Comprehensive Income</b>	<b>-381.21</b>	<b>-294.62</b>	<b>-1236.51</b>	<b>-1114.09</b>	<b>-1271.88</b>
Equity Dividend (%)	-	-	-	-	-
Dividend Payout	-	-	-	-	-
Equity Share Capital	1202.36	1202.36	1202.36	1202.36	1202.36
Reserves & Surplus	6153.03	5858.40	4621.89	3507.80	2235.93
<b>Tangible Net Worth</b>	<b>7357.83</b>	<b>7063.19</b>	<b>5826.69</b>	<b>4712.59</b>	<b>3440.73</b>
Gross Property, Plant and Equipment & Investment Property	5647.83	5669.35	5678.65	5679.19	5570.79
<b>Net Property, Plant and Equipment &amp; Investment Property</b>	<b>564.94</b>	<b>531.84</b>	<b>497.12</b>	<b>462.52</b>	<b>411.79</b>

## Key Ratios 2017–2018 to 2021–2022

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Earning /Loss Per Share (in ₹)	-4.03	-2.25	-9.51	-9.90	-10.39
Cash Earning/Loss Per Share (in ₹)	-3.51	-1.67	-6.26	-9.43	-10.55
Book Value Per Share ( in ₹)	61.19	58.74	48.46	39.19	28.62
Debt/Equity Ratio	0.00	0.00	0.00	0.00	0.00
Current Ratio	2.16	1.96	1.84	1.68	1.41

Note: The figures have been regrouped and restated wherever necessary, to make them comparable and to be complied with Ind-AS also.

**PUNJAB COMMUNICATIONS LIMITED**

CIN No: L32202PB1981SGC004616

**PART-I BALANCE SHEET AS ON 31<sup>st</sup> MARCH 2022**

Particulars	Note	Amount (Rs. In Lacs)	
		As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
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
<b>(2) Current Assets</b>			
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	21.06
<b>(3) Non current assets held for sale</b>	14A	23.41	-
<b>TOTAL</b>		<b>9729.52</b>	<b>10,985.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Share Capital	15	1204.80	1,204.80
b) Other Equity	16	2235.93	3,507.80
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
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
<b>(2) Current Liabilities</b>			
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
<b>(3) Liabilities directly associated with Non current assets classified as held for sale</b>	24A	390.00	-
<b>TOTAL</b>		<b>9729.52</b>	<b>10,985.27</b>
Significant accounting policies	1		
Notes to accounts	2-49		
The notes referred to above form an integral part of Balance Sheet			

In terms of our separate report of even date.

For and on behalf of the Board of Directors

**FOR RAJ GUPTA & Co.**  
CHARTERED ACCOUNTANTS  
FRN: 000203N

**MR. UMA SHANKAR GUPTA, IAS**  
MANAGING DIRECTOR  
DIN: 06989413

**V.P. CHANDAN**  
DIRECTOR  
DIN:00225793

**(CA. SANDEEP GUPTA)**  
PARTNER  
M.No:529774  
UDIN: 22529774AJNXYG4843

**J.S. BHATIA**  
CHIEF FINANCIAL OFFICER

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**RITIKA THAKUR**  
DH- FINANCE

PLACE: S.A.S. Nagar (Mohali)  
DATE: 25<sup>th</sup> May, 2022

**PUNJAB COMMUNICATIONS LIMITED**

CIN No: L32202PB1981SGC004616

**PART-II STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

Particulars	Note	Amount (Rs. In Lacs)	
		For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I. Revenue from operations	25	1,075.90	2,057.55
II. Other Income	26	788.82	846.76
III. <b>Total Income</b>		<b>1,864.72</b>	<b>2,904.31</b>
IV. <b>Expenses:</b>			
Cost of materials consumed	27	268.27	460.62
Purchases of Stock-in-Trade	28	61.33	321.74
Changes in inventories of Finished Goods/ Work-in-process and Stock-in-trade	29	-8.77	272.99
Employee benefits expenses	30	2,471.97	2,586.75
Finance costs	31	2.25	2.89
Depreciation and amortization expenses	2, 2A, 14A	28.93	35.15
Other expenses	32	362.69	414.47
<b>Total expenses</b>		<b>3,186.66</b>	<b>4094.61</b>
V. <b>Profit/(Loss) before tax (III-IV)</b>		<b>-1,321.94</b>	<b>-1,190.29</b>
VI. Exceptional Items		-	-
VII. <b>Profit/(Loss) before tax (V-VI)</b>		<b>-1,321.94</b>	<b>-1,190.29</b>
VIII. Tax expenses:			
(1) Provision for Income tax written back for previous year		73.15	-
(2) Current tax		-	-
(3) Deferred tax		-	-
IX <b>Profit/ (Loss) for the year (VII-VIII)</b>		<b>-1,248.79</b>	<b>-1,190.29</b>
X <b>Other Comprehensive Income/(losses)</b>	33	-	-
Items that will not be reclassified subsequently to P&L			
Re-measurement of defined benefit plan		-23.09	76.20
XI <b>Total Comprehensive Income/(losses) for the year</b>		<b>-1,271.88</b>	<b>-1,114.09</b>
Earnings per share from continuing operations attributable to the equity holders of the Company during the year	34		
(1) Basic		-10.39	-9.90
(2) Diluted		-10.39	-9.90
Significant Accounting Policies	1		
Notes to accounts	2-49		

In terms of our separate report of even date.

For and on behalf of the Board of Directors

**FOR RAJ GUPTA & Co.**  
CHARTERED ACCOUNTANTS  
FRN: 000203N

**MR. UMA SHANKAR GUPTA, IAS**  
MANAGING DIRECTOR  
DIN: 06989413

**V.P. CHANDAN**  
DIRECTOR  
DIN:00225793

**(CA. SANDEEP GUPTA)**  
PARTNER  
M.No:529774  
UDIN: 22529774AJNXYG4843

**J.S. BHATIA**  
CHIEF FINANCIAL OFFICER

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**RITIKA THAKUR**  
DH- FINANCE

PLACE: S.A.S. Nagar (Mohali)  
DATE: 25<sup>th</sup> May, 2022

## PUNJAB COMMUNICATIONS LIMITED

NOTE 2 : PROPERTY, PLANT & EQUIPMENT						Amount (₹ In Lacs)					
	DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2021	ADDITIONS	SALE/TRF	AS AT 31.03.2022	UPTO 01.04.2021	FOR THE PERIOD INCL.TRIF	SALE/TRF ADJUSTMENTS WRITTEN BACK	UPTO 31.3.2022	AS AT 31.03.2022	AS AT 31.03.2021
I	<b>TANGIBLE ASSETS</b>										
	LAND (Freehold)*	65.09	0.00	0.00	65.09	4.32	0.00	0.00	4.32	60.77	60.77
	BUILDING	341.37	0.00	0.00	341.37	310.19	2.98	0.00	313.16	28.21	31.18
	PLANT & MACHINERY	3991.96	0.95	0.00	3992.91	3750.72	22.51	0.00	3773.23	219.68	241.25
	TEMPORARY STRUCTURE	44.19	0.00	0.00	44.19	44.01	0.00	0.00	44.01	0.18	0.18
	ELECTRICAL INSTALLATION	261.05	0.00	0.00	261.05	253.40	0.17	0.00	253.57	7.48	7.65
	OFFICE EQUIPMENT	194.85	0.91	0.00	195.76	190.11	0.80	0.00	190.92	4.84	4.74
	FURNITURE & FIXTURE	101.58	0.00	0.00	101.58	100.66	0.02	0.00	100.68	0.90	0.92
	VEHICLES	84.52	0.00	6.20	78.33	77.22	1.49	5.95	72.75	5.57	7.30
	<b>SUB TOTAL (A)</b>	<b>5084.61</b>	<b>1.86</b>	<b>6.20</b>	<b>5080.28</b>	<b>4730.62</b>	<b>27.97</b>	<b>5.95</b>	<b>4752.64</b>	<b>327.62</b>	<b>353.99</b>
II	<b>INTANGIBLE ASSETS</b>										
	TECHNICAL KNOW HOW	162.24	0.00	0.00	162.24	162.24	0.00	0.00	162.24	0.00	0.00
	<b>SUB TOTAL (B)</b>	<b>162.24</b>	<b>0.00</b>	<b>0.00</b>	<b>162.24</b>	<b>162.24</b>	<b>0.00</b>	<b>0.00</b>	<b>162.24</b>	<b>0.00</b>	<b>0.00</b>
III	<b>CAPITAL WORK-IN-PROCESS</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>SUB TOTAL (C)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
IV	<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>SUB TOTAL (D)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>TOTAL (A+B+C+D) CURRENT YEAR</b>	<b>5246.85</b>	<b>1.86</b>	<b>6.20</b>	<b>5242.52</b>	<b>4892.87</b>	<b>27.97</b>	<b>5.95</b>	<b>4914.88</b>	<b>327.62</b>	<b>353.99</b>
	PREVIOUS YEAR FIGURES	5330.11	0.55	83.80	5246.85	4909.85	33.99	50.97	4892.87	353.99	420.27
<b>NOTE 2 (A) : Investment Property**</b>											
	DESCRIPTION OF INVESTMENT PROPERTY \$	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2021	ADDITIONS	SALE/TRF	AS AT 31.03.2022	UPTO 01.04.2021	FOR THE PERIOD	SALE/TRF ADJUSTMENTS WRITTEN BACK	UPTO 31.3.2022	AS AT 31.03.2022	AS AT 31.03.2021
I	LAND (Freehold)*	87.31	0.00	16.55	70.76	5.98	0.00	0.99	4.99	65.77	81.33
II	BUILDING	345.03	0.00	87.52	257.51	317.83	0.96	79.67	239.12	18.39	27.20
	<b>TOTAL</b>	<b>432.34</b>	<b>0.00</b>	<b>104.07</b>	<b>328.27</b>	<b>323.81</b>	<b>0.96</b>	<b>80.66</b>	<b>244.11</b>	<b>84.16</b>	<b>108.53</b>
	PREVIOUS YEAR FIGURES	348.54	83.80	0.00	432.34	271.69	1.16	-50.97	323.81	108.53	76.85

\*Date of conversion into freehold land 05/02/2003

\*\*During the FY 20-21, an owner occupied PPE (Land & building) has been transferred/classified into Investment property and therefore Gross value of Rs. 83.80 lacs and accumulated depreciation of Rs.50.97 lacs has also been transferred accordingly.

\*\*During the FY 21-22, the company has decided to sell one of its investment property (C-134 Building) to M/s Punjab Pollution Control Board (PPCB) at a round off price of Rs 19.50 Crore. Accordingly, the said investment property was transferred/classified into Non Current Asset classified as held for sale and therefore Gross value of Rs. 104.07 Lacs and accumulated depreciation of Rs.80.66 lacs has also been transferred accordingly. Refer Note 14A

\$ For disclosures related to investment property, refer Note no 1(III) & 43.

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE



PARTICULARS	31.03.2022	31.03.2021
<b>Note 3: INVESTMENTS</b>		
(NON CURRENT FINANCIAL ASSETS)		
(At cost adjusted for diminution in value)		
<b>UNQUOTED AND NON TRADE:-</b>		
U.P. CO-OPERATIVE SPINNING MILLS FEDERATION LTD., 14000 (14000) 14.90% (Taxable) Secured Redeemable UPSCMF Bonds fully guaranteed by the Govt of U.P. of Rs. 5000/- each fully paid up*	698.74	698.74
<b>WHOLLY OWNED SUBSIDIARY COMPANIES</b>		
PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD. **		
2,46,640 (2,46,640) Equity Shares of Rs.10/- each, fully paid up	24.79	24.79
Less:- Provision for diminution in value	24.79	24.79
	<b>698.74</b>	<b>698.74</b>

\* 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 UPSCMFL for redemption of bonds on due date i.e 20<sup>th</sup> December, 1999. Upon failure of UPSCMFL to redeem the bonds on due date, the Company invoked the aforesaid Government Guarantee through suit filed on 28th November, 2001 at Lower Court, Chandigarh against UPSCMFL & UP State Govt. for recovery of the aforesaid amount and the Hon'ble Lower Court passed decree in favour 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 party on 2nd September 2004 and also applied for 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 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 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 as on 11th March 2016 for recovery of Rs 68,40,31,048/- in order to preserve its right of huge claim. Later on, after 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. UPSCMFL, is presently under liquidation and the company has filed it's claim with the Official Liquidator on 23rd May, 2016 at Kanpur and 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 future. The revised claim was sent through the authorised representative of the company and was duly acknowledged by the officials of UPSCMFL. 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 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 UPSCMFL at the Hon'ble Lucknow Court on 30th January, 2016 (as the Decree was issued against both the parties viz., UPSCMFL and the State of UP).

Meanwhile, the Board of Directors of the company discussed that pursuant of 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 Chief Secretary State of Uttar Pradesh and to the Secretary, Inter State Council. After a few correspondence through DO Letters at Chief Secretary Level and at Inter State Council Level, the company received communication from UPSCMFL 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 UPSCMFL 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 UPSCMFL to give rate equivalent to borrowings of the company which is in the range of 6% to 7%. Accordingly, a Counter Offer has been sent to State of Uttar Pradesh as well as to the MD, UPSCMFL. The reply is awaited as on the date of report.

The company has reflected the value of investment in bonds at cost. Further, the principal amount of bond is fully guaranteed by the UP State Government, but due to the protracted litigation the time of recovery is indeterminable. [Also Refer note 5 and 42(a)].

\*\* Refer Note 36

PARTICULARS	31.03.2022	31.03.2021
<b>Note 4: LOANS AND ADVANCES</b>		
(NON CURRENT FINANCIAL ASSETS)		
Festival Advance *	16.46	15.81
Loans and Advance to Employees**	3.90	9.13
Due from Subsidiary companies (PDISL)	40.35	40.35
Less:- Provision for doubtful advances	40.35	-
	<b>20.36</b>	<b>24.94</b>

\* Festival Advance (Interest -free) recoverable has been valued at present value @10% as per IND AS -109. Also Refer Note 42(e)

\*\* Refer Note 42 (b)

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

Amount (₹ In Lacs)

PARTICULARS	31.03.2022	31.03.2021
<b>Note 5: OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Security Deposits*	36.47	53.70
Principal Amount of Fixed Deposits with banks (having maturity period of more than 12 months from BS date)	476.74	58.60
Interest accrued on fixed deposits (having maturity period of more than 12 months from BS date)	23.63	14.70
Interest Accrued on U.P. Co-operative Spinning Mills Federation Ltd.,14000 (14000) 14.90% (Taxable) Secured Redeemable UPCSMFL Bonds fully guaranteed by the Govt of U.P. of Rs. 5000/- each fully paid up**	152.52	152.52
Less:- Provision against Interest accrued	152.52	-
	<b>536.84</b>	<b>127.07</b>

\* Refer Note 42 (b)

\*Security deposits are shown as Non current Financial Assets for the year ended 31st March, 2022 in line with Schedule III of Companies Act, 2013 and the previous figures are regrouped accordingly.

\*\* Refer Note-3 The company had recognized and received interest income to the extent of Rs. 156.45 lacs (@ 14.90% on Principal) for a tenure of 18 months. In view of the protracted litigation and uncertainty of the amount realizable, pending settlement of the case, the company has provisioned the already recognized interest income of Rs. 152.52 lacs up to 31st March 2001 of which Rs. 115.63 Lacs was provisioned in FY 2014-15 and remaining Rs. 36.89 Lacs in FY 2015-16.

The Company has not recognized accrued interest, keeping in view uncertainty involved in the matter of realization of interest due to litigation. The same is in conformity with applicable IND AS, which allows recognition of revenue only when it is probable that the economic benefits associated with the transaction will flow to the entity.

Also, Refer Note 42(c)

**Note 6: DEFERRED TAX ASSET (NET)**

**Deferred Tax Asset:**

Relating to brought forward loss & other allowances under Income Tax Act

24.48

**Deferred Tax Liability:**

Relating to Fixed assets

-33.62

**Deferred Tax Asset/Liability\***

-

\* In accordance with IND AS 12 "Income Taxes" the company reviews the carrying amount of a deferred tax asset at the end of each reporting period and reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available. Also refer Point XII of Note-1.

**Note 7: OTHER NON CURRENT ASSETS**

Income Tax Recoverable for Previous years

98.37

127.33

Income Tax Recoverable for current year

46.70

40.43

145.07

167.76

Less: Provision for Income Tax/MAT

-

167.76

Prepaid Expenses\*

0.81

2.26

145.88

170.02

\*Prepaid expenses, the period of which extend beyond 12 months from Balance Sheet date have been treated as Non current in accordance with Company's Accounting policy Note-1 (Point XV).

**Note 8: INVENTORIES**

Inventories (As taken, valued, and certified by the management)

**Stores, Spares & Packing Material**

14.06

11.63

**Raw material**

1,310.09

1,291.41

Less: Provision for Obsolete/slow moving items

1,023.63

997.03

294.38

**Work in Process/Sub assemblies:**

Work-in-process

14.03

15.95

Sub-assemblies

491.94

469.09

Less: Provision for Obsolete/slow moving items

409.70

413.82

71.22

**Goods-in-transit**

28.56

19.73

**Stock-in-Trade**

0.15

12.31

425.50

409.27

As per the provisions of IND AS-2 "Inventories" the stock are valued at Cost or NRV whichever is less on FIFO basis.

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

Amount (₹ In Lacs)

PARTICULARS	31.03.2022	31.03.2021
<b>Note 9: TRADE RECEIVABLES</b>		
Trade Receivable considered good – Unsecured	1,042.63	1,824.45
Less:- Provision for doubtful debt	0.00	0.00
Trade Receivable considered good – Unsecured	<u>1,042.63</u>	<u>1,824.45</u>
Trade Receivable credit impaired- Unsecured	183.46	194.87
Less :- Provision for credit impaired	183.46	194.87
Total Trade Receivable	<u>1,042.63</u>	<u>1,824.45</u>

\*Includes due from Subsidiary (PDISL) Rs.4.55 Lacs (Rs.4.55 Lacs)

**Trade Receivable Ageing Schedule**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 Years	2-3 Years	More than 3 years	
<b>(i) Undisputed Trade Receivables – considered good</b>	187.69	109.70	331.40	76.47	337.37	1042.63
	<u>957.80</u>	<u>42.43</u>	<u>296.95</u>	<u>157.58</u>	<u>369.69</u>	<u>1824.45</u>
<b>(ii) Undisputed Trade Receivables – credit impaired</b>	0.01	0.08	2.19	0.45	180.73	183.46
	<u>1.43</u>	<u>0.34</u>	<u>0.18</u>	<u>0.77</u>	<u>192.15</u>	<u>194.87</u>
<b>(iii) Disputed Trade Receivables – considered good</b>						
<b>(iv) Disputed Trade Receivables – credit impaired</b>						

The company had sent balance confirmation letters to all parties requesting them to confirm the balance within 15 days, failing which the balance will be presumed to be correct as per the terms of the letter. Also Refer Note 42(d).

**Note 10: CASH & CASH EQUIVALENTS**

**Cash and Cash equivalents**

**Balance with banks:**

In Current Accounts	233.49	243.66
In Fixed Deposits (having original maturity period of less than 3 months)	100.00	349.26
<b>Cash in hand</b>	1.35	0.93
	<u>334.84</u>	<u>593.85</u>

Refer Note 42(d).

**Note 11: OTHER BANK BALANCES**

Principal Amount of Fixed Deposits (Other than Fds reflected in Note 10)\*

	6,091.45	6,184.21
In earmarked accounts (Unclaimed Buyback Amount)**	0.28	0.28
	<u>6,091.73</u>	<u>6,184.49</u>

Less: Fixed Deposits (having maturity period of more than 12 months from BS date)

(transferred to Other Non-Current Assets)	-476.74	-58.60
FDs having maturity less than 12 months from BS date	<u>5,614.99</u>	<u>6,125.89</u>

\* Includes the pledged value of FDRs against Bank guarantees and overdrafts limits/LC is Rs.2022.02 Lacs (Rs.2421.69 Lacs). FDRs further include an amount of Rs.3010.21 Lacs (Rs.3010.21 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd and an amount of Rs. 386 Lacs (net taxes) as released by PPCB as the first installment of 20% in respect of sale proceeds of C-134 building. Also refer Note-22 and Note 42(d).

\*\* Despite Company's best efforts, 5 shareholders could not be traced, against which an amount of Rs. 0.28 Lacs is still lying in unclaimed buy-back account.

**Note 12: LOANS & ADVANCES**

(CURRENT & FINANCIAL ASSETS)

(UNSECURED & CONSIDERED GOOD UNLESS OTHERWISE STATED)

Loan and Advance to Employees*	5.46	11.20
Claims Recoverable	0.44	0.39
	<u>5.90</u>	<u>11.59</u>

\* Refer Note 42 (b) and Note 42(d)

M.D.

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DH-FINANCE

**Disclosure as per Regulation 34(3) of Listing (Obligation and Disclosure Requirements) Regulations 2015**

*Loan to employees include loan to KMPs given in the ordinary course of business and as per the service rules of the Company.	Balance As on 31/03/2022	Balance As on 31/03/2021	Maximum amount due at any time during the year ended 31/03/2022	Maximum amount due at any time during the year ended 31/03/2021
- No repayment schedule or repayment beyond seven years.	NIL	NIL	NIL	NIL
- No interest or at an interest rate below which is specified in Section 186 (7) of Companies Act 2013	NIL	NIL	NIL	NIL

**Amount (₹ In Lacs)**

<b>PARTICULARS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Note 13: OTHER CURRENT FINANCIAL ASSETS</b>		
Security deposits*	51.29	49.67
Less: Provision for Doubtful Amounts	4.76	4.76
<b>Accruals :</b>		
Interest accrued but not due on Fixed deposits (having maturity < 12 months from BS Date)	82.61	148.84
<b>Others:</b>		
In Escrow account (Money held on behalf of VMC & its Associated Companies)**	322.12	322.12
	<b>451.26</b>	<b>515.87</b>

\* Refer Note no 5 and 42 (b)

\*\* Refer Note 21

Refer Note 42(d)

**Note 14: OTHER CURRENT ASSETS**

Balance with Government Departments

Income Tax Recoverable for Previous years

Other Advances:-

Considered good	17.39	21.06
Doubtful Advances	2.35	2.35
	<b>19.74</b>	<b>23.40</b>
Less: Provision for Doubtful Advances	2.35	2.35
	<b>17.39</b>	<b>21.06</b>

**Note 14A: NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE\***

Freehold Land	15.56	-
Building	7.85	-
	<b>23.41</b>	<b>0.00</b>

\* The Board of Directors of the company has decided to sell one of its buildings to cover the deficient Working Capital Limit and M/s Punjab Pollution Control Board (PPCB) expressed its interest in buying the C-134 building of our company. Then, the Board in its 206th meeting has decided to send the Offer Letter to PPCB at a round off price of Rs 19.50 Crore. Accordingly, an offer letter dated 25th June, 2021 was sent to PPCB. In furtherance to this, the first installment of 20% i.e. Rs. 3.90 Crore (subject to TDS) was released by PPCB through DD which was realized by our company on 2nd March, 2022. In the meantime, the draft Sale Agreement has been sent to PPCB and reply is awaited from their side. Refer Note 2A, 24A & 43.

**Note 15 : SHARE CAPITAL**
**AUTHORISED**

1,98,00,000 (1,98,00,000) Equity Shares of Rs. 10/- each	1,980.00	1,980.00
20,000 (20,000) Preference Redeemable Shares of Rs. 100/- each	20.00	20.00
	<b>2,000.00</b>	<b>2,000.00</b>

**ISSUED AND SUBSCRIBED & FULLY PAID UP**

1,20,23,565 (1,20,23,565) Equity Shares of Rs. 10/- each*	1,202.36	1,202.36
Add: Share forfeited (Amount paid-up)	2.44	2.44
	<b>1,204.80</b>	<b>1,204.80</b>

\*The shareholding of promoter comprises of 8551501 number of shares (demated) of PICTCL, 9700 number of shares (physical) of PSEDPL (erstwhile name of PICTCL) and 9475 number of shares (demated) of PSIDC (another corporation of Government of Punjab). 9700 shares have been sold by PSEDPL in year 2000 but have not been presented or registered for transfer by the buyer in his/her name till now.

M.D.

DIRECTOR

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C.S

DH-FINANCE

Amount (₹ In Lacs)

**PARTICULARS** **31.03.2022** **31.03.2021**

**15.1 The detail of shareholders holding more than 5% shares:**

Name of the Shareholder	No of shares	% of Holding	No of shares	% of Holding
Punjab Information & Comm Tech Corp Ltd (Holding Co.)	8,551,501	71.12	8,551,501	71.12

**15.2 The reconciliation of number of shares outstanding is set out below:**

Particulars	No of shares	No of shares
Shares outstanding at the beginning of the year	12,023,565	12,023,565
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	12,023,565	12,023,565

Terms/ rights and restrictions attached to Equity Shares and Preference Shares are as per provisions of the Companies Act 2013

**15.3 The details of shareholding of promoters of the Company as on 31<sup>st</sup> March, 2022:**

Name of the Promoter	No of shares	% of Holding	% change during the year*
Punjab Information & Comm Tech Corp Ltd (Holding Co.)	8,551,501	71.12	-
Punjab State Electronics Dev & Pro. Corporation Ltd.	9,700	0.08	-
Punjab State Industrial Development Corporation Ltd.	9,475	0.08	-

\*There is no change in the shareholding of promoters of the company during the FY 2021-22.

**Note 16: OTHER EQUITY**

**RESERVES & SURPLUS**

**(a) Securities premium**

Add:-Shares Forfeited (Amount paid-up) **6,850.44** **6,850.44**

**58.59** **6,909.03** **58.59** **6,909.03**

**(b) Other Reserves**

(i) Capital Redemption Reserve **400.79** **400.79**

(ii) General Reserve: **895.93** **895.93**

**(c) Retained Earnings**

Opening Balance **-4,697.94** **-3,583.85**

Add/(Less): Transfer from Statement of Profit & Loss **-1,248.79** **-1,190.29**

Add/(Less): Remeasurement of Defined employee benefit plans **-23.09** **-5,969.82** **76.20** **-4,697.94**

**2,235.93** **3,507.80**

**(1) NON-CURRENT LIABILITIES**

**Note 17: OTHER FINANCIAL LIABILITIES**

Security Received **41.98** **38.51**

**41.98** **38.51**

Carrying amount of Security deposits have been reinstated as per IND AS-109, Refer Note 19,23 & 42 (f).

**Note 18: NON CURRENT PROVISIONS**

**Provision for Employee benefits**

Gratuity **608.28** **559.50**

Leave Encashment **-** **-**

Long term service award **13.90** **17.28**

**622.18** **576.78**

Liabilities towards Gratuity & Leave encashment of employees has been valued in accordance with provisions of IND AS 19- "Employee Benefits". Also Refer Note- 24 & 30.

**Note 19: OTHER NON CURRENT LIABILITIES**

Deferred Income **6.98** **10.31**

**6.98** **10.31**

Deferred Income pertains to Security deposits which have been reinstated as per IND AS-109. Refer note-17, note-23 & note 42(f).

**(2) CURRENT LIABILITIES**

**Note 20: SHORT TERM BORROWINGS (Secured)**

Loans Repayable on demand from Banks **-** **-**

**-** **-**

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

Amount (₹ In Lacs)

<b>PARTICULARS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Note 21: TRADE PAYABLES</b>		
i. Dues of Micro, Small & Medium Enterprises	5.22	0.60
ii. Dues of other Creditors*	<u>1,441.71</u>	<u>1,553.45</u>
	<u>1,446.93</u>	<u>1,554.05</u>

**Trade Payable Ageing Schedule**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(I) MSME	5.22				5.22
	0.60				0.60
(ii) Others	105.07	6.19	7.19	1323.26	1441.71
	205.55	12.71	4.22	1,330.97	1553.45
(iii) Disputed Dues MSME					
(iii) Disputed Dues Others					

\*Includes Rs.477.96 Lacs (Rs.477.96 Lacs) due to VMC Systems Ltd (earlier Vuppalamritha Magnetic Components Pvt Ltd) against which Rs.322.12 Lacs (Rs.322.12 Lacs) lies in the Escrow Account (Refer Note 13).

The company had sent balance confirmation letters to all parties requesting them to confirm the balance within 15 days of the receipt of the letter, failing which the balance will be presumed to be correct. The company has no other means of confirming the balances for which no response has been received except presuming them to be correct as per the terms of the letter. Also refer note 42 (d).

The disclosure as required by section 22 of The Micro, Small and medium Enterprises Development Act, 2006 are given below:

i.	The Principal amount and the interest due thereon unpaid to any supplier		
	Principal Amount	5.22	0.60
	Interest thereon		
ii	The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	Nil	Nil
iii.	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
iv.	The amount of interest accrued and remaining unpaid.	Nil	Nil
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under section 23 of this Act.	Nil	Nil

**Note 22: OTHER FINANCIAL LIABILITIES**

Unclaimed Buy back amount*	0.28	0.28
Trade / Security Deposits received**	3,085.44	3,105.25
Others	<u>418.83</u>	<u>553.51</u>
	<u>3,504.55</u>	<u>3,659.04</u>

\*Refer Note-11

\*\*Includes an amount of Rs.3010.21 Lacs (Rs.3010.21 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd.  
Also refer note 42 (d).

**Note 23: OTHER CURRENT LIABILITIES**

Advance from customers	53.99	44.31
Statutory remittances	75.92	181.69
Deferred Income*	<u>3.32</u>	<u>3.32</u>
	<u>133.23</u>	<u>229.32</u>

\*Deferred Income pertains to Security deposits which have been reinstated as per IND AS-109.

Refer note-17, note-19 & note 42(f).

**Note 24: SHORT TERM PROVISIONS**

**Provision for Employee benefits**

Gratuity	125.96	78.20
Leave Encashment	9.05	110.52
Service award	<u>7.93</u>	<u>15.94</u>
	<u>142.94</u>	<u>204.66</u>

Liabilities towards Gratuity & Leave encashment of employees has been restated in accordance with provisions of IND AS 19- "Employee Benefits". Also refer Note-18 & 30.

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

Amount (₹ In Lacs)

<b>PARTICULARS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>		
<b>Note 24A: Liabilities directly associated with Non current assets classified as held for sale</b>				
Liabilities directly associated with Non current assets classified as held for sale*	<b>390.00</b>	<b>0.00</b>		
	<b>390.00</b>	<b>0.00</b>		
*Refer Note-14A				
<b>Note 25: REVENUE FROM OPERATIONS</b>				
(a) Sale of manufactured products	<b>698.80</b>	1,508.87		
(b) Sale of services	<b>247.00</b>	157.47		
(c) Sale of traded items	<b>130.09</b>	388.59		
(d) Other Operating revenues (Training Fees & Scrap Sale)	<b>0.01</b>	2.63		
<b>Net revenue from operations</b>	<b>1,075.90</b>	<b>2,057.55</b>		
<b>Particulars of Sale of products*</b>				
(i) PLCC (Systems/Spares)	<b>181.70</b>	509.61		
(ii) VMUX (Systems/ Spares)	<b>511.20</b>	829.41		
(iii) Power Plant & Others	<b>5.90</b>	169.84		
(iv) Income from traded items	<b>130.09</b>	388.59		
(v) Services Income	<b>247.00</b>	157.47		
(vi) Training Fee & Scrap Sales	<b>0.01</b>	2.63		
	<b>1,075.90</b>	<b>2,057.55</b>		
* Includes various items of different configuration and spares.				
<b>Customer Wise Sales</b>				
<b>Customer</b>	<b>Amount (Rs. In Lacs)</b>	<b>% of Total Turnover</b>	<b>Amount (Rs. In Lacs)</b>	<b>% of Total Turnover</b>
(a) Power Sector	271.68	25.25%	526.50	25.59%
(b) Railways	355.22	33.02%	878.98	42.72%
(c) Others	449.00	41.73%	652.07	31.69%
<b>Total</b>	<b>1075.90</b>	<b>100.00%</b>	<b>2057.55</b>	<b>100.00%</b>
<b>Note 26: OTHER INCOME</b>				
<b>(a) Interest from banks on deposits</b>				
Interest on Fixed Deposits		<b>369.97</b>		440.07
<b>(b) Interest on Income Tax refund</b>		<b>8.15</b>		16.16
<b>(c) Other Interest</b>				
Interest on Staff loans		<b>0.29</b>		1.33
<b>(d) Other Income</b>				
Miscellaneous Income		<b>4.21</b>		0.33
Profit on sale of Fixed Assets		<b>0.52</b>		-
Rent Income		<b>394.27</b>		388.48
Provision for Doubtful written back		<b>11.41</b>		0.39
		<b>788.82</b>		<b>846.76</b>
<b>Note 27 : COST OF MATERIALS CONSUMED</b>				
Opening Stock	<b>1,291.41</b>		1,437.55	
Add Purchases	<b>286.95</b>	<b>1,578.36</b>	<b>314.48</b>	1,752.03
Less: Closing Stock		<b>1,310.09</b>		1,291.41
Net consumption		<b>268.27</b>		<b>460.62</b>
<b>Note 28: PURCHASES OF STOCK-IN-TRADE</b>				
Purchases of Stock-in-Trade *		<b>61.33</b>		321.74
		<b>61.33</b>		<b>321.74</b>
*Includes various items of different configuration.				

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

Amount (₹ In Lacs)

PARTICULARS	31.03.2022	31.03.2021
<b>Note 29: CHANGES IN INVENTORIES</b>		
<b>(I) OPENING STOCKS</b>		
<b>(a) Work in process:</b>		
Work in process	15.95	49.62
Sub-assemblies	469.09	710.40
<b>(b) Stock-in-Trade</b>	<b>12.31</b>	<b>10.32</b>
	<b>497.35</b>	<b>770.34</b>
<b>(II) CLOSING STOCKS</b>		
<b>(a) Work in process:</b>		
Work in process	14.03	15.95
Sub-assemblies	491.94	469.09
<b>(b) Stock-in-Trade</b>	<b>0.15</b>	<b>12.31</b>
	<b>506.12</b>	<b>497.35</b>
Decrease(+) / Increase (-) in stock (I-II)	<b>-8.77</b>	<b>272.99</b>
<b>Note 30 : EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Other Allowances & Benefits	2,175.24	2,271.90
Contribution/Provision towards provident and other funds	294.06	312.00
Bonus	2.67	2.84
	<b>2,471.97</b>	<b>2,586.75</b>

Disclosure on employee benefits with regard to Gratuity and Leave Encashment, funded defined benefit plans, as per IND AS 19 is as below:

	Defined benefit plans :-	Gratuity		Leave Encashment	
		As on 31/03/2022	As on 31/03/2021	As on 31/03/2022	As on 31/03/2021
<b>1</b>	<b>Assumptions</b>				
	Discount Rate	6.63%	6.45%	6.63%	6.45%
	Salary Escalation	3.00%	3.00%	3.00%	3.00%
	Rate of return on Plan assets (estimated)	6.45%	6.45%	6.45%	6.45%
	Rate of return on Plan assets (actual)	7.37%	7.15%	7.37%	7.15%
<b>2</b>	<b>Table showing changes in present value of obligations</b>				
	Present value of obligations as at beginning of year	1,555.63	1,552.00	594.80	671.65
	Interest cost	100.34	99.92	38.36	43.66
	Past Service Cost (Note I below)	-	-	-	-
	Current Service Cost	49.02	56.01	57.92	30.19
	Benefits Paid	90.99	72.03	24.75	30.16
	Actuarial (gain)/Loss on obligations	28.63	-80.27	-52.78	-120.54
	Present value of obligations as at end of year	1,642.63	1,555.63	613.55	594.80
<b>3</b>	<b>Table showing changes in the fair value of plan assets</b>				
	Fair value of plan assets at beginning of year	933.58	942.69	586.75	577.88
	Expected return on plan assets	60.22	68.78	37.85	43.34
	Contributions	0.05	0.13	-	-
	Benefits paid	90.99	72.03	24.75	30.16
	Actuarial Gain / (Loss) on Plan assets	5.54	-4.06	4.65	-3.09
	Adjustment to opening balance (Note (ii) below)	0.00	-1.93	0.00	-1.21
	Fair value of plan assets at the end of year	908.39	933.58	604.50	586.75
<b>4</b>	<b>Table showing fair value of plan assets</b>				
	Fair value of plan assets at beginning of year	933.58	942.69	586.75	577.88
	Actual return on plan assets	65.76	64.71	42.50	40.24
	Contributions	0.05	0.13	0	-
	Benefits Paid	90.99	72.03	24.75	30.16
	Fair value of plan assets at the end of year	908.39	933.58	604.50	586.75
	Funded status	-734.23	-622.05	-9.05	-8.05
	Excess of Actual over estimated return on plan assets	5.54	-4.06	4.65	-3.09

M.D.

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C.S

DH-FINANCE

Amount (₹ In Lacs)



PARTICULARS		31.03.2022		31.03.2021	
<u>Defined benefit plans :-</u>		Gratuity		Leave Encashment	
5	<b>Actuarial Gain/Loss recognized</b>				
	Actuarial (gain)/Loss for the year – Obligation	28.63	-80.27	-52.78	-120.54
	Actuarial (gain)/Loss for the year – Plan assets	-5.54	4.06	-4.65	3.09
	Total (Gain)/Loss for the year	23.09	-76.20	-57.43	-117.45
	Actuarial (gain)/Loss recognized in the year	23.09	-76.20	-57.43	-117.45
6	<b>The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss</b>				
	Present value of obligations as at the end of year	1,642.63	1,555.63	613.55	594.80
	Fair value of plan assets as at the end of the year	908.39	933.58	604.50	586.75
	Funded status	-734.23	-622.05	-9.05	-8.05
	Net Asset/(liability) recognized in balance sheet	<b>-734.23</b>	<b>-622.05</b>	<b>-9.05</b>	<b>-8.05</b>
7	<b>Expenses recognized in statement of Profit &amp; loss</b>				
	Service cost	49.02	56.01	57.92	30.19
	Interest Cost	100.34	99.92	38.36	43.66
	Expected return on plan assets	60.22	68.78	37.85	43.34
	Net Actuarial (gain)/Loss recognized in P&L			-57.43	-117.45
	<b>Expenses/ (Income) recognized in statement of Profit &amp; loss</b>	<b>89.14</b>	<b>87.15</b>	<b>1.00</b>	<b>-86.93</b>
	<b>Net Actuarial (gain)/Loss recognized in Other Comprehensive Income</b>	<b>23.09</b>	<b>-76.20</b>	<b>-</b>	<b>-</b>
	<b>Sensitivity analysis</b>				
		Impact on Present value of obligations		Impact on Present value of obligations	
	Increase in Discount rate by 0.50%	-43.03	-43.52	-17.08	-18.97
	Decrease in Discount rate by 0.50%	44.86	45.42	17.91	19.96
	Increase in salary inflation by 1%	81.21	69.20	35.03	20.55
	Decrease in salary inflation by 1%	-80.86	-70.39	-32.46	-19.69

(i) During FY 19-20, One time past service cost due to change in retirement age from 60 to 58 years was Rs.77.79 lacs and Rs. 27.55 lacs for Gratuity and Leave encashment respectively.

(ii) The actual rate of return on plan assets for the FY 2019-20 was 7.05% as against 7.25% assumed for both Gratuity & Leave Encashment funds with LIC. The adjustment to the opening balance is the difference between Interest rate assumed and actual interest rate as stated above.

(iii) Further, apart from Leave Encashment liability calculated through actuarial valuation, an amount of Rs.0.00 lacs (Rs. 102.47 lacs) pertains to liability of leave encashment applied during service by the employees/liability of retired employees which has also been included in liability in Note 24 of Balance Sheet.

(iv) The Gratuity valuation has been done with ceiling of Rs. 20 lacs as per applicable provisions of Payment of Gratuity Act, 1972.

Also Refer Note -18 & 24

**Note 31: FINANCE COSTS**

Interest on loan against FDR's for working capital	0.00	0.12
Finance Charges	2.25	2.74
Loss on exchange fluctuations	0.00	0.03
	<b>2.25</b>	<b>2.89</b>

**Note 32: OTHER EXPENSES**

**(A): MANUFACTURING & INSTALLATION EXPENSES**

Stores & Spares	8.20	15.12
Power & Fuel	52.93	56.81
Carriage & Cart. Inward	0.67	1.05
Installation charges/ AMC Services Expenses	46.54	74.08
Miscellaneous Production expenses	0.44	3.08
	<b>108.78</b>	<b>150.13</b>

M.D.

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C.S

DH-FINANCE

Amount (₹ In Lacs)

<b>PARTICULARS</b>	<b>31.03.2022</b>	<b>31.03.2021</b>		
<b><u>(B): ADMINISTRATION AND OTHER EXPENSES</u></b>				
Travelling & conveyance (including for directors Rs.0.30 Lacs (Rs.0.20 Lacs)	19.14	21.11		
Printing & Stationery	3.63	3.60		
Office electricity & Water	1.64	1.76		
Postage, Telephone & Telex	4.40	4.25		
Property Tax	29.61	29.08		
Insurance (net)	6.48	8.13		
Rates & Taxes	8.50	12.90		
Directors sitting fee	2.65	1.70		
Meeting expenses	0.48	0.49		
REPAIR & MAINTENANCE :-				
Building	0.31	1.90		
Plant & Machinery	2.04	2.98		
General maintenance	0.77	1.77		
Vehicle running & maintenance	20.55	14.87		
Membership fee and subscription	0.08	0.09		
Internal audit fees & expenses	0.55	0.55		
Auditors payments:-				
Audit fee	1.60	1.60		
Tax audit fees	0.40	0.40		
Out of pocket	0.31	0.34		
Certification & other services	0.80	0.75		
Legal & professional fees	10.70	5.95		
Office Expenses	90.19	91.21		
Miscellaneous expenses	1.78	3.47		
Secretarial Audit Fee	0.70	0.70		
Bank charges	0.61	1.16		
Bad Debts written off	13.51			
	<b>221.43</b>	<b>210.76</b>		
<b>Provisions</b>				
Provision for slow moving stocks	22.48	21.46		
Provision for Doubtful Debts		0.00		
Amount written off	0.00	0.02		
	<b>22.48</b>	<b>21.48</b>		
Total Administration & Other Expenses	<b>243.91</b>	<b>232.23</b>		
<b><u>(C):SELLING AND DISTRIBUTION COSTS</u></b>				
Advertisement and publicity	0.82	0.84		
Sales promotion expenses	3.45	3.51		
Freight outwards	-5.15	-6.36		
Carriage & Cartage Outward	5.15	10.11		
Packing & Forwarding expenses	7.19	24.68		
Service Expenses	0.27	0.94		
	<b>11.73</b>	<b>33.71</b>		
<b><u>(D):NET (GAIN)/LOSSES ON FAIR VALUE CHANGES</u></b>				
(a) Other Financial Assets classified as FVTPL (Festival advance)	-1.88	-1.47		
(b) (Income)/expense on Fair valuation of Financial liabilities (Security deposits)	0.15	-0.14		
	<b>-1.73</b>	<b>-1.61</b>		
<b>TOTAL OTHER EXPENSES (A+B+C+D)</b>	<b>362.69</b>	<b>414.47</b>		
<b><u>Note 33: OTHER COMPREHENSIVE INCOME / (LOSSES)</u></b>				
Items that will not be reclassified subsequently to P&L				
Re-measurement of defined benefit plan	-23.09	76.20		
	<b>-23.09</b>	<b>76.20</b>		
<b>M.D.</b>	<b>DIRECTOR</b>	<b>CFO</b>	<b>C.S</b>	<b>DH-FINANCE</b>
				<b>Amount (₹ In Lacs)</b>

PARTICULARS	31.03.2022	31.03.2021
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**Note 34 : EARNINGS PER SHARE**

From continuing and discontinued operations attributable to the equity holders of the Company during the year

(a) Profit / (Loss) after Tax before OCI (Rs. In Lakhs)	-1,248.79	-1,190.29
(b) Weighted average no. of ordinary shares	120.24	120.24
(c) Weighted average no. of diluted shares	120.24	120.24
(d) Nominal Value of ordinary share (Rs.)	10.00	10.00
(e) Basic Earning/(-Loss) Per Share (Rs)	-10.39	-9.90
(f) Diluted Earning/ (-Loss) Per Share (Rs)	-10.39	-9.90

**Note : 35**

Contingent liabilities not provided for in the accounts :-

	31.03.2022	31.03.2021
(a) Claims against company, not acknowledged as debts, -by Sales Tax authorities*	14.85	163.48
-by Excise & Custom authorities	NIL	NIL
(b) Court cases #	3484.67	3635.47
(c) PSPCL Demand **	27.96	27.96
(d) Bank Guarantees	1635.87	1892.52
(e) Letter of credit	NIL	NIL

\* The Company has filed appeals against demand of Rs.163.48 lacs. Out of this, appeal amounting to Rs. 148.63 Lacs is decided in favor of company and accordingly demand has been withdrawn by Competent authorities during FY 2021-22.

# Includes C-Dot Case. Refer Note-38. Further, financial impact of certain cases cannot be determined as it entirely depends on the discretion of the adjudging authorities.

\*\* Company received a Demand Notice from PSPCL Mohali which is being contested through a Lessee as per Lease Agreement.

**Note : 36** Punjab Digital Industrial Systems Ltd (PDISL), the fully-owned subsidiary, has been ordered to be wound up by the Hon'ble Punjab & Haryana High Court vide their order dated 20/02/2009. The Company has filed its statement of affairs with the Official Liquidator appointed by the said court and all books of accounts/records and store items have been handed over to him. The loss on account of permanent diminution in investment in equity shares of Rs.24.79 lacs in PDISL had been provided for. Full provision amounting to Rs 40.35 lacs against amount recoverable of Rs 40.35 lacs (Rs.40.35 lacs) and Rs. 4.55 Lacs against balance appearing in Sundry Debtors at Rs 4.55 lacs (Rs 4.55 lacs) had also been made. Also Refer Note-3

**Note : 37** The company has reviewed the inventories at the year end and consequently provided for Rs.26.60 Lacs (Rs.19.81 Lacs) and Rs. 4.12 Lacs (written back)(Rs. 1.65 lacs provided for) for non moving items of obsolete and slow moving inventories of Raw material and sub-assemblies respectively. An amount of Rs. 11.41 lacs (0.39 lacs written back ) in respect of doubtful debts and advances has been written back during the year. The provision as on 31st March 2022 is considered adequate. Refer Note 8 & 9 & 41(a).

**Note : 38** C-DOT had filed claim of Rs.197.20 Lacs against the company under the agreement for transfer of Max-XL technology with Indian Council of Arbitration, New Delhi (ICA). The award was passed by ICA for an amount of Rs. 226.17 Lacs (Claim of Rs.182.15 Lacs plus Interest of Rs.29.54 Lacs till date of award and Arbitration fee of Rs. 14.47 Lacs) in favour of C-Dot. The said award passed by ICA is being contested by the company before the Hon'ble High Court- Delhi. The application for setting aside the award has already been admitted by Delhi High Court and accordingly Interest & Arbitration cost liability of Rs.210.04 Lacs (Rs.184.64 Lacs) on account of non payment of award amount has been shown as contingent liability, pending appeal in the Hon'ble High Court, Delhi. Refer Note -35.

C-DOT had also filed another claim of Rs. 24.88 Lacs against the Company under the agreement for transfer of AN-RAX technology which was dismissed by sole arbitrator appointed by Hon'ble Delhi High Court thru its award dated 7.12.18 as not maintainable.

**Note : 39** The company has been giving performance guarantees against equipments supplied to various customers and has not incurred any material expenditure on replacement of any part or equipment except for expenditure on travelling of service engineers which is accounted for as and when incurred. Keeping in view the past pattern and the concept of materiality, no provision has been created or disclosure has been made. This is in accordance with the requirements of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

(figures in brackets denote previous year figures)

**Note : 40**

**Related Party Disclosure**

RELATION	Name of Party/Person
Holding Company	Punjab Information & Communication Technology Corporation Limited (PICTCL)
Key Management Personnel (CEO)	Ms. Neelima, IAS*
Key Management Personnel (CFO)	Sh. J. S Bhatia
Key Management Personnel (CS)	Sh. Madhur Bain Singh

\*Ms. Neelima, IAS ceased to be Managing Director of the company w.e.f 5th May, 2022

Details of related party transactions during the year FY 2021-22 and balances outstanding as at 31st March, 2022:

Nature of transaction	Holding Company	(Rs. In Lacs)		
		CEO	CFO	CS
Salary*	-	-	39.15	21.05
Balances outstanding as on 31.03.22	-	-	-	-
Previous year figures:	-	-	-	-
Salary*	-	-	36.96	20.11
Balances outstanding as on 31.03.21	-	-	-	-

\* Includes Leave encashment & LTA availed as per service rules of the company.

**Note : 41**

**Financial Risk Management**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Risk Management Committee of the Company.

**(a) Liquidity risk:** Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. The Company's principal sources of liquidity are cash flows generated from operations and other income generated from rented properties and interest on fixed deposits.

The company is subject to liquidity risk to pay trade payables, short term borrowings and other financial liabilities & statutory remittances total amounting to Rs.5027.40 lacs (Rs.5394.77 lacs). Further, provision for doubtful debts as on 31.3.22 stands at Rs. 183.47 lacs (Rs. 194.87 lacs). Also Refer Note-9 & 37

**(b) Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

**(i) Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has invested in fixed deposits which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

**(ii) Foreign currency risk:** Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has very limited foreign currency exposure which are mainly due to imports of raw material and property, plant and equipment. The Company manages material currency exposures through use of forward exchange contracts which leave the Company with no material residual risk.

**(iii) Price Risk:** The Company has not invested in any financial instruments which are subject to price risk.

**(c) Credit risk:** Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its investing activities, including deposits with banks.

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

**(I) Trade receivables:** Trade receivables are non-interest bearing and outstanding customer receivables and these are regularly monitored. Major portion of customer base of the company is Government Organizations thereby reducing the risk of not meeting contractual obligations by the customer. Total Net trade receivables as on 31st Mar,22 and on 31st Mar, 21 are Rs.1042.63 Lacs and Rs.1824.45 Lacs respectively. The net provision for doubtful debts written back in current FY 2021-22 is 11.41 lacs. Also Refer Note 9 & 26.

**(II) Other financial assets:** Credit risk from balances with banks is managed by Company's in accordance with the board approved policy. Investment of surplus funds are made only with approved financial institutions who meet the minimum threshold requirements under the counter party risk assessment process in which certain criterias are evaluated at the time of making investments.

**Note : 42 Fair value of Financial Assets and Financial Liabilities (Rs. In Lacs)**

Categories wise disclosure of carrying value of each financial assets/liabilities vis-a vis fair value and Fair value heirarchy used for measuring different financial assets and liabilities along with detail of valuation techniques and key inputs.

Particulars	Refer Note No	Refer pt. below	Carrying Amount	Fair value	Carrying Amount	Fair value
			FY 2021-22		FY 2020-21	
<b>Financial Assets at Amortised Cost</b>						
<b>Non current</b>						
Investments	Note-3	(a)	698.74	698.74	698.74	698.74
Loans and advances	Note-4	(b)	3.90	3.90	9.13	9.13
Other Financial assets	Note-5	(c)	536.84	536.84	127.07	127.07
<b>Current</b>						
Trade receivables	Note-9	(d)	1042.63	1042.63	1824.45	1824.45
Cash & Cash equivalents	Note-10	(d)	334.84	334.84	593.85	593.85
Other Bank Balances	Note-11	(d)	5614.99	5614.99	6125.89	6125.89
Loans and advances	Note-12	(d)	5.90	5.90	11.59	11.59
Other Financial assets	Note-13	(d)	451.26	451.26	515.87	515.87
<b>Financial Assets at FVTPL</b>						
Loans and advances (Non Current)	Note-4	(e)	16.46	16.46	15.81	15.81
<b>Financial Liabilities at FVTPL</b>						
Other Financial Liabilities (Non Current)	Note-17	(f)	41.98	41.98	38.51	38.51
<b>Financial Liabilities at Amortised Cost</b>						
<b>Current</b>						
Borrowings	Note-20	(d)	0.00	0.00	0.00	0.00
Trade Payables	Note-21	(d)	1446.93	1446.93	1554.05	1554.05
Other Financial Liabilities	Note-22	(d)	3504.55	3504.55	3659.04	3659.04

**The following methods / assumptions were used to estimate the fair values:**

- The Company has reflected the value of the investment in Bonds at Cost as the same has been decreed in favour of the company and fully guaranteed by the UP State Government but due to protracted litigation the time of recovery is indeterminable.
- Loans and advances include loans to employees on which the Company charges interest at the rate 10 percent p.a, therefore their carrying values are not expected to be significantly different from their fair values. Further, Security deposits (interest-free) lying with government departments agencies and other parties have been shown at its carrying value due to non determination of any fixed period with regard to receipts against such security deposits.
- The fair values of other financial assets are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by using Present value techniques.
- The carrying value of these financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities (I.e within 1 year) of these instruments.
- The Company has used Level-3 inputs from Fair value hierarchy (key input: interest rate applicable to loans and advances to employees i.e 10 percent p.a) for measurement of Loans & advances to employees (Festival advance) at Fair value through Profit & loss using Present value technique (effective interest rate method)
- The Company has used Level-3 of fair value hierarchy and used Present Value Technique to measure the fair value of security deposits wherein part of deposits recognized in the future cash flows are classified under deferred income which has been further divided into Current & Non-Current. The discount rate used by the company is 9 percent per annum.

M.D.

DIRECTOR

CFO

C.S

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**Note : 43 Information regarding income and expenditure of Investment property**

Particulars	2021-22	2020-21
Rental income derived from investment properties*	394.27	388.48
Direct expenses generating rental income (Property tax+Repair/maintenance)*	28.86	29.65
Profit arising from investment properties	365.41	358.84

The investment properties consist of industrial properties which are used to generate rental income. These are accounted for at Written down value in books of accounts. During the FY 20-21, an owner occupied PPE (Land & building) has been transferred/classified into Investment property. Total fair Value of the properties are Rs. 8052.55 lacs (Rs. 7745.47) lacs as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively. These market valuations are performed by an accredited independent registered valuer during FY 21-22. The fair value is categorized in Level 1 fair value hierarchy. Also refer Note-1 (III) & Note 2A & Note 14A. The Fair Value of building C-134 (Non current Asset held for sale) is 18.93 Crore (Rs 18.44 Crores) as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively.

\*It includes an amount of Rs. 91.15 Lacs as rent derived from building C-134 (Non current Asset held for sale) and direct expenses related to it amounts to Rs 6.46 Lacs.

**Note : 44 Financial Ratios of the Company**

Ratio	Numerator	Denominator	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	% of Variance
Current Ratio	Current Assets	Current Liabilities	1.41	1.68	16.26
Debt Equity Ratio#	Total Debt	Shareholder's Equity	0.00	0.00	0.00
Debt Service coverage ratio#	Earning available for debt service	Debt Service	0.00	0.00	0.00
Return on Equity ratio*	Net Profit after Taxes	Average shareholder's Equity	-30.63%	-22.59%	-35.62%
Inventory turnover ratio	Sales	Average Inventory	2.58	3.24	20.53%
Trade receivables turnover ratio	Net Credit sale	Average Account Receivable	0.75	0.97	22.44%
Trade Payables turnover ratio**	Net Credit Purchase	Average trade Payable	0.23	0.40	42.62%
Net Capital turnover ratio	Net sales	Working Capital	0.47	0.53	12.29%
Net profit ratio*	Net profit	Net sales	-116.07%	-57.85%	-100.64%
Return on capital employed*	Earning before interest and taxes	Capital employed	-38.42%	-25.26%	-52.11%
Return on investment\$	Income generated from Investments	Time-weighted Average investments	0	0	0

**Reason for variances**

\* Due to approx 50% decrease in turnover of the company during FY 21-22 as compared to FY 20-21 resulting into increased net losses

\*\* During the year purchases were reduced on account of decreased turnover whereas change in payables remains insignificant.

\$Refer Note no 3 & Note no 4

# The company does not have any debt as on 31st March, 2022.

**Note : 45 Capital Management**

Equity includes all capital and reserves of the Company that are managed as capital. The primary objective of the Company's Capital Management is to maximize the shareholder value by maintaining an efficient capital structure and safeguard Company's ability to continue as a going concern. The Company maintains the optimal capital structure so as to reduce the cost of capital.

M.D.

DIRECTOR

CFO

C.S

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The capital structure of the Company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investors', creditors' and market's confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**Note : 46** The previous Year figures have been regrouped/re-classified & re-arranged wherever necessary to conform with the current presentation as per Schedule III of the Companies Act, 2013 (and amendments thereon) and applicable IND AS. The amounts shown under Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, etc. have been rounded off to rupees in lakhs (unless otherwise stated). Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**Note : 47** The company has been selected for disinvestment by 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 FY 20-21, the Government of Punjab has closed the submission of "Expression of Interest" (EOI) by eligible bidders on 1st February, 2021 vide Corrigendum-5. Further, as part of the disinvestment, the company was under 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, the due diligence was conducted during this given period. Subsequent to site visit, certain queries were raised to Puncom, which has been addressed. Thereafter, certain queries have been raised with the Director, Industries and Commerce, which as per our knowledge, is being replied.

**Note : 48** **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.

**Note : 49** **Disclosure on Additional Regulatory Information-** In view of disclosure requirements of Schedule III of the Companies Act, 2013, the company hereby declares that:

- (a) During the year, the company has been sanctioned working capital limits from bank against 100% margin in excess of five crores on the basis of security of FDRs and is not declared as a wilful defaulter by any bank or financial Institution or any other lender. As the limits are against 100% margin, bank have not initiated on filing of charges & thus no charges or satisfaction thereof is required to be registered with ROC by the company. The company has availed the bank guarantee and overdrafts limits/LC against the pledged FDRs to the tune of Rs.2022.02 Lacs as on 31st March, 2022.
- (b) The title deeds of all the immovable properties of the company are held in the name of the company only and 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 the rules made thereunder.
- (c) During the year, the company has not revalued its Property, Plant and Equipment and Intangible asset under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.
- (d) No amount of Loan or Advances in the nature of loans is granted to any promoter, director, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
- (e) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- (f) During the tax assessments under the Income Tax Act, 1961, no transaction has been surrendered or disclosed as income for not being recorded in the books of accounts.

M.D.

DIRECTOR

CFO

C.S

DH-FINANCE

- (g) The Company does not meet the criteria for the applicability of provisions of Corporate Social Responsibility (CSR) as per section 135 of the Companies Act, 2013, being a loss making company.
- (h) As per books of accounts, the Company has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956;

<b>Name of struck off company</b>	<b>Nature of transactions with struck off company</b>	<b>Balance outstanding (In Lacs)</b>	<b>Relationship with the struck off company, if any, to be disclosed</b>
BCC Fuba(l) Limited	Payables	1.28472	Vendor
Singh Systech (P) Limited	Payables	0.01458	Vendor
JEJE Prototype (P) Limited	Payables	0.02865	Vendor
Xenis Circuit (P) Limited	Payables	0.04303	Vendor

- (i) The restrictions related to number of layers as prescribed under Companies (Restriction on number of Layers) Rules, 2017 do not apply to our company, being a government company.
- (ii) The Company has not directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries, during the year.

In terms of our separate report of even date.

For and on behalf of the Board of Directors

**FOR RAJ GUPTA & Co.**  
 CHARTERED ACCOUNTANTS  
 FRN: 000203N

**MR. UMA SHANKAR GUPTA, IAS**  
 MANAGING DIRECTOR  
 DIN: 06989413

**V.P. CHANDAN**  
 DIRECTOR  
 DIN:00225793

**(CA. SANDEEP GUPTA)**  
 PARTNER  
 M.No:529774  
 UDIN: 22529774AJNXYG4843

**J.S. BHATIA**  
 CHIEF FINANCIAL OFFICER

**MADHUR BAIN SINGH**  
 COMPANY SECRETARY

**RITIKA THAKUR**  
 DH- FINANCE

PLACE: S.A.S. Nagar (Mohali)  
 DATE: 25<sup>th</sup> May, 2022



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

**Note 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**I Basis of preparation of Financial Statements**

- a) The Company has adopted Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, with effect from 1st April 2017 with 1st April 2016 as the date of transition as per MCA notification dated 16<sup>th</sup> Feb, 2015 . Accordingly the financial statements have been prepared in accordance with the said Ind AS & Rules and other recognized accounting practices & policies to the extent applicable. The company has applied IND AS to items which are material and made specific disclosure required by an Ind AS if the information is material or when required by law in accordance with said notification. Accounting policies unless referred to otherwise are consistent with generally accepted accounting principles. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- b) The Company follows mercantile system of accounting and recognizes all the items of income and expenditure on accrual basis. Further, certain items of income and expenditure are recognized as and when they are incurred, ascertained or settled in line with accounting policies which are as under:
- i) Additional demand for taxes arising on completion of assessments are accounted for as and when determined as payable.
  - ii) Refunds on account of excise duty, custom duty, income tax, VAT and insurance claims are accounted for on settlement.
  - iii) Customer claims, recoveries, liquidated damages and penal interest for delay in execution of the contracts are provided for as and when settled.
  - iv) Ex-Gratia payments to employees are accounted for as and when incurred.
  - v) The claims for price escalation on sales are accounted for on settlement.
  - vi) Expenditure on warranty and guarantee of satisfactory performance of equipments is accounted for when incurred.

**II**

**Use of estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles in India (Ind AS) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**III Property, Plant and Equipment (PPE) & Investment property**

Investment properties are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non –refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, the obligation for which an enterprise incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the cost of the Property, Plant and Equipment.

**Non Current Asset held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale.

**Depreciation**

- a) The depreciation on property, plant and equipment and Investment property is provided on written down value (WDV) method at the rates determined after taking into account the prescribed useful life for respective class of assets which is in line with Schedule II of the Companies Act, 2013. The property, plant and equipment amounting to Rs. 5000/- or less individually purchased during the year are depreciated at the rate of 100%. Residual value has been taken as 5% of original cost of said assets or WDV as on 31.3.2014 whichever is lower except those valued at Rs. 5,000/- or less individually. The estimated useful lives of assets are as mentioned below:

Asset Class	Period (Years)
Buildings – Factory	30
Building (Other than Factory)	60
Temporary Structure	3
Plant and Machinery*	15
Electrical Installations and Equipment	10
Furniture and Fixture	10
Vehicles	8
Office Equipment (Other than Computers)	5
Computers	3

\* Includes Computers & Data Processing units which are part of Plant and machinery and classified under P & M head and their useful life is also taken accordingly.

- b) Depreciation also includes amount written off in respect of leasehold properties and assets (if any) over the respective lease period.  
 c) Calculation of depreciation on the additions during the year is done on pro-rata basis from the date of its receipt plus 10 days for installations.

**Impairment:**

As per IND AS 36, the carrying amount of assets including Property, plant and equipment & Investment property are reviewed at each Balance Sheet date to assess impairment, if any based on internal / external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value being higher of value in use and net selling price. An impairment loss is recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been an improvement in recoverable amount.

**IV Intangible Assets**

Intangible assets (if any) purchased are measured at cost on the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any as per IND AS-38.

**V Borrowing Costs:**

As per IND AS 23 Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**VI Cash and Cash Equivalents**

Cash and Cash Equivalents comprises cash at bank, cash in hand and other short term highly liquid Investments/Fixed Deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value in accordance with IND AS 7

**VII Valuation of Inventories:**

- a) Inventories are valued at the lower of cost or estimated net realizable value. Inventories are valued according to FIFO method of valuation.  
 b) Cost of Work in process includes cost of material plus direct labour.

- c) Cost of Finished sub assemblies includes cost of material plus overheads apportioned on the basis of actual stage of completion as at year end.
- d) Finished goods are valued at lower of cost or net realizable value.
- e) Goods received after the cut off date (for physical verification as at the year end) and goods for which the documents are retired are included in goods in transit.
- f) Any Shortage/excess in Raw Material detected at the time of physical verification is included in consumption of goods.
- g) Purchases and inventories are valued at cost excluding eligible GST.
- h) Provision for obsolete inventories is reviewed periodically and provided for as per the assessment of management.

**VIII**

**Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, which is generally the nominal value of the transaction unless the terms of the contract provide otherwise. Revenue is recognized net of rebates and discounts and excludes amounts collected on behalf of government such as goods and services taxes.

**Sale of Goods**

Revenue from sale of goods is recognized when the company has transferred to the buyer the significant risks and rewards of ownership of the goods and the company retains neither ownership nor effective control over the goods sold;

**Services**

Revenue from services are recognized as and when they are rendered based on agreements/arrangements with the respective parties and recognized excluding eligible GST (ITC).

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. For AMC contracts, revenue is recognized on completion of specific periods or as specified as per terms of the contract with the customers.

Interest Income on Bonds will be recognised when it becomes reasonably certain that consideration amount will be realised.

**IX**

**Government Grants**

Government Grants are recognized when there is a reasonable assurance that the same will be received and all attaching conditions will be complied with. Grants related to specific expenses are recognised in profit or loss in the same period as the relevant expenses. Grants relating to depreciable assets are treated as deferred income which is recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset in accordance with IND AS 20.

**X**

**Transactions in Foreign currency**

Foreign currency transactions are recorded at the exchange rate prevailing at the time of transaction. At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are converted at exchange rate prevailing at the year end. Resultant loss/gain is charged to Statement of Profit and Loss. When the transaction is settled within the same accounting period as that in which it occurred, all the exchange difference is recognized in that period as per IND AS 21.

In case of forward foreign exchange contracts where an underlying asset or liability exists, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Exchange rate difference on such a contract are recognized in the statement of profit and loss account as on Balance sheet. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expense in the year in which such cancellation or renewal is made.

**XI**

**Employee Benefits**

a)

**Short term employee benefits** are recognized as an expense on accrual basis.

b)

**Post Employment Benefits**

i)

**Defined Contribution Plans:** The Company's state governed Provident Fund scheme, Employee State Insurance scheme etc are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii) **Defined Benefit Plans:** The Employees' Gratuity liability is covered under the qualifying Insurance policy of Life Insurance Corporation of India. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date. Expenses are recognized in the Statement of Profit and Loss or other comprehensive income in the manner laid down in IND AS 19. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis in Balance Sheet.

c) **Other Long term Employee benefits:**

**Accumulated compensated absences/Leave encashment** –The Employees' Leave encashment liability is also covered under the qualifying Insurance policy of Life Insurance Corporation of India. The obligation for long term compensated absences/Leave encashment is recognized in the same manner as in the case of defined benefit plans as mentioned in XI (b) (ii) above.

**Long Term service awards** which are expected to be availed beyond 12 months from the end of the balance Sheet date, are treated as other long term employee benefits. The present value of the said liability determined on each Balance Sheet date for recognizing the same in the books of accounts. Liability towards Service awards due with in 12 months from the date of Balance Sheet is classified under head Short term Provisions.

XII **Income Tax**

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. In accordance with IND AS 12 "Income Taxes" the company reviews the carrying amount of a deferred tax asset at the end of each reporting period and reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

As the company has a history of recent losses, the company does not recognise deferred tax asset arising from MAT credit as there is no convincing evidence that sufficient taxable profit under the normal provisions of the Income Tax Act, 1961 within the period specified in said Act will be available against which the unused tax losses or unused tax credits can be utilised by the company.

XIII **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

XIV **Provision, Contingent Liabilities and Contingent Assets**

a) A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

c) A Contingent Asset is not recognised, however it is disclosed where an inflow of economic benefit is probable as per IND AS 37

XV **Classification of Current / Non Current Assets**

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013 and amendments thereon. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

**XVI****Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company recognises a financial asset or a financial liability in its balance sheet when, and only when, it becomes a party to the contractual provisions of the instrument.

**Classification:** The company has classified Financial assets and Financial liabilities in accordance with definition contained in IND AS 32 Financial Instruments: Presentation

**Measurement:** Financial assets and financial liabilities which are material are measured at Fair value/Amortised cost (using the effective interest rate method) based on their nature and contractual arrangements entered into, in accordance with Ind AS 109, unless specified otherwise.

**M.D.****DIRECTOR****CFO****C.S****DH-FINANCE**

## PUNJAB COMMUNICATIONS LIMITED

### STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 read with rule 5 of Companies (Accounts) Rules, 2014

a)	Name of the Subsidiary	<b>Punjab Digital Industrial System Ltd.</b>
b)	Reporting period	Under Winding up process
c)	Reporting Currency and Exchange rate as on last date of relevant Financial year in case of foreign subsidiaries.	NA
d)	Share Capital	Refer Note 1 below
e)	Reserves & Surplus	Refer Note 1 below
f)	Total Assets	Refer Note 1 below
g)	Total Liabilities	Refer Note 1 below
h)	Investments	Refer Note 1 below
l)	Turnover	NIL
j)	Profit before taxation	NIL
k)	Provision for taxation	NIL
l)	Profit after taxation	NIL
m)	Proposed Dividend	NIL
n)	% of Shareholding	100

**Notes:**

1. M/s Punjab Digital Industrial Systems Ltd (PDISL), the fully owned subsidiary, has been ordered to be wound up by the order of Hon'ble Punjab & Haryana High Court vide order dated 20/02/2009. The company has filed its statement of affairs with the Official Liquidator appointed by the said court and all books of accounts/records and store items have been handed over to him. A provision of Rs. 40.35 lacs towards expenses incurred by the company on their behalf, Rs. 4.55 Lacs in Sundry Debtor's and Rs.24.79 lacs being investment in PDISL has been kept in the accounts of holding company.

For and on behalf of the Board of Directors

**MR. UMA SHANKAR GUPTA, IAS**  
MANAGING DIRECTOR  
DIN: 06989413

**V.P. CHANDAN**  
DIRECTOR  
DIN:00225793

**J.S. BHATIA**  
CHIEF FINANCIAL OFFICER

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**RITIKA THAKUR**  
DH- FINANCE

PLACE: S.A.S. Nagar  
DATE: 25<sup>th</sup> May, 2022



## PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

### STATEMENT OF CHANGES IN EQUITY

#### A. EQUITY SHARE CAPITAL

(1) For the period ended 31<sup>st</sup> March, 2022

Amount (₹ In Lacs)

Balance at the beginning of the reporting period	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous year reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1204.80		0.00	0.00	1,204.80

(2) For the period ended 31<sup>st</sup> March, 2021

Amount (₹ In Lacs)

Balance at the beginning of the reporting period	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous year reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1204.80		0.00	0.00	1,204.80

#### B. OTHER EQUITY

(1) For the period ended 31<sup>st</sup> March, 2022

S. No.	PARTICULARS	Reserves & Surplus				Total
		Security Premium Account	Capital Redemption Reserve	General Reserve	Retained Earnings	
(i)	Balance at the beginning of the reporting period (i.e. 01/04/2021)	6,909.03	400.79	895.93	-4697.94	3507.80
(ii)	Change in accounting policy or prior period errors	—				
(iii)	Balance at the beginning of the reporting period	—				
(iv)	Total Comprehensive Income for the Year Remeasurement of Employee Benefits (Gratuity)	—			-23.09	0.00
(v)	Dividends	—				
(vi)	Transfer to Retained Earnings	—			-1248.79	0.00
(vii)	Any other change (to be specified)	—				
(viii)	Balance at the end of the reporting period (i.e. 31/03/2021)	6,909.03	400.79	895.93	-5969.82	2235.93

(2) For the period ended 31<sup>st</sup> March, 2021

S. No.	PARTICULARS	Reserves & Surplus				Total
		Security Premium Account	Capital Redemption Reserve	General Reserve	Retained Earnings	
(i)	Balance at the beginning of the reporting period (i.e. 01/04/2020)	6,909.03	400.79	895.93	-3,583.85	4,621.90
(ii)	Change in accounting policy or prior period errors	—				
(iii)	Balance at the beginning of the reporting period	—				
(iv)	Total Comprehensive Income for the Year Remeasurement of Employee Benefits (Gratuity)	—			76.20	0.00
(v)	Dividends	—				
(vi)	Transfer to Retained Earnings	—			-1,190.29	0.00
(vii)	Any other change (to be specified)	—				
(viii)	Balance at the end of the reporting period (i.e. 31/03/2020)	6,909.03	400.79	895.93	-4,697.94	3,507.80

MD

DIRECTOR

CFO

C.S.

DH-FINANCE



## 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.

#### 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., 20<sup>th</sup> 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 28<sup>th</sup> 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 30<sup>th</sup> January 2004.

UP State through Special Secretary filed an application under Order 9 Rule 13 for setting aside the above said Decree being exparte on 2<sup>nd</sup> September 2004 and also applied for a stay of execution at the Lower Court Chandigarh. Stay application of UP State was dismissed on 13<sup>th</sup> 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 22<sup>nd</sup> April 2006.

On 12<sup>th</sup> 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 21<sup>st</sup> July 2010. The application of UP State for Stay got dismissed on 10<sup>th</sup> 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 20<sup>th</sup> 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 19<sup>th</sup> 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 11<sup>th</sup> 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 30<sup>th</sup> October 2018 to the tune of Rs.75,75,94,373/- (Rs 68,40,31,046/- plus Rs7,35,63,325/-) which is pending.

UPCSMFL is presently under liquidation and the company has filed its claim with the Official Liquidator on 23<sup>rd</sup> May 2016 at Kanpur later, on account of invocation of Bank Guarantee, a revised claim was filed on 26<sup>th</sup> September 2018 to the tune of Rs. 1,10,75,01,023/- with interest as on 28<sup>th</sup> 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 UPCSML. 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 UPCSML at the Hon'ble Lucknow Court on 30<sup>th</sup> January 2016 (as the Decree was issued against both the parties viz., UPCSML 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 UPCSML 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 UPCSML 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 Principal 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 12<sup>th</sup> November 2021, whereby it was suggested that an effort may be made to improve the offer by requesting UPCSML 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, UPCSML 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 1<sup>st</sup> 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 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  
FRN:000203N

**CA Sandeep Gupta**  
(Partner)

M.No.-529774

UDIN: 22529774AJNXYG4843

Place: Chandigarh

Dated:25<sup>th</sup> 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 there under.
- 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 there under.
- 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:
- 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.
  - The company has not been declared a willful defaulter by any bank or financial institution or any other lender;
  - 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.
  - During the year, the company has not taken any funds on a short-term basis. Accordingly, this clause is not applicable;
  - The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary;
  - 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:
- 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.;
  - 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:
- No fraud by or on the company has been noticed or reported during the course of our audit;
  - 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;
  - 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:
- The company has an internal audit system commensurate with the size and nature of its business.
  - 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.
- 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.

**FOR RAJ GUPTA & CO.**

Chartered Accountants

FRN:000203N

**CA Sandeep Gupta**

(Partner)

M.No.-529774

UDIN: 22529774JNXYG4843

Place: Chandigarh

Dated: 25<sup>th</sup> May, 2022

## "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 31<sup>st</sup> 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 31<sup>st</sup> 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: 22529774AJNYG4843

Place: Chandigarh

Dated: 25<sup>th</sup> May, 2022



**PUNJAB COMMUNICATIONSLIMITED : FINANCIAL YEAR 2021–22****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

Place: Chandigarh  
Dated: 25<sup>th</sup> May, 2022

**CA Sandeep Gupta**  
(Partner)  
M.No.-529774

**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.

**FOR RAJ GUPTA & CO.**  
Chartered Accountants  
FRN:000203N

Place: Chandigarh  
Dated: 25<sup>th</sup> May, 2022

**CA Sandeep Gupta**  
(Partner)  
M.No.-529774

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

The preparation of financial statements of **Punjab Communications 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 Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are 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 **25 May 2022**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of financial statements of **Punjab Communications 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

Place : Chandigarh  
Date : 01/07/2022

Sd/-  
(Punam Pandey)  
Principal Accountant General (Audit)  
Panjab, Chandigarh

**BOARDS' REPORT**

Your Board have pleasure in presenting the Forty First Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2022 along with Independent Auditors' Report thereon and Secretarial Audit Report for the financial year under report.

**Financial Results**

*(Rs. In lacs)*

Particulars	2021-22	2020-21
Gross Income	1864.72	2904.31
Total expenditure	3186.66	4094.60
Profit before tax	-1321.94	-1190.29
Profit/(Loss) after tax	-1248.79	-1190.29
Other comprehensive Income/(Loss)	-23.09	76.20
Total Comprehensive Income/(Loss)	-1271.88	-1114.09
Dividend	Nil	Nil
Paid up equity	1202.36	1202.36
Profit/(Loss) appropriated to General Reserve	0.00	0.00
Profit/ (Loss) Account (Retained Earnings)	-5969.82	-4697.94
Reserves (Including Capital Reserves)	2235.93	3507.80
Net Property Plant and Equipment & Investment Property	411.79	462.52
Capital employed	4111.87	5338.20
Earning/(Loss) per share (in Rs.)	-10.39	-9.90
Cash earning/(loss) per share (in Rs.)	-10.55	-9.43
Book value per share (in Rs.)	28.62	39.19

**Web-link of Annual Return**

The copy of Annual Return pursuant to the provisions of sub-section (3) of Section 92 of the Companies Act, 2013 is placed on the website of the company and web link of annual return is: <http://www.puncom.com/?id=110>

**Meetings**

During the year, Six Board meetings were duly convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period as prescribed under the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulations") and Secretarial Standard (SS-1) on Meetings of Board of Directors.

**Directors Responsibility Statement**

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

- That in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2022; the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2022, on a going concern basis; and
- That the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Frauds reported by Auditors u/s 143(12)**

Your company has complied with all the provisions of Section 143 of the Companies Act, 2013. Hence, there are no frauds reported by the Auditors other than those which are reportable to the Central Government. Further, no fraud has been reported to the Central Government.

**Declaration by Independent Director(s)**

All the Independent Directors on the Board of Puncom have given their respective declaration under Section 149(7) that they meet the criteria of independence, as per the provisions of sub-section (6) of Section 149 of Companies Act, 2013 along with Regulation 16 (b) & Regulation 25 of SEBI Listing Regulations. All the independent directors of the company has declared that they have registered themselves with databank of Independent Directors as maintained by Indian Institute of Corporate Affairs in compliance with Rule 6(1) of Companies (Appointment & Qualification of Directors) Rules, 2014. Accordingly, the Board has formed a satisfactory opinion regarding integrity, expertise and experience of the independent directors after undertaking due assessment of the veracity of the declaration made by them.

All the independent directors of your company except Dr. Neelu Jain, are not required to pass the online proficiency self – assessment test and falls under the exemption category. Dr. Neelu Jain has recently registered herself with Independent Director Online Databank and accordingly she is required to pass the test within two (2) years of her registration.

**Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties :**

Pursuant to MCA notification G.S.R. 463 (E) dated 05<sup>th</sup> June, 2015, our company, being a government company is exempted from the given requirement. However, the company has in place a nomination & remuneration policy covering the aspects as provided under Section 178(3) of the Companies Act, 2013 and is available on the website of company at <http://www.puncom.com/?id=107>

**Explanations or comments by the Board on qualification(s), reservation(s) or adverse remark(s) or Matter of Emphasis are as follows:****Management Reply to Statutory Auditors' Remarks**

M/s Raj Gupta & Co, Chartered Accountants, was appointed as Statutory Auditors of the Company for the Financial Year 2021-22. Following are the 'Key Audit Matters' and 'Emphasis of Matters' as pointed out by the Auditors in their Independent Audit Report dated 25<sup>th</sup> May, 2022.

**a) Key Audit Matters**

The company has reflected the value of investment in bonds of UPCSMFL at cost. Further, the principal amount of bond is fully guaranteed by the UP State Government, but due to the protracted litigation the time of recovery is indeterminable. [Also Refer note 5 and 42(a)]

Management remarks on Key Audit Matters – Principal amount of bonds of UPCSMFL are fully guaranteed by U P State Government. State of Uttar Pradesh has offered a One Time Settlement (OTS), however there is no decision on OTS as of now. Since the matter is sub-judice, the time of recovery is indeterminable. Refer Note 3 and 42(a) of Balance Sheet.

**b) Emphasis of Matters**

- i) Para (i) of Independent Auditor's Report- Regarding accounting of certain items of income and expenditure as and when they have been incurred, ascertained or settled, the same have been accounted for as per disclosures made in Note 1 Significant Accounting Policies Point I(b) being followed consistently.
- ii) Para (ii) of Independent Auditor's Report-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 FY 20-21, the Government of Punjab has closed the submission of "Expression of Interest" (EOI) by eligible bidders on 1<sup>st</sup> 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, the due diligence was conducted during this given period. Subsequent to site visit, certain queries were raised to Puncom, which has been addressed. Thereafter, certain queries have been raised with the Director, Industries and Commerce, which as per our knowledge, is being replied.
- iii) Para (iii) of Independent Auditor's Report- Regarding the matter of balance confirmations w.r.t to Note 9 & 21 of financial statements, the company has sent balance confirmation letter to all parties requesting them to confirm the balances within 15 days of the receipt of

the letter, falling which the balance will be presumed to be correct. The company has no other means of confirming the balances for which no response has been received except presuming them to be correct as per terms of letter.

**Management Remarks on Emphasis of Matter:**

Notes to accounts forming part of Annual Accounts are self-explanatory & exhaustive to the remarks of Auditors in their report dated 25<sup>th</sup> May, 2022, hence the Management Reply to Auditors' Remarks/ Key Audit Matters and Emphasis of Matters is not required.

#### **Management reply to Secretarial Auditors' Remarks**

The Secretarial Audit for Financial Year 2021-22 was carried out by M/s S K Sikka & Associates, Practicing Company Secretary, Chandigarh and he has observed in his secretarial audit report i.e. MR-3 that an amount of Rs 27,722/-, being unclaimed, pertains to five (5) shareholders, is still lying unpaid since year 2003 which was earlier kept in the escrow account maintained with Axis Bank Ltd but now, pursuant to RBI guidelines, it has been closed by the bank after providing a demand draft to the company. A total of 419 shares pertaining to (10) ten shareholders, is lying in the escrow account, as required in the Buy-back guidelines, with M/s Karvy Computershare Pvt. Ltd (Now, KF in Technologies Pvt. Limited). As reported by the Company, in absence of relevant procedure and guidelines, the same could not be transferred by the company in accordance with Section 124 of the Companies Act, 2013 read with Regulation 39(4) & Schedule VI of SEBI (LODR) Regulations, 2015.

In this regard, Management reply/ observation is that in the absence of any provisions with respect to transferring of buy back amount & shares to IEPF Authority, the continuous efforts are being made by your company in this regard with Investor Education and Protection Fund Authority (IEPF Authority) as well as with officials of Axis Bank. Several correspondences are being made via emails and letters to IEPF Authority and all queries raised by IEPF Authority is being duly replied with by your company.

Due to unilateral change in nature of account from "special account" to "normal account" by the Axis Bank without the consent & knowledge of your company, the bank has closed the buy-back escrow account as per the Reserve Bank of India's circular no. DOR. No. BP.BC/7/21.04.048/2020-21 dated 6<sup>th</sup> August, 2020 on account of availment of cash credit (CC) / overdraft (OD) limit by the Company from the banking system. Moreover, the Company has filed a complaint against Axis Bank with its Nodal Officer to reopen the said Buy-back special account & credit back the DD amount to maintain the same, as it is shareholders money till the time company received positive response from IEPF authority. If no action will be taken by the Nodal Officer then your company will be approaching the Principal Nodal Officer and lastly will file its complaint with the Banking Ombudsman.

#### **Particulars of Loans and Guarantees under Section 186 of the Companies Act, 2013**

The particulars with respect to Loans and Guarantees under Section 186 of the Companies Act, 2013: **NIL**

#### **Particulars of Related Party Transactions**

**Under Companies Act, 2013:** Puncom has not entered into any Related Party Transaction as per the provisions of Section 188(1) of the Companies Act, 2013 during the financial year under report. The required form AOC-2 has been appended as **Annexure 1** to this report.

Further, the disclosures related to Related Party Transactions are also detailed in Note-12 and Note-40 of Notes to Accounts of Financial Statements for the year ended 31<sup>st</sup> March, 2022. There are no materially significant related party transactions which have potential conflict with the interest of the Company.

**Under Regulation 34(3) of Listing Regulations, 2015:** Puncom has not entered into any Related Party Transaction as per the Listing regulations and the disclosures as per Schedule V of the said regulations are as follows:

1.	Loans and advances in the nature of loans to subsidiaries	NIL
2.	Loans and advances in the nature of loans to associates	NIL
3.	Loans and advances in the nature of loans to firms/companies in which directors are interested	NIL
4.	Acceptance of any amount in the form of loans and advances in the nature of loans from its holding company	NIL

There are no transactions of the company with any person or entity belonging to promoter/promoter group holding 10% or more shareholding in company during the financial year under review.

#### **State of the Company's Affairs**

Certain areas within the telecommunications industry have taken a business hit due to Covid-19, especially the companies having niche markets. Manufacturing units catering to such niche areas have suffered tremendously.

The imported electronic component such as chips, capacitors etc. were not available in the market due to break in supply chain. The delivery time of such components has become very high and their prices have increased due to their non-availability. Only the essential projects in railways were given funds and remaining were put on hold or delayed till the situation stabilised. Therefore, less number of tenders have been floated by the railways for V-Mux and OFC projects. Nevertheless, Puncom pushed its product to railways through project executioners who were having OFC projects in hand. Railways is moving to IP based network and therefore, Puncom has very timely identified the parties whose products are technically eligible for such type of network and have tied up for buying their equipment. Puncom has already started participating in the railway tenders which ask for execution of projects for IP-MPLS equipment. Puncom hopes to make some inroads in these areas soon. Though the demand for Power Line Carrier Communication equipment has decreased yet Puncom is making efforts to grab maximum business for this equipment and its project work. The situation is expected to improve soon and the business shall be back to normal as before.

#### **Corporate Plan/ Market Scenario of our products**

Puncom has made efforts to increase market share of its PLCC products during last two - three years. But the requirement of PLCC is declining in power sector as the network is being replaced with the installation of OPGW network based on SDH and I-PMPLS backbone. Puncom made efforts to increase market share of V-Mux in Railways in last two - three years by selling it to private contractors however the requirement is decreasing as the railways has decided to shift voice communication on VOIP and backbone communication from SDH to IP-MPLS systems.

Puncom is executing OFC and PLCC turnkey projects for railways and power sector. Puncom has extensive strengths to execute indoor OFC works. However, since most of the railway tenders now are being floated after clubbing both indoor and outdoor OFC works, Puncom is making efforts to strengthen its resources for executing such works as well. This would help Puncom in improving its market share in Railways besides sales turnover. In the last year power sector has come up with very few tenders for PLCC therefore Puncom received few orders for this product. Similarly for PDH and Power Plants Puncom got few orders from railways because of very stiff competition from the small local contractors bidding desperately in tenders to get business after COVID restrictions. The setback to the industrial climate and Indian economy outlook caused by Covid-19 are likely to remain for some time. Puncom too has not escaped the setback.

To further increase the market share of its products in Railway and Power sector networks, Puncom is offering its products to other equipment installers for executing their turnkey projects. This helps in improving sales turnover and also increases the presence of Puncom make equipment in these networks.

Puncom is also undertaking annual maintenance/repair contracts for PLCC, V-Mux and Power Plants from various customers. Undertaking such value added services not only contributes towards sales turnover but also helps in strengthening the performance of Puncom equipment in various networks of Railways, power sector etc.

Puncom is making continuous efforts to add new products to increase its product mix by way of tie-ups with other companies and through in house re-engineering of existing products and new developments. In this direction Puncom has developed another product called Control communication equipment for OFC (CCEO) and getting orders regularly. In the coming years it will contribute in improving sales turnover. Puncom is also looking for opportunities to provide services through tie-up with other companies involving installation, erection and commissioning work. Puncom has empaneled companies for integrated multiplexer and IP-MPLS routers to execute railway projects in upgradation of backbone communication, SCADA and communication for axle counter applications.

#### **Telecom Scenario in India and Puncom approach**

India has seen an exponential growth of telecom network in India for several years and now has more or less universal broadband penetration. Liberal government policies and fierce competition between operators has ensured that India receives latest and best equipment and technologies from MNCs at lowest prices. Additionally, digital revolution and APP based smart technologies have ensured that high speed network availability to one and all is a more or less mandatory requirement for most day to day activities.

Large scale upgrade of main telecom network and IT is also changing the work environment and catalysing other segments like power, railways, defence, government, agriculture, security, education etc to upgrade their networks and work processes and are generating new business opportunities. New areas of network and information security, renewable energy, green and clean technologies, information access and automation etc are becoming increasingly important and are emerging as new growth segments. The government plans for setting up digital villages by making huge investment. The main objective of digital villages is to transform rural villages of India into smart villages through use of ICT applications. This will create employment opportunities for rural people by way of promoting the IT/ITeS industry and generate new business opportunities for telecom equipment manufacturers. Further Government plans to reduce the use of fossil fuel and encouraging EV and hybrid vehicles this will also create new business opportunities for EV infrastructure equipment manufacturers.

Historically, Puncom has been deriving its revenue mainly from Power, Railway and BSNL segments. Unfolding telecom and industrial scenario however foresees increased role of new revenue streams from emerging growth segments. Puncom is monitoring these emerging trends and is on lookout for appropriate opportunities for sustenance and growth and preparing itself to meet the emerging challenges in the changing environment. However, the growth in the telecom equipment manufacturing sector is grim except for mobile handset manufacturing industry.

**Reserves**

Due to losses in the current year, no amount was carried over to Reserves and Surplus. Instead, the reserves have been utilized to the extent of Rs 1271.87 Lacs.

**Dividend**

Owing to losses during the FY 21-22, the Directors of the company do not recommend any dividend for the Financial Year 2021-22.

**Material changes and Commitments after the close of the Financial Year**

The particulars with respect to material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year i.e. 31<sup>st</sup> March, 2022 till the date of this report i.e. 9<sup>th</sup> August, 2022 under Section 134(3)(l) of the Companies Act, 2013 is as follows:

The company has offered the VRS Scheme year 2022 to its employees in line with Punjab Govt. guidelines and a total of 23 no. of employees opted for VRS Scheme and out of which VRS of 22 employees were accepted and relieved from the services of the company w.e.f. 22<sup>nd</sup> July, 2022.

There is an impact of approx. Rs. 10.75 crore (Ex Gratia including Gratuity) on the financial position of the company on account of VRS liability, towards these 22 employees which will be paid within a period of 60 days of relieving as per statute & VRS Scheme.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

**a) Conservation of Energy**

- i) Steps taken & impact on conservation of energy:

**Steps taken:**

We have continued with the practice of switching off the supply to the areas where the normal lights are not required or where the production work is not taking place. There are approximately 3000 tube lights in our building-B-91, which we are slowly and steadily changing to LED tubes.

**Impact:**

The consumption has reduced due to the above measures taken.

- ii) Steps taken for utilizing alternate sources of energy:

The system is in place for alternate sources of energy.

- iii) Capital investment on energy conservation equipments : **NIL**

**b) Technology Absorption**

- i) Efforts made towards technology absorption:

Efforts are made from time to time towards technology absorption, adoption and innovation.

- ii) Benefits derived:

Company is able to achieve significant cost reduction and improvement in the products.

- iii) Technology imported (during the last three years) : NIL
- Details of technology imported : N/A
- Year of Import : N/A
- Whether the technology has been fully absorbed : N/A
- If not absorbed, areas where absorption has not taken place and reasons thereof : N/A
- iv) Expenditure incurred on Research and Development

(Rs. In Lacs)

Particulars	2021-22(Current Year)	2020-21 (Previous Year)
Capital	NIL	NIL
Recurring	NIL	NIL
Total R&D expenditure as a percentage of total turnover	NIL	NIL

**c) Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo during the Financial Year 2021-22 in terms of actual inflows and actual outflows is given as follows:

(Rs. In Lacs)		
Particulars	2021-22 (Current Year)	2020-21 (Previous Year)
<b>EARNINGS</b>		
F.O.B Value of Exports	NIL	NIL
<b>OUTGO</b>		
i) CIF Value of Import of Raw Materials	46.40	60.51
ii) Components & Spares	NIL	NIL
iii) Capital Goods	NIL	NIL
iv) Repair & Maintenance (P&M) imports	NIL	NIL
v) Foreign travel & others	NIL	NIL

**Risk Management Policy**

The requirement of establishing Risk Management Committee is not applicable to our company. However, the Risk Management Policy is still in place and was amended to incorporate the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**Corporate Social Responsibility (CSR)**

As per the provisions of Section 135 of the Companies Act, 2013, every company having net worth of Rupees Five Hundred crore or more or turnover of Rupees One Thousand crore or more or a net profit of Rupees Five crore or more during any financial year is required to spend in every financial year at least 2% of the average net profits made during the three immediate preceding financial years on CSR activities. We would like to inform you that as per applicable provisions of Companies Act, 2013, there is average net loss and accordingly CSR provisions were not applicable during the year under review.

**Composition of Committees of the Board**

The Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee are duly constituted as per applicable provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013, the details of which are mentioned in the Corporate Governance report annexed herewith.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations read with subsequent MCA notification G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015, the Board evaluation procedure is not applicable on us (exempted to Govt. Cos.), however there is a system in place for evaluation of performance of the Board, its committees and individual directors.

The Nomination and Remuneration Committee considered the exemption provided to the Government Companies and decided to take the benefit of the exemption. As a result, Committee decided to not to evaluate the performance of the KMP's and senior management/HODs during Financial Year 2021-2022 except w.r.t. appointment of senior management and other employees. The performance of Independent Directors was evaluated by the entire Board (except by the Director being evaluated) in their 212<sup>th</sup> Meeting held on 25<sup>th</sup> May, 2022.

**Change in the nature of business**

During the year 2021-2022, there was no significant change in the nature of Business of the Company. The company only expanded its operations as per the amended Objects Clause of the Memorandum of Association of the Company.

**Directors and Key Managerial Personnel**

Pursuant to Section 2(51) and 203 of the Companies Act, 2013 read with related rules, the Key Managerial Personnel of the company as on the date of report are as follows:

1. Sh. Uma Shankar Gupta, IAS, Managing Director
2. CMA Jagdeep Singh Bhatia, Chief Financial Officer
3. CS Madhur Bain Singh, Company Secretary



Following changes, in the constitution of Board of Directors, took place during the period under review upto 9<sup>th</sup> August, 2022 on account of change in nomination by Punjab Information & Communication Technology Corporation Limited (Punjab Infotech) and otherwise from time to time;

Sr. No.	Name	Designation	Period of Directorship
1.	Sh. Alok Shekhar, IAS	Chairman	08.07.2020 to 27.07.2021
2.	Sh. Hussan Lal, IAS	Chairman	27.07.2021 to 21.09.2021
3.	Sh. Tejveer Singh, IAS	Chairman	21.09.2021 to 18.04.2022
4.	Smt. Neelima, IAS	Managing Director	22.02.2021 to 06.10.2021
5.	Sh. Sibin C., IAS	Sr. Vice Chairman	22.02.2021 to 06.10.2021
6.	Smt. Neelima, IAS	Sr. Vice Chairman	06.10.2021 to 09.11.2021
7.	Smt. Neelima, IAS	Sr. V.C & Managing Director	09.11.2021 to 05.05.2022
8.	Sh. Moti Ram Sharma	Independent Director	26.09.2018 to 25.09.2021
9.	Smt. Neena Singh	Independent Director	31.03.2015 to 15.02.2022
10.	Sh. Sibin C., IAS	Sr. Vice Chairman	05.05.2022 to 11.07.2022
11.	Sh. Dilip Kumar, IAS	Chairman	18.04.2022 & continuing
12.	CA. D.K. Singla	Independent Director	25.03.2022 & continuing
13.	Dr. Neelu Jain	Independent Director	25.03.2022 & continuing
14.	Sh. Uma Shankar Gupta, IAS	Managing Director	05.05.2022 & continuing
15.	Sh. Mohinder Pal, IAS	Sr. Vice Chairman	11.07.2022 & continuing
16.	CA. Ramesh Goel	Whole-time Director	09.08.2022 & continuing

In terms of Section 152 of the Companies Act, 2013, Sh. Dilip Kumar, IAS shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### Details of Puncom's Subsidiaries

Puncom has one immaterial subsidiary, namely M/s Punjab Digital Industrial Systems Limited which has been ordered by the Hon'ble Punjab and Haryana High Court to be wound up on 20<sup>th</sup> February, 2009. All the formalities in this regard for the company has been completed. However, it is pertinent to point out that with the existence of National Company Law Tribunal (NCLT) / National Company Law Appellate Tribunal (NCLAT), the winding up case has been transferred from Hon'ble Punjab & Haryana High Court to NCLT / NCLAT. The National Company Law Tribunal (NCLT) is yet to issue the dissolution order in respect of subsidiary company namely M/s Punjab Digital Industrial Systems Limited.

#### Deposits

The particulars with respect to Deposits under Section 73 of the Companies Act, 2013 are: **NIL**.

#### Details of Significant and Material orders passed

During the financial year under report, no significant order(s) was/were passed by Courts, Tribunals affecting the going concern status and operations of the company in future.

#### Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. A report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013, as given by the Statutory Auditors of the Company, forms part of the Independent Auditor's Report as Annexure B.

#### Non-maintenance of Cost Records

The disclosure with respect to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not required by the Company and accordingly no such accounts and records are made and maintained.

#### Disclosure under IBC

There is no application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review. Accordingly, the status as at end of current Financial Year may be treated as NIL.

#### Disclosure on difference in valuation during OTS

No fresh loans were taken from Banks and Financial Institutions during the reporting period. Accordingly there is NIL difference between valuation done at time of one time settlement and valuation done while taking loan from Banks or Financial Institutions.

### Vigil Mechanism/Whistle Blower Policy

The company has its "Vigil Mechanism/Whistle Blower Policy" in place. In accordance with the requirements of Regulation 4(2)(d)(iv) and Regulation 22 of Listing Regulations read with under Section 177 of the Companies Act, 2013, CMA J.S. Bhatia, CFO, heading the Finance Division, has been appointed as Vigilance and Ethics Officer. The web link for the policy is <http://www.puncom.com/?id=107>

### Disclosure relating to Remuneration of Directors and KMP:

#### A. Disclosure under Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year under report:

S. No.	Name of the Director	Median Remuneration of employees (Rs. In lacs)	Ratio
1.	Smt. Neelima (IAS)*		NIL
2.	CMA Jagdeep Singh Bhatia	10.59	2.6:10

\* Smt. Neelima, IAS ceased to be Managing Director of the company w.e.f. 5<sup>th</sup> May, 2022.

- b) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: There are only two KMP covered under this and they are CMA Jagdeep Singh Bhatia, CFO and Sh. Madhur Bain Singh, CS having an increase of 4.17% and 4.75% respectively in remuneration excluding LTA & LE
- c) Percentage increase in the median remuneration of employees in the Financial Year 2021 - 22: **2.45%**
- d) Number of permanent (regular) employees on rolls of the Company as on 31/03/2022: **188** (includes one employee who retired on 31.03.2022).
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average increase in remuneration is equivalent to the rate of inflation declared by state for the purpose of D.A. The Company, being Public Sector Undertaking (PSU) of Punjab follows applicable pay-scales as per the service rules as amended from time to time through wage revision agreement executed with union from time to time and duly approved by the Board of Directors of the Company, uniformly for all its employees as per the respective designation and tenure of employee with the company.
- f) Affirmation that the remuneration is as per the remuneration policy/service rules etc. of the company: Yes, the remuneration is as per remuneration policy/service rules/requisite approvals of the company.

#### B. Disclosure under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The list of the top ten employees in terms of remuneration drawn is as follows:

Sr. No	Name	Designation	Remuneration received (in Rs.)* FY 2021-22	Nature of employment (whether contractual or otherwise)	Qualifications and Experience	Date of commencement of employment	Completed Age (in yrs)	Last employment held	Percentage of equity shares held	Whether relative of any director or manager if so, name of such director/manager)
1	Sh. Jagdeep Singh Bhatia	DVP	39,14,769	Regular	BCOM, ICWAI; Over 40 yrs	01.07.1988	57	CDIL	Nil	No
2	Sh. Rupinder S Mainee	AVP	35,07,022	Regular	BSc & MBA; Over 36 yrs	09.03.1989	56	Delta Hamlin Ltd.	Nil	No
3	Smt. Namita Sharma	GM	28,15,888	Regular	BE; Over 28 yrs	17.11.1993	50	Nil	Nil	No
4	Smt. Raminder Kaur	Addl. GM	25,79,639	Regular	BE(Electronics) and PGDOM; Over 29 yrs	08.07.1993	49	Nil	Nil	No
5	Smt. Indu	AGM	25,42,152	Regular	MSc(Physics), PGDBA	30.09.1991	53	Nil	Nil	No

	Walia				(Operation), MCA; Over 30 yrs					
6	Sh. Kapil Kumar	AGM	25,29,344	Regular	MCA; Over 25 yrs	10.02.1997	49	Nil	Nil	No
7	Smt. Amardeep Kaur	DGM	23,34,448	Regular	BE(Electronics); Over 28 yrs	05.10.1993	53	Nil	Nil	No
8	Smt. Geeta	Sr. Manager	21,26,046	Regular	DIP(ECE); Over 36 yrs	07.12.1985	55	Nil	Nil	No
9	Sh. Madhur Bain Singh	Sr. Manager	21,04,733	Regular	MA (Geography), PGDCA, CS; Over 24 yrs	01.10.2004	51	Global Knitfab Limited	Nil	No
10	Sh. Sanjay Garg	DGM	20,24,707	Regular	MSc(Physics); Over 33 yrs	23.09.1991	56	The Oriental Apparatus Workshops.	Nil	No

\*Includes Leave Encashment & LTA availed by the employees as per service rules of the company.

There are no such employees who have been paid annual remuneration of Rs. 102.00 lacs or above and a monthly remuneration of Rs. 8.50 lacs and above in case of employee worked for less than a year.

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review as stipulated under the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 34(2)(e) of Listing Regulations is appended as **Annexure 2** and is an integral part of this report.

### Corporate Governance Report

The Corporate Governance Report for the year under review as stipulated under the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended as **Annexure 3** and is an integral part of this report.

### Secretarial Audit Report

The Board pursuant to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s S K Sikka & Associates, Practicing Company Secretaries, having Membership No.FCS 4241 to conduct Secretarial Audit for the FY 2021-22.

M/s S K Sikka & Associates, Practicing Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2022 and the Secretarial Audit Report in Form No. MR-3 is annexed herewith this report as **Annexure 4** and forms part of the report.

### Compliance with applicable Secretarial Standards

The Company has duly complied with all applicable secretarial standards as referred under Section 118 of Company Act 2013 and as issued by ICSI during the year under review.

### Sexual Harassment of Women at Workplace: Internal Committee

In compliance with the provisions of Section 21 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, the Company has constituted Internal Complaints Committee (ICC). During the year, No complaint with allegations of sexual harassment has filed with the Company. As a routine, three workshop or awareness programme against sexual harassment were carried out during the financial year under report.

### Cautionary Statement

Certain statements in the Boards' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable laws, rules and regulations. Actual results might differ from those expressed or implied. The statements and figures made in this report is based on the inputs as received from respective divisions of the company.

Important factors that could make a difference to the Company's operations include labour and material availability, prices, cyclical demand and pricing in the company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors. Further, the Disinvestment/Sale of Assets process of the Company is also a major factor that could make a difference to the viability of the Company or Company's operations.

The Company is not under any obligation to publicly amend, modify or revise any such forward looking statements on the basis of any subsequent developments, information or events.

**Acknowledgement**

The Board places on record its gratitude to various State Transmission Corporations, Department of Railways, PGCIL and other esteemed customers in India and abroad. The Board also places on record its gratitude to various banks associated with the company especially SBI/Indian Bank (Allahabad Bank) for their interest, continuous help and co-operation for smooth functioning of the Company. The Board also places on record its gratitude to the Punjab Information and Communication Technology Corporation Limited (PICTCL/Punjab Infotech), the Holding Company, for its guidance and support.

The Board also places on record its appreciation for continuous support and amicable relations with various government authorities viz. Income Tax Department, Goods and Services Tax Department, Excise and Customs Department, PF & Labour Department and Ministry of Corporate Affairs (Registrar of Companies, Chandigarh), Securities Exchange Board of India, BSE etc.

We are thankful for continuous support of our esteemed customers all through & also continuous support of shareholders, bankers and stakeholders, including the business associates as they reposed undoubting faith in the Company.

The Board in particular acknowledges the co-operation of esteemed shareholders for their constant support and for the confidence reposed in the Management of the Company.

For and on behalf of the Board of Directors

Place: S.A.S. Nagar  
Date.: August 09, 2022

**DILIP KUMAR, IAS**  
CHAIRMAN

**List of Annexures to the Boards' Report**

- 1) AOC2
- 2) Management Discussion and Analysis Report
- 3) Corporate Governance Report
- 4) Secretarial Audit Report
- 5) Certificate on Corporate Governance

**Form No. AOC-2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

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

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

(a) Name(s) of the related party and nature of relationship:	NIL
(b) Nature of contracts/arrangements/transactions:	NIL
(c) Duration of the contracts/arrangements/transactions:	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e) Justification for entering into such contracts or arrangements or transactions	NIL
(f) Date(s) of approval by the Board:	NIL
(g) Amount paid as advances, if any:	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party	NIL
(b) Nature of contracts/arrangements/transactions:	NIL
(c) Duration of the contracts / arrangements/transactions:	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e) Date(s) of approval by the Board, if any*:	NIL
(f) Amount paid as advances, if any:	NIL

\*Not Applicable/Exempted vide Govt Notification G.S.R. 463(E)

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**MANAGEMENT DISCUSSION & ANALYSIS REPORT**


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**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Punjab Communications Limited (Puncom), a premier Telecom and IT company was incorporated in the year 1981 by the Punjab Govt. for giving fillip to the Electronics and Telecommunication industry in the region. The company passed through a very good phase from 1981 to 1993, and came up with a public issue in October, 1994. Despite high premium, the issue was heavily oversubscribed. The company achieved a record Turnover of Rs.157cr. during the year 2001-2002, when its net worth was Rs.181 cr.

Thereafter the turnover of the company was adversely affected due to industry wide shift from landline based narrowband communication to wireless and broadband. Realising this, the company made attempts to broaden its customer and product base through tie-ups with foreign companies including Huawei Technologies of China for supply of DWDM equipment. Simultaneously, for improving bottom line, the company went about developing its core markets of railways and power sector with own products. A year back company has developed a new system for railways for communication between control office and way stations and executing projects along with MUX and SDH. The company is on lookout for additional partners for new products and services for new markets. The company has empanelled OEMs of IP-MPLS for projects in railways and power sector.

**OPPORTUNITIES AND THREATS****Opportunities**

- Continuing growth rate in mobile and broadband networks and its deeper penetration into rural and other tertiary areas continues to provide business opportunities in telecom segment.
- Growth of telecom and IT is prompting related growth in niche markets of power, railways, defence, government etc. for telecom, EV and EV infrastructure and IT equipment.
- Newer areas of security, New & Renewable energy, Digital India, Digital villages, Smart cities, Green and clean technologies, etc. provide new business opportunities to penetrate/invest into new segments.
- India, with its vast and vibrant economy and deeper integration with global markets, is moving up the value chain and is in the process throwing up large requirements of cost optimized high tech products in telecom and IT domains. This is providing new opportunities and markets for domestic industry.
- Being a PSU, Puncom is also exploring potential business from government in emerging areas.

**Threats**

- Continuously evolving market place increases product churn and reduces timelines. This increases business risks and puts pressure on companies to continuously innovate and explore investments into new markets and products.
- Fast changing technologies
- Prolonged chip shortage
- Policy framework and a perceived purchaser bias in India results in skewed playing field in favour of MNCs which Indian telecom manufacturers find difficult to match.
- Continuing uncertainty of disinvestment and other issues is affecting morale and operational difficulties in the functioning of the company

**Segment Reporting**

Puncom is engaged in the business of manufacturing of telecom products and these activities are covered by same set of risk and returns. Sales have been grouped as single segment in the accounts as per Ind AS 108- Operating Segments as issued by Ministry of Corporate Affairs.

**FINANCIAL POSITION****a) Reserves and Surplus**

The Reserves of the company stands at Rs.2235.93 Lacs as on 31<sup>st</sup> March, 2022. Due to losses in the current year, no amount was carried over to Reserves and Surplus. Instead, the reserves have been utilized to the extent of Rs 1271.87 Lacs.

**b) Secured / Unsecured Loans**

Company has not taken any long term loans and enjoys the status of being Zero – debt company. However during the year, the company has been sanctioned working capital limits from bank against 100% margin in excess of five crores against security of FDRs. The company has availed the bank

guarantee, overdraft and LC limits against the pledged FDRs to the tune of Rs.2022.02 Lacs as on 31<sup>st</sup> March, 2022.

**c) Property Plant and Equipment & Investment Property**

The gross block of fixed assets of the company decreased marginally from Rs. 5679.19 Lacs to Rs. 5570.79 Lacs in the current year. Decrease is mainly due to the fact that during the FY 21-22, the company has decided to sell one of its investment property (C-134 Building) to M/s Punjab Pollution Control Board (PPCB) at a price of Rs 19.50 Crore. Accordingly, the said Investment property was transferred /classified into Non-Current Asset held for sale. Kindly refer footnote of note 2 and 14A of Balance Sheet.

**d) Investments**

Non-Current Investments stand to the tune of Rs. 698.74 Lacs as on 31<sup>st</sup> March, 2022, being investment in bonds of U P Co-operative Spinning Mills Federation Ltd. (UPCSFL) in year 1998.

Principal amount of Fixed deposits of the company have decreased to Rs. 6191.45 Lacs against Rs. 6533.47 Lacs in the previous year. Fixed deposits include an amount of Rs. 3010.21 Lacs received by Company through encashment of backup Bank Guarantees submitted by VMC Systems Ltd. Fixed deposits having maturity period of more than one year from Balance Sheet date are classified as Non-Current Financial Assets. Fixed deposits having original maturity of 3 months or less are classified as Cash & cash equivalents.

**e) Inventories**

Total inventory after provision has increased from Rs. 409.27 Lacs as at 31.03.2021 to Rs. 425.50 Lacs as at 31.03.2022.

**f) Receivables**

Net Trade Receivables are Rs.1042.63 Lacs as at 31.03.2022 as compared to Rs 1824.45 Lacs as at 31.03.2021. The debtors are considered to be good and provision to the tune of Rs. 11.41 Lacs has been reversed during this year. The decrease in trade receivables is due to decrease in turnover.

**g) Loans and Advances**

These consist of both long term and short term loans and advances and have decreased from Rs. 36.53 Lacs as on 31.03.2021 to Rs. 26.26 Lacs as on 31.03.2022. There is regrouping in the head of "Loans & Advances" (refer note 4 of Balance Sheet) & "Other Current Financial Assets (refer note 5 of Balance Sheet)" due to shifting of Security Deposits from Loan and Advances to Other Non-Current Financial Assets. So, figures are non-comparable with previous year Balance Sheet.

**h) Current Liabilities and Provisions**

Total current liabilities have been decreased from Rs. 5647.07 Lacs as at 31.03.2021 to Rs. 5617.65 Lacs as at 31.03.2022.

**i) Other Current Financial Assets**

Other Current Financial Assets consist of security deposits, accrued interest on fixed deposits having maturity within one year and money held in escrow account on behalf of VMC and its associate companies. These have been decreased from Rs. 515.87 Lacs as on 31.03.2021 to Rs. 451.26 Lacs as on 31.03.2022. There is regrouping in the head of "Loans & Advances" (refer note 4 of Balance Sheet) & "Other Current Financial Assets" (refer note 5 of Balance Sheet) due to shifting of Security Deposits from Loan and Advances to Other Non-Current Financial Assets, and thus figures are non-comparable with previous year Balance Sheet.

## OUTLOOK

### Industrial Outlook

Over the years, The Indian telecommunication sector has seen a radical shift from being a mere carrier of voice and data traffic between users, to being an instrument delivering newer e-based services to Indian population. On the back of ongoing investments flowing into infrastructure through nationwide programmes like Digital India, digital empowerment and e-service delivery, mobile banking and e-commerce etc, the country is projected to witness extensive penetration of Internet, broadband, and mobile subscribers and IT based digital services into deepest corners of India.

Government of India has progressively improved business and manufacturing climate in the country with reforms such as improved ease of doing business, streamlining controls, taxation, increasing FDI limits in most business segments, increased public private participation and so on. This, together with India being among the largest and

fastest growing markets of the world, has ensured that most MNCs and domestic companies are making aggressive plans to set up bases in India.

Rapid expansion and availability of telecom and IT networks in the country has also increased demand for telecom, IT and all kinds of equipment and services from related segments like power, transport, education, defence etc. for increased automation, safety & security, connectivity etc. In addition government's increasing focus on green technologies like solar, LEDs, is altering the power space in a major way.

The setback to the industrial climate and Indian economy outlook caused by Covid-19 are likely to remain for some time. Puncom too has not escaped the setback but this has certainly resulted into irreparable dent into the growth of the company.

Covid has brought subtle changes in the way industries operate as well as in the way they manage their business environment for the near future to mitigate the ill-effects of virus. The future of the industry however continues to remain in broadband and mobile finding yet newer applications and constant technological innovations in most sectors of industry and society. Over the past two years, the COVID-19 pandemic has upended many lives and business on an unprecedented scale. However, Covid is a boon to IT sector with flexibility of work from home, online classes, video conferencing and corporate sector switching its operations to digital mode. Adopting new principles like 'shift towards localization, cash conservation, supply chain resilience and innovation' will help businesses in treading a new path in this uncertain environment.

Major national projects and market segments where demand is expected to grow include:

- Make in India programs for all business segments especially railways, defence, power, telecom, networking, health, security, automation, especially in view of Prime Minister's call for Self-Reliance
- Digital India, DigiGaons and related services
- Renewable and clean energy technologies.
- E-Commerce and e-governance.
- Smart cities, smart grid and smart metering
- Wireless broadband and cloud
- Network and Information Security.
- Water management and agriculture
- Automation using IoT
- EV and EV charging infrastructure

#### **Business Outlook**

Puncom has a diversified customer base. Though equipment manufacturing has accounted for a major portion of its sales, service sector including turnkey projects for railways and power sector have contributed significantly towards revenues and bottom line. Puncom is however aware of the emerging significance of service sector and increasing penetration of smart networking and IT applications in all segments of society. Accordingly it is strengthening its value added service activities like turnkey projects, and customer support etc. It is also actively looking at new emerging service sectors for smart application technologies and looking for business opportunities.

#### **RISKS AND CONCERNS**

- Products manufactured by Puncom are in its last stage/fag end of their commercial viability.
- Old designs of products and component obsolesce making manufacturing difficult.
- Chip shortage leading to delay in procurement making it difficult to manufacture equipment in required delivery schedule.
- Shortage of semiconductors, chip and steep rise in their price in post COVID period and Ukraine war.
- Puncom operates in a highly competitive high-tech segment. However, being a PSU, it is not able to employ the level of flexibility in business operations as enjoyed by its competitors from private sector.
- Better career opportunities in private segment has resulted in continued attrition of its technical manpower and depleted company's strength to meet competition.
- The company is exposed to many interferences/ disclosures like information under RTI, a restricted work environment subject to lot of audits etc. This hampers the overall growth and productivity of the organization.



**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Puncom has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The company has an extensive system of internal controls which ensures optimal utilization and protection of resources, IT security, accurate reporting of financial transaction and compliance with applicable laws and regulations as also internal policies and procedures.

The internal control system is supplemented by extensive internal audits, regular reviews by management and well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

**FINANCIAL REVIEW**

**Operating Results**

**a) Sales**

During the Financial Year 2021-22, the sales have decreased from Rs. 2057.55 Lacs to Rs. 1075.90 Lacs. The break-up of the sales on the basis of product and customer is as follows:

**Product wise sales**

Particulars	Amount (in Lacs)	
	Sale Amount	Percentage Sale
PLCC	181.70	16.89%
V-MUX	511.20	47.51%
Power Plant & Others	5.90	0.55%
Traded items	130.09	12.09%
Service Income	247.00	22.96%
Training Income & Scrap Sale	0.01	00.01%
<b>TOTAL</b>	<b>1075.90</b>	

**Customer wise sales**

Particulars	Amount (in Lacs)	
	Sale Amount	Percentage Sale
Power sector	271.68	25.25%
Railways	355.22	33.02%
Other customers*	449.00	41.73%
<b>TOTAL</b>	<b>1075.90</b>	

\*Other customers includes Telecom Sector, SSSB Mohali etc.

**b) Expenditure Analysis**

**i) Material Consumed**

Material consumed during the year is Rs 341.76 Lacs as against Rs 780.37 Lacs in the previous year. Material consumption consists of consumption of traded goods also.

**ii) Manufacturing, Administrative & Selling expenses**

Manufacturing expenses comprising of stores and spares, power and fuel, freight and installation expenses etc. decreased from Rs. 150.13 Lacs to Rs. 108.78 Lacs in the current year. As a percentage of sales, these increased from 7.30% in the previous year to 10.11% in the current year. Decrease in manufacturing expense is due to decrease in turnover and percentage increase to sales is due to inflationary effect in economy.

Administrative expenses mainly comprising of travelling and conveyance, repair and maintenance, office electricity & water, rent and auditors expenses increased from Rs. 210.76 Lacs to Rs. 221.43 Lacs. However as a percentage of sales these increased from 10.24% in the previous year to 20.58% in the current year. Administrative expenses mainly of fixed nature and the increase is due to inflationary effect in economy.

Selling and Distribution expenses comprising of advertisement and publicity, sales promotion expenses, packing & forwarding expenses and customer claims and recoveries have decreased from

Rs. 33.71 Lacs to Rs. 11.73 Lacs in the current year. As a percentage of sales these decreased from 1.64% in the previous year to 1.09% in the current year. Selling and Distribution expenses have decreased due to decrease in turnover.

**iii) Amount written off / Provisioning**

During the current financial year, following amounts have been provided for/ written back to present the accounts at the fair value.

	Rs. (in Lacs)
Provision for Doubtful debts and advances written back	(11.41)
Bad debt written off	13.51
Provision for slow moving stocks	22.48
<b>Net provision provided in FY 21-22</b>	<b>24.58</b>

Thus the overall amount provided for in the accounts during the Financial Year 2021-22 is to the tune of Rs. 24.58 Lacs against Rs. 21.48 Lacs in the previous year.

**iv) Personnel Cost**

The personnel cost decreased from Rs. 2,586.75 Lacs to Rs. 2471.97 Lacs. Decrease in personnel cost is due to decrease in number of employees on account of retirement/resignation.

**v) Finance costs and Depreciation**

The financial charges decreased from Rs. 2.89 Lacs in the previous year to Rs. 2.25 Lacs in the current year as the interest on FDRs placed on quarterly payout basis is used as working capital during the year under review as against the availing of loan against such FDRs.

Depreciation decreased from Rs. 35.15 Lacs to Rs. 28.93 Lacs during FY 2021-22. Further, an addition in the capital expenditure was booked to the tune of Rs. 1.86 Lacs during the current financial year.

**vi) Net Profit/Loss and Total Comprehensive Income**

During the current financial year, the company has incurred Net Loss of Rs. 1321.94 Lacs as against Net Loss of Rs. 1190.29 Lacs during the last year.

Total Comprehensive Loss for the current financial year is Rs. 1271.88 Lacs in comparison to Rs. 1114.09 Lacs after considering impact of Other Comprehensive loss of Rs. 23.09 Lacs in current year as against other comprehensive income of Rs. 76.20 Lacs in previous year.

**vii) Dividend**

Owing to losses during the FY 21-22, the Directors of the company do not recommend any dividend for the Financial Year 2021-22.

**ISO- 9001:2015 CERTIFICATION**

Making quality equipment & services available to its customers is the motto of Puncom. In pursuit of providing quality equipment & services, Puncom processes and procedures conform to the ISO 9001:2015 standard. These procedures and processes are audited once in three years for the recertification of the standard, followed by yearly Surveillance audit and half-yearly Internal Audits. Puncom has successfully completed surveillance audit of ISO in April, 2022.

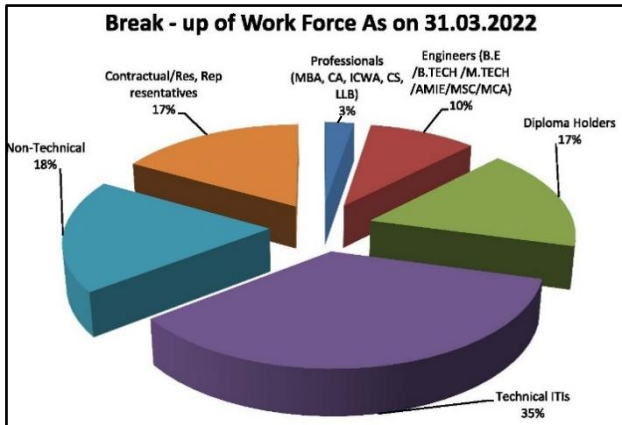
**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

**Human Resource Development**

The employees of Puncom are the backbone and this resource is very efficiently utilised. The company nurtures its employees through greater knowledge, opportunity, responsibility, accountability and discipline. All the policies concerning the employees are made with an objective of motivating the manpower and considering it as a significant resource for the company. Puncom is relatively renowned company with highly experienced and hardworking employees with an average age of 50 years.

<b>Break-up of work force</b>	<b>As on 31.03.22</b>
Professionals (MBA, CA, ICWA, CS, LLB)	06
Engineers (B.E/ B.Tech /M.E./M.Tech /AMIE/MSC/MCA)	22
Diploma Holders	38
Technical ITIs	80
Non-Technical	42
Contractual/ Res. Representatives	38
<b>Total</b>	<b>226*</b>

\*Includes one employee who is retired on 31.03.2022



PUNCOM is equipped with qualified and professional staff. The employees are groomed through effective system of assessment, performance appraisal, training, including sharing of knowledge through training files and on line testing in a structured manner.

In addition to above, PUNCOM offers numerous facilities to its human resources in the form of in-house Library, Air-conditioned environment, canteen facilities, accommodation in Engineer Campus, ATM, Leave/Home travel concessions, Internet facility, recreational activities, natural environment in the premises, parking facilities etc. Further, other benefits like medical allowance, conveyance loan etc. are also available to employees. PUNCOM frames its HR policies keeping in mind that human resource is core strength of the company. Good HR policies not only lead to contentment of employees by providing them with equal opportunities to grow but also help in achieving the laid down objectives effectively.

Safety and security of the personnel, assets, and the environment protection are on top of the agenda at PUNCOM. The safety procedure of PUNCOM includes electrical safety, inherent process safety, control of substances hazardous to health, vehicle integrity check and loading and unloading operations. PUNCOM is consistently reviewing the safety measures and taking steps to improve them.

PUNCOM is conscious of its responsibility towards creating, maintain and ensuring a safe and clean environment. Strict adherence to all regulatory requirements and guidelines is maintained at all times. The company has adopted approach to create pollution free environment by adopting required measures. The company has also formed the various committees for effective disposal of scrap and waste. Disposal of scrap when handled in an imaginative manner can result in handsome returns to the company. Therefore, the PUNCOM ensures the involvement of employees of the company in this process as they are naturally the best people to suggest improvements in materials, processes, and new end users for scrap. PUNCOM believes that it is they who can minimize the accumulation of scrap through coordination. Being in telecom sector, PUNCOM is motivated towards e-waste management through coordinated efforts with various authorised agencies.

The company has also taken tasks of planting trees and maintain lawns to make the factory dust free. Being an electronic industry, though it does not emit any air, water, or noise pollutants yet the company control noise pollution by putting canopy on power generator.

**COVID Pandemic Management**

Considering the COVID-19 pandemic, employees who were not vaccinated were advised to get vaccinated and submit their vaccination certificates in HR & Admin. division as per guidelines issued by the health authorities.

As the cases were subsided at the end of September 2021, PUNCOM started working with full strength and employees were reported to strictly follow Covid appropriate behavior like wearing of masks, physical distancing, use of hand sanitizer and frequent hand washing etc.

As India faced third wave of Covid-19 in the month of January 2022, many employees & their family members were found Covid positive. A total of twenty cases of Covid-19 among employees and five cases of the members of employees were reported in the month of January 2022. In February 2022, one PUNCOM employee and one member of employee was reported Covid-19 positive. In April 2022, one employee was found Covid-19 positive. In the month of May 2022, one family member of an employee was found Covid-19 positive. In case of employees who were found Covid positive, they were given seven days of quarantine leave and in case of their family members, they were given two days of quarantine leave. This benefit was given as per govt. notification.

**Industrial Relations**

Puncom firmly believes in the power of esprit de corps and thus, provides its employees with congenial atmosphere to work as a cohesive team. The efforts of all the employees are synchronized and coordinated towards achieving common objectives.

**Significant Changes in Key Ratios**

There is a decrease of 94.95% in Operating Profit/Loss Margin and 100.64% in Net Profit/Loss Margin. The said decrease is due to higher value of Fixed Expenses (Employee benefits and Administrative expenses) and decreased turnover of the company.

**Change in Net Worth**

During the year, there is a decrease of 35.59% in return on net worth for the Financial Year 2021-22, on a account of consistent losses over past year and also in current year.

**Disclosure of Accounting Treatment:**

The Company has prepared financial statements in accordance with applicable Indian Accounting Standards. Further, there is no qualification in Independent Auditor's Report. The disclosure w.r.t Auditor's opinion and matter emphasized in Independent Auditor's Report is detailed in the Board's Report and the same has been done as per the past practice.

**REPORT ON CORPORATE GOVERNANCE**

**1. Company’s philosophy on Code of Governance**

Puncom recognizes the ideals and importance of Corporate Governance and acknowledges its responsibilities towards all stakeholders including Government, employees, customers, suppliers, regulatory authorities and the shareholders. Puncom’s Philosophy on Corporate Governance is to bestow high standards of transparency, fairness and accountability for performance at all levels and to ensure the best performance through professionalism, social responsiveness, business practices and maximization of operational efficiency. The Company endeavors to maximize the shareholders’ value and to protect the interest of stakeholders. Moreover, being a Public Sector Undertaking the company’s performance is subject to various Audits, viz., Statutory Audit, Internal Audit, CAG Audit, ISO Audit, Corporate Governance Audit, Secretarial Audit, etc.

**2. Board of Directors**

The present strength of the Board is nine directors; one executive director, Sh. Uma Shankar Gupta, IAS being Managing Director, two whole-time directors, CMA J.S. Bhatia, being employee/CFO and CA. Ramesh Goel, being employee of the Company and six non-executive directors, of which four are independent directors, who are professionals and/or have expertise in their respective functional areas. The Chairman of the company is non-executive. The names and categories of present directors (as on 9<sup>th</sup> August, 2022) are given here below:

S. No.	Name	Directors’ Identification Number	Category	Position in Board
1.	Sh. Dilip Kumar, IAS	03155302	Non-Executive, Nominee*	Chairman
2.	Sh. Mohinder Pal, IAS	02975536	Non-Executive, Nominee*	Sr. Vice- Chairman
3.	Sh. Uma Shankar Gupta, IAS	06989413	Executive, Nominee*	Managing Director
4.	Sh. S. P. Singh, IAS (Retd)	00297745	Non-Executive, Independent	Director
5.	Dr. V. P. Chandan, IRSSE (Retd.)	00225793	Non-Executive, Independent	Director
6.	CA. D. K. Singla	01430327	Non-Executive, Independent	Director
7.	Dr. Neelu Jain	09548731	Non-Executive, Independent	Director
8.	CMA. Jagdeep Singh Bhatia	02554023	Executive (Whole time)	Director
9.	CA. Ramesh Goel	09699964	Executive (Whole time)	Director

\*These Directors are nominees of Punjab Information and Communication Technology Corporation Limited (Punjab Infotech) (Our holding Company having 71.12% equity shares in our Company)

During the period under review upto 9<sup>th</sup> August, 2022, following changes took place in the directorship of the Company as nominated by Punjab Information & Communication Technology Corporation Limited (Punjab Infotech) and otherwise from time to time.

Sr. No.	Name	Designation	Period of Directorship
1.	Sh. Alok Shekhar, IAS	Chairman	08.07.2020 to 27.07.2021
2.	Sh. Hussan Lal, IAS	Chairman	27.07.2021 to 21.09.2021
3.	Sh. Tejveer Singh, IAS	Chairman	21.09.2021 to 18.04.2022
4.	Smt. Neelima, IAS	Managing Director	22.02.2021 to 06.10.2021
5.	Sh. Sabin C., IAS	Sr. Vice Chairman	22.02.2021 to 06.10.2021
6.	Smt. Neelima, IAS	Sr. Vice Chairman	06.10.2021 to 09.11.2021
7.	Smt. Neelima, IAS	Sr. V.C & Managing Director	09.11.2021 to 05.05.2022
8.	Sh. Moti Ram Sharma	Independent Director	26.09.2018 to 25.09.2021
9.	Smt. Neena Singh	Independent Director	31.03.2015 to 15.02.2022
10.	Sh. Sabin C., IAS	Sr. Vice Chairman	05.05.2022 to 11.07.2022
11.	Sh. Dilip Kumar, IAS	Chairman	18.04.2022 & continuing
12.	CA. D.K. Singla	Independent Director	25.03.2022 & continuing
13.	Dr. Neelu Jain	Independent Director	25.03.2022 & continuing
14.	Sh. Uma Shankar Gupta, IAS	Managing Director	05.05.2022 & continuing
15.	Sh. Mohinder Pal, IAS	Sr. Vice Chairman	11.07.2022 & continuing
16.	CA. Ramesh Goel	Whole-time Director	09.08.2022 & continuing

### Board Procedure

Six Board Meetings were held during the financial year under report as detailed below. The gap between two meetings did not exceed four months i.e., the schedule of Board Meetings held during the year was in consonance with the requirements of Listing Regulations and the meetings were conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1).

Board Meeting No.	Day	Date
206 <sup>th</sup>	Thursday	10 <sup>th</sup> June, 2021
207 <sup>th</sup>	Friday	25 <sup>th</sup> June, 2021
208 <sup>th</sup>	Thursday	12 <sup>th</sup> August, 2021
209 <sup>th</sup>	Friday	12 <sup>th</sup> November, 2021
210 <sup>th</sup>	Wednesday	9 <sup>th</sup> February, 2022
211 <sup>th</sup>	Friday	25 <sup>th</sup> March, 2022

The attendance of Directors at Board Meeting(s) and General Meeting during the Financial Year 2021-2022 along with the number of Directorships held by them in other companies and number of Board Committees in which they are Chairman/Member at the end of Financial Year or as per the last disclosure given by them, as the case may be, is given here below. This is being disclosed as per provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) and Listing Regulations.

Name	Attendance at Board Meeting(s)		Attendance at AGM (28-09-2021)	Number of Directorships in other Companies (as per last disclosure given to Company)	Number of Committee Chairmanship/ Membership	
	Entitled to Attend	Attended			Chairman	Member
Sh. Alok Shekhar, IAS, Chairman*	2	2	-	5	-	-
Sh. Hussan Lal, IAS, Chairman*	1	1	-	4	-	-
Sh. Tejveer Singh, IAS, Chairman*	3	3	No	3	-	-
Sh. Sibin C., IAS, Sr. Vice-Chairman**	3	1	No	5	-	-
Smt. Neelima, IAS, Managing Director***	6	6	Yes	1	-	-
Sh. S. P. Singh, IAS (Retd.), Director	6	4	No	1	-	-
Dr. V. P. Chandan, IRSSE, (Retd.) Director	6	5	Yes	-	2	-
Smt. Neena Singh, Director <sup>#</sup>	5	5	Yes	1	-	4
Sh. Moti Ram Sharma, Director <sup>#</sup>	3	2	No	-	-	1
CA. Jagdeep Singh Bhatia, Director	6	6	Yes	1	-	2

\* Sh. Alok Shekhar, IAS ceased to be chairman of the company w.e.f. 27<sup>th</sup> July, 2021. In his place, Sh. Hussan Lal, IAS was appointed as chairman of the company w.e.f. 27<sup>th</sup> July, 2021. Later, Sh. Tejveer Singh, IAS was appointed as Chairman on the Board of Puncom by Punjab Infotech w.e.f. 21<sup>st</sup> September, 2021 in place of Sh. Hussan Lal, IAS. Further, Sh. Dilip Kumar, IAS was nominated as Chairman on the Board of Puncom by Punjab Infotech w.e.f. 18<sup>th</sup> April, 2022 in place of Sh. Tejveer Singh, IAS.

\*\* Sh. Sibin C., IAS ceased to be Sr. Vice Chairman on the Board of Puncom w.e.f. 6<sup>th</sup> October, 2021 and re-nominated as Sr. Vice Chairman on Board w.e.f. 5<sup>th</sup> May, 2022. However, he ceased to be Sr. Vice Chairman on the Board of Puncom w.e.f. 11<sup>th</sup> July, 2022 and in his place Sh. Mohinder Pal, IAS was nominated as Sr. Vice Chairman of the Company w.e.f. 11<sup>th</sup> July, 2022.

\*\*\* Smt. Neelima, IAS ceased to be Managing Director on the Board of Puncom w.e.f. 5<sup>th</sup> May, 2022.

<sup>#</sup> Sh. Moti Ram Sharma and Smt. Neena Singh ceased to be Independent Directors on the Board of Puncom w.e.f. 25<sup>th</sup> September, 2021 and 15<sup>th</sup> February, 2022 respectively on account of completion of tenure / resignation.

Pursuant to Schedule V(C)(2)(e) of Listing Regulations, the relationship of the present Directors inter-se is as follows:

Name of the Director	Designation	Relationship inter-se
Sh. Dilip Kumar, IAS	Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
Sh. Mohinder Pal, IAS	Sr. Vice Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
Sh. Uma Shankar Gupta, IAS	Managing Director	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
Sh. S. P. Singh, IAS (Retd)	Director	Independent Director
Dr. V.P. Chandan, IRSSE, (Retd.)	Director	Independent Director
CA. D.K. Singla	Director	Independent Director
Dr. Neelu Jain	Director	Independent Director
CMA. Jagdeep Singh Bhatia	Whole-time Director	being CFO of company, shares a professional relationship with the Managing Director of Punjab Communications Limited.
CA. Ramesh Goel	Whole-time Director	being contractual employee of company, shares a professional relationship with the Managing Director of Punjab Communications Limited.

No shares or convertible instruments are held by non-executive directors.

**Independent Directors' Meeting:** In accordance with the provisions of Regulation 25(3) of the Listing Regulations, the meeting of Independent Directors during Financial Year 2021-22 was conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) on 30<sup>th</sup> March, 2022. Dr. V.P. Chandan, IRSSE, (Retd.), Sh. S.P. Singh, IAS (Retd.), CA. D.K. Singla and Dr. Neelu Jain attended the said meeting. The meeting was conducted for familiarization programme and training of Independent Directors, Review of performance of non-Independent directors and Board as a whole, Review of performance of the Chairman of the company and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The familiarization programme of independent directors is available at [www.puncom.com](http://www.puncom.com) and the web link for the same is as follows: <http://www.puncom.com/?id=105>

**A Chart or Matrix setting out the core skills/expertise/competence of the Board of Directors:**

The Board has identified the following skills/expertise /competencies fundamental for effective functioning of the company and which are currently available with the Board, thereby highlighting the area of expertise of Individual Board Members.

Particulars of skills/expertise/competencies	Areas of Expertise*									
	Sh. Dilip Kumar, IAS	Sh. Mohinder Pal, IAS	Sh. Uma Shankar Gupta, IAS	Sh. S.P. Singh, IAS (Retd)	Dr. V.P. Chandan, IRSSE (Retd.)	CA. D. K. Singla	Dr. Neelu Jain	CMA J.S. Bhatia	CA. Ramesh Goel	
Corporate Governance Practices	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Corporate Planning & Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Administrative Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Legal Expertise	-	-	-	-	-	-	-	-	-	
Financial Expertise/ Banking	-	-	-	-	-	✓	-	✓	✓	
Technical Expertise/ Technology & Development	-	-	✓	-	✓	-	✓	-	-	
Leadership Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Commercial Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Telecom Sector Domain	-	-	-	-	✓	-	-	-	-	

\*However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skill or qualification. All the Board members have rich experience of working in various sectors, though they may not have the desired qualification.

**Board's Confirmation on Independency of Directors:** The Board of Directors of the Company in their meeting held on 25<sup>th</sup> May, 2022 took note of declaration of independence by Independent Directors and is of opinion that the Independent Directors of the company fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management. The Board has formed an opinion regarding integrity, expertise and experience of the independent directors after undertaking due assessment of the veracity of the declaration made by them.

As on date of this report, all the independent directors of the company have duly registered themselves with databank of Independent Directors as maintained by Indian Institute of Corporate Affairs in compliance with Rule 6(1) of Companies (Appointment & Qualification of Directors) Rules, 2014.

### 3. Audit Committee

The Audit Committee of the company presently comprises of Dr. V. P. Chandan, IRSSE (Retd.) as Chairman & CA. D.K. Singla and CMA Jagdeep Singh Bhatia as Members. CA. D.K. Singla, Director has been appointed as Member of the Audit Committee of Board of PUNCOM w.e.f. 25<sup>th</sup> March, 2022. During the year, Sh. Moti Ram Sharma has resigned and ceased to be the Independent Director on the Board of Puncom w.e.f. 25<sup>th</sup> September, 2021 and accordingly he ceased to be member of the Audit Committee w.e.f. 25<sup>th</sup> September, 2021.

Further, Smt. Neena Singh has resigned and ceased to be the Independent Director on the Board of Puncom w.e.f. 15<sup>th</sup> February, 2022 and accordingly she ceased to be member of Audit Committee w.e.f. 15<sup>th</sup> February, 2022. The Constitution of Audit Committee meets the requirements as laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The duly constituted committee met five times during the Financial Year 2021-22 as per details given below:

Audit Committee Meeting No.	Day	Date
79 <sup>th</sup>	Thursday	10 <sup>th</sup> June, 2021
80 <sup>th</sup>	Friday	25 <sup>th</sup> June, 2021
81 <sup>st</sup>	Thursday	12 <sup>th</sup> August, 2021
82 <sup>nd</sup>	Friday	12 <sup>th</sup> November, 2021
83 <sup>rd</sup>	Wednesday	9 <sup>th</sup> February, 2022

The meetings were conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1).

The names of the members, chairman, particulars of the meeting and attendance of the members during the year under review are as follows:

S.No	Name	Category	Number of meetings entitled to attend	Number of Meetings attended
1.	Dr. V. P. Chandan, IRSSE (Retd.) , Chairman	Independent/Non Executive	5	5
2.	CMA Jagdeep Singh Bhatia, Member	Executive (Whole time)	5	5
3.	Smt. Neena Singh, Member*	Independent/Non Executive	5	5
4.	Sh. Moti Ram Sharma, Member*	Independent/Non Executive	3	2
5.	CS Madhur Bain Singh, Convener	Compliance Officer	5	5

\* Sh. Moti Ram Sharma and Smt. Neena Singh ceased to be Independent Directors on the Board of Puncom and accordingly ceased to be Members of the Audit Committee w.e.f. 25<sup>th</sup> September, 2021 and 15<sup>th</sup> February, 2022 respectively on account of completion of tenure / resignation.

**The terms of reference stipulated by the Board to Audit Committee are as contained in Listing Regulations & Section 177 of the Companies Act, 2013 as on 31.03.2022. The terms of reference stipulated are as follows:**

- Internal Control Systems
- Corporate Plans & Project-wise Analysis
- Delegation of Powers to Sr. VC & MD
- Status of Income Tax & Sales Tax Assessments
- Discussion on Internal Audit Report
- Income Tax Matters such as TDS, Returns, Disputed liability etc.
- Discussion on Personnel Policy
- Pending Audit Paras



- Appointment of Tax Auditor/Internal Auditors and its remuneration
- Review of Financial Results
- Financial Powers of MD
- Reports/Returns submitted to various bodies like Banks, Stock Exchanges, RBI etc.
- Discussion on Audit paras of AG Auditors in respect of Proprietary Audit
- Limited Review Report
- Post VRS manpower details
- Scrutiny of inter-corporate loans & investments
- Valuation of undertakings or assets of the company wherever necessary
- Recommendation for appointment, remuneration & terms of appointment of auditors of the company
- Approval or any subsequent modification of transactions of the company with related parties
- Review and monitor the auditor's independence and performance/and effectiveness of audit process
- Monitoring the end use of funds raised through public offers and related matters
- Review of the functioning of Whistle Blower Mechanism
- Adequacy of Internal Audit function
- Other terms of reference/scope of Audit Committee shall be as notified by the appropriate authority from time to time or as directed by the Board of Directors of the Company from time to time.

#### 4. Nomination & Remuneration Committee

The Nomination and Remuneration Committee (NRC) was reconstituted in the 186<sup>th</sup> Meeting of the Board held on 27<sup>th</sup> May, 2016 to comply with the provisions of the Listing Regulations. Presently, the committee comprises of Dr. V.P. Chandan, IRSSE (Retd.) as Chairman and Sh. S.P. Singh, IAS (Retd.) & CA. D.K. Singla as members, all are Independent Directors. The composition of NRC is in consonance with Section 178(1) of Companies Act, 2013 and Regulation 19 of Listing Regulations, which require all members of NRC to be non-executive and at least half of them to be independent with the Chairman being an Independent Director. The Nomination and Remuneration Committee meeting for FY 2021-22 was duly held on 30<sup>th</sup> March, 2022 and the meeting was attended by Dr. V.P. Chandan, IRSSE, (Retd.), Sh. S.P. Singh, IAS (Retd.) and CA. D.K. Singla. The Meeting was conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1).

**The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained under sub-section (2) & (3) of Section 178 of the Companies Act, 2013 and Part D of Schedule II of Listing Regulations.**

The terms of reference stipulated are as follows:

- Identification of persons qualified to be directors and in senior management in accordance with the criteria laid down.
- Recommend to the Board, appointment and removal of the directors apart from the nominee directors as proposed by the Government of Punjab and in the Senior Management.
- Evaluation of every director's performance.
- Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- Recommendation of Remuneration policy for the directors, KMP and other employees.
- Extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Other terms of reference/scope of Nomination and Remuneration Committee shall be as notified by the appropriate authority from time to time or as directed by the Board of Directors of the Company from time to time.

**Performance Evaluation criteria for Independent Directors :** The performance of Independent directors is evaluated by the entire Board of Directors other than the director being evaluated, as per the criteria contained in Nomination, Remuneration & Evaluation policy of Puncom. The said policy is available at [www.puncom.com](http://www.puncom.com). The Company has Nomination, Remuneration and Evaluation Policy in place. However, vide notification G. S. R 463(E) dated 5<sup>th</sup> June, 2015 our Company, being a Govt. Company is exempt from the provisions of Section 178 regarding formal annual evaluation of performance of the Directors, Committees and the Board as a whole except w.r.t. appointment of senior management and other employees.

## 5. Details of Remuneration of Directors

The remuneration package and compensation for Directors (except for Sitting Fee), KMPs and Senior Officials shall be determined as per the service rules/pay scales/ terms and conditions of the appointment letter issued by/of the Company and the limits and statutory requirements as prescribed under the Listing Regulations, 2015 and Companies Act, 2013 and its Schedule from time to time.

- (a) **All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity** : None of the non-executive directors are getting remuneration from the company except for the sitting fee which is within the prescribed limits.
- (b) **Criteria of making payment to non-executive directors**: Not applicable
- (c) **Disclosures with respect to Remuneration to Directors under Schedule V (Part II)(Section II)(B)(iv) (IV) of the Companies Act, 2013 read with Schedule V (C)(6)(c) of Listing Regulations** :
  - (i) **All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension, etc.** : Basic, DA, HRA, Medical Reimbursement, LTA, Conveyance, Driver Allowance, Lunch, Adhoc/Adjustment, Child Education, Retention Allowance, Leave Encashment, PF and Gratuity.
  - (ii) **Details of fixed component and performance linked incentives, along with the performance criteria**: Only Fixed Component is there and that is as per the terms and conditions of letter of appointment /Approval of Competent Authority.
  - (iii) **Service contracts, notice period, severance fees** : as per Service Rules of the company and terms and conditions of the respective appointment letters.
  - (iv) **Stock option details, if any- and whether issued at a discount as well as the period over which accrued and over which exercisable**: NIL.

## 6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in accordance with sub section (5) of Section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations and the Committee is presently comprises of Dr. V. P. Chandan, IRSSE(Retd.), Non Executive Director as Chairman and CA. D. K. Singla & CMA Jagdeep Singh Bhatia as Members. During the Financial Year 2021-22, the Committee met on 25<sup>th</sup> June, 2021.

**The terms of reference as on 31.03.2022 mandated by your Board to this committee, which are also in line with the statutory and regulatory requirements as mentioned under Part D of Schedule II are :**

- Redressing Shareholders and Investors complaints/ grievances.
- Approving issue of duplicate share certificates and transmission of securities.
- Oversee the performance of Registrar & Transfer Agent/s.
- Recommending measures for overall improvement in the quality of services being provided to the shareholders/investors.
- Consider and resolve the grievances of security holders of the Company.
- Other terms of reference/ scope of Stakeholder's Relationship Committee shall be as notified by the appropriate authority from time to time or as directed by the Board of Directors of the Company from time to time.

The name of the members, chairman, particulars of the meeting and attendance of the members during the year under review are as follows:

S.No	Name	Category	Number of Meetings entitled to attend	Number of Meetings attended
1.	Dr. V. P. Chandan, IRSSE, (Retd.), Chairman	Independent/Non Executive	1	1
2.	Smt. Neena Singh, Member*	Independent/Non Executive	1	1
3.	CMA Jagdeep Singh Bhatia, Member	Executive (Wholetime)	1	1
4.	CS Madhur Bain Singh, Convener	Compliance Officer	1	1

\* Smt. Neena Singh has resigned and ceased to be the Independent Director on the Board of Puncom w.e.f. 15<sup>th</sup> February, 2022 and accordingly she ceased to be member of Stakeholders' Relationship Committee w.e.f. 15<sup>th</sup> February, 2022.

The status of redressal of complaints received from 1<sup>st</sup>April, 2021 to 31<sup>st</sup> March, 2022 is as under:

Number of complaints pending as on 1 <sup>st</sup> April, 2021	Nil
Number of complaints received during the year	Nil
Number of complaints redressed during the year	Nil
Number of complaints not solved to the satisfaction of Shareholders	Nil
Number of complaints pending as on 31 <sup>st</sup> March, 2022	Nil

#### 7. Risk Management Committee

The constitution of Risk Management Committee is applicable to the top 1000 listed entities only, determined on the basis of market capitalization as per proviso 5 under Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. Our Company does not fulfill the criteria and accordingly no Risk Management Committee was constituted. However, the Risk Management Policy is still in place and was amended to incorporate the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

#### 8. General Body Meetings

The details of the General Meetings of the company held during last three years are as follows:

Date	Particulars	Time	Location/Deemed Venue	Special Resolution Passed
22.06.22	Extra-Ordinary General Meeting	11.30 AM	B-91, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
28.09.21	40 <sup>th</sup> AGM in respect of the Financial Year 2020- 2021	3.00 PM through VC/OAVM	B-91, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
29.09.20	39 <sup>th</sup> AGM in respect of the Financial Year 2019- 2020	11.00 AM through VC/OAVM	B-91, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	Yes
28.01.20	Extra-Ordinary General Meeting	11.00 AM	B-91, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	Yes
25.09.19	38 <sup>th</sup> AGM in respect of the Financial Year 2018- 2019	03.00 PM	B-91, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	Yes

No Special Resolution was passed in the last AGM through Postal Ballot and no special resolution is proposed to be conducted through postal ballot in the forthcoming AGM.

#### 9. Means of Communication

**Quarterly results and presentations:** As per the recent amendments/guidelines issued by BSE/SEBI, the quarterly financial results are made available on the company's web-site ([www.puncom.com](http://www.puncom.com)) and simultaneously submitted to BSE through BSE Listing Centre within the time limit specified. Similarly, all periodical compliance filings are filed electronically on the Listing Centre and Shareholding Pattern, Corporate Governance Report, Investors Grievance Redressal Statement, Voting Results are filed through XBRL. Also, Financial Results, Reconciliation of Share Capital Audit Report, Secretarial Compliance Report, Annual Report, Related Party Transaction Disclosure are also filed through XBRL in addition to PDF mode. The website also includes official news releases.

#### Publishing of Quarterly Results

Quarter No.	Date of Publishing	Newspaper
1 <sup>st</sup>	13.08.21	DeshSewak (Vernacular) Financial Express (English)
	13.08.21	
2 <sup>nd</sup>	13.11.21	
	14.11.21	
3 <sup>rd</sup>	10.02.21	
	10.02.21	
4 <sup>th</sup>	26.05.22	
	26.05.22	

**Notice of Board Meeting**

Meeting Date	Date of Publication	Newspaper
12.08.21	SEBI has omitted the requirement of publication in newspapers in respect of notice of board meeting vide Circular No: No- SEBI/LAD-NRO/GN/2021/22 dated 5 <sup>th</sup> May, 2021	DeshSewak (Vernacular) Financial Express (English)
12.11.21		
09.02.22		
25.05.22		

**Notice of Book Closure & AGM/EGM**

Extra-Ordinary General Meeting - 22 <sup>nd</sup> June, 2022		
Book Closure Period	Date of Publication of notice of Book Closure & EGM	Newspaper
16.06.22 to 22.06.22	29.05.22	Desh Sewak (Vernacular) Financial Express(English)

Annual General Meeting - 28 <sup>th</sup> September, 2021		
Book Closure Period	Date of Publication of notice of Book Closure & AGM	Newspaper
22.09.21 to 28.09.21	03.09.21	Desh Sewak (Vernacular) Financial Express(English)

**10. General Shareholder Information:**

AGM of Company will be convened as per the recent guidelines/amendments in this regard as applicable on the date of meeting

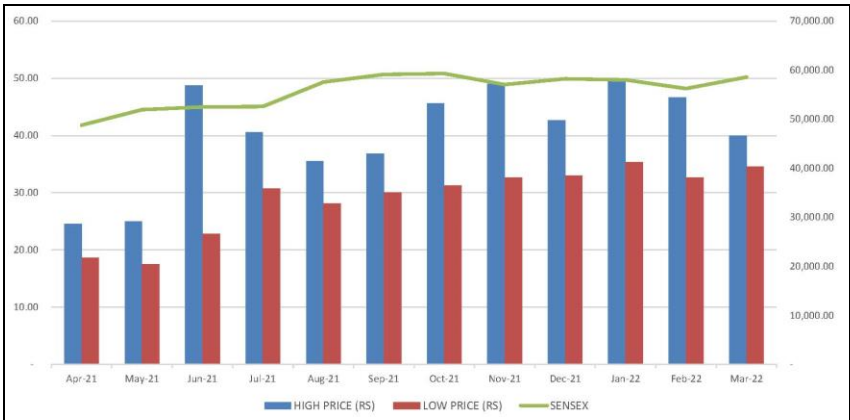
- A. Annual General Meeting** : Date : 28<sup>th</sup> September, 2022  
(Date, time and venue) : Time : 11.00 AM  
Venue : AGM through Video Conferencing/  
Other Audio Visual Means Facility (VC/OAVM)  
(Deemed Venue for Meeting: B-91, Phase VIII, Indl. Area,  
SAS Nagar, (Mohali) - 160 071)
- B. Financial Calendar** : 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022
- C. Date of Book Closure/ Record Date** : 22<sup>nd</sup> September, 2022 to 28<sup>th</sup> September, 2022  
(Both days inclusive)
- D. Dividend Payment Date** : N.A.
- E. Listing on Stock Exchange** : The Stock Exchange, Mumbai (BSE) Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

**Note:** Annual Listing Fee for the Financial Year 2022-23 has been paid to the Stock Exchange, Mumbai;

- F. Stock Code** : 500346
- G. Market Price Data (BSE)**

Month	High Price (Rs.)	Low Price (Rs.)
April, 2021	24.50	18.65
May, 2021	25.00	<b>17.55</b>
June, 2021	48.80	22.80
July, 2021	40.55	30.70
August, 2021	35.50	28.10
September, 2021	36.80	30.05
October, 2021	45.60	31.25
November, 2021	49.00	32.60
December, 2021	42.70	33.00
January, 2022	<b>49.60</b>	35.35
February, 2022	46.65	32.65
March, 2022	39.95	34.60

H. Graph showing Stock Performance of Puncom on BSE vis a vis BSE Sensex during the year 2021-22



I. Securities suspended from trading: N.A.

J. Registrar and Share Transfer Agents (Both for Physical & Dematerialised categories)

Alankit Assignments Limited  
DP & RTA, Alankit House  
4E/2, Jhandewalan Extension,  
New Delhi- 110055.

K. Share Transfer System

For expeditious processing of share transfers, the Board of Directors of the Company has delegated the power of share transfer/splitting/consolidation/issue of fresh certificate/issue of duplicate certificate to Share Transfer Committee. However, the amended Regulation 40 of SEBI (LODR) Regulations, 2015 provides that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 01<sup>st</sup> April, 2019. Thus, the shares for transmission or transposition of securities received in physical mode by the company are considered/approved by the committee at required intervals and transferred promptly and ratified by the Board in the subsequent Board Meeting.

L. Distribution of Shareholding as on 30<sup>th</sup> June, 2022

Category (Amount)	30-06-2022				30-06-2021			
	No. of share-holders	% of share-holders	Amount in Rs.	% of total equity	No. of share-holders	% of share-holders	Amount in Rs.	% of total equity
0001-5000	10036	99.386	15880260	13.208	10460	99.486	17220890	14.323
5001-10000	26	0.257	2067780	1.720	28	0.266	2271080	1.889
10001-20000	20	0.198	2880040	2.395	13	0.124	1929080	1.604
20001-30000	7	0.069	1765670	1.469	6	0.057	1394590	1.160
30001-40000	1	0.010	305390	0.254	0	0.000	0	0.000
40001-50000	2	0.020	911650	0.758	1	0.010	500000	0.416
50001-100000	2	0.020	1557560	1.295	2	0.019	1560000	1.297
100001 & Above	4	0.040	94867300	78.901	4	0.038	95360010	79.311
<b>Total</b>	<b>10098</b>	<b>100</b>	<b>120235650</b>	<b>100</b>	<b>10514</b>	<b>100</b>	<b>120235650</b>	<b>100</b>

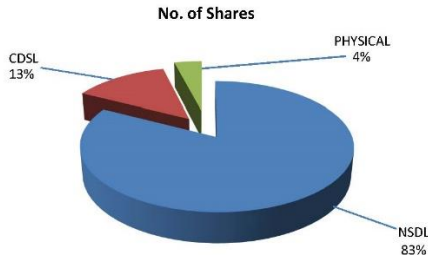
Category Code	Category of shareholder	30-06-2022			30-06-2021		
		No of shareholders	Total number of shares	Shareholding as a % of total no of shares	No of shareholders	Total number of shares	Shareholding as a % of total no of shares
(A)	<b>Promoter &amp; Promoter group</b>						
	<b>: Indian Promoter</b>						
	1 Central Govt./State Govt.	3	8570676	71.283	3	8570676	71.283
	<b>TOTAL</b>	<b>3</b>	<b>8570676</b>	<b>71.283</b>	<b>3</b>	<b>8570676</b>	<b>71.283</b>
(B)	<b>Public Shareholding</b>						
	<b>:Institutions</b>						
	<b>: Mutual Fund</b>						
	1 Mutual Fund(MF)	5	1100	0.008	5	1100	0.008
	2 UTI	1	100	0.001	1	100	0.001
	<b>TOTAL</b>	<b>6</b>	<b>1200</b>	<b>0.009</b>	<b>6</b>	<b>1200</b>	<b>0.009</b>
	<b>:Banks</b>						
	1 Bank Cooperative	1	600	0.005	1	600	0.005
	2 Bank Nationalised	7	28034	0.233	7	28034	0.233
	<b>TOTAL</b>	<b>8</b>	<b>28634</b>	<b>0.238</b>	<b>8</b>	<b>28634</b>	<b>0.238</b>
	<b>:Insurance Companies</b>						
	1 Insurance Companies	0	0	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>:Central Govt. / State Govt.</b>						
	1 Corporate Body (State Govt)	0	0	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>: Foreign Portfolio Investor (Corporate)</b>						
	1 Foreign Portfolio Investor (Corp) Category II	1	575000	4.782	1	575000	4.782
	<b>TOTAL</b>	<b>1</b>	<b>575000</b>	<b>4.782</b>	<b>1</b>	<b>575000</b>	<b>4.782</b>
	<b>TOTAL</b>	<b>15</b>	<b>604834</b>	<b>5.030</b>	<b>15</b>	<b>604834</b>	<b>5.030</b>
	<b>:NON INSTITUTIONS</b>						
	<b>:Corporate Body</b>						
	1 Body Corporate	186	317430	2.640	192	348318	2.897
	2 Clearing Member	7	6753	0.056	29	26042	0.217
	<b>TOTAL</b>	<b>193</b>	<b>324183</b>	<b>2.696</b>	<b>221</b>	<b>374360</b>	<b>3.114</b>
	<b>:Individual Shareholders</b>						
	1 Resident Ordinary	9733	2441933	23.309	10113	2400426	19.964
	<b>TOTAL</b>	<b>9733</b>	<b>2441933</b>	<b>23.309</b>	<b>10113</b>	<b>2400426</b>	<b>19.964</b>
	<b>: Resident (HUF)</b>						
	1. HUF	126	74046	0.616	133	65375	0.544
	<b>TOTAL</b>	<b>126</b>	<b>74046</b>	<b>0.616</b>	<b>133</b>	<b>65375</b>	<b>0.544</b>
	<b>: Non Resident Indian</b>						
	1 NRI-Repatriable	12	6305	0.052	13	6111	0.051
	2 NRI(Non Repatriable)	16	1588	0.013	16	1783	0.015
	<b>TOTAL</b>	<b>28</b>	<b>7893</b>	<b>0.066</b>	<b>29</b>	<b>7894</b>	<b>0.066</b>
	<b>TOTAL</b>	<b>10080</b>	<b>2848055</b>	<b>23.687</b>	<b>10496</b>	<b>2848055</b>	<b>23.687</b>
	<b>TOTAL</b>	<b>10095</b>	<b>3452889</b>	<b>28.717</b>	<b>10511</b>	<b>3452889</b>	<b>28.718</b>
	<b>GRAND TOTAL (A+B)</b>	<b>10098</b>	<b>12023565</b>	<b>100.000</b>	<b>10514</b>	<b>12023565</b>	<b>100.000</b>

- Notes:**
- The shareholding of PSIDC, being another corporation of Govt. of Punjab, has been consolidated with the shareholding of "Promoter & Promoter Group".
  - None of the shareholding of Promoters' has been pledged or otherwise encumbered.

**M. Dematerialization of Shares and Liquidity**

Details of paid up capital of the Company as on June 30, 2022 is as under:

Depository	No. of Shares	% of shareholding
NSDL	9934334	82.62
CDSL	1612017	13.41
Physical	477214	3.97
<b>Total</b>	<b>12023565</b>	<b>100.00</b>



**N. Details of Investors complaints received during 2021-22 are as follows:**

The Company has received NIL investor complaint with respect to loss of share certificate/duplicate share certificate and others (transmission procedure) during the year under report. However, all complaints/correspondence are usually dealt within 10 days and are completely resolved except in cases where litigation is involved. No Investor complaint was pending as on date of this report.

**O. Details of share transfers in physical form lodged for transfer/ transmission during 2021-22 are as follows:**

Pursuant to amended Regulation 40 of SEBI (LODR) Regulations, 2015, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 01<sup>st</sup> April, 2019, except in case of transmission or transposition of securities.

Further, SEBI through its recent Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/70 dated 25<sup>th</sup> May, 2022 have simplified the procedure of issuing of Duplicate Shares to the shareholder by minimizing the requirements for issuing of Duplicate Shares and now, the RTA shall issue Letter of confirmation on its Letterhead in place of physical share certificate as confirmation for issuing of the duplicate share certificate. The shareholder shall submit this original Letter of confirmation to his/her DP within 120 days of receipt to get the shares credited into Demat Account.

Generally, shares lodged for duplicate/transmission/change of name are processed and returned within 30 days except in cases where litigation is involved.

**P. Outstanding GDRs/ADRs or any Convertible instruments**

The company has not issued any GDRs/ADRs or any Convertible instruments.

**Q. Disclosure of Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: Nil**

**R. Puncom's Building Locations**

B-91 (Regd. Office), Part of B-93  
Phase-VIII, Industrial Area,  
SAS NAGAR (Mohali)  
160 071 – PUNJAB

**S. Name, Designation and Address of the Compliance Officer/ Address for Correspondence**

Madhur Bain Singh  
Company Secretary

B-91, Phase VIII,  
Industrial Area, S.A.S. Nagar,  
Mohali, 160071

Phone : +91-0172-2237142  
Fax : +91-0172-2237125  
Email : [cosecy@puncom.com](mailto:cosecy@puncom.com)  
Exclusive Email id : [shareholders@puncom.com](mailto:shareholders@puncom.com)  
(as per the provisions of the Listing Regulations)

- T. List of all Credit Rating obtained by the Company:** Nil as our Company has not issued any debt instruments or any Fixed deposit programme or any scheme involving mobilization of funds either in India or abroad.
- U. Proceeds from public issues, rights issues, preferential issues etc.:** The Company has not raised any public money since its public issue in 1994.

**V. Transfer of Unclaimed amounts to Investor Education & Protection Fund**

During the year under review, there was no amount of unclaimed dividend to be credited to the Investor Education & Protection Fund, pursuant to Section 125 of the Companies Act, 2013 & the Investor Education & Protection Fund (Awareness & Protection of Investors) Rules, 2001. However, there is an unclaimed amount of Rs. 27,722/- pertaining to Buyback Offer made by the company in the year 2003 related to five shareholders was lying in the Escrow Account maintained for the said purpose with Axis Bank and the same could not be transferred by the company in absence of relevant procedure and guidelines.

Further, it is pertinent to state that Axis Bank has closed the said Buyback Account by issuing demand draft of Rs.25,207.50 dated 06.10.2021 (deducted Rs.2,514.50 towards bank charges) favouring "Punjab Communications Limited – Buy Back Special A/C" as per the Reserve Bank of India's circular no. DOR.No.BP.BC/7/21.04.048/2020-21 dated 6<sup>th</sup> August, 2020 due to reason of availing of cash credit (CC) / overdraft (OD) limit by the Company from the banking system. The Company has approached Investor Education & Protection Fund (IEPF) authority, in the matter, to transfer the unpaid amount to the Fund. Moreover, the Company is also pursuing with Axis Bank to reopen the said Buy-back special account & credit the DD amount to maintain the same as it is shareholders money till the time company received positive response from IEPF authority.

**11. Other Disclosures**

**a) Related Party Disclosure**

The Company has a "Policy on Related Party Transactions and Materiality of Related Party Transactions" in place. The policy takes into account various provisions on related party transactions mentioned in Regulation 23 of Listing Regulations and also in the Companies Act, 2013.

There is no Related Party Transaction, as required to be disclosed u/s 188(2), read with notification no G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015 and Regulation 23 of Listing Regulations

There is no material transaction entered into by the company with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

**b) Compliance by Listed Entity**

All compliances have been made by the company and no significant penalties/strictures have been imposed on the company by the Stock Exchange or SEBI or any other statutory authority, on any matter pertaining to Capital Markets, during the last 3 years.

**c) Vigil Mechanism/Whistle Blower Policy**

The company has its "Vigil Mechanism/Whistle Blower Policy" in place. In accordance with the requirements of Regulation 4(2)(d)(iv) and Regulation 22 of Listing Regulations and under Section 177 of the Companies Act, 2013, Sh. J.S. Bhatia, CFO, heading the Finance Division, has been appointed as Vigilance and Ethics Officer.

No personnel were denied access to the Audit Committee during the Financial Year 2021-2022.

**d) Mandatory/Non-mandatory requirements**

Your company is complying with all the mandatory requirements as per Schedule V of Listing Regulations. Compliance with discretionary requirements is covered under the point no.13 covering the same.

**e) Material Subsidiary**

The company has no material subsidiary as defined in Regulation 16(1)(c) and thus no policy has been formulated to determine 'material' subsidiaries.

**f) Web link on dealing with Related Party Transactions**

The web link for the policy on dealing with related party transactions is as follows:

<http://www.puncom.com/downloads/2020/Policies-Code/POLICY%20ON%20RELATED%20PARTY%20TRANSACTION%20AND%20MATERIALITY.pdf>

**g) Disclosures of commodity price risks and commodity hedging activities**

Your company is not engaged in any commodity price risks and commodity hedging activities.



**h) Details of Utilisation of funds raised through preferential allotment or qualified institutional placement:**

The Company has not raised any public money through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).

**i) Certificate from Practicing Company Secretary on debarment or disqualification of Board Members:**

A Certificate has been issued by Mr. Vishal Arora, practicing company secretary dated 22<sup>nd</sup> July, 2022 certifying that none of the Directors on the Board of Company have been debarred or disqualified from being appointing or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**j) Recommendations of committee not accepted by Board which is mandatorily required to be accepted by the Board:**

The Board has considered and accepted the recommendations given by the various committees of Board of the company, as and when submitted to the Board for approval during the year under review.

**k) Total Fees paid for all services by the listed entity on consolidated basis to the Statutory Auditor and all entities in the network firm/ network entity of which Statutory Auditor is a part:**

M/s Raj Gupta & Co., Chartered Accountants (Firm Registration No. 000203N) have been appointed as Statutory Auditors of the company during the year under consideration and the total fees of Rs. 2.80 Lacs has been paid to Statutory Auditor for all services such as statutory audit, tax audit, quarterly results, cash flow statement, sales tax and other certification charges.

**l) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a) Number of complaints filed during the Financial Year 2021-22: NIL
- b) Number of complaints disposed of during the Financial Year 2021-22: NIL
- c) Number of complaints pending as on end of the Financial Year 2021-22: NIL

**m) During the year under review, the Company has not provided any "Loans and Advances in the Nature of Loans to firms/companies in which any director of the company is interested."**

**12. Code of Conduct for Prevention of Insider Trading**

The Company has adopted revised Code of Conduct for Prevention of Insider Trading which is effective since 01<sup>st</sup> April, 2019 in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The said code is available at [www.puncom.com](http://www.puncom.com).

**13. Compliance with Mandatory requirements:**

All corporate governance requirements as mentioned in Schedule V(C)(2) to (10) of Listing Regulations are complied with by the Company.

**14. Compliance with Discretionary requirements:**

Your Company has adopted the following discretionary requirements as given in Part E of Schedule II of Listing Regulations:

- The Company is moving towards a regime of financial statements with unmodified audit opinion.
- The Internal Auditor submits the Internal Audit Report directly to the Audit Committee.

**15. The Company is complying with all the provisions of corporate governance as specified in Regulation(s) 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.**

**Declaration signed by Managing Director stating that the members of Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and senior management, has been obtained.**

**Certificate on Corporate Governance pursuant to Schedule V of Listing Regulations**

Mr. Vishal Arora, practicing company secretary, conducted the Corporate Governance Audit and Compliance Certificate as obtained from auditors regarding compliance of conditions of corporate governance is annexed with the Board's report at **Annexure - 5**

**CEO/CFO Certification under Regulation 17(8):**

The necessary certificate from CEO/CFO under the said clause has been obtained.

**Update of KYC data of Physical Shareholders**

SEBI vide Circular bearing No: SEBI/HO/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021 and Circular No: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14<sup>th</sup> December, 2021 introduced Common and

Simplified Norms for processing investor’s service request by RTA and mandated furnishing of PAN, KYC details and Nomination details by Physical Shareholders.

Accordingly, now it is mandatory for holders of physical securities to furnish the PAN, KYC details and Nomination documents with RTA latest by 31<sup>st</sup> March, 2023, otherwise the Folios shall be frozen by the RTA and no investor service request shall be processed.

The RTA shall only revert the frozen folios to normal status upon :-

- a) Receipt of all the aforesaid documents
- b) Dematerialization of all the securities in such folios.

In this regard, our Company has made efforts to update the PAN, KYC details and Nomination details of Physical Shareholders and to comply with the SEBI Circulars, our Company dispatched a Booklet on 18<sup>th</sup> March, 2022 to Physical Shareholders consisting of various forms such as ISR-1 (Request for registering PAN, KYC Details or Changes / Updation thereof, ISR-2 (Confirmation of Signature of Security holder by Banker), ISR - 3 (Declaration Form for Opting-out of Nomination by holders of physical securities), SH-13 (Nomination Form) & SH-14 (Cancellation or Variation of Nomination) to comply with said requirements. All these forms are also available at Company’s website i.e www.puncom.com.

**Disclosures with respect to demat suspense account/unclaimed suspense account under Regulation 39(4) read with Schedule VI of Listing Regulations**

Following information is being provided with respect to the provisions of Listing Regulations. The information asked for in the said regulation is for shares issued pursuant to Public Issues or any other issue which remains unclaimed & is lying in the escrow account. However, the company came up with a Buy-Back offer in 2003 and as on date there are 419 shares lying in the escrow account, as required in the Buy-back guidelines, with M/s Karvy Computershare Pvt. Ltd., Hyderabad. As a good Corporate Governance practice, the company is providing the information on the same pattern.

S.No	Particulars	No. of Shareholders	Outstanding shares
1.	Aggregate no. of shareholders & the outstanding shares in the escrow account lying at the beginning of the year	10	419
2.	No. of the shareholders who approached issuer for transfer of shares from escrow account during the year	Nil	Nil
3.	Aggregate no. of shareholders to whom shares were transferred from escrow account during the year	Nil	Nil
4.	Aggregate no. of shareholders & the Outstanding shares in the escrow account lying at the end of the year	10	419

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## SECRETARIAL AUDIT REPORT

## FORM NO. MR-3

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,  
The Members,  
Punjab Communications Limited,  
Mohali

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Punjab Communications Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Punjab Communications Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period)**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- (6) Apprentices Act, 1961
- (7) The Minimum Wages Act, 1948
- (8) Payment of Bonus Act, 1965
- (9) Payment of Wages Act, 1936
- (10) The Water (Prevention & Control of Pollution) Act, 1974, Read with water (Prevention & Control of Pollution) Rules, 1975
- (11) The Air (Prevention & Control of Pollution) Act, 1981, Read with water (Prevention & Control of Pollution) Rules, 1975
- (12) Employees' State Insurance Act, 1948
- (13) Employees' Provident Fund & Misc. Provisions Act, 1952
- (14) Payment of Gratuity Act, 1972

- (15) Factories Act, 1948
- (16) The Industrial Disputes Act, 1947
- (17) Trade Marks Act, 1999
- (18) Indian Contract Act, 1872
- (19) Punjab Municipal Act, 1911
- (20) The Workmen's Compensation Act, 1923
- (21) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that pursuant to buy-back offer by the company in year 2003, an amount of Rs 27,722/-, being unclaimed, pertains to five (5) shareholders, is still lying unpaid which was earlier kept in the escrow account maintained with Axis Bank Ltd but now, pursuant to RBI guidelines, it has been closed by the bank after providing a demand draft to the company. A total of 419 shares pertaining to (10) ten shareholders, is lying in the escrow account, as required in the Buy-back guidelines, with M/s Karvy Computershare Pvt. Ltd (Now, KFin Technologies Pvt. Limited). As reported by the Company, in absence of relevant procedure and guidelines, the same could not be transferred by the company in accordance with Section 124 of the Companies Act, 2013 read with Regulation 39(4) & Schedule VI of SEBI (LODR) Regulations, 2015.

I further report that that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at its Meeting(s), I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Resolutions under Section 180 of the Companies Act, 2013.
- (ii) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (iii) Redemption / buy-back of securities.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

**For S. K. SIKKA & ASSOCIATES  
Company Secretaries**

**(SUSHIL K. SIKKA)**

**Prop.**

**FCS 4241, CP 3582**

**UDIN: F004241D000652559**

**Place: Chandigarh**

**Date: 19.07.2022**

To,  
The Members  
Punjab Communications Limited,  
Mohali

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. K. SIKKA & ASSOCIATES  
Company Secretaries

(SUSHIL K. SIKKA)  
Prop.

FCS 4241, CP 3582

UDIN: F004241D000652559

Place: Chandigarh  
Date: 19.07.2022

**CERTIFICATE ON CORPORATE GOVERNANCE**

**Date: 22.07.2022**

**To**  
**The members**  
**Punjab Communications limited,**  
**Mohali**

I have examined the compliance of the conditions of Corporate Governance by Punjab Communications Limited for the year ended 31<sup>st</sup> March, 2022, as stipulated in Schedule V of Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and Implementations thereof adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

**Vishal Arora**  
**Company Secretary**  
**Membership No: 4566**  
**CP No: 3645**  
**UDIN : F004566D000672387**

**PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD. (UNDER LIQUIDATION)****STATUS OF WINDING UP PROCEEDINGS****COMPANY PETITION NO: 194 OF 2005**

The Company has been ordered to be wound-up by the Hon'ble Punjab & Haryana High court at Chandigarh vide its order dated February 20, 2009. Subsequent to that the company has filed the Statement of Affairs with the Official Liquidator attached to the Hon'ble Court.

Further, all books of accounts/records and store items have been handed over to the liquidator. After which Official Liquidator will submit its report and based on the report of the Official Liquidator, the Hon'ble Punjab & Haryana High Court may proceed to dissolve the Company.

**ANNUAL GENERAL MEETING NOTICE**

Notice is hereby given that the Forty-first (41<sup>st</sup>) Annual General Meeting of Punjab Communications Limited will be held on Wednesday, September 28, 2022 at 1100 Hrs through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business. The venue of the meeting shall deemed to be the registered office of the Company i.e. B-91, Phase VIII, Industrial Area, S.A.S. Nagar (Mohali), Punjab -160071.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended on March 31, 2022 and Balance Sheet as on that date together with Boards' Report, Auditors' Report, CAG comments thereon and Secretarial Auditors' Report thereto.
2. To appoint Director in place of Sh. Dilip Kumar, IAS (DIN: 03155302) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors of the company for the financial year 2022-2023 (from the conclusion of this AGM till the conclusion of next AGM) and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

"Resolved that pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the members of the company be and is hereby accorded to appoint Statutory Auditors of the Company, from the conclusion of this AGM till the conclusion of next AGM and to do the Statutory Audit of Financial Statements for FY 2022-23 at the remuneration as fixed by the Board of Directors or CAG, whichever is lower and at such terms and conditions as provided in the CAG letter to be issued in this regard."

(The Company has not received the letter from CAG w.r.t appointment of Statutory Auditors till date, Statutory Auditors will be appointed on the basis of the letter issued in this regard)

**SPECIAL BUSINESS**

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

"RESOLVED that pursuant to applicable provisions of Companies Act, 2013, if any, read with relevant rules made thereunder & applicable provisions of the SEBI (LODR) Regulations, 2015, Sh. Mohinder Pal, IAS, (DIN: 02975536) who was appointed as Nominee Director in the capacity of Sr. Vice-Chairman of the Company w.e.f. July 11, 2022 under Article 128 & Article 158 of the Articles of the Association of the Company, and for whose appointment the approval of shareholders is required pursuant to Regulation 17(1C) of SEBI (LODR) Regulations, 2015 within three months from the date of appointment or up to the date of General Meeting, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Nominee Director of the Company in the capacity of Sr. Vice-Chairman of the Company w.e.f July 11, 2022"

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

"RESOLVED that pursuant to applicable provisions of Companies Act, 2013, if any, read with relevant rules made thereunder & applicable provisions of the SEBI (LODR) Regulations, 2015, CA Ramesh Goel (DIN: 09699964) who is in whole time employment of the company and who was appointed as Additional Director of the company w.e.f. August 09, 2022 under Article 132 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and for whose appointment the approval of shareholders is required pursuant to Regulation 17(1C) of SEBI (LODR) Regulations, 2015 within three months from the date of appointment or up to the date of General Meeting, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director be and is hereby appointed as Director in the capacity of Whole-time Director of the Company w.e.f August 09, 2022."

By order of the Board  
Sd/-  
**(Madhur Bain Singh)**  
Company Secretary

Date : August 30, 2022  
Place : Registered Office  
B-91, Phase VIII, Industrial Area,  
SAS Nagar (Mohali) - 160071  
CIN: L32202PB19815SGC004616



NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto at **Annexure to the Notice** and forms integral part of this notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020, No. 14/2020 & No. 17/ 2020 dated May 05, 2020, April 08, 2020 & April 13, 2020 respectively read with circular no. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. Further, MCA vide circular no. 02/2022 dated May 05, 2022, has decided to allow companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020.  
Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the forthcoming AGM of the Company will be held through VC/ OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 14.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held, pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e. from September 22, 2022 to September 28, 2022 both days inclusive.
5. The Members holding shares in the same name or same order of names under different folios are requested to send the share certificates for consolidation of such shares to the Company.
6. All unclaimed/unpaid dividend upto the financial year ended on March 31, 2002 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 124 of Companies Act, 2013. No dividend has been recommended and declared since Feb 2002-2003.
7. The Members desirous of obtaining any information/clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
8. In compliance with the aforesaid MCA circulars and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/ 2020/79 dated May 12, 2020 and SEBI circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI Circular No. SEBI/HO/CFD/CMD2 /CIR/P/2022/62 dated May 13, 2022, the Notice of 41<sup>st</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with the Annual Report 2021-22 containing Board's report, Auditors' Report, Audited Financial Statements and other documents, **is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.** Members may note that the Notice calling the AGM along with Annual Report FY 2021-22 has been uploaded on the website of the Company at www.puncom.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
9. Further, pursuant to the proviso to the Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, **Members are requested to kindly update their e-mail address & mobile no. with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID & mobile no. to the Company.**
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 read with MCA circular no.

02/2022 dated May 05, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 41<sup>st</sup> Annual General Meeting (“AGM”) of the company to be held on Wednesday, September 28, 2022 at 1100 HRS. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM shall be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
13. The Notice of the 41<sup>st</sup> Annual General Meeting (AGM) of the Company inter-alia indicating the process and manner of e-voting is being sent to all the members as on the cut-off (record date) i.e. August 19, 2022.
14. **THE INSTRUCTIONS TO MEMBERS FOR E-VOTING AND JOINING AGM THROUGH VC/OAVM ARE AS UNDER:**
  - (i) The e-voting period begins on September 23, 2022 (9.00 am) and ends on September 27, 2022 (5.00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 21, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) In order to increase the efficiency of the voting process, e-voting is enabled to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants vide SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020. Demat account holders would be able to cast their vote without having to register again with the multiple e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
  - (iv) In terms of aforesaid SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
    - **LOGIN METHOD FOR DEMAT MEMBERS** [INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT FORM (CDSL/NSDL)]

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user</li> </ol>

	<p>can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDEAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- **LOGIN METHOD FOR PHYSICAL MEMBERS AND MEMBERS OTHER THAN INDIVIDUAL HOLDING SECURITIES IN DEMAT FORM**
  1. The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  2. Click on “Shareholders” module.
  3. Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  4. Next enter the Image Verification as displayed and Click on Login
  5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  6. If you are a first time user follow the steps given below:

	<b>For Physical Members and Members other than Individual holding shares in Demat Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) <ul style="list-style-type: none"> <li>• members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number as mentioned in the email received for notice along with Annual Report, in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction at no. 3</li> </ul>

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Select “**EVSN: 220822034**” for voting on AGM Resolution(s) of Punjab Communications Limited.

- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES/MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES/COMPANY:**

1. For Physical members - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [ramap@alankit.com](mailto:ramap@alankit.com) and cc to [shareholders@puncom.com](mailto:shareholders@puncom.com)
2. For Demat members -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM DURING MEETING ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the depository e-Voting system. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend the AGM will be available in shareholder/members login where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting i.e. during the period from September 12, 2022 (9:00 a.m.) to September 18, 2022 (5:00 p.m.) mentioning their name, DP ID and Client ID/folio number, PAN, email id, mobile number at [shareholders@puncom.com](mailto:shareholders@puncom.com). The members, who do not wish to speak during the AGM, but have queries, may send their queries in advance mentioning their name, DP ID and Client ID/folio number, PAN, email id, mobile number at [shareholders@puncom.com](mailto:shareholders@puncom.com). These queries will be replied to, by the company suitably by email.
7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility , then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xv) **Note for Non – Individual Shareholders and Custodians-For Remote voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address at [shareholders@puncom.com](mailto:shareholders@puncom.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xvi) **General Instructions:**

- (a) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.
- (b) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
- (c) The voting rights shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off (Record Date) i.e. September 21, 2022 for AGM Resolution(s).
- (d) M/s S K Sikka & Associates, Practicing Company Secretary, Chandigarh, has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair & transparent manner.
- (e) The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

- (f) As per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results of e-voting are to be communicated to the BSE Limited, where the shares of the Company are listed, within 48 hours of the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website [www.puncom.com](http://www.puncom.com) and on the website of CDSL.
- 15 Information pursuant to Regulation 36(3) of the Listing Regulations, requires disclosure on the appointment/reappointment of the Directors, which is annexed as part of Annexure to this notice.
- 16 The persons who have acquired shares and become members after the dispatch of notice and before cut-off date shall have same "Login ID and Password" as mentioned at Sr. No. 14 of Notes to AGM Notice. The Notice of AGM is displayed on our website [www.puncom.com](http://www.puncom.com), for your reference please.
- 17 If you have received this Annual Report, but you are not a member as on the cut-off date, this document is for information purpose only.
- 18 Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice
- 19 The members may contact Mr. Naresh Kumar Mehandru (Assistant Manager-Secretarial) at B-91, Phase-VIII, Industrial Area, SAS Nagar, Mohali-160071. The concerned person may also be contacted at [shareholders@puncom.com](mailto:shareholders@puncom.com) or at +911722237142.

## ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

(For Item No. 3 to 5)

**Item No. 3**

The Company, being a Government Company, its Statutory Auditors are appointed by the Comptroller and Auditor-General of India (CAG) by virtue of Section 139(5) of Companies Act, 2013. The Board of Directors of the Company on the recommendation of the Audit Committee, proposed to pay to the CAG recommended Statutory Auditor for FY 2022-23, an annual fee of Rs 1,60,000/- plus (OPE and GST) or the fees as proposed by the CAG in its letter, whichever is lower. The Company has not received the letter from CAG w.r.t appointment of Statutory Auditors till date and Statutory Auditors will be appointed on the basis of the letter issued in this regard.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 3 for approval of the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3

**Item No. 4**

Pursuant to Article 158 of the Articles of Association of the company, the holding Company has a right to appoint Sr. Vice-Chairman of the Company. The Government of Punjab vide its order bearing No.PERS-IASQ/OP/T/1/2022-3-S/724 dated July 07, 2022 has appointed Sh. Mohinder Pal, IAS as Managing Director, Punjab Infotech. Further in exercise of its power, vide Article 158 & Article 128 of the Articles of Association of the company, Punjab Information & Communication Technology Corporation Ltd. (our holding company) vide their letter No. PICT/SECT/L/I/35372/2022 dated July 27, 2022 has appointed Sh. Mohinder Pal, IAS (DIN: 02975536) as Director-cum-Sr. Vice Chairman on the Board of the Company. The appointment of Sh. Mohinder Pal, IAS as director in the capacity of Sr. Vice Chairman was further ratified and recommended by the Board of Directors of the Company in its 214<sup>th</sup> meeting held on August 09, 2022, to the Members of the Company for their approval by way of Ordinary Resolution.

Pursuant to the provisions of Regulation 17 (1C) of SEBI (LODR) Regulations, 2015 and other applicable provisions, the listed entity must ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Since the date of his appointment is July 11, 2022, the maximum time period to obtain the approval of shareholders of the company is October 10, 2022.

The Company has received a notice in writing from a member of the company along with requisite deposit as required under Section 160 of Companies Act, 2013 proposing the candidature of Sh. Mohinder Pal, IAS as Sr. Vice Chairman of the Company.

Sh. Mohinder Pal, IAS, is a 2008 Batch IAS Officer with a strong and diverse professional experience of over 14 years service in the Government. At present, Sh. Mohinder Pal, IAS is serving under Govt. of Punjab as Director, Information Technology, and in addition Managing Director, Punjab Information & Communication Technology Corporation Limited (Punjab Infotech). In his previous roles, Sh. Mohinder Pal, IAS has served as Deputy Commissioner, Mansa, Special Secretary, Home Affairs & Justice, Punjab and Secretary, State Election Commission Punjab. Recently, he has served as Managing Director, Punjab State Civil Supplies Corporation (PUNSUP)

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership / Chairmanship of Committees held in other Listed Companies of Sh. Mohinder Pal, IAS is enclosed along with an explanatory statement.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 4 for approval of the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

Except Sh. Mohinder Pal, IAS, being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 4.

**Item No. 5**

Pursuant to Article 132 of the Articles of Association of the company, the Directors have the right to appoint a person or persons as an Additional Director or Directors. Pursuant to this Article, the Board has appointed CA Ramesh Goel, (DIN: 09699964) as Additional Director w.e.f. August 09, 2022 on the Board, to hold office of the Director in the capacity of Whole-time Director, as such, up to the date of the ensuing Annual General Meeting as per the provisions of section 161 of the Companies Act 2013.



Pursuant to the provisions of Regulation 17 (1C) of SEBI (LODR) Regulations, 2015 and other applicable provisions, the listed entity must ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Since the date of his appointment is August 9, 2022, the maximum time period to obtain the approval of shareholders of the company is November 8, 2022. The appointment of CA Ramesh Goel as director in the capacity of Whole-time Director was recommended by the Board of Directors of the Company in its 214<sup>th</sup> meeting held on August 09, 2022, to the Members of the Company for their approval by way of Ordinary Resolution.

The Company has received a notice in writing from a member of the company as required under Section 160 of Companies Act, 2013 proposing the candidature of CA Ramesh Goel as Whole-time Director of the Company.

CA Ramesh Goel, born on 6<sup>th</sup> June, 1967, is a Qualified Chartered Accountant with a strong and diverse professional experience of over 27 years in a reputed industry. He is a former Chief Financial Officer of DCM Limited, Ropar from Year 2009 to Year 2018. Since February, 2018, he was engaged in consultancy services. He has also worked with well renowned companies such as India Glycols Limited, Modern Steels Limited, Action Industrial Corporation & Group companies, Raymond Synthetics Limited etc. During his previous roles, he has performed major strategic functions involving reporting to top management in professionally managed companies and Auditors from Big Four firms.

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership/ Chairmanship of Committees held in other Listed Companies of CA Ramesh Goel is enclosed along with explanatory statement.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 5 for approval of the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

Except CA Ramesh Goel, being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No.5.

**Information Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting.**

Name of the Director	Sh. Dilip Kumar, IAS	Sh. Mohinder Pal, IAS	CA Ramesh Goel
Designation	Chairman	Sr. Vice- Chairman	Whole-time Director
Date of Birth	28.11.1969	23.06.1966	06.06.1967
Date of Appointment	18.04.2022	11.07.2022	09.08.2022
Qualification	B.Sc (Honours), L.L.B, M.A. (Public Administration)	B.A.	B.COM, CA
Expertise in specific functional area	Indian Administrative Service Officer- General Management and Administration	Indian Administrative Service Officer- General Management and Administration	Rich experience in the field of Accounts, Finance and Audit.
Directorships in Other Listed Companies as on March 31, 2022	Nil	Nil	Nil
Chairman/Member of Committees of Other Listed Companies as on March 31, 2022	Nil	Nil	Nil
No. of Shares held	Nil	Nil	Nil
Relationship with other Director(s)	Related to other directors appointed by holding company	Related to other directors appointed by holding company	Being a contractual employee of company, shares a professional relationship with the Managing Director of Punjab Communications Limited.

Note: None of the directors seeking appointment in 41<sup>st</sup> AGM has resigned from any listed entity during the past three years.

Date : August 30, 2022  
 Place : Registered Office  
 B-91, Phase VIII, Industrial Area,  
 SAS Nagar (Mohali) - 160071  
 CIN: L32202PB1981SGC004616

By order of the Board  
 Sd/-  
**(Madhur Bain Singh)**  
 Company Secretary

***Our Website :***  
***www.puncom.com***

**FOR THE KIND ATTENTION OF SHAREHOLDERS**

- In case of Demat shares, shareholders are requested to provide their PAN to their respective DPs. In case of physical shares, shareholders are requested to provide their PAN to the company's RTA i.e. M/s Alankit Assignments Ltd or to the Company.
- As a step towards the Government's initiative towards greener and paperless India, the shareholders are requested to send their updated e-mail ids to the Company.
- Kindly register your mobile numbers with the Company for easy correspondence.
- In case of any grievances, shareholders may contact the Company at [shareholders@puncom.com](mailto:shareholders@puncom.com)
- Shareholders having shares in Physical Form are requested to get their shares converted in Demat Form.

**COURIER / REGISTERED**

*If undelivered, please return to :*

**PUNJAB COMMUNICATIONS LIMITED**

B-91, Phase VIII, Industrial Area, S.A.S. Nagar, Mohali - 160071 (INDIA)