

PCL/CS/14690

The Bombay Stock Exchange Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

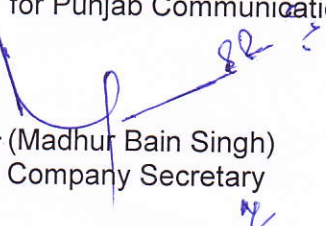
**Sub: Submission of Annual Report under Regulation 34 (1) of the SEBI (LODR) Regulations, 2015.**

Dear Sir,

Please find enclosed herewith the soft copy of Annual Report of Punjab Communications Limited duly approved and adopted in the 35<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September, 2016 at 12.00 Noon at B-93, Phase – VIII, Industrial Area, Mohali under Regulation 34(1) of Listing Obligations and Disclosure Requirements, Regulations, 2015.

Thanking you,

Yours faithfully,  
for Punjab Communications Ltd.

  
(Madhur Bain Singh)  
Company Secretary



**35<sup>th</sup>**  
*Annual Report*  
**2015-2016**

**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 : **Alankit Assignments Limited**  
(Both for Physical & Demat Category) DP & RTA  
Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi - 110055  
Ph.: (011) 42541234, 42541955, 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

- Annual General Meeting of the company is scheduled to be held on 21<sup>st</sup> day of September 2016, (Wednesday) at 12.00 Noon at B-91/93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali-160071 (Punjab) (Notice Enclosed).
- Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least 7 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.**

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### Annual General Meeting

*Date & Time* : 21<sup>st</sup> September, 2016, Wednesday, at 12.00 Noon

*Venue* : B-91/93, Phase VIII, Industrial Area, SAS Nagar, Mohali

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# PUNJAB COMMUNICATIONS LIMITED

Web : [www.puncom.com](http://www.puncom.com) CIN : L32202PB1981SGC004616

## Corporate Information (as on 12.08.2016)

Board of Directors	Designation	DIN No.
Sh. Anirudh Tewari, IAS	Chairperson	02682553
Sh. Vikas Pratap, IAS	Vice Chairperson & MD	01129385
Smt. Shruti Singh, IAS*	Sr. Vice Chairperson	06571472
Sh. V.P. Chandan, IRSSE (Retd.)	Independent Director	00225793
CA Rajiv Dewan	Independent Director	00007988
Er. A.K. Pathak	Executive Director	00474919
Smt. Neena Singh	Independent Director	00233352

### Company Secretary

CS Madhur Bain Singh

### Head (Finance) / CFO

CMA J.S. Bhatia

### Statutory Auditors

M/s Grewal & Singh  
Chartered Accountants

### Bankers

IndusInd Bank Limited  
Allahabad Bank

### Registered Office

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

### Committee of Directors

#### Audit Committee

Sh. V.P. Chandan, IRSSE (Retd.)	Chairperson
CA Rajiv Dewan	Member
Smt. Neena Singh	Member
Er. A.K. Pathak	Member

#### Stakeholders' Relationship Committee

Sh. V.P. Chandan, IRSSE (Retd.)	Chairperson
CA Rajiv Dewan	Member
Smt. Neena Singh	Member
Er. A.K. Pathak	Member

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\* Sh. R.K. Chaudhuri, IAS ceased to be a Director of Puncom as his nomination was withdrawn on 15.06.2016 & in his place Smt. Shruti Singh, IAS has been appointed as Director w.e.f. 09.08.2016  
Listing Regulations means SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

**Financial Highlights 2011-2012 to 2015-2016 (Last Five Years)**

	(₹ in Lacs)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Sales	2312.99	2342.88	2089.39	2251.77	2182.74
Other Income	1167.72	1280.50	1137.37	1003.92	929.70
Total Income	3480.71	3623.38	3226.77	3255.69	3112.44
Earning/Loss before Dep.					
Interest and Tax (EBDIT)	178.97	103.62	-571.73	-978.61	-1008.40
Depreciation	69.94	60.13	52.19	38.85	22.30
Profit / Loss after Tax	73.58	300.19	-684.64	-1026.16	-1047.58
Equity Dividend (%)	—	—	—	—	—
Dividend Payout	—	—	—	—	—
Equity Share Capital	1202.36	1202.36	1202.36	1202.36	1202.36
Reserves & Surplus	9723.99	10024.02	9233.28	8206.66	7159.01
Tangible Net Worth	10874.13	11174.96	10438.08	9411.46	8363.80
Gross Fixed Assets	5414.83	5427.7	5431.84	5440.02	5621.16
Net Fixed Assets	544.11	497.57	449.53	418.85	566.23
Total Fixed Assets	544.11	497.57	449.53	418.85	566.23

**Key Ratios 2011-12 to 2015-16**

	2011-12	2012-13	2013-14	2014-15	2015-16
Earning /loss Per Share (in ₹)	0.61	2.50	-5.69	-8.53	-8.71
Cash Earning/Loss Per Share (in ₹)	1.49	0.86	-4.92	-7.02	-8.10
Book Value Per Share ( in ₹)	90.44	92.94	86.81	78.28	69.56
Debt/Equity Ratio	—	—	0.01	—	0.00
Current Ratio	1.81	4.12	4.24	3.80	2.32

Note : The figures have been regrouped and restated wherever necessary, to make them comparable.

# PUNJAB COMMUNICATIONS LIMITED



CIN : L32202PB1981SGC004616

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

PARTICULARS	NOTE	AS AT 31st MARCH, 2016 AMOUNT (₹)	AS AT 31st MARCH, 2015 AMOUNT (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	2	12,04,79,788	12,04,79,788
b) Reserve and Surplus	3	71,59,00,617	82,06,66,495
<b>(2) Non-Current Liabilities</b>			
a) Long Term Liabilities	4	26,53,673	22,83,677
b) Long-Term Provisions	5	1,74,83,330	1,41,62,723
<b>(3) Current Liabilities</b>			
a) Trade Payables	6	17,76,97,041	17,31,38,870
b) Other Current Liabilities	7	18,69,10,118	9,54,92,296
c) Short-Term Provisions	8	34,35,486	26,96,931
<b>TOTAL</b>		<b>1,22,45,60,053</b>	<b>1,22,89,20,780</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Fixed assets			
(i) Tangible assets	9	5,66,23,174	4,18,85,470
b) Non-current investments	10	6,98,74,002	2
c) Deferred tax assets (net)	11	—	—
d) Long term loans and advances	12	1,99,11,706	3,39,65,357
e) Other non-current assets	13	22,38,89,319	12,17,75,310
<b>(2) Current Assets</b>			
a) Inventories	14	8,79,98,062	8,86,65,688
b) Trade receivables	15	14,43,16,904	16,80,64,408
c) Cash and Bank Balances	16	51,17,76,808	68,96,44,535
d) Short term loans and advances	17	3,43,26,915	2,03,96,768
e) Other Current Assets	18	7,58,43,163	6,45,23,242
<b>TOTAL</b>		<b>1,22,45,60,053</b>	<b>1,22,89,20,780</b>
Significant accounting policies and	1		
Notes to Accounts	29-42		
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 **GREWAL & SINGH**  
CHARTERED ACCOUNTANTS  
FRN: 012322N

**VIKAS PRATAP, IAS**  
VC & MANAGING DIRECTOR  
DIN : 01129385

**RAJIV DEWAN**  
DIRECTOR  
DIN : 00007988

**CA HARCHARAN SINGH GREWAL**  
PARTNER  
M. No: 083692

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

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
A.M.-FINANCE

Place : S.A.S. Nagar (Mohali)  
Date : May 27, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

PARTICULARS	NOTE	For the year ended 31st March, 2016 Amount (₹)	For the year ended 31st March, 2015 Amount (₹)
<b>I. Revenue from operations</b>		<b>21,82,73,681</b>	<b>22,51,77,362</b>
Less Excise duty		<b>1,66,73,843</b>	
	19	<b>20,15,99,838</b>	<b>1,50,66,932</b>
<b>II. Other Income</b>	20	<b>9,29,70,356</b>	<b>10,03,91,731</b>
<b>III. Total Revenue</b>		<b>29,45,70,194</b>	<b>31,05,02,161</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	21	<b>8,63,76,460</b>	<b>8,48,83,283</b>
Purchases of Stock-in-Trade	22	<b>2,87,54,871</b>	<b>3,72,49,737</b>
Changes in inventories of Finished Goods/ Work-in-process and Stock-in-trade	23	<b>-11,19,102</b>	<b>-78,86,931</b>
Employee benefits expenses	24	<b>22,87,27,276</b>	<b>22,18,06,129</b>
Finance costs	25	<b>7,48,215</b>	<b>12,51,112</b>
Depreciation and amortization expenses	9	<b>22,29,581</b>	<b>38,84,877</b>
Other expenses	26	<b>4,99,21,542</b>	<b>5,51,32,279</b>
<b>Total expenses</b>		<b>39,56,38,843</b>	<b>39,63,20,486</b>
<b>V. Profit before tax (III-IV)</b>		<b>-10,10,68,649</b>	<b>-8,58,18,325</b>
<b>VI. Exceptional Items</b>	27	<b>36,89,325</b>	<b>1,67,98,073</b>
<b>VII. Profit before tax (V-VI)</b>		<b>-10,47,57,974</b>	<b>-10,26,16,398</b>
<b>VIII. Tax expenses:</b>			
(1) Current tax		—	—
(2) Deferred tax	11	—	—
<b>IX Profit (Loss) for the year (VII-VIII)</b>		<b>-10,47,57,974</b>	<b>-10,26,16,398</b>
<b>X Earning per equity share (EPS) :</b>	28		
EPS (after exceptional items)			
(1) Basic		<b>-8.71</b>	<b>-8.53</b>
(2) Diluted		<b>-8.71</b>	<b>-8.53</b>
EPS (before exceptional items)			
(1) Basic		<b>-8.41</b>	<b>-7.14</b>
(2) Diluted		<b>-8.41</b>	<b>-7.14</b>
Significant accounting policies and Notes to Accounts	1 29-42		

The notes referred to above form an integral part of the Statement of Profit and Loss.

In terms of our separate report of even date.

For and on behalf of the Board of Directors

For **GREWAL & SINGH**  
CHARTERED ACCOUNTANTS  
FRN: 012322N

**VIKAS PRATAP, IAS**  
VC & MANAGING DIRECTOR  
DIN : 01129385

**RAJIV DEWAN**  
DIRECTOR  
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**CA HARCHARAN SINGH GREWAL**  
PARTNER  
M. No: 083692

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

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
A.M.-FINANCE

Place : S.A.S. Nagar (Mohali)  
Date : May 27, 2016

**SCHEDULES TO AND FORMING PART OF BALANCE SHEET AS AT AND  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

PARTICULARS	AS AT 31 <sup>ST</sup> MARCH, 2016 AMOUNT (₹)	AS AT 31 <sup>ST</sup> MARCH, 2015 AMOUNT (₹)
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**NOTE 2 : SHARE CAPITAL**

**AUTHORISED**

1,98,00,000 (1,98,00,000) Equity Shares of Rs. 10/- each	19,80,00,000	19,80,00,000
20,000 (20,000) Redeemable Shares of Rs. 100/- each	20,00,000	20,00,000
	<u>20,00,00,000</u>	<u>20,00,00,000</u>

**ISSUED AND SUBSCRIBED**

1,20,23,565 (1,20,23,565) Equity Shares of Rs. 10/- each*	12,02,35,650	12,02,35,650
Add: Share forfeited (Amount paid-up)	2,44,138	2,44,138
	<u>12,04,79,788</u>	<u>12,04,79,788</u>

\* Includes 85,51,501 (85,51,501) Equity Shares of Rs.10/-each fully paid up held by Holding Company (PICTCL) and its nominees.

**2.1 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	85,51,501	71.12	85,51,501	71.12

**2.2 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	1,20,23,565	1,20,23,565
Shares Issued during the year	—	—
Shares bought back during the year	—	—
Shares outstanding at the end of the year	1,20,23,565	1,20,23,565
Terms/ rights and restrictions attached to equity shares & Preference Shares are as per provisions of the Companies Act 2013.		

**NOTE 3 : RESERVES AND SURPLUS**

Capital Redemption Reserve	4,00,78,550	4,00,78,550
Securities premium	68,50,43,600	68,50,43,600
Add:-Shares Forfeited (Amount paid-up)	58,59,312	58,59,312
	69,09,02,912	69,09,02,912
General Reserve:		
Opening Balance	8,95,92,529	19,22,08,927
Add:/(Less)Transferred from Statement of Profit & Loss Account	—	-10,26,16,398
Surplus (Profit & Loss Account)		
Opening Balance	—	—
Add:/(Less)Transferred from Statement of Profit & Loss Account	-10,47,57,974	-10,47,57,974
Deferred Govt. Grants (Subsidy)*		
As per last Balance Sheet	92,504	1,37,969
Less: Transfer to Statement of P & L A/c	7,904	45,465
	<u>84,600</u>	<u>45,465</u>
	<u>71,59,00,617</u>	<u>82,06,66,495</u>

\* During the FY 2014-15, the amount of deferred income related to Government grant had been recognized in the Statement of Profit and Loss based on the revised useful lives of assets as defined under Schedule II of Companies Act 2013. Also refer Note-20.

**NOTE 4 : LONG TERM LIABILITIES**

Security Received	26,53,673	22,83,677
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PARTICULARS	AS AT	AS AT
	31st MARCH, 2016 AMOUNT (₹)	31st MARCH, 2015 AMOUNT (₹)
<b>NOTE 5 : LONG TERM PROVISIONS</b>		
Provision for Employee benefits - Gratuity	12,49,518	17,81,218
- Leave Encashment	1,36,73,916	96,47,728
- Long term service award	25,59,896	27,33,777
	<u>1,74,83,330</u>	<u>1,41,62,723</u>
<b>NOTE 6 : TRADE PAYABLES</b>		
i. Dues of Micro, Small & Medium Enterprises	—	3,360
ii. Dues of other Creditors*	17,76,97,041	17,31,35,510
	<u>17,76,97,041</u>	<u>17,31,38,870</u>

\* Includes ₹ 492.65 Lacs (₹ 493.84 Lacs) due to Vuppalamritha Magnetic Components Pvt Ltd (Now VMC Systems Ltd.) against which ₹ 322.12 Lacs (₹ 322.12 Lacs) lies in the Escrow Account (Refer note 18).

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. 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	Nil	3,360
	- Principal Amount		
	- 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 disallowance as a deductible expenditure under section 23 of this Act.	Nil	Nil

**NOTE 7 : OTHER CURRENT LIABILITIES**

Unclaimed Buy back amount*	27,722	27,722
Advance from customers	46,62,784	23,15,506
Income received in advance	5,78,695	6,70,507
Statutory remittances (Contributions to PF, ESIC, Withholding taxes, Excise Duty, VAT, Service Tax, Bonus etc)	1,54,65,708	1,66,12,555
Trade / Security Deposits received**	3,72,92,852	3,56,81,607
Others\$#	12,88,82,357	4,01,84,399
	<u>18,69,10,118</u>	<u>9,54,92,296</u>

\* Despite Company's best efforts, 5 shareholder could not be traced. Therefore an amount of Rs. 27,722/- is still lying in unclaimed buy back account. Also refer Note-16.

\*\* Includes an amount of Rs.10.80 Lacs (Rs. 10.80 Lacs) received from Holding Company – PICTCL and Rs.302 Lacs (Rs.302 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Limited. Further it also includes an amount of Rs. 22.06 Lacs other than securities on rental properties outstanding for more than three years.

\$ Includes an amount of Rs. 163.13 Lacs w.r.t Forward contract. (Also refer Note-18)

# Includes amount of Rs. 735.63 Lacs related to UPCFML, Refer Note-10, 13 and Note-27

**NOTE 8 : SHORT TERM PROVISIONS**

Provision for Employee benefits - Gratuity	14,71,531	12,82,076
- Leave Encashment	10,66,397	9,64,337
- Service award	8,97,558	4,50,518
	<u>34,35,486</u>	<u>26,96,931</u>

## II. ASSETS

### NOTE 9 : FIXED ASSETS

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.2015	ADDITIONS	SALE/TRF.	AS AT 31.3.2016	UPTO 1.4.2015	FOR THE PERIOD	ADJUST- MENTS / WRITTEN BACK	UPTO 31.3.2016	ASAT 31.3.2016	AS AT 31.3.2015
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
I. TANGIBLE ASSETS										
LAND (Freehold)*	1,52,40,077	—	—	1,52,40,077	10,30,172	—	—	10,30,172	1,42,09,905	1,42,09,905
BUILDING	6,86,40,129	—	—	6,86,40,129	5,90,91,833	7,08,597	3,00,967	6,01,01,397	85,38,732	95,48,296
PLANT & MACHINERY	37,76,46,374	1,77,89,147	—	39,54,35,521	36,25,94,960	8,56,408	4,15,265	36,38,66,633	3,15,68,888	1,50,51,414
TEMPORARY STRUCTURE	44,18,531	—	—	44,18,531	44,01,031	—	—	4,401,031	17,500	17,500
ELECTRICAL INSTALLATION	2,63,89,984	8,378	—	2,63,98,362	2,48,98,223	1,91,508	1,58,287	2,52,48,018	11,50,343	14,91,760
OFFICE EQUIPMENT	1,70,87,147	316,794	—	1,74,03,941	16,366,760	2,88,689	1,36,072	1,67,91,521	6,12,420	7,20,387
FURNITURE & FIXTURE	1,01,43,823	—	—	1,01,43,823	1,00,50,458	1,943	1,089	1,00,53,490	90,333	93,365
VEHICLES	82,11,403	—	—	82,11,403	74,58,559	1,82,436	1,35,354	77,76,349	4,35,054	7,52,844
SUB TOTAL (A)	52,77,77,467	1,81,14,319	—	54,58,91,787	48,58,91,996	22,29,581	11,47,034	48,92,68,611	5,66,23,174	4,18,85,470
II. INTANGIBLE ASSETS										
TECHNICAL KNOW HOW	1,62,24,442	—	—	1,62,24,442	1,62,24,442	—	—	1,62,24,442	—	—
SUB TOTAL (B)	1,62,24,442	—	—	1,62,24,442	1,62,24,442	—	—	1,62,24,442	—	—
III. Capital Work in Process (C)	—	—	—	—	—	—	—	—	—	—
IV. Intangible Assets u/Dev. (D)	—	—	—	—	—	—	—	—	—	—
TOTAL (A+B+C+D) Current Year	54,40,01,909	1,81,14,319	—	56,21,16,229	50,21,16,438	22,29,581	11,47,034	50,54,93,053	5,66,23,174	4,18,85,470
PREVIOUS YEAR FIGURES	54,31,84,076	8,17,833	—	54,40,01,909	49,82,31,561	38,84,877	—	50,21,16,438	4,18,85,470	4,49,52,515

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

The Company during the FY 2014-15, in compliance with the newly introduced provisions of the depreciation under the Companies Act 2013, had worked out the depreciation on Straight Line Method. During the current financial year, the company has decided to change the method of depreciation to Written Down Value (WDV) method and accordingly it has computed the depreciation in accordance with WDV Method in line with schedule I of Companies Act, 2013. Had been there no change in this accounting policy the amount of depreciation would have been lower by Rs. 17.02 lacs out of which Rs. 11.47 lacs pertain to FY 2014-15 which has been accounted for as Prior period item. Further Refer Note - I Accounting Policies Point IV(a).

**V.C. & M.D.**

**DIRECTOR**

**C.F.O.**

**C.S.**

**A.M.-FINANCE**

**Annual Report 2015-2016**

PARTICULARS	AS AT	AS AT
	31st MARCH, 2016 AMOUNT (₹)	31st MARCH, 2015 AMOUNT (₹)

#### NOTE 10 : NON CURRENT INVESTMENTS

(At cost adjusted for diminution in value)

##### UNQUOTED AND NON TRADE :-

Partial amount against

U.P. Co-operative Spinning Mills Federation Ltd., 14000 (14000)

14.90% (Taxable) Secured Redeemable UPCSMF Bonds fully

guaranteed by the Govt. of U.P. of Rs. 5000/- each fully paid up\*

**6,98,74,000**

—

##### WHOLLY OWNED SUBSIDIARY COMPANIES\*\* :-

A) PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD.

2,46,640 (2,46,640) Equity Shares

of ₹ 10/- each, fully paid up

**24,78,744**

24,78,744

Less:- Provision for diminution in value

**24,78,743**

1

24,78,743

1

B) PCL TELECOM LTD.

1

1

196300 (196300) Equity shares of ₹ 10/- each fully paid up

**6,98,74,002**

2

\*The company had invested Rs. 698.74 Lacs (Face Value 700 Lacs) in the Bonds of UP Co-operative Spinning Mills Federation Ltd (UPCSMFL) duly guaranteed by the UP State Govt. for a tenure of 18 months. The company invoked the government guarantee consequent to the bonds not being redeemed on the due date of redemption viz 20.12.1999. The suit was filed for recovery of Rs 993.44 lacs (Principal of Rs 700 lacs and Interest of Rs 293.44 lacs.) The suit had been decided ex-parte in favour of the company on 31.01.2004. In compliance of the orders of the Hon'ble Punjab and Haryana High Court, Chandigarh, The U.P State Government (Guarantor) had deposited Rs.735.63 lacs and a Govt. guarantee of equivalent amount in the Civil Court, Lucknow . Further an amount of Rs. 735.63 lacs deposited with the Executing Court released to the Company (decree holder) on 24.04.2006 against furnishing bank guarantee of the equivalent amount.

However, On 19.01.2015, the Hon'ble Supreme Court had decided against the ex-parte decree earlier made in favor of the company and directed the Civil Court, Lucknow to refund the amount to UP State Government. The execution of the said order is pending at District Court Lucknow. In view of the SC Decision, the company has accounted for the same and liability of Rs. 735.63 lacs has been reflected under Note-7. Above mentioned Bank guarantee of Rs. 735.63 lacs can be invoked by the Court anytime. Since the decree was issued against UPCSMFL and State of UP and Hon'ble SC considered that the state of UP was Ex-parte, the company had filed the execution of earlier decree issued in favour of Puncom against the UPCSMFL on 30.01.2016 and also filed a fresh suit against the State of UP through Special Secretary Industrial Development on 11.03.2016.

The Bombay High Court had passed (March 2006) an order for liquidation of UP Cooperative Spinning Mills Federation Limited (UPCSMFL) and the official liquidator has been appointed (August 2006) i.e. Liquidation of the unit is pending. However the Company has not made any provisioning for permanent diminution in the value of Investment as the Investment in bonds is fully guaranteed by the UP State Government."

\*\*Refer Note 30 and Note 31

#### NOTE 11 : DEFERRED TAX ASSET (NET)

##### Deferred Tax Asset:

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

**28,11,981**

20,12,431

##### Deferred Tax Liability:

Relating to Fixed assets

**-28,11,981**

-20,12,431

Deferred Tax Asset / Liability\*

—

—

\* As per the provisions of Para 17 of AS 22- Accounting for Taxes on Income, Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax asset should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

PARTICULARS	AS AT		AS AT	
	31st MARCH, 2016		31st MARCH, 2015	
	AMOUNT (₹)		AMOUNT (₹)	

To comply with the provisions of AS-22, the Company has reviewed and written down the deferred tax asset on unabsorbed depreciation/ losses and other allowances to the extent of the corresponding deferred tax liability as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available in near future.

#### NOTE 12 : LONG TERM LOANS AND ADVANCES

Festival Advance		35,70,000		35,94,500
Loans and Advance to Employees*		60,00,719		72,53,102
Security Deposits		21,09,994		12,38,524
Due from Subsidiary companies (PDISL)	40,35,473		40,35,473	
Less :- Provision for doubtful advances	40,35,473	—	40,35,473	—
Income Tax Recoverable for Previous years	41,81,069		1,82,78,326	
Income Tax Recoverable for current year	39,05,325		33,91,773	
	80,86,394		2,16,70,099	
Less : Provision for Income Tax/MAT	—	80,86,394	—	2,16,70,099
Prepaid Expenses*		1,44,599		2,09,132
		1,99,11,706		3,39,65,357

\*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 XIX)

#### 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 & as per the service rules of the Company.	Balance As on 31.03.2016	Balance As on 31.03.2015	Max. amount due at any time during the year ended 31.03.2016	Max. amount due at any time during the year ended 31.03.2015
- No repayment schedule or repayment beyond seven years.	98,451	2,62,451	2,62,451	4,32,108
- No interest or at an interest rate below which is specified in Section 186 (7) of Companies Act 2013	—	—	—	—

#### NOTE 13 : OTHER NON-CURRENT ASSETS

Fixed Deposits with banks (having maturity period of more than 12 months from BS date)	21,58,95,956			12,02,19,335
Interest accrued on fixed deposits (having maturity period of more than 12 months from BS date)	79,93,363			15,55,975
Interest Accrued on U.P. Co-operative Spinning Mills Federation Ltd., 14000 (14000) 14.90% (Taxable)				
Secured Redeemable UPSCMFL Bonds fully guaranteed by the Govt of U.P. of Rs. 5000/- each fully paid up*	1,52,52,173		1,15,62,848	
Less :- Provision against Interest accrued	1,52,52,173	—	1,15,62,848	—
		22,38,89,319		12,17,75,310

\*\* Refer Note 10. 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 current financial year. The Company has not recognized accrued interest, keeping in view uncertainty involved in the matter of realization of interest due to litigation. This is also in conformity with the Accounting Standard 9- "Revenue Recognition" issued by the Institute of Chartered Accountant of India (ICAI)."

PARTICULARS	AS AT		AS AT	
	31st MARCH, 2016		31st MARCH, 2015	
	AMOUNT (₹)		AMOUNT (₹)	
NOTE 14 : INVENTORIES				
INVENTORIES				
(As taken, valued, and certified by the management)				
Stores, Spares & Packing Material		31,66,315		34,72,074
Raw material	14,77,13,246		14,99,22,681	
Less: Provision for Obsolete/ slow moving items	<u>9,67,95,513</u>	5,09,17,733	<u>9,67,07,078</u>	5,32,15,603
Work in Process:				
Work -in -process		1,13,06,843		85,05,777
Finished Sub-assemblies	6,10,96,949		6,36,79,030	
Less: Provision for Obsolete/ slow moving items	<u>4,13,09,554</u>	1,97,87,395	<u>4,11,10,381</u>	2,25,68,649
Goods -in -transit		24,17,379		7,17,990
Stock-in-Trade		<u>4,02,397</u>		<u>1,85,595</u>
		8,79,98,062		8,86,65,688

As per provisions of AS-2 "Valuation of Inventories" the stock has been valued at Cost or NRV whichever is less.

**NOTE 15 : TRADE RECEIVABLES**

**Unsecured Sundry Debtors**

**Outstanding for more than six months**

Considered good	6,93,79,548		7,22,27,643
Considered doubtful *	1,62,90,687		1,62,18,498
	8,56,70,235		8,84,46,141
Less: Provision for doubtful debts	1,62,90,687		1,62,18,498
	6,93,79,548		7,22,27,643

**Others**

Unsecured Considered good	7,49,37,356		9,58,36,765
	14,43,16,904		16,80,64,408

\*Includes due from Subsidiary(PDISL) ₹ 4.55 Lacs, (₹ 4.55 Lacs)

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. 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.

**NOTE 16 : CASH & BANK BALANCES**

**Cash and Cash equivalents**

**Balance with banks :**

In Cash Credit account	57,35,281		2,62,077
In Current Accounts	28,52,937		28,98,179
In Fixed Deposits (having original maturity period of less than three months)	1,25,00,000		1,35,00,000
Cash in hand	42,676	2,11,30,894	49,146
			1,67,09,402

**Other Bank Balances :**

In Fixed Deposits (having original maturity period of more than three months)*	70,65,14,147		79,31,26,746
In earmarked accounts (Unclaimed Buyback Amount)**	27,722	70,65,41,870	27,722
		72,76,72,764	80,98,63,870

PARTICULARS	AS AT 31st MARCH, 2016 AMOUNT (₹)	AS AT 31st MARCH, 2015 AMOUNT (₹)
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	<b>-21,58,95,956</b>	-12,02,19,335
	<b>51,17,76,808</b>	68,96,44,535

\* FDRs worth ₹ 3393.71 Lacs (₹ 3243.47 Lacs) are pledged with banks against Bank guarantees and overdrafts limits.

\*\* Refer Note-7

**NOTE 17 : SHORT TERM LOANS & ADVANCES  
(UNSECURED & CONSIDERED GOOD UNLESS OTHERWISE STATED)**

Loan and Advance to Employees*	<b>43,06,665</b>	36,42,774
Security deposits	<b>60,14,471</b>	60,99,521
Claims Recoverable	<b>13,748</b>	13,748
<b>Balance with Government Departments</b>		
- Income Tax Recoverable for Previous years	<b>1,09,85,180</b>	—
- Balance with Excise Department	<b>77,884</b>	93,926
<b>Other Advances:-</b>		
Considered good	<b>1,29,28,967</b>	1,05,46,799
Doubtful Advances	<b>2,31,521</b>	2,31,521
	<b>1,31,60,488</b>	1,07,78,320
Less: Provision for Doubtful Advances	<b>2,31,521</b>	2,31,521
	<b>3,43,26,915</b>	1,05,46,799
		2,03,96,768

\*Includes Employee Loans to KMPs given in ordinary course of business and as per service rules of the company.  
Refer Note 12

**NOTE 18 : OTHER CURRENT ASSETS**

<b>Accruals</b>		
Income accrued and due	—	60,050
Interest accrued but not due on Fixed deposits (having maturity < 12 months from BS Date)	<b>2,75,28,864</b>	3,22,51,314
<b>Others :</b>		
Deferred premium	<b>82,421</b>	—
Foreign Currency Receivable (w.r.t Forward Contract)*	<b>1,60,20,000</b>	—
In Escrow account (Money held on behalf of VMC & its Associated Companies)**	<b>3,22,11,878</b>	3,22,11,878
	<b>7,58,43,163</b>	6,45,23,242

\* Refer Note 7

\*\* Refer Note 6

**NOTE 19 : REVENUE FROM OPERATIONS**

(a) Sale of manufactured products	<b>16,17,28,296</b>	15,36,98,077
(b) Sale of services	<b>2,20,97,324</b>	2,27,11,475
(c) Sale of traded items	<b>3,26,57,790</b>	4,63,06,963
(d) Other Operating revenues (Training Fees & Scrap Sale)	<b>17,90,271</b>	24,60,847
	<b>21,82,73,681</b>	22,51,77,362
Less : Excise Duty	<b>1,66,73,843</b>	1,50,66,932
<b>Net revenue from operations</b>	<b>20,15,99,838</b>	21,01,10,430

PARTICULARS	AS AT	AS AT
	31st MARCH, 2016 AMOUNT (₹)	31st MARCH, 2015 AMOUNT (₹)
<b>Particulars of Sale of products*</b>		
(i) PLCC (Systems/Spares)	13,48,60,809	11,60,05,581
(ii) VMUX (Systems/ Spares)	2,08,80,237	2,78,46,044
(iii) POWER PLANT & OTHERS	59,87,250	98,46,452
(iv) Income from traded items**	3,26,57,790	4,63,06,963
(v) Services Income	2,20,97,324	2,27,11,475
(vi) Training Fee & Scrap Sales	17,90,271	24,60,847
	<u>21,82,73,681</u>	<u>22,51,77,362</u>

\* Includes various items of different configuration and spares

\*\*Includes bought out SDH/ STM, Solar Photo Voltaic Power Plants and associated equipments of different configuration.

**NOTE 20 : OTHER INCOME**

<b>(a) Interest from banks on deposits</b>		
Interest on Fixed Deposits	7,06,97,758	8,19,95,794
<b>(b) Interest on Income Tax refund</b>	5,43,259	—
<b>(c) Other Interest</b>		
Interest on Staff loans	8,84,063	8,75,177
<b>(d) Other Income</b>		
Miscellaneous Receipts	46,102	4,305
Rent Income	2,07,26,166	1,74,70,990
Capital Subsidy written back*	7,904	45,465
Gain on exchange fluctuations	65,104	—
	<u>9,29,70,356</u>	<u>10,03,91,731</u>

\* Refer Note-3

**NOTE 21 : COST OF MATERIALS CONSUMED**

(a) Opening Stock	14,99,22,681	13,57,97,470
Add Purchases*	9,39,97,425	10,86,30,205
Less: CENVAT credit	94,13,177	92,23,921
Less: Input Tax credit (VAT)	4,17,223	3,97,790
	<u>23,40,89,706</u>	<u>23,48,05,964</u>
Less: Closing Stock	14,77,13,246	14,99,22,681
Net consumption	<u>8,63,76,460</u>	<u>8,48,83,283</u>

**OPENING STOCK OF RAW MATERIAL\***

i) Electronics Raw Material and Comp.	11,60,05,062	10,51,86,669
ii) Mech. items	1,21,51,168	98,86,009
iii) Misc. items	2,17,66,451	2,07,24,792
	<u>14,99,22,681</u>	<u>13,57,97,470</u>

**RAW MATERIAL PURCHASE\***

i) Electronics Raw Material and Comp.	5,93,50,309	6,89,56,329
ii) Assembly items	45,901	1,09,014
iii) Mech. items	1,27,55,545	1,64,21,129
iv) Misc. items	1,20,15,271	1,35,22,021
	<u>8,41,67,025</u>	<u>9,90,08,493</u>

PARTICULARS	AS AT		AS AT	
	31st MARCH, 2016		31st MARCH, 2015	
	AMOUNT (₹)		AMOUNT (₹)	
<b>CLOSING STOCK OF RAW MATERIAL*</b>				
i) Electronics Raw Material and Comp.	11,43,31,328		11,60,05,062	
ii) Mech. items	1,28,84,734		1,21,51,168	
iii) Misc. items	2,04,97,184		2,17,66,451	
		<u>14,77,13,246</u>		<u>14,99,22,681</u>
<b>RAW MATERIAL CONSUMED*</b>				
i) Electronics Raw Material and Comp.	6,10,24,043		5,81,37,936	
ii) Assembly items	45,901		1,09,014	
iii) Mech. items	1,20,21,979		1,41,55,970	
iv) Misc. items	1,32,84,538		1,24,80,363	
		<u>8,63,76,460</u>		<u>8,48,83,283</u>
<b>NOTE 22 : PURCHASES OF STOCK-IN-TRADE</b>				
Purchases of Stock-in-Trade * \$		<u>2,87,54,871</u>		<u>3,72,49,737</u>
		<u>2,87,54,871</u>		<u>3,72,49,737</u>
*Includes various items of different configuration.				
\$ Includes SDH / STM bought out items amounting to ₹ Nil (₹ 95.28 Lacs) and Solar Photo Voltaic Power System amounting to ₹ 161.16 Lacs (₹ 142.39 Lacs)				
<b>NOTE 23 : CHANGES IN INVENTORIES</b>				
<b>(I) OPENING STOCKS</b>				
<b>(a) Work in process:</b>				
Work in process	85,05,777		73,50,733	
Finished sub-assemblies	6,36,79,030		5,55,60,217	
<b>(b) Stock-in-Trade</b>	<u>1,85,595</u>	<u>7,23,70,402</u>	<u>3,87,600</u>	<u>6,32,98,550</u>
<b>(II) CLOSING STOCKS</b>				
<b>(a) Work in process:</b>				
Work in process	1,13,06,843		85,05,777	
Finished sub-assemblies	6,10,96,949		6,36,79,030	
<b>(b) Stock-in-Trade</b>	<u>4,02,397</u>	<u>7,28,06,189</u>	<u>1,85,595</u>	<u>7,23,70,402</u>
<b>(III) Increase/(Decrease) in Excise Duty on Stocks</b>		<u>-6,83,315</u>		<u>11,84,921</u>
Decrease(+) / Increase (-) in stock (I-II+III)		<u>-11,19,102</u>		<u>-78,86,931</u>
<b>OPENING STOCK OF FINISHED SUB ASSEMBLIES*</b>				
i) PLCC	1,76,61,377		68,39,426	
ii) VMUX	58,02,812		65,85,485	
iii) PCM, SWITCHING & OTHERS	<u>4,02,14,841</u>		<u>4,21,35,306</u>	
	<u>6,36,79,030</u>		<u>5,55,60,217</u>	
<b>CLOSING STOCK OF FINISHED SUB ASSEMBLIES *</b>				
i) PLCC	1,31,11,913		1,76,61,377	
ii) VMUX	58,44,133		58,02,812	
iii) PCM, SWITCHING & OTHERS	<u>4,21,40,903</u>		<u>4,02,14,841</u>	
	<u>6,10,96,949</u>		<u>6,36,79,030</u>	

\*Includes various number of assemblies of different configuration & value.



PARTICULARS	AS AT	AS AT
	31st MARCH, 2016 AMOUNT (₹)	31st MARCH, 2015 AMOUNT (₹)
<b>NOTE 24 : EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Other Allowances & Benefits	20,52,07,124	19,97,77,631
Contribution towards provident and other funds	2,32,28,055	2,19,09,746
Bonus	2,92,097	1,18,752
	<b>22,87,27,276</b>	<b>22,18,06,129</b>

Disclosure on employee benefits with regard to Gratuity and Leave Encashment, funded defined benefit plans, as per Accounting Standard 15 issued by the Institute of Chartered Accountants of India:

Defined benefit plans :-	Gratuity		Leave Encashment	
	As on 31/03/2016	As on 31/03/2015	As on 31/03/2016	As on 31/03/2015
<b>1. Assumptions</b>				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	6.00%	7.00%	6.00%	7.00%
<b>2. Table Showing Changes in Present Value of obligations</b>				
Present value of obligations as at beginning of year	8,87,16,600	8,12,77,468	5,83,79,847	5,30,97,397
Interest cost	70,97,328	65,02,197	46,70,388	42,47,792
Current Service Cost	11,56,102	10,83,467	38,87,879	36,20,124
Benefits Paid	10,00,061	13,13,237	4,48,792	1,44,779
Actuarial (gain)/Loss on obligations	-14,89,173	11,66,705	-4,41,564	-24,40,687
Present value of obligations as at end of year	9,44,80,796	8,87,16,600	6,60,47,758	5,83,79,847
<b>3. Table Showing Changes in the Fair Value of Plan Assets</b>				
Fair value of plan assets at beginning of year	8,56,53,306	7,98,36,230	4,77,67,782	4,39,42,531
Expected return on plan assets	70,92,531	71,30,313	39,66,806	39,47,568
Contributions	13,971	-	21,649	22,462
Benefits paid	10,00,061	13,13,237	4,48,792	1,44,779
Actuarial Gain / (Loss) on Plan assets	-	-	-	-
Fair value of plan assets at the end of year	9,17,59,747	8,56,53,306	5,13,07,445	4,77,67,782
<b>4. Table Showing Fair Value of Plan Assets</b>				
Fair value of plan assets at beginning of year	8,56,53,306	7,98,36,230	4,77,67,782	4,39,42,531
Actual return on plan assets	70,92,531	71,30,313	39,66,806	39,47,568
Contributions	13,971	-	21,649	22,462
Benefits Paid	10,00,061	13,13,237	4,48,792	1,44,779
Fair value of plan assets at the end of year	9,17,59,747	8,56,53,306	5,13,07,445	4,77,67,782
Funded status	27,21,049	-30,63,294	-1,47,40,313	-1,06,12,065
Excess of Actual over estimated return on plan assets	-	-	-	-
<b>5. Actuarial Gain/Loss recognized</b>				
Actuarial gain/(Loss) for the year - Obligation	14,89,173	-11,66,705	4,41,564	24,40,687
Actuarial (gain)/Loss for the year - plan assets	-	-	-	-
Total (gain)/Loss for the year	-14,89,173	11,66,705	-4,41,564	-24,40,687
Actuarial (gain)/Loss recognized in the year	-14,89,173	11,66,705	-4,41,564	-24,40,687

**6. The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss**

Present value of obligations as at the end of year	9,44,80,796	8,87,16,600	6,60,47,758	5,83,79,847
Fair value of plan assets as at the end of the year	9,17,59,747	8,56,53,306	5,13,07,445	4,77,67,782
Funded status	-27,21,049	-30,63,294	-1,47,40,313	-1,06,12,065
Net Asset/(liability) recognized in balance sheet	-27,21,049	-30,63,294	-1,47,40,313	-1,06,12,065

**7. Expenses recognized in Statement of Profit & Loss**

Current Service cost	11,56,102	10,83,467	38,87,879	36,20,124
Interest Cost	70,97,328	65,02,197	46,70,388	42,47,792
Expected return on plan assets	70,92,531	71,30,313	39,66,806	39,47,568
Net Actuarial (gain)/Loss recognized in the year	-14,89,173	11,66,705	-4,41,564	-24,40,687
Expenses recognized in statement of Profit & Loss	-3,28,274	16,22,056	41,49,897	14,79,661

**PARTICULARS**

**AS AT  
31st MARCH, 2016  
AMOUNT (₹)**

**AS AT  
31st MARCH, 2015  
AMOUNT (₹)**

**NOTE 25 : FINANCE COSTS**

Interest on loan against FDR's for working capital	5,41,084	8,70,233
Finance Charges	2,07,131	83,012
	<u>7,48,215</u>	<u>12,51,112</u>

**NOTE 26 : OTHER EXPENSES**

**(A) MANUFACTURING & INSTALLATION EXPENSES**

Stores & Spares	17,30,352	10,61,452
Power & Fuel	69,97,479	59,56,189
Freight	1,53,378	1,94,018
Installation charges/ AMC Services Expenses	88,90,662	87,23,227
Miscellaneous Production expenses	14,19,921	16,12,475
	<u>1,91,91,792</u>	<u>1,75,47,361</u>

**(B) ADMINISTRATION AND OTHER EXPENSES**

Travelling & conveyance (including for directors Rs. 25,395/- (Rs. 87,428/-)	39,49,696	39,36,184
Printing & Stationery	7,08,786	5,49,862
Rent	1,15,830	1,09,530
Office electricity & Water	2,16,417	1,84,212
Postage, Telephone & Telex	7,79,070	6,92,148
Property Tax	17,91,937	12,74,868
Insurance (net)	2,88,703	3,06,633
Rates & Taxes	6,28,708	3,82,051
Directors sitting fee	2,38,035	2,30,000
Meeting expenses	1,28,382	2,14,734
REPAIR & MAINTENANCE :-		
Building	36,284	44,192
Plant & Machinery	7,46,359	15,54,077
General maintenance	3,19,304	5,00,200

<b>PARTICULARS</b>	<b>AS AT 31st MARCH, 2016 AMOUNT (₹)</b>	<b>AS AT 31st MARCH, 2015 AMOUNT (₹)</b>
Vehicle running & maintenance	11,59,776	15,36,134
Membership fee and subscription	44,646	19,748
Internal audit fees & expenses	1,00,000	1,00,000
<b>Auditors payments:-</b>		
Audit fee	1,50,000	1,50,000
Tax audit fees	40,000	40,000
Out of pocket	38,450	38,250
Certification & other services	85,000	85,000
Legal & professional fees	15,27,618	13,89,736
Office Expenses	1,05,40,699	1,03,11,568
Miscellaneous expenses	5,49,032	5,69,126
Secretarial Audit Fee	70,000	70,000
Forward Premium	2,41,579	—
Bank charges	1,78,926	2,29,546
	<b>2,46,73,236</b>	<b>2,45,17,798</b>
<b>Provisions</b>		
Provision for slow moving stocks	2,87,608	21,21,668
Provision for Doubtful Debts	72,189	3,46,371
Amount written off	941	6,383
	<b>3,60,738</b>	<b>24,74,422</b>
Total Administration & Other Expenses	<b>2,50,33,974</b>	<b>2,69,92,220</b>
<b>(C) SELLING AND DISTRIBUTION COSTS</b>		
Advertisement and publicity	1,94,420	2,64,031
Sales promotion expenses	7,65,433	9,96,895
Freight outwards (net)/State taxes	5,14,437	10,07,540
Packing & Forwarding expenses	30,45,429	33,21,227
Service Expenses	31,285	3,100
	<b>45,51,004</b>	<b>55,92,793</b>
<b>(D) PRIOR PERIOD ITEMS</b>		
<b>Prior Period Income</b>		
Administrative Expenses written back	26,534	—
<b>Prior Period Expenses</b>		
Manufacturing Expenses	21,220	70,335
Administrative Expenses*	3,052	49,29,570
Depreciation for FY 2014-15**	11,47,034	—
Net (Income)/ Expenses	11,44,772	49,99,905
* Includes Property Tax of Rs. NIL (Rs. 19.69 Lacs for FY 2013-14)		
**Refer Note-9 & Note-1 Accounting Policies Point IV(a)		
TOTAL OTHER EXPENSES (A+B+C+D)	<b>4,99,21,542</b>	<b>5,51,32,279</b>
<b>NOTE 27 : EXCEPTIONAL ITEMS</b>		
Provision for Back Wages*	—	52,35,225
Provision against Interest Accrued #	36,89,325	1,15,62,848
	<b>36,89,325</b>	<b>1,67,98,073</b>

\* Provision for Back Wages pertains to decision by SC in case of Sh. A.S. Gill in FY 2014-15. Hon'ble Supreme court passed an order dated 24.03.2015 issued on 11.04.2015, directing the company to pay 30% of the back wages for the period 12.3.2003 to 30.04.2006 which was duly provided for and subsequently released as per order of Hon'ble Supreme Court.

# Refer Note 13 of the Financial Statements.

PARTICULARS	AS AT	AS AT
	31st MARCH, 2016 AMOUNT (₹)	31st MARCH, 2015 AMOUNT (₹)
<b>NOTE 28 : EARNINGS PER SHARE</b>		
Profit / (Loss) after Tax ( ₹ )	-10,47,57,974	-10,26,16,398
Profit / (Loss) after Tax Before Extraordinary Items ( ₹ )	-10,10,68,649	-8,58,18,325
Weighted average no. of ordinary shares	1,20,23,565	1,20,23,565
Weighted average no. of diluted shares	1,20,23,565	1,20,23,565
Nominal Value of ordinary share ( ₹ )	10	10
Basic Earning/(-Loss) Per Share ( ₹ )	-8.71	-8.53
Diluted Earning/ (-Loss) Per Share ( ₹ )	-8.71	-8.53
Basic Earning/(-Loss) Per Share before extraordinary items ( ₹ )	-8.41	-7.14
Diluted Earning/ (-Loss) Per Share before extraordinary items ( ₹ )	-8.41	-7.14

(Figures in brackets denote previous year figures)  
(₹ In Lacs)

**NOTE : 29 : Contingent liabilities not provided for in the accounts :**

a) Bank guarantees and Letter of credits *	2674.54	(2471.29)
b) Claims against company, not acknowledged as debts, - by Sales Tax authorities**	44.09	(31.62)
- by Excise & Custom authorities	30.20	(30.20)
c) Court cases #	2360.62	(2009.85)
d) PSPCL Demand ***	27.96	(27.96)

\*Includes Bank guarantees for Rs. 735.63 Lacs (Rs. 735.63 lacs) deposited with Executing Court, Lucknow against amount released in favour of the company. (Also Refer Note 7, 10, 13 & 27)

\*Includes expired guarantees for Rs. 73.17 Lacs (Rs. 68.01 lacs) against which neither any claims have been lodged nor reversed by issuing banks pending returning of original guarantee by beneficiary.

\*\* The Company has filed appeals which have been admitted by the competent authority.

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

# Includes C-Dot Case. Refer Note 34.

**NOTE : 30** 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 has 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) has also been made.

**NOTE : 31** PCL Telecom Ltd, another subsidiary company, is in the process of being winding up. The Board of Directors of PUNCOM at their 81st meeting held on 29.01.1997 decided to bear all statutory expenditure incurred in connection with the winding up of PCL Telecom Ltd. Further, the company has been ordered to be wound up by the Hon'ble Punjab and Haryana High Court vide its order dated 20th October 2005.

**NOTE : 32** The company has reviewed the inventories at the year end and consequently provided for ₹ 0.88 Lacs (₹ 17.29 lacs) and ₹ 1.99 Lacs (₹ 3.92 lacs) in current financial year for non moving items of obsolete and slow moving inventories of Raw material and finished sub-assemblies respectively. An amount of ₹ 0.72 lacs (₹ 3.46 lacs) in respect of doubtful debts and advances has been provided for during the year. The provision as on 31st March 2016 is considered adequate.

**NOTE : 33** Trade receivables, Trade payables and other current liabilities include the amounts receivables and payables outstanding for a period of more than three years. Management has decided to carry forward the same keeping in view the nature of the contracts and projects agreed with the parties and customers.

**NOTE : 34** 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 Delhi High Court. The application for setting aside the award has already been admitted by Delhi High Court and accordingly Interest & Arbitration cost liability of Rs.57.62 lacs (Rs. 17.75 lacs) on account of non payment of award amount has been shown as contingent liability, pending appeal in the Hon'ble High Court, Delhi.

C-DOT has also filed another claim of Rs. 24.88 lacs against the Company under the agreement for transfer of AN-RAX technology which is pending before sole arbitrator appointed by Hon'ble Delhi High Court. This claim is also being contested by the company.

**NOTE : 35** 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, except contingent liabilities already disclosed at Note 29. This is in accordance with the requirements of AS 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India.

**NOTE : 36** In the absence of virtual certainty regarding there being sufficient taxable income under the normal provisions of the Income Tax Act, 1961 within the period specified under section 115JAA of the said Act, the Minimum Alternate Tax paid in the earlier years has not been recognized as an asset. This is in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India on the matter.

**NOTE : 37 CIF VALUE OF IMPORTS**

	31.03.2016	(₹ in lacs) 31.03.2015
a) Raw Materials	125.63	168.67
b) Components & Spares	0.00	1.94
c) Capital Goods	170.59	0.00
d) Repair & Maintenance. (P&M Import)	0.26	0.33

**NOTE : 38 EXPENDITURE IN FOREIGN CURRENCY :**

a) Royalty, Know How, Professional/consultancy fee	Nil	Nil
b) Business Promotion	Nil	Nil
c) Travelling & Conveyance & Training Expenses	Nil	Nil

**NOTE : 39 EARNING IN FOREIGN EXCHANGE**

FOB Value of export during the year	Nil	Nil
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**NOTE : 40 CONSUMPTION OF RAW MATERIALS, STORES AND SPARES**

(₹ in lacs)

Raw Materials, Traded Goods Stores & Spares				
Imported	12.40%	144.66	11.31%	139.60
Indigenous	87.60%	1021.79	88.69%	1094.37
	<b>100%</b>	<b>1166.45</b>	<b>100%</b>	<b>1233.96</b>

**NOTE : 41 Related party transactions**

RELATION	Name of Party / Person
Holding Company	Punjab Information & Communication Technology Corporation Limited (PCTCL)
Key Management Personnel (CEO)	Sh. Vikas Pratap, IAS
Key Management Personnel (E.D)	Sh. A. K. Pathak
Key Management Personnel (CFO)	Sh. J. S Bhatia
Key Management Personnel (CS)	Sh. Madhur Bain Singh

Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016:

(₹ in lacs)

Nature of transaction	Holding Company	CEO	E.D.	CFO	CS
Salary	—	—	26.46	25.26	12.28
Balances outstanding at the end of the year*	32.83	—	—	—	—

\* Except for loan to KMPs given in the ordinary course of business and as per service rules of the Company as already being disclosed separately under Note-12. Also refer disclosure under Note-7 regarding security deposit amount Rs.10.80 lacs (Rs. 10.80 lacs) outstanding of Holding Company.

**Note : 42** The previous Year figures have been regrouped/re-classified wherever necessary to conform with the current presentation as per Schedule III of the Companies Act, 2013. The figures have been rounded off to the nearest Rupee.

For and on behalf of the Board of Directors

In terms of our separate report of even date.

For **GREWAL & SINGH**  
CHARTERED ACCOUNTANTS  
FRN: 012322N

**VIKAS PRATAP, IAS**  
VC & MANAGING DIRECTOR  
DIN : 01129385

**RAJIV DEWAN**  
DIRECTOR  
DIN : 00007988

**CA HARCHARAN SINGH GREWAL**  
PARTNER  
M. No: 083692

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

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
A.M.-FINANCE

Place : S.A.S. Nagar (Mohali)

Date : May 27, 2016

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### Note 1 : SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of preparation

- a) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and as per the relevant provisions of the section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis and treating the entity as going concern. 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 generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis, However certain items of income and expenditure are recognized as and when they are incurred, ascertained or settled, i.e.
  - 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 (Indian GAAP) 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. Fixed Assets

Fixed assets are stated at cost of acquisition, net of CENVAT credit, but inclusive of duties, taxes, freight, incidental expenses and erection / commissioning expenses.

#### IV. Depreciation :

- a) The depreciation on fixed assets 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 as given below in order to comply with Schedule II of the Companies Act, 2013. The fixed assets 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 asset or WDV as on 31.3.2014 whichever is lower except those valued at Rs. 5,000/- or less individually.

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.

#### **V. Intangible Assets**

Technical know-how fees amortized in accordance with the provisions of the Accounting Standard-AS 26 (Intangible Assets) issued by the Institute of Chartered Accountants of India.

#### **VI. Impairment**

As mandated by Accounting Standard 28 "Impairment of Assets", the carrying values of assets are reviewed at each Balance Sheet date to determine if there is an indication of any impairment of an asset. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is reversed, if there has been any change in the estimates used to determine the recoverable amount.

#### **VII. Borrowing Costs**

Borrowing Costs directly attributable to the acquisition of qualifying assets are capitalized in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

#### **VIII. Investments :**

Long term investments are carried at cost less provision for permanent diminution in value of such investments.

#### **IX. Cash and Cash Equivalents**

Cash and Cash Equivalents in the cash flow comprises cash at bank, cash in hand and short term Investments/Fixed Deposits with an original maturity of three months or less.

#### **X. 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 treated as goods in transit.
- f) Any Shortage/ excess in Raw Material detected at the time of physical verification is included in consumption of goods.
- g) CENVAT on inputs is reduced from purchases. Inventories are valued at net of CENVAT credit.
- h) Provision for obsolete inventories is reviewed periodically and provided for as per the assessment of management.

#### **XI. 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.



## Sale of Goods

Revenue from sale of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognized gross of excise duty but net of sales tax/value added tax.

## Services

Revenue from services are recognized as and when they are rendered based on agreements/arrangements with the respective parties and recognized net of Service Tax.

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, the company follows completed service contract method as a method of accounting and recognizes service revenue in the statement of profit and loss when the rendering of service under a AMC contract is completed or substantially completed in accordance with the provisions of AS-9 "Revenue Recognition".

## XII. 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. Revenue grants are recognized in the Statement of Profit and Loss. Capital 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 Accounting Standard-12 issued by the Institute of Chartered Accountants of India.

## XIII. 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.

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.

## XIV. 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 in the manner laid down in AS-15. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis in Balance Sheet. For the purpose of presentation of net obligation, the allocation between short term and long term provisions has been done on the basis of AS 15 Valuation certificates received from LIC.

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 XIV (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 as per prescribed method in AS-15 as on Balance Sheet date is recognized in the books of

accounts. Liability towards Service awards due within 12 months from the date of Balance Sheet is classified under head Short term Provisions.

#### **XV 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 income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

#### **XVI Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) for the year after tax (including the post tax effect of extraordinary items, if any) 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 (including the post tax effect of extraordinary items, if any) 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.

#### **XVII Provision, Contingent Liabilities and Contingent Assets**

- A provision is recognized when the Company has a present obligation as a result of past events 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.
- 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 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.
- Contingent Assets are neither recognized, nor disclosed.  
Provision & Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

#### **XVIII Prior Period Items and Extraordinary Items**

Prior Period Items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods & do not include change in accounting estimates. Extraordinary or Exceptional items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly.

#### **XIX 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. 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.

V.C. & M.D.

DIRECTOR

C.F.O.

C.S.

A.M.-FINANCE

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

	I	II
a) <b>Name of the Subsidiary</b>	<b>Punjab Digital Industrial System Ltd.</b>	<b>PCL Telecom Ltd.</b>
b) Reporting period	Under Winding up process	Under Winding up process
c) Reporting Currency and Exchange rate as on last date of relevant Financial year in case of foreign subsidiaries.	NA	NA
d) Share Capital	Refer Note 1	Refer Note 2
e) Reserves & Surplus	Refer Note 1	Refer Note 2
f) Total Assets	Refer Note 1	Refer Note 2
g) Total Liabilities	Refer Note 1	Refer Note 2
h) Investments	Refer Note 1	Refer Note 2
i) Turnover	NIL	NIL
j) Profit before taxation	NIL	NIL
k) Provision for taxation	NIL	NIL
l) Profit after taxation	NIL	NIL
m) Proposed Dividend	NIL	NIL
n) % of Shareholding	100	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.
2. Complete investment in PCL Telecom Ltd (Subsidiary) and accumulated losses amounting to Rs. 40.65 lacs have been completely written off in the accounts of holding company. Further, the company has been ordered to be wound up by the Hon'ble Punjab and Haryana High Court vide its order dated 20th October 2005. Accordingly as per the direction of the Hon'ble Court all records has been handed over to the official liquidator attached to the court.

For and on behalf of the Board of Directors

**VIKAS PRATAP, IAS**  
VC & MANAGING DIRECTOR  
DIN : 01129385

**RAJIV DEWAN**  
DIRECTOR  
DIN : 00007988

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

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
A.M.-FINANCE

Place : S.A.S. Nagar (Mohali)  
Date : May 27, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Amounts in ₹)

	2015-2016	2014-2015
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	<b>-10,47,57,974</b>	<b>-10,26,16,398</b>
Adjustment for :-		
Depreciation & Amortization	33,76,615	38,84,877
Long term Provision for Employee Benefits	33,20,607	35,66,619
Short term Provision for Employee Benefits	7,38,555	26,96,931
Amounts written back	-7,904	-45,465
Interest & other financial expenses	7,48,215	14,80,658
Interest/Rental Income	-2,07,26,873	-9,94,66,784
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>-11,73,08,759</b>	<b>-19,04,99,562</b>
Adjustment for :-		
Trade and Other Receivables	2,37,47,504	60,46,277
Inventories	6,67,626	-1,94,65,935
Trade and Other Payables	45,58,171	-3,88,49,640
Other current liabilities	9,14,17,822	2,55,23,616
Other current assets	-1,13,19,921	5,61,32,390
Short Term Loans and Advances	-29,44,967	-28,82,184
<b>CASH FROM/(USED IN) OPERATIONS</b>	<b>-1,11,82,523</b>	<b>-16,39,95,039</b>
Income Tax Refund (Paid)	25,98,525	-15,79,954
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>-85,83,998</b>	<b>-16,55,74,993</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-1,81,14,319	-8,17,833
Movement in Non- Current Investments	-6,98,74,000	—
Movement in Non- Current Assets	-10,21,14,009	-10,95,12,501
Movement in Long term Liabilities	3,69,996	-3,71,323
Long Term Loans and Advances	4,69,946	-52,64,202
Interest/Rental Income	2,07,26,873	9,94,66,784
Other Bank Balances	18,22,89,219	20,44,26,608
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>1,37,53,706</b>	<b>18,79,27,533</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-7,48,215	-11,82,791
Movement in Working Capital Borrowings	—	-1,01,84,480
<b>NET CASH FROM/ (USED) IN FINANCING ACTIVITIES</b>	<b>-7,48,215</b>	<b>-1,13,67,271</b>
Net Change in Cash & Cash Equivalents (A+B+C)	44,21,492	1,09,85,270
Cash & Cash Equivalents at the beginning of the year	1,67,09,402	57,24,132
Cash & Cash Equivalents at the end of the year	2,11,30,894	1,67,09,402

Place : S.A.S. Nagar (Mohali)

Date : May 27, 2016

VC & MD

Director

CFO

CS

A.M.-Finance

**AUDITOR'S CERTIFICATE ON CASH FLOW STATEMENT**

To,  
The Board of Directors,  
Punjab Communications Limited,  
S.A.S. Nagar (Mohali)

We have examined the attached Cash Flow Statement of Punjab Communications Limited for the period ended 31st March, 2016. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss Account and Balance Sheet of the Company covered by our report to the members of the Company.

FOR GREWAL & SINGH  
CHARTERED ACCOUNTANTS  
FRN: 012322N

Place : S.A.S. Nagar (MOHALI)

Date : May 27, 2016

CA HARCHARAN SINGH GREWAL  
PARTNER  
M No:083692

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**INDEPENDENT AUDITORS' REPORT**

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To  
The Members of  
Punjab Communications Limited

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Punjab Communications Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, summary of the significant accounting policies and other explanatory information.

**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 Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016;
- (ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) In the case of Cash Flows Statement, of the cash flows for the year ended of that date.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements :

- (a) Attention is invited to Notes 7, 10 & 13 in financial statements regarding realization of investment of Rs. 698.74 Lacs (Face Value Rs. 700 lacs) in the Bonds of UP Co-operative Spinning Mills Federation Ltd (UPCSMFL) duly guaranteed by the U.P State Government wherein it has been stated that the company has not made any

## INDEPENDENT AUDITORS' REPORT

provisioning for permanent diminution in the value of investment as they are fully guaranteed by the UP State Government. The company had filed the execution of earlier decree issued in favour of Puncom against the UPCSMLF on 30.01.2016 and also filed a fresh suit against the State of UP through Special Secretary Industrial Development on 11.03.2016.

In compliance to the Orders of Hon'ble High Court of Punjab & Haryana, Chandigarh, the U.P State Government (Guarantor) deposited Rs. 735.63 Lacs and additional Bank Guarantee of the same amount with the District Court Lucknow. The amount of Rs. 735.63 Lacs was withdrawn by the company against furnishing the Bank Guarantee of the same amount.

However, the Hon'ble Supreme Court of India vide its Order dated 19/01/2005 directed the Civil Court Lucknow to refund the amount of Rs. 735.63 to the UP State Government on the ground as informed by the management that the Company, in filing the petition before the Hon'ble High Court of Punjab & Haryana, had not made the UP Cooperative Spinning Mills Federation Ltd. the Party of this petition under which the bonds were invested. However the said Order is pending for execution. Taking cognizance of the same, the Company has accounted for the same as liability of Rs. 735.63 due to the District Court, Lucknow and it has been shown under Note 7 to the financial statements.

- (b) Attention is invited to Note 6 and 15 in the matter of balance confirmations wherein we further specify that the said balance confirmations have not been received by us till the date of signing of Balance Sheet.
- (c) Attention is invited to Significant Accounting Policy 1-I(b), certain items of income and expenditure have been accounted for as and when they are incurred, ascertained or settled. Impact of such treatment on profits of the year has not been ascertained.
- (d) As per the explanation and information provided to us, the Company has been selected for Disinvestment by Cabinet Committee on Disinvestment, Government of Punjab but no final Decision is respect of disinvestment mode has been taken place during the year under review.

Our opinion is not modified in respect of the matters mentioned above at (a), (b), (c) and (d) above.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 the paragraph 3 and 4 of the order.
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 the purposes of 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us
  - (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 and with the returns received from the branches not visited by us.
  - (d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls system 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Notes 27, 29 and 34 to the financial statements;

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**INDEPENDENT AUDITORS' REPORT**

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except as mentioned above in Para of Matter of Emphasis and Notes 29, 34, and 35.
- iii. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Grewal & Singh**  
**Chartered Accountants**  
**FRN : 012322N**

**CA Harcharan Singh Grewal**  
**(Partner)**  
**M. No : 083692**

**Place : S.A.S. Nagar (Mohali)**  
**Dated : May 27, 2016**

**ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT :**  
**FINANCIAL YEAR 2015-16**

- 1. (a) As per the information and explanations provided to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The company has a regular system of verification of fixed assets 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. Fixed assets were verified by the company and no discrepancy was noticed.
- (c) As per the information and explanations provided to us, the title deeds of immovable properties of the company are held in the name of company.
- 2. The company has a regular system of verification of the inventory at the end of each year which, in our opinion, is reasonable having regard to the size of the company. The inventory was verified and the discrepancies noticed on physical verification between physical stock and book records were not material and have been adequately dealt in the books of account.
- 3. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act.
- 4. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- 5. According to the information and explanations given to us, we are of opinion that the company has not accepted any deposit in pursuance of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
- 6. We have broadly reviewed the books and account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 and is of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, during the current year, the company was not required to maintain cost records as per the provisions of Section 148(1).

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

7. (a) According to the information and explanations given to us and books and records as produced and examined by us are in accordance with generally accepted auditing practices in India and also based on management representation, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax 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 in respect to such statutory dues were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, employees state insurance, income-tax, sales tax, service tax duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute. However, the following demands have been raised in respect of disputed dues pending before various statutory authorities :

S. No.	Particulars	Tentative amount involved	Matter/Cases pending since	Forum where dispute is pending	Current status/Reason for pendency
1.	Excise and custom duty demand	Rs.30.20 Lacs	FY 2002-03	Deputy Commissioner of Customs, New Delhi	Reply was submitted in 2002-03. Thereafter, no further communications has been received.
2.	Sales Tax demand	Rs.14.85 Lacs*	FY 2011-12	Sales Tax Appellate Tribunal, Andhra Pradesh	Appeal against the said Sales tax demand for FY 2004-05 was admitted. Matter not listed for hearing yet.
3.	Sales Tax demand	Rs.16.77 Lacs	FY 2014-15	Ld. Senior Joint Commissioner, Salt Lake Taxation appellate office, West Bengal	Appeal filed by the company against the said sales tax demand for FY 2011-12 was admitted by the department.
4.	Sales Tax demand	Rs.12.47 Lacs*	FY 2015-16	Ld. Senior Joint Commissioner, Salt Lake Taxation appellate office, West Bengal	Appeal filed by the company against the said sales tax demand for FY 2012-13 was admitted by the department.

\* Net of pre-deposits

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions or banks. We further report that the company has no debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit.
10. According to the information and explanations given to us, no fraud by or on the company by its officers/employees has been noticed or reported during the course of our audit.



**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

11. The Section 197 read with Schedule V to the Companies Act, in relation to the managerial remuneration is not applicable to Government companies as per Notification No GSR 463E dated 5 June 2015.
12. The company is a manufacturing company and not a chit fund or a Nidhi Company. Therefore, this clause is not applicable to the Company.
13. The company transactions with the related parties are in compliance with section 188 and 177 of Companies Act, 2013 and the details have been disclosed in the financial statement as required by the Accounting standard and Companies Act, 2013.
14. The company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.
15. As per information and explanation provided to us, no such non cash transactions were entered into by the Company with Directors or persons connected with it.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Grewal & Singh**  
**Chartered Accountants**  
**FRN : 012322N**

**Place : S.A.S. Nagar (Mohali)**  
**Dated : May 27, 2016**

**CA Harcharan Singh Grewal**  
**(Partner)**  
**M. No : 083692**

**ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT :**  
**FINANCIAL YEAR 2015-16**

**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 March 2016 in conjunction with our audit of the 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 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, both

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**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, 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 Grewal & Singh**  
**Chartered Accountants**  
**FRN : 012322N**

**CA Harcharan Singh Grewal**  
**(Partner)**  
**M. No : 083692**

**Place : S.A.S. Nagar (Mohali)**  
**Dated : May 27, 2016**

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**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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**Report on Directions u/s 143(5) of the Companies Act 2013**

As per the directions issued u/s 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 waiver/write off of debts/loans/interest during the year under review except minor write offs of Trade Receivables totaling to Rs. 941/-.
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 Government or other authorities during the year under audit.
4. As informed to us, there is no dispute in any contract for supply of hardware or software.
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 company during the year under audit.
7. As per information and explanations provided to us, no case has come to our notice wherein software, hardware and IT enabled systems are lying redundant/outdated.
8. No grants have been received by the company during the year under audit. Government Grants are recognized when there is a reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognized in the Statement of Profit and Loss. Capital 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 Accounting Standard-12 issued by the Institute of Chartered Accountants of India.

**For Grewal & Singh**  
**Chartered Accountants**  
**FRN : 012322N**

**Place : S.A.S. Nagar (Mohali)**  
**Dated : May 27, 2016**

**CA Harcharan Singh Grewal**  
**(Partner)**  
**M. No : 083692**

**Compliance Certificate**

We have conducted the audit of accounts of **PUNJAB COMMUNICATIONS LIMITED** for the year ended **31.03.2016** 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 Grewal & Singh**  
**Chartered Accountants**  
**FRN : 012322N**

**Place : S.A.S. Nagar (Mohali)**  
**Dated : May 27, 2016**

**CA Harcharan Singh Grewal**  
**(Partner)**  
**M. No : 083692**

**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, 2016**

The preparation of financial statements of **Punjab Communications Limited** for the year ended **31 March 2016** 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 **27 May 2016**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Punjab Communications Limited** for the year ended **31 March 2016** under Section 143(6)(a) of the Act.

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

**Sd/-**

**(Jagbans Singh)**

**Principal Accountant General (Audit) Punjab,  
Chandigarh**

**Place : Chandigarh  
Dated : June 15, 2016**

**BOARDS' REPORT**

The Board hereby presents the Thirty Fifth Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2016 alongwith Independent Auditors' Report thereon and Secretarial Audit Report for the financial year under report.

**Financial Results**

(₹ In lacs)

Particulars	2015-16	2014-15
Gross Income	3112.44	3255.69
Total expenditure	3956.39	3963.20
Profit before tax	(1047.58)	(1026.16)
Profit/Loss after tax	(1047.58)	(1026.16)
Dividend	Nil	Nil
Paid up equity	1202.36	1202.36
Profit/Loss appropriated to General Reserve	0.00	(1026.16)
Profit/Loss Account	(1047.58)	0.00
Reserves (Including Capital Reserves)	7159.01	8206.66
Net fixed assets	566.23	418.85
Capital employed	8565.17	9575.93
Earning/Loss per share (in ₹)	(8.71)	(8.53)
Cash earning/loss per share (in ₹)	(8.10)	(7.02)
Book value per share (in ₹)	69.56	78.28

**Extract of Annual Return**

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed form MGT-9 is enclosed as **Annexure 1** and is an integral part of this Report.

**Meetings**

During the year, four 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 prescribed under the provisions of Companies Act, 2013, Listing Regulations and 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 accounts for the financial year ended 31st March, 2016, the applicable 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 were 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 or 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 31st March 2016 on a going concern basis.
- 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 that they meet the criteria of independence, as per the provisions of sub-section (6) of section 149 of Companies Act, 2013. The term of Appointment of Independent Directors has been fixed for 5 years, in accordance with the provisions of the Companies Act, 2013, and none of the Independent Directors have been reappointed for more than 5 years.

**Nomination and Remuneration Committee**

The details of the Nomination and Remuneration Committee & its Policy in accordance with Section 178(2) of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations are mentioned in the Corporate Governance Report annexed herewith.

**Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made****Management's Reply to Statutory Auditors Remarks:**

**M/s Grewal & Singh**, Chartered Accountants, was appointed as Statutory Auditors of the Company for the financial year 2015-16. Notes to accounts forming part of Annual Accounts are self-explanatory and exhaustive to the remarks of Auditors in their report dated 27th May, 2016.

- Regarding the investment of Rs. 698.74 lacs (Face value Rs. 700 lacs) in the Bonds of UP Co-operative Spinning Mills Federation Ltd (UPCSMFL) duly guaranteed by the UP State Govt. for the tenure of 18 months. The company invoked the government guarantee consequent to the bonds not being redeemed on the due date of redemption viz 20.12.1999. The suit was filed for recovery of Rs. 993.44 lacs (Principal of Rs. 700 lacs and interest Rs. 293.44 lacs). The suit was decided ex-parte in favour of the company on 31.01.2004 by Civil Judge, Junior Division, Chandigarh. In compliance of the orders of the Hon'ble Punjab and Haryana High Court, Chandigarh, the UP State Government (Guarantor) had deposited Rs. 735.63 lacs and a Govt. guarantee of equivalent amount in the Civil Court, Lucknow. Further an amount of Rs. 735.63 lacs deposited with the Executing Court was released to the Company (decree holder) on 24.04.2006 against furnishing bank guarantee of the equivalent amount with the Court.

Later on 19.01.2015, Hon'ble Supreme Court had decided against the ex-parte decree earlier made in favour of the Company and directed the Civil Court, Lucknow to refund the amount to UP State Government. The execution of the said order is pending at District Court, Lucknow. In view of the SC Decision, the company has accounted for the same and a liability of Rs. 735.63 lacs has been reflected under Note-7 of Balance Sheet. Above mentioned Bank guarantee of Rs. 735.63 lacs can be invoked by the Court any time. Since the decree was issued against UPCSML and State of UP and Hon'ble SC considered that the State of UP was Ex- parte, the company has filed the execution of earlier decree issued in favour of Puncom against the UPCSML on 30.01.2016 and has also filed fresh suit against the State of UP through Special Secretary, Industrial Development on 11.03.2016.

The company had earlier 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 current financial year.

The Company has not recognized accrued interest, keeping in view uncertainty involved in the matter of realization of interest due to litigation. This is also in conformity with the AS-9 issued by ICAI. Also refer note: 10 & 13 of Balance Sheet. [Refer Emphasis of Matter Para (a) of Independent Auditors' Report]

- Regarding the matter of balance confirmations, we are to inform that 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, 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 terms of letter. [Refer Emphasis of Matter Para (b) of Independent Auditors' Report]

3. Regarding accounting of certain income and expenditure that has been accounted for as and when incurred, ascertained or settled, we are to inform that the same has been accounted for as per disclosures made in Note 1 Significant Accounting Policy Point I(b) being followed consistently. [Refer Emphasis of Matter Para (c) of Independent Auditors' Report]
4. Regarding selection of Company for disinvestment by Cabinet Committee on Disinvestment, Government of Punjab in 2003, we are to inform that till date, the company has not received any final decision in respect of mode of Disinvestment during FY 2015-16. [Refer Emphasis of Matter Para (d) of Independent Auditors' Report]
5. Regarding the excise and custom duty demand of Rs. 30.20 lacs, which is disputed with Deputy Commissioner of Customs, Excise and Custom Department, New Delhi, we are to inform that the company has submitted the reply/ necessary documents but no further communication has been received till date. [Refer Point 7(b)(1) Report on other legal and regulatory requirements in the Annexure A to Independent Auditors' Report]
6. Regarding Sales Tax demand including interest aggregating to Rs. 14.85 lacs (net of pre deposit), which is disputed, we are to inform that the company has filed an appeal and the same is pending at the office of Sales Tax Appellate Tribunal, Andhra Pradesh. [Refer Point 7(b)(2) Report on other legal and regulatory requirements in the Annexure A to Independent Auditors' Report]
7. Regarding Sales Tax demand including interest aggregating to Rs. 16.77 lacs, which is disputed, we are to inform that the company has filed an appeal and the same is pending at the office of Ld. Senior Joint Commissioner, Salt Lake Taxation Appellate Office, Kolkata, West Bengal. [Refer Point 7(b)(3) Report on other legal and regulatory requirements in the Annexure A to Independent Auditors' Report]
8. As regards Sales Tax demand including interest aggregating to Rs. 12.47 lacs (net of pre deposit), which is disputed, we are to inform that the company has filed an appeal and the same is pending at the office of Ld. Senior Joint Commissioner, Salt Lake Taxation Appellate Office, Kolkata, West Bengal. [Refer Point 7(b)(3) Report on other legal and regulatory requirements in the Annexure A to Independent Auditors' Report]

#### **Management's reply to Secretarial Auditors' Report**

Secretarial Auditors have reported that the Company is not complying with the desired ratio of Independent Directors in their report for the financial year 2015-2016. Efforts to comply with the desired ratio were made and are being made and the company is hoping of complying with the same shortly. They have also reported that an Independent Director has been made to retire by rotation which otherwise was not required to retire by rotation. In this regard, it is to inform that as the Independent Director was reappointed and thus continued to be Independent Director, the non compliance gets rectified.

They have also reported that the Nomination and Remuneration Committee is not constituted as per the provisions of Section 178 of the Companies Act, 2013 as an Executive Director cannot be a member of Nomination and Remuneration Committee. In this regard, the same stands corrected in the 186th Board Meeting of the Company held on 27th May, 2016.

#### **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 2** to this report.

**Under Listing Regulations:** Puncom has not entered into any Related Party Transaction in the form of providing Loans and advances in the nature of loans to Subsidiaries, Associates or to firms/companies in which Directors are interested. Moreover, Puncom has also not accepted any amount in the form of Loans and advances in the nature of loans from its Holding Company.

#### **State of the company's affairs**

During the year, the company continued its efforts to improve sales of its own products i.e. Primary Drop/Insert Multiplexer as well as PLCC (Power Line Carrier Communication equipment). The company is also looking for tie ups to enhance its product line. As part of the new initiatives company successfully entered into SPV solar power plant business and also looking for opportunities emerging around digital networking.

Further due to aggressive marketing tie-ups, the company achieved a healthy turnover of approx. Rs. 2182.74 lacs in financial year 2015-16 besides income of Rs. 929.70 lacs from other activities.

The book value of share held by you is around Rs. 69.56 per share and the Reserves stood at approx. Rs. 7159.01 lacs. The Company has invested an amount of Rs. 1.81 crores during the year in acquiring fixed assets. Puncom offered value-added products and services to the customers on the basis of strategic and effective use of technology aided by aggressive market and product initiatives.

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

Puncom has made substantial efforts to successfully increase the market share of its PLCC product in last 2 years. After re-engineering its V-Mux product and making it suitable for power sector telecom network, Puncom has been successful in introducing its V-Mux in PGCIL by winning the tender for this product for execution of project in J&K State. Efforts are being made to keep up the market share of V-Mux in Railways.

Puncom is executing some prestigious OFC and PLCC turnkey projects for railways and power sector. Puncom has the strength of executing indoor OFC works. Since most of the railway tenders now are being floated by clubbing both indoor and outdoor OFC projects, Puncom is making efforts to strengthen its resources for executing such works. This would help Puncom in improving its market share in Railways besides the sales turnover. Though there is lot of stiff competition in power plant market in power sector, Puncom is making efforts to get orders for the same.

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 increase in Puncom make equipment in these networks.

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

With lot of emphasis on the "Make in India" policy of Govt. of India, 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/new developments. Puncom is also looking for opportunities to provide services through tie-up with other companies involving installation, erection and commissioning work.

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

India has seen an exponential growth of telecom network in India for several years now, leading to an increase in subscriber density to an impressive 80% and a sizeable broadband penetration. Liberal government policies and fierce competition between operators have ensured that India received latest and best equipments and technologies from largest equipment MNCs at lowest prices. Unfortunately, this technology upgrade, by-passed Indian telecom manufacturers, as majority of the equipment was simply imported fully finished into India. Government of India has now become sensitive to the huge current account deficit caused by unbridled import of MNC equipment, and is creating policy frame work, including preference for increased domestic manufacturing in telecom and IT. Driven by these imperatives, and by the gradual maturing of industry, domestic manufacturing by MNCs directly or in tie ups is likely to increase with increased localization and IP content.

Fortunately large scale upgrade of main telecom network and IT in general is also changing the work environment and catalysing other segments like power, railways, defence, government, 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. Apart from this, defence with its unique domestic focus remains a major potential growth segment.

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 look out for appropriate opportunities for itself for sustenance and growth and preparing itself to meet the emerging challenges in the changing environment.

### **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. 1047.58 lacs.



## Dividend

Due to losses in the current year, the Board of Directors of your Company have not recommended any dividend for the Financial Year 2015-16.

## 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. 31st March, 2016 till the date of this report i.e. 12<sup>th</sup> August, 2016 under Section 134(3)(l) of the Companies Act, 2013 are: **NIL.**

## 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 lights are not required or where the production work is not taking place.

#### 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:

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

- ii) Benefits derived:

Company shall be able to achieve significant cost reduction and improvement in the product and generate new markets; and as a result shall be able to strengthen its position in its market segments.

- iii) Technology imported (during the last three years) :

Details of technology imported

: **NIL**

Year of Import

: **N/A**

Whether the technology has been fully absorbed

: **NIL**

If not absorbed, areas where absorption has not taken place and reasons thereof

: **N/A**

- iv) Expenditure incurred on Research and Development

(₹ in lacs)

	Current Year	Previous Year
Capital	NIL	NIL
Recurring	NIL	NIL
Total R&D expenditure as a %age of total turnover	NIL	NIL

### c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo during the Financial year 2015-2016 in terms of actual inflows and actual outflows is given as follows :

(₹ in lacs)

	Current Year	Previous Year
<b>EARNINGS</b>		
F.O.B. value of Export	NIL	NIL

OUTGO		
i) CIF value of import of raw material	125.63	168.67
ii) Components & Spares	0.00	1.94
iii) Capital goods	170.59	0.00
iv) Repair & Maintenance (P&M) Imports	0.26	0.33
v) Foreign travel & others	NIL	NIL

### **Risk Management Policy**

The Risk Management structure conforms to the requirements of Regulation 21 of Listing Regulations. An integrated risk management system identifies, monitors and manages Puncom's risks. The Audit Committee of the Board provides the overall policy guidelines. The requirement of establishing Risk Management Committee is not applicable to our company. Hence, the committee was dissolved by the Board of Directors in their 186th Meeting held on 27th May, 2016. However, the Risk Management Policy is still in place and was amended to incorporate the provisions of SEBI Listing Regulations. Periodic reviews of Puncom's Risk Management Policy are conducted and the Board monitors and manages Puncom's risk management through quarterly risk reports to achieve above objectives.

### **Corporate Social Responsibility**

As the Company is not covered under the provisions of section 135 of the Companies Act, 2013, hence the Company has not formed any Corporate Social Responsibility Committee to carry on CSR programs and activities.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations and subsequent government notification G.S.R. 463 (E) dated 5th June, 2015, however there is a system in place for evaluation of performance of the Board, its committees and individual directors.

The performance of all the directors except Independent Directors was evaluated by the Nomination and Remuneration Committee in their 1st Meeting held on 30th March, 2016 and the performance of Independent Directors was evaluated by the entire Board (except by the Director being evaluated) in their 186th Meeting held on 27th May, 2016.

Moreover, the Nomination and Remuneration Committee decided upon the exemption provided to Government Companies and decided to undertake evaluation of performance of members of Senior Management in their next meeting.

### **Change in the nature of business**

During the year 2015-2016, 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**

Following changes, in the constitution of Board of Directors and Key Managerial Personnel, took place during the period under review upto 12<sup>th</sup> August, 2016.

Sh. Anirudh Tewari, IAS has been appointed as Additional Director in the Capacity of Chairman vide Resolution by Circulation dated 13<sup>th</sup> May, 2015 in the place of Sh. D.P. Reddy, IAS w.e.f. 13<sup>th</sup> May, 2015 on the Board of Puncom as per the Order of Govt. of Punjab vide Order No. 6/1/2015-IAS(3)/1146 dated 11<sup>th</sup> May, 2015 and further nominated by Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICTC/SECTL/576 dated 13th May, 2015 appointing Sh. Anirudh Tewari, IAS as Additional Director in the Capacity of Chairman vide Resolution by Circulation dated 13th May, 2015 in the place of Sh. D.P. Reddy, IAS w.e.f. 13<sup>th</sup> May, 2015. Further, the appointment of Sh. Anirudh Tewari, IAS as Director in the capacity of Chairperson of the Company was regularized in the 34th AGM of the Company held on 29th September, 2015.

CA. R.K. Nangia resigned from the Board of Puncom w.e.f. 2<sup>nd</sup> July, 2015 owing to withdrawal of nomination by the holding company, i.e. Punjab Infotech.

Sh. Asish K Bhattacharyya resigned from the Board of Puncom w.e.f. 21<sup>st</sup> September, 2015 owing to his academic commitments and professionally busy schedule.

Sh. R.K. Chaudhuri resigned from the board of Puncom w.e.f. 15th June, 2016 owing to withdrawal of nomination by the holding company, i.e. Punjab Infotech.

Further, Smt. Shruti Singh, IAS has been appointed as Additional Director in the capacity of Sr. Vice Chairperson w.e.f. 9th August, 2016. Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICT/SECTL/2043 dated 9th August, 2016 appointed Smt. Shruti Singh, IAS as Sr. Vice Chairperson-cum-Director. Further, Puncom vide Resolution by Circulation dated 11th August, 2016 formalized the above said appointment as Additional Director in the capacity of Sr. Vice Chairperson of Puncom.

#### Details of Puncom's Subsidiaries

Companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the financial year: **NIL**

**Details of present Subsidiaries:** Puncom has no material subsidiary. However, the Company has two subsidiaries namely M/s PCL Telecom Limited and M/s Punjab Digital Industrial Systems Limited and these subsidiaries have been ordered by the Hon'ble Punjab and Haryana High Court to be wound up on 20th October, 2005 and 20th February 2009, respectively. All the formalities in this regard for both the companies have been completed. The Hon'ble Court is yet to issue the dissolution order for them.

#### 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, following significant order(s) was/were passed by Courts, Tribunals affecting the going concern status and operations in future of the company:

In the matter of Punjab Communications Limited v/s State of UP, an application under Order 9 Rule 13 of the Civil Procedure Code was filed by the State of UP for setting aside the order being ex-parte, which was decided in favour of Puncom in all the Courts viz., Lower Court and High Court. However, an appeal was filed by the State of UP before the Hon'ble Supreme Court of India, where the decision of Punjab and Haryana High Court was reversed. The Company then filed a Review Petition in the Supreme Court which was again decided against the company on 21st April, 2015. The Company then filed a Curative Petition in the Supreme Court which was also decided against the company on 2nd September, 2015.

Presently, the company has filed a suit at Lower Court, Chandigarh against the State of UP through Special Secretary. The Company then filed an execution against the UP Cooperative Spinning Mills Federation Limited to Lucknow Court on 30th January, 2016. The Company then filed claim against the UP Cooperative Spinning Mills Federation Limited to the Official liquidator on 23rd May, 2016.

#### Disclosures 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:

S. No.	Name of the Director	Median Remuneration	Ratio
1.	Sh. Vikas Pratap, IAS	833482	NIL
2.	Er. A.K. Pathak	833482	3.79

- b) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of Director/CFO/CEO/CS	Designation	Percentage increase
1.	Er. A.K. Pathak	Whole-Time Director	5.66%
2.	Sh. Jagdeep Singh Bhatia	CFO	5.69%
3.	Sh. Madhur Bain Singh	CS	4.83%

- c) Percentage increase in the median remuneration of employees in the financial year : **5.54%**  
d) Number of permanent employees on rolls of the Company : **230**  
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 : **NIL**  
f) affirmation that the remuneration is as per the remuneration policy of the company : **Yes**

**B. Disclosure under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Companies (Particulars of Employees) Rules, 1975**

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

Sr. No.	Name	Designation	Remuneration received (approx.) (in lacs)	Nature of employment (whether contractual/ otherwise)	Qualifications and Experience	Date of commencement of employment	Completed Age (in yrs)	Last employment held	Percent age of equity shares held	Whether relative of any director or manager (if so, name of such director / manager)
1	Sh. A.K. Pathak	DVP	26.46	Regular	BE & MTech; Over 37 yrs	06.09.91	59y	UPTRON	Nil	He himself is an Executive Director
2	Sh. Jagdeep Singh Bhatia	DVP	25.26	Regular	BCOM, ICWAI; Over 33 yrs	01.07.88	51y	CDIL	Nil	No
3	Sh. Jasmeet Singh Ghumar	DVP	25.03	Regular	MBA and BE; Over 27 yrs	21.01.91	49y	Hindustan Lever & Godrej	Nil	No
4	Sh. Rupinder S Mainee	AVP	20.96	Regular	BSc & MBA; Over 30 yrs	09.03.89	50y	Delta Hamlin Ltd.	Nil	No
5	Ms. Namita Sharma	GM	18.66	Regular	BE; Over 22 yrs	17.11.93	44y	Nil	Nil	No
6	Sh. B.C. Chowdhary	GM	17.71	Regular	BA, LLB; Over 35 yrs	30.09.92	59y	Punjab Electro-Optics Systems Ltd.	Nil	No
7	Ms. Raminder Kaur	Addl. GM	16.11	Regular	BE(Electronics) and PGDOM Over 22 yrs	08.07.93	43y	Nil	Nil	No
8	Sh. Sanjay Garg	DGM	14.85	Regular	MSc(Physics); Over 26 yrs	23.09.91	50y	'The Oriental Apparatus Workshops'.	Nil	No
9	Ms. Amardeep Kaur	DGM	14.87	Regular	BE(Electronics); Over 22 yrs	05.10.93	46y	Nil	Nil	No
10	Sh. Raman Kumar Sharma	AGM	13.71	Regular	BE(CS) & MBA (Marketing); Over 19 yrs	02.09.96	41y	Nil	Nil	No

Name(s) of every employee who have been paid annual remuneration of Rs. 1,02,00,000/- or above and a monthly remuneration of Rs. 8,50,000/- and above in case the employee worked for less than a year : **NIL**

**Management Discussion and Analysis Report**

The Management Discussion and analysis Report for the year under review as stipulated under the Listing Agreement with the Stock Exchange(s) and Regulation 34(2)(e) of Listing Regulations is appended as **Annexure 3** and is an integral part of this report.

**Corporate Governance Report**

The Corporate Governance Report for the year under review as stipulated under the Listing Agreement with the Stock Exchange(s) and Schedule V of Listing Regulations is appended as **Annexure 4** and is an integral part of this report.

**Secretarial Audit Report**

During the year, Secretarial Audit was carried out by M/s. S. K. Sikka & Associates, Company Secretaries, the Secretarial Auditors of the Company for the financial year 2015-16. The detailed report on the Secretarial Audit is appended as **Annexure 5** to this Report. The Secretarial Auditors have also carried out an independent assessment of the compliance of Corporate Governance Code by the Company.

**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, 1 complaint with allegations of sexual harassment was filed with the Company and the same on being investigated was found to be fake and case was closed after the enquiry. Moreover, 2 workshops 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 express or implied.

Important factors that could make a difference to the Company's operations include labour and material availability, and 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.

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 the BSNL, Punjab Energy Development Agency (PEDA), Department of Railways, Ministry of Defence, VSNL, MTNL, PGCIL, PSEB and other esteemed customers in India and abroad. The Board also places on record its gratitude to IndusInd Bank & Allahabad Bank for their keen interest in the affairs of the company, continuous help and co-operation for successful working of the Company. The Board also places on record its gratitude to the Punjab Information Communications and Technology Corporation Limited (PICTCL), 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. MCA (ROC, Chandigarh), Income Tax Department, Sales Tax Department, Excise and Customs Department, Service Tax Department.

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 also places on record its appreciation for the dedication, commitment and hard work of staff at all levels. 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 12, 2016

**(ANIRUDH TEWARI)**  
CHAIRMAN

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

- 1) MGT 9
- 2) AOC 2
- 3) Management Discussion and Analysis Report
- 4) Corporate Governance Report
- 5) Secretarial Audit Report
- 6) Auditors' Certificate on Corporate Governance

**FORM No. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS :**

1	CIN	L32202PB1981SGC004616
2	Registration Date	21-07-1981
3	Name of the Company	Punjab Communications Limited
4	Category/Sub-category of the Company	Government Company as per Section 619 of Companies Act, 1956
5	Address of the Registered office & contact details	B-91, Industrial Area, Phase VIII, S.A.S. Nagar, Mohali-160071 (Punjab) Phone: +91 172 2237101 (4 lines) 5022901 (4 lines) Fax : +91 172 2237125 & 5022920
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited Alankit House, 2E/21, Jhandewalan Extension, New Delhi – 110055 Ph.: (011) 42541234, 42541955, 23541234 Fax: +91-11-23552001

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC/NPCS Code of the Product/service	% to total turnover of the company
1	PLCC	2630	61.79
2	Income from traded items	61900	14.96
3	Services Income	99929199	10.12

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S No	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Punjab Information and Communication Technology Corporation Ltd.	U17219CH1976PLC003642	Holding	71.20%	2(46)
2	PCL Telecom Ltd. (Under Liquidation)	U13203PB1993PLC013203	Subsidiary	100%	2(87)
3	Punjab Digital Industrial Systems Ltd. (Under Liquidation)	U72210PB1977PLC003714	Subsidiary	100%	2(87)

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	85,51,501	9,800	85,61,301	71.20%	-	-	-	0.00%	-71.20%
c) State Govt(s)	-	-	-	0.00%	85,51,501	9,800	85,61,301	71.20%	71.20%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>85,51,501</b>	<b>9,800</b>	<b>85,61,301</b>	<b>71.20%</b>	<b>85,51,501</b>	<b>9,800</b>	<b>85,61,301</b>	<b>71.20%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>85,51,501</b>	<b>9,800</b>	<b>85,61,301</b>	<b>71.20%</b>	<b>85,51,501</b>	<b>9,800</b>	<b>85,61,301</b>	<b>71.20%</b>	<b>0.00%</b>

##### B. Public Shareholding

###### 1. Institutions

a) Mutual Funds	-	3,500	3,500	0.03%	-	3,500	3,500	0.03%	0.00%
b) Banks / FI	27,834	800	28,634	0.24%	27,834	800	28,634	0.24%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	9,475	-	9,475	0.08%	9,475	-	9,475	0.08%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Co.	5,800	-	5,800	0.05%	5,800	-	5,800	0.05%	0.00%
g) FIs	6,40,000	-	6,40,000	4.62%	5,75,000	-	5,75,000	4.78%	0.16%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	-
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):</b>	<b>6,83,109</b>	<b>4,300</b>	<b>6,87,409</b>	<b>5.02%</b>	<b>6,18,109</b>	<b>4,300</b>	<b>6,22,409</b>	<b>5.18%</b>	<b>0.16%</b>

###### 2. Non-Institutions

a) Bodies Corp.	6,08,527	29,933	6,38,460	5.31%	6,19,146	29,633	6,48,779	5.40%	0.09%
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,45,177	5,00,397	15,45,574	12.86%	12,18,737	4,91,569	17,10,306	14.22%	1.37%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,26,404	-	5,26,404	4.38%	4,66,607	-	4,66,607	3.88%	-0.50%
c) Others (specify) Lying in escrow account-Buy Back with Karvy Consultants Ltd.	419	-	419	0.00%	419	-	419	0.00%	0.00%
Non Resident Indians	63,798	200	63,998	0.53%	13,544	200	13,744	0.11%	-0.42%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies-DR	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):</b>	<b>22,44,325</b>	<b>5,30,530</b>	<b>27,74,855</b>	<b>23.08%</b>	<b>23,18,453</b>	<b>5,21,402</b>	<b>28,39,855</b>	<b>23.62%</b>	<b>0.54%</b>
<b>Total Public (B)</b>	<b>29,27,434</b>	<b>5,34,830</b>	<b>34,62,264</b>	<b>28.10%</b>	<b>29,36,562</b>	<b>5,25,702</b>	<b>34,62,264</b>	<b>28.80%</b>	<b>0.70%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00%</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>1,14,78,935</b>	<b>5,44,630</b>	<b>1,20,23,565</b>	<b>100.00%</b>	<b>1,14,88,063</b>	<b>5,35,502</b>	<b>1,20,23,565</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	
1	Punjab Information and Comm. Tech. Corp. Ltd.	85,51,501	71.12%	0	85,51,501	71.12%	0	0.00%
2	Punjab State Electronics Dev. & Pro. Corp. Ltd**	9,800	0.08%	0	9,800	0.08%	0	0.00%

\*\*9800 Shares have been sold by PSEDPCL long back somewhere in the year 2000 but has not been registered for transfer by the buyer in his/her name. Further this is to certify that 100% holding of the Promoter is in demat form.



**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			85,61,301	71.20%	85,61,301	71.20%
	Changes during the year		Nil	-	0.00%	-	0.00%
	At the end of the year			-	-	85,61,301	71.20%

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Orange Mauritius Investments Limited						
	At the beginning of the year	31/03/2015		5,75,000	4.78%	5,75,000	4.78%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2016		5,75,000	4.78%	5,75,000	4.78%
2	Giraben Atulbhai Shah						
	At the beginning of the year	31/03/2015		4,08,411	3.40%	4,08,411	3.40%
	Changes during the year	26/06/2015	Sale	(52,446)	-0.44%	3,55,965	2.96%
		30/06/2015	Sale	(62,802)	-0.52%	2,93,163	2.44%
		03/07/2015	Sale	(23,751)	-0.20%	2,69,412	2.24%
		10/07/2015	Sale	(34,430)	-0.29%	2,34,982	1.95%
		17/07/2015	Sale	(59,582)	-0.50%	1,75,400	1.46%
	At the end of the year	31/03/2016		-	0.00%	1,75,400	1.46%
3	Religare Securities Ltd.						
	At the beginning of the year	31/03/2015		2,47,875	2.06%	2,47,875	2.06%
	Changes during the year	24/04/2015	Sale	(350)	0.00%	2,47,525	2.06%
		30/06/2015	Sale	(75,000)	-0.62%	1,72,525	1.43%
		03/07/2015	Purchase	200	0.00%	1,72,725	1.44%
		17/07/2015	Purchase	200	0.00%	1,72,925	1.44%
		31/07/2015	Sale	(100)	0.00%	1,72,825	1.44%
		07/08/2015	Sale	(185)	0.00%	1,72,640	1.44%
		14/08/2015	Sale	(14)	0.00%	1,72,626	1.44%
		21/08/2015	Sale	(101)	0.00%	1,72,525	1.43%
		30/09/2015	Purchase	40	0.00%	1,72,565	1.44%
		09/10/2015	Purchase	25,000	0.21%	1,97,565	1.64%
		23/10/2015	Sale	(40)	0.00%	1,97,525	1.64%
		13/11/2015	Purchase	50,150	0.42%	2,47,675	2.06%

		27/11/2015	Sale	(50,101)	-0.42%	1,97,574	1.64%
		18/12/2015	Purchase	49,951	0.42%	2,47,525	2.06%
		31/12/2015	Purchase	250	0.00%	2,47,775	2.06%
		08/01/2016	Sale	(250)	0.00%	2,47,525	2.06%
	At the end of the year	31/03/2016		-	0.00%	2,47,525	2.06%
4	Nirmal Bang Securities Pvt. Ltd.						
	At the beginning of the year	31/03/2015		98,660	0.82%	98,660	0.82%
	Changes during the year	10/04/2015	Purchase	20	0.00%	98,680	0.82%
		08/05/2015	Sale	(50)	0.00%	98,630	0.82%
		22/05/2015	Purchase	100	0.00%	98,730	0.82%
		29/05/2015	Sale	(100)	0.00%	98,630	0.82%
		19/06/2015	Sale	(43,452)	-0.36%	55,178	0.46%
		26/06/2015	Sale	(25,078)	-0.21%	30,100	0.25%
		30/06/2015	Purchase	50,500	0.42%	80,600	0.67%
		10/07/2015	Purchase	3	0.00%	80,603	0.67%
		17/07/2015	Sale	(3)	0.00%	80,600	0.67%
		13/11/2015	Sale	(79,237)	-0.66%	1,363	0.01%
		27/11/2015	Purchase	79,237	0.66%	80,600	0.67%
		18/12/2015	Sale	(79,837)	-0.66%	763	0.01%
		31/12/2015	Purchase	31	0.00%	794	0.01%
		01/01/2016	Sale	(763)	-0.01%	31	0.00%
		08/01/2016	Sale	(31)	0.00%	-	0.00%
		22/01/2016	Purchase	24	0.00%	24	0.00%
		04/03/2016	Sale	(24)	0.00%	-	0.00%
	At the end of the year	31/03/2016		-	0.00%	-	0.00%
5	Albula Investment Fund Ltd.						
	At the beginning of the year	31/03/2015		65,000	0.54%	65,000	0.54%
	Changes during the year	17/07/2015	Sale	(65,000)	-0.54%	-	0.00%
	At the end of the year	31/03/2016		-	0.00%	-	0.00%
6	Anand Rathi Share and Stock Brokers Limited						
	At the beginning of the year	31/03/2015		59,345	0.49%	59,345	0.49%
	Changes during the year	10/04/2015	Sale	(9)	0.00%	59,336	0.49%
		26/06/2015	Sale	(59,336)	-0.49%	-	0.00%
		03/07/2015	Purchase	325	0.00%	325	0.00%
		10/07/2015	Sale	(325)	0.00%	-	0.00%
		17/07/2015	Purchase	1,596	0.01%	1,596	0.01%
		24/07/2015	Sale	(1,170)	-0.01%	426	0.00%
		31/07/2015	Sale	(376)	0.00%	50	0.00%
		14/08/2015	Sale	(50)	0.00%	-	0.00%
		21/08/2015	Purchase	73	0.00%	73	0.00%
		28/08/2015	Purchase	388	0.00%	461	0.00%
		04/09/2015	Sale	(461)	0.00%	-	0.00%
		30/09/2015	Purchase	200	0.00%	200	0.00%
		23/10/2015	Sale	(200)	0.00%	-	0.00%

		13/11/2015	Purchase	130	0.00%	130	0.00%
		27/11/2015	Sale	(130)	0.00%	-	0.00%
		31/12/2015	Purchase	200	0.00%	200	0.00%
		08/01/2016	Sale	(200)	0.00%	-	0.00%
		22/01/2016	Purchase	200	0.00%	200	0.00%
		29/01/2016	Sale	(200)	0.00%	-	0.00%
		31/03/2016	Purchase	300	0.00%	300	0.00%
	At the end of the year	31/03/2016		-	0.00%	300	0.00%
7	Sohil Maheshbhai Shah						
	At the beginning of the year	31/03/2015		42,250	0.35%	42,250	0.35%
	Changes during the year	22/05/2015	Sale	(2,000)	-0.02%	40,250	0.33%
		10/07/2015	Sale	(33,500)	-0.28%	6,750	0.06%
	At the end of the year	31/03/2016		-	0.00%	6,750	0.06%
8	Priti Mehta						
	At the beginning of the year	31/03/2015		30,000	0.25%	30,000	0.25%
	Changes during the year	26/06/2015	Sale	(30,000)	-0.25%	-	0.00%
	At the end of the year	31/03/2016		-	0.00%	-	0.00%
9	Punjab National Bank						
	At the beginning of the year	31/03/2015		27,134	0.23%	27,134	0.23%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2016		-	0.00%	27,134	0.23%
10	Prudent Broking Services Private Limited						
	At the beginning of the year	31/03/2015		22,200	0.18%	22,200	0.18%
	Changes during the year	19/06/2015	Sale	(22,200)	-0.18%	-	0.00%
		21/08/2015	Purchase	3,289	0.03%	3,289	0.03%
		22/01/2016	Sale	(3,289)	-0.03%	-	0.00%
		25/03/2016	Purchase	25	0.00%	25	0.00%
		31/03/2016	Sale	(25)	0.00%	-	0.00%
	At the end of the year	31/03/2016		-	0.00%	-	0.00%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name			-		-	
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
2	Name			-		-	
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. ₹ /Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted- ness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,635.06	-	-	2,635.06
* Reduction	2,635.06	-	-	2,635.06
Net Change	NIL	-	-	NIL
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹ / Lac)
	NAME	Sh. Vikas Pratap, IAS	Er. A. K. Pathak	
	Designation	Managing Director	Whole-Time Director	
1	Gross salary	-	26.46	26.46
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	26.46	26.46
	Ceiling as per the Act	-	-	-

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount (₹ / Lac)
1	Independent Directors	CA Rajiv Dewan	Sh. V.P. Chandan	Smt. Neena Singh	CA A.K. Bhattacharya	
	Fee for attending board committee meetings	0.78	0.88	0.58	-	2.24
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.78	0.88	0.58	-	2.24
2	Other Non-Executive Directors	Sh. Anirudh Tewari, IAS	Sh. D.P. Reddy, IAS	CA R.K. Nangia	Sh. R.K. Chaudhuri, IAS	
	Fee for attending board committee meetings	-	-	0.15	-	0.15
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	0.15	-	0.15
	Total Managerial Remuneration	0.78	0.88	0.73	-	2.39
	Overall Ceiling as per the Act	-	-	-	-	-

The details of Smt. Shruti Singh are not provided as she joined the company as Director on 9th August, 2016.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WT/D**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹ / Lac)
	<b>Name</b>		Sh. J.S. Bhatia	Sh. Madhur Bain Singh	
	<b>Designation</b>	<b>CEO</b>	<b>CFO</b>	<b>CS</b>	
1	Gross salary	-	25.26	12.28	37.54
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	25.26	12.28	37.54

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**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 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) 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)

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 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. Besides high premium, the issue was highly oversubscribed. The company achieved a record Turnover of Rs.157.32 cr. during the year 2001-2002, when its net worth was Rs.181.77 cr.

Thereafter the turnover of the company was adversely affected due to industry wide shift from landline based narrowband communication to wireless and broadband technologies promoted by major MNCs. 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 to BSNL/MTNL and achieved a healthy turnover of Rs.129.70cr. and Rs.110.86cr. for the years 2008-2009 and 2009-10 respectively. For improving the bottom line, the company went about developing its core markets of railways and power sector with own products. Simultaneously the company is trying to venture into solar market and is on look out for additional partners for new products and services for new markets.

### OPPORTUNITIES AND THREATS

#### Opportunities

- ❑ Continuing exponential 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.
- ❑ Even though, most of telecom growth in India has been based on imported MNC equipment, the policy makers and industry itself is maturing and a greater proportion of locally manufactured equipment is expected.
- ❑ Growth of telecom and IT is prompting related growth in niche markets of power, railways, defence, government etc for telecom and IT equipments.
- ❑ Newer areas of security, New & Renewable energy, Digital India, 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 optimised high tech products in telecom and IT domains. This is providing new opportunities and markets for domestic industry.
- ❑ M&A continues to be the norm in the growing Indian economy providing necessary impetus to the change management.

#### 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.
- ❑ Continuing uncertainty of disinvestment and other issues is affecting morale and operational difficulties in the functioning of the company.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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 AS- 17 issued by ICAI.

### FINANCIAL ANALYSIS

#### a) Reserves and Surplus

The Reserves of the company stands at Rs. 7159.01 lacs as on March 31, 2016.

#### b) Secured / Unsecured Loans

Company has not taken any long term loans and enjoys the status of being a Zero-debt company. However, the working capital limits for meeting the working capital requirements of the company are availed intermittently from its bankers.



**c) Fixed Assets**

The gross block of the company increased from Rs. 5440.02 lacs to Rs 5621.16 lacs in the current year.

**d) Investments**

Non Current Investments stand to the tune of Rs.698.74 lacs as on 31st March,2016. Principal amount of Fixed deposits of the company have decreased to Rs. 7190.14 lacs against Rs. 8066.27 Lacs in the previous year. Fixed deposits having maturity period of more than one year from Balance Sheet date are classified as Non current assets.

**e) Inventories**

Total inventory has decreased from Rs. 886.66 lacs as at 31.03.2015 to Rs. 879.98 lacs as at 31.03.2016.

**f) Receivables**

Receivables were Rs. 1443.17 lacs as at 31.03.2016 as compared to Rs. 1680.64 lacs as at 31.03.2015. The debtors are considered to be good but there being some doubtful debts, provision to the tune of Rs. 0.72 lacs has been made this year.

**g) Loans and Advances**

These consists of both long term and short term loans and advances and have decreased from Rs. 543.62 lacs as at 31.03.2015 to Rs. 542.39 lacs as at 31.03.2016.

**h) Current Liabilities and Provisions**

Total current liabilities have been increased from Rs. 2713.28 lacs as at 31.03.2015 to Rs. 3680.43 lacs as at 31.03.2016.

**i) Other Current Assets**

Other current assets mainly consist of accrued interest on fixed deposits having maturity of less than one year, amount receivable related to forward contract and money held in escrow account on behalf of VMC and its associate companies. These have increased from Rs. 645.23 lacs as at 31.03.2015 to Rs. 758.43 lacs as at 31.03.2016.

**OUTLOOK****Industrial Outlook**

The Indian telecommunication sector has experienced phenomenal growth during the past few years and has emerged as the second largest network in the world. With urban tele-densities having already exceeded 100%, rural and semi-urban segments and broadband are new growth segments. On the back of ongoing investments flowing into infrastructure through nationwide programmes like Digital India, digital empowerment and 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 in the near future.

Make in India programme of Government of India has progressively led to improved business and manufacturing climate in the country with reforms such as improved ease of doing business, streamlining controls, taxation and duties, 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 encouraging yet more MNCs like Thales, ABB, ALSTOM, Honeywell, Schneider etc in these specialized areas. In addition government's increasing stress on green technologies like solar, LEDs, is altering the power space in a major way.

The future of the industry lies in broadband and mobile and constant technological innovations such as 3G/4G, smart networks, network security, IPTV etc are changing the market place.

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

- ❑ Digital India and related services
- ❑ Renewable and clean energy technologies.
- ❑ E-Commerce and e-governance.
- ❑ 3G/4G and Video Capable Mobile Networks.
- ❑ Wireless broadband and cloud
- ❑ Network and Information Security.

### **Business Outlook**

Puncom has a diversified customer base. Though historically BSNL accounted for a major portion of its sales, however railways and power sector contribute significantly towards revenues and bottom line. The shift in demand from voice to data and from wireline to wireless, has revolutionized the very nature of telecom networks. Considering severe competition and dominance of MNCs in telecom, the company is continuously looking for diversification of its customer base as well as products. The same is being done by having a re-look at the niche segments of power sector, defence, railways etc for growth and exploring emerging business opportunities in solar, LEDs, networking, training etc. taking benefit from renewed focus on manufacturing by Indian government.

Besides this, Puncom is aware of the significance of service sector and increasing penetration of newer networking and IT applications in all segments of society. Accordingly it is strengthening its value added services like turnkey projects, training, repair and maintenance. With the recent developments in the telecom sector regarding the security concerns of Indian Government, as well as following market and cost imperatives, most of the telecom companies are making efforts to set up manufacturing bases in India to Indianise their operations. The company is also making continuous efforts to add more new products to its kitty by way of techno-commercial tie-ups and /or in-house development with a view to increase the revenues.

### **RISKS AND CONCERNS**

- ❑ 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.
- ❑ 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 and working in a limited environment subject to lot of audits. This hampers the overall growth and productivity of the organisation.

### **INTERNAL CONTROL SYSTEMS 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 unauthorised use or disposition and those transactions are authorised, recorded and reported correctly.

The company has an extensive system of internal controls which ensures optimal utilisation 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.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

#### **Operating Results**

##### **a) Sales**

During the financial year 2015-16, the sales have decreased from Rs.2251.77 lacs to Rs. 2182.74 lacs. The break-up of the sales on the basis of Product and Customer is as follows:

**Product wise sales**

PLCC	61.79 %
MUX	9.57 %
Power Plant & EPABX & Others	2.74 %
Solar Power	7.88 %
Traded items	7.08 %
Services	10.12 %
Training Income & Scrap Sale	0.82 %

**Customer wise sales**

**Amount (₹ in Lacs)**

Power Sector	1365.73
Railways	364.08
PEDA	167.37
BSNL	14.06
Other customers	253.60
Training Income	17.90
<b>Total</b>	<b>2182.74</b>

**b) Expenditure Analysis**

**i) Material consumed**

Raw material consumed during the year under review is Rs.1149.15 lacs as against Rs.1223.35 lacs in the previous year. Raw 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. increased from Rs.175.47 lacs to Rs. 191.92 lacs in the current year. As a percentage of sales these increased from 7.79% in the previous year to 8.79% in the current year.

Administrative expenses mainly comprising of travelling and conveyance, repair and maintenance, office electricity & water, rent and auditors expenses decreased from Rs. 269.92 lacs to Rs. 250.34 lacs. However as a percentage of sales these decreased from 11.99% in the previous year to 11.47% in the current year.

Selling and Distribution expenses comprising of advertisement and publicity, sales promotion expenses, packing & forwarding expenses and customer claims and recoveries have decreased from Rs. 55.93 lacs to Rs. 45.51 lacs in the current year. As a percentage of sales these decreased from 2.48% in the previous year to 2.08% in the current year.

**iii) Amount written off/Provisioning**

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

(₹ in lacs)

Provision for Slow Moving Stocks	2.88
Provision for Doubtful debts and advances	0.72
Amount Written off	0.01

Thus, the overall amount provided for in the accounts during the financial year 2015-16 is to the tune of ₹3.61 Lacs.

**iv) Personnel cost**

The personnel cost increased from ₹2218.06 lacs to ₹2287.27 lacs.

**v) Finance costs & Depreciation**

The Financial Charges decreased from ₹ 12.51 lacs in the previous year to ₹ 7.48 lacs in the current year.

Depreciation decreased from Rs 38.85 lacs to Rs. 22.30 lacs during FY 2015-16. The higher amount of depreciation in previous year was due to compliance with the newly introduced provisions of Companies Act, 2013, under which the Company had revised depreciation on fixed assets as per the useful life specified in the Schedule II to the Companies Act, 2013. Based on the prescribed method, depreciation amounting to Rs.16.48 lacs on account of assets whose useful life had already exhausted as on 01/04/2014 was adjusted to Statement of Profit and Loss.

Further addition in the capital expenditure was booked to the extent of Rs.181.14 lacs during the current year.

**vi) Net Profit / Loss**

During the current financial year, the company has incurred Net Loss before tax of Rs.1047.58 lacs as against Net Loss before tax of Rs. 1026.16 lacs during the last year. The Net Loss before tax for the FY 2015-16 includes an exceptional item (expense) amounting to Rs. 36.89 lacs.

**vii) Dividend**

Owing to inadequate profit, during the previous year, the Directors of the company do not recommend any dividend for the financial year 2015-16.

**ISO- 9001:2008 CERTIFICATION**

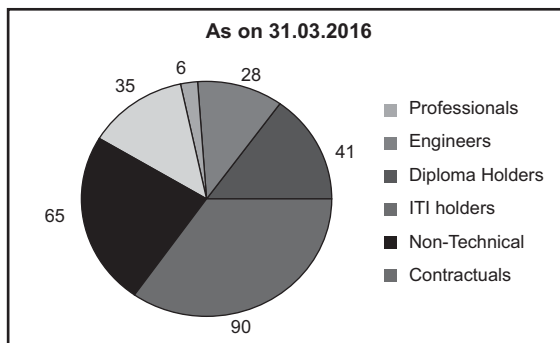
Making quality equipment & services available to its customers is the motto of Puncom. In pursuit of providing quality equipment & services, Puncom processes and procedures conform to the ISO 9001:2008 standard. These procedures and processes are audited once in three years for the recertification of the standard, followed by yearly Surveillance and quarterly Internal Audits. Puncom has successfully completed Surveillance Audit of ISO 9001:2008 standard in April, 2016. New ISO standard, ISO 9001:2015, has been published in September 2015 and efforts are being made to study and incorporate the new standard for continual improvement in our QMS.

**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, innovation and discipline. Puncom is dextrous in motivating its employees to stretch out the hand of effort and hard work towards attainment of its objectives. All the policies concerning the employees are made keeping in view the fact that manpower is the most precious resource for the company. Puncom is relatively renowned company with young employees having an average age of 44 years.

<b>Break- up of work force</b>	<b>As on 31<sup>st</sup> March, 2016</b>
Professionals (MBA, CA, ICWA, CS, LLB)	06
Engineers (B.E/ B.Tech. /M.Tech /AMIE/MSC/MCA)	28
Diploma Holders	41
Technical ITIs	90
Non-Technical	65
Contractual / Resi. Representatives	35
<b>Total (In Nos.)</b>	<b>265</b>



Puncom is equipped with qualified and professional staff. The employees are groomed through effective system of assessment, performance appraisal, training, including sharing of lectures/ knowledge base through the local area network, training files and on line testing 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, Leased accommodation, Bill paying facility, ATM, Leave/Home travel concessions, Internet facility 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. Puncom encourages its employees to go beyond the scope of their work, undertake voluntary projects that enable them to learn and contribute innovative ideas in meeting goals of company.

Safety and security of the personnel, assets, and the environmental 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 its safety measures and taking steps to improve them.

Puncom is conscious of its responsibility towards creating, maintaining 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 taken tasks of planting trees and maintaining 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 is committed to make the environment healthy and pollution free. Even steps have been taken to control noise pollution by putting canopy on power generator.

#### **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. Further all employees are encouraged to participate in the decision making process. During the year 2015-16 the employee management relations remained cordial and positive.

#### **DISCLOSURE OF ACCOUNTING TREATMENT :**

The Company has prepared financial statements in accordance with applicable 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 seven directors; one executive director being Vice Chairperson-cum-Managing Director, the second Er. A. K. Pathak being employee of the Company and five non-executive directors, of which three are independent directors, who are professional and/or have expertise in their respective functional areas. The Chairperson of the company is non-executive. By virtue of the provisions of the Articles of Association of the company, more than half of the Board is ex-officio nominated by the holding company PICTCL (hereinafter referred to as Punjab Infotech). The names and categories of present directors (as on 12<sup>th</sup> August, 2016) are given here below :

S. No.	Name	Directors' Identification Number	Category	Position in Board
1.	Sh. Anirudh Tewari, IAS	02682553	Non-Executive, Nominee*	Chairperson
2.	Sh. Vikas Pratap, IAS	01129385	Executive, Nominee*	VC & MD
3.	Sh. V. P. Chandan, IRSSE (Retd.)	00225793	Non-Executive, Independent	Director
4.	CA Rajiv Dewan	00007988	Non-Executive, Independent	Director
5.	Smt. Neena Singh	00233352	Non-Executive, Independent	Director
6.	Er. A.K. Pathak	00474919	Executive, Whole-time Director	Executive Director
7.	Smt. Shruti Singh, IAS	06571472	Non-Executive, Nominee*	Sr. V-Chairperson

\*These Directors are nominees of Punjab Information and Communication Technology Corporation Limited (Our holding Company having 71.204% equity shares in our Company)

Following changes, in the constitution of Board of Directors, happened during the period under review upto 12<sup>th</sup> August, 2016.

The name/nomination of Sh. D.P. Reddy, IAS, was withdrawn by Punjab Infotech and accordingly he ceased to be the Chairperson/Director on the Board of Puncom w.e.f. 13th May, 2015. In his place, Sh. Anirudh Tewari, IAS was appointed as Director in the capacity of Chairperson by Punjab Infotech w.e.f. 13th May, 2015.

CA R.K. Nangia, Sr. ED and CS of Punjab Infotech retired from his services after attaining the age of superannuation and accordingly his name was withdrawn by Punjab Infotech w.e.f. 2nd July, 2015.

CA Asish K. Bhattacharyya, Independent Director, resigned from the Board w.e.f. 21st September, 2015 owing to his academic commitments and professionally busy schedule.

The name/nomination of Sh. R.K. Chaudhuri, IAS, was withdrawn by Punjab Infotech and accordingly he ceased to be the Vice Chairperson/Director on the Board of Puncom w.e.f. 15th June, 2016. In his place, Smt. Shruti Singh, IAS was appointed as Additional Director in the capacity of Sr. Vice Chairperson by Punjab Infotech w.e.f. 9th August, 2016.

### Board Procedure

Four 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
182nd	Thursday	28th May, 2015
183rd	Wednesday	12th August, 2015
184th	Tuesday	10th November, 2015
185th	Tuesday	9th February, 2016

The attendance of Directors at Board Meeting(s) and General Meeting during the Financial Year 2015-16 alongwith the number of Directorships held by them in other companies and number of Board Committees in which they are Chairperson/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 Meetings		Attendance at AGM (29-09-2015)	Number of Directorships in other Companies (as per last disclosure given to Co.)	Number of Committee Chairperson/ Membership	
	Atten- ded	Entitled to Attend			Chair- person	Member
Sh. Anirudh Tewari, IAS Chairperson	3	4	No	7	-	-
Sh. Vikas Pratap, IAS, VC&MD	4	4	No	-	-	-
Sh. Raj Kamal Chaudhuri, IAS, VC	3	4	No	5	-	-
CA Rajiv Dewan, Director	4	4	No	8	1	3
Sh. V.P. Chandan, IRSSE, Director	4	4	Yes	-	2	-
Smt. Neena Singh, Director	4	4	Yes	2	-	3
Er. A.K. Pathak, Director	4	4	Yes	-	-	2
Sh. D.P. Reddy, IAS, Chairperson (relinquished on 13th May, 2015)	0	0	NA*	6	-	-
CA R. K. Nangia, Director (relinquished on 2nd July, 2015)	1	1	NA*	2	-	-
CAA. K. Bhattacharyya, Director (resigned on 21st Sept., 2015)	0	2	NA*	-	1	3

\* These Directors were not entitled to attend the AGM as they ceased to be Directors from the Board of Puncom before the date of AGM.

The relationship of the Directors inter-se is as follows:

Name of the Director	Designation	Relationship inter-se
Sh. Anirudh Tewari, IAS	Chairperson	Director nominated and appointed by holding company is related to other directors appointed by Holding company.

Sh. Vikas Pratap, IAS	Vice Chairperson & Managing Director	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
Sh. R. K. Chaudhuri, IAS	Vice Chairperson	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
Er.A.K. Pathak	Executive Director	As an employee of the Company at a designation of Dy. Vice President and reporting person for HOD(Prod.) & HOD(TBD).
Sh. V.P. Chandan, IRSSE	Director	Independent Director
CA Rajiv Dewan	Director	Independent Director
Smt. Neena Singh	Director	Independent Director

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 2015-2016 was conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) on 30th March, 2016. Sh. V.P. Chandan, IRSSE(Retd.) and Smt. Neena Singh 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 Chairperson 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/index.php?option=com\\_content&view=article&id=110&Itemid=69](http://www.puncom.com/index.php?option=com_content&view=article&id=110&Itemid=69).

### 3. Audit Committee

The Audit Committee of the company presently comprises of Sh. V. P. Chandan, IRSSE(Retd.) as Chairperson, CA Rajiv Dewan, Smt. Neena Singh & Sh. A.K. Pathak as Members. 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 four times during the financial year 2015-16 i.e. 55th, 56th, 57th and 58th Audit Committee meetings were held on 28th May, 2015, 12th August, 2015, 12th November, 2015 and 9th February, 2016 respectively and 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, Chairperson, particulars of the meetings and attendance of the members during the year are as follows:

S. No.	Name	Category	Number of Meetings attended	Number of Meetings entitled to attend
1.	Sh. V. P. Chandan, Chairperson	Independent/Non Executive	4	4
2.	CA Rajiv Dewan, Member	Independent/ Non Executive	4	4
3.	Sh. A. K. Pathak, Member	Non-Independent/ Executive	1	1
4.	Smt. Neena Singh, Member	Independent/ Non Executive	1	1
5.	CA Ashish K. Bhattacharyya, Member *	Independent/ Non Executive	0	2
6.	CA R. K. Nangia, Member **	Non-Independent/ Non Executive	1	1
7.	CS Madhur Bain Singh, Convener	Compliance Officer	4	4

\* CA Ashish K. Bhattacharyya resigned as director w.e.f. 21st September, 2015, owing to his academic commitments and professionally busy schedule.



\*\* CA. R.K. Nangia, Sr. ED and CS of Punjab Infotech retired from his services after attaining the age of superannuation and accordingly his name was withdrawn by Punjab Infotech w.e.f. 2nd July, 2015.

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 31.03.2016. The terms of reference stipulated are as follows:

- Internal Control Systems
- Corporate Plans & Project-wise Analysis
- Delegation of Powers to 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
- 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
- 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 186th Meeting of the Board held on 27th May, 2016 to comply with the provisions of the Listing Regulations. Presently the committee comprises of Sh. V.P. Chandan, IRSSE(Retd.) as Chairperson, CA Rajiv Dewan and Smt. Neena Singh as members, all of whom 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 Chairperson being an Independent Director. The committee met for the first time on 30th March, 2016 and the meeting was attended by Sh. V.P. Chandan and Smt. Neena Singh. 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 (5) of section 178 of the Companies Act, 2013. 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.
- 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 present Nomination, Remuneration and Evaluation Policy was amended by the Company in its 186th Board Meeting held on 27th May, 2016. However, vide notification G.S.R 463(E) dated 5th 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 for Senior Management. Also, the NRC Policy is not required to be disclosed in the Annual Report.

## **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)(5)(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, 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.
  - (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 (Formerly Shareholders/Investors Grievances Redressal Committee) presently comprises of Sh. V.P. Chandan, IRSSE (Retd.), Non Executive Director as Chairperson, CA Rajiv Dewan and Sh. A.K. Pathak as Members. During the Financial Year 2015-16 the Committee met on 28th May, 2015.

The terms of reference as on 31.03.2016 mandated by your Board to this committee, which are also in line with the statutory and regulatory requirements, are:

- Redressing Shareholders and Investors complaints / grievances.
- Approving issue of duplicate share certificates and transfer 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 names of the members, chairperson, particulars of the meeting and attendance of the members during the year are as follows :

S. No.	Name	Category	Number of Meetings attended	Number of Meetings entitled to attend
1.	Sh. V.P. Chandan, IRSSE, Chairperson	Independent/Non Executive	1	1
2.	CA Rajiv Dewan, Member	Independent/Non Executive	1	1
3.	CA Ashish K Bhattacharya, Member *	Independent/Non Executive	1	1
4.	CAR. K. Nangia, Member **	Non-Independent/Non Executive	1	1
5.	CS Madhur Bain Singh, Convener	Compliance Officer	1	1

\* CA Asish K. Bhattacharyya resigned as director w.e.f. 21<sup>st</sup> September, 2015 owing to his academic commitments and professionally busy schedule.

\*\* CA R.K. Nangia Sr. ED and CS of Punjab Infotech retired from his services after attaining the age of superannuation and accordingly his name was withdrawn by Punjab Infotech w.e.f. 2<sup>nd</sup> July, 2015.

The status of redressal of complaints received from 1st April, 2015 to 31st March, 2016 is as under:

Number of complaints pending as on 1st April, 2015	Nil
Number of complaints received during the year	02
Number of complaints redressed during the year	01
Number of complaints not solved to the satisfaction of Shareholders	01
Number of complaints pending as on 31st March, 2016	01*

\* The status was pending as on 31st March, 2016, however, the same has been resolved as on the date of this report and no complaint is pending as on the date of this report.

## 7. General Body Meetings

The details of the last three Annual General Meetings of the company are as follows:

Date	Particulars	Time	Location	Special Resolution Passed
29.09.15	34 <sup>th</sup> AGM in respect of the financial year 2014-2015	11.00 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	Yes
26.09.14	33 <sup>rd</sup> AGM in respect of the financial year 2013-2014	11.30 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
21.11.13	32 <sup>nd</sup> AGM in respect of the financial year 2012-2013	11.30 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No

A Special Resolution was passed through Postal Ballot to amend Objects Clause/Main Object of Memorandum of Association of the Company in the AGM held for the financial year 2014-15 as per the provisions laid down under section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2013 and any of the other applicable provisions of the Companies Act, 2013 and rules made thereunder.

Details pertaining to voting pattern are as follows:

**Date of Postal Ballot Notice :** 21.08.2015

**Voting period :** 30.08.2015 to 28.09.2015

**Date of declaration of result :** 30.09.2015

**Date of approval :** 29.09.2015

Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			No. of votes	%	No. of votes	%
Alteration in Objects Clause/ Main Objects of Memo- randum of Association	Special Resolution	8553359	8553359	100	0	0

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above through a postal ballot.

Mr. Vishal Arora of M/s Arora and Gujral, Company Secretaries, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

No special resolution is proposed to be conducted through postal ballot in the forthcoming AGM.

## 8. Means of Communication

**Quarterly results and presentations:** The quarterly financial results are made available on the company's website ([www.puncom.com](http://www.puncom.com)) and simultaneously submitted to BSE Listing Centre within the time limit specified. These are also uploaded on the corporate filing website ([www.corporatefiling.com](http://www.corporatefiling.com)) under Corporate Filing & Dissemination System (CFDS). Also, all periodical compliance filings are filed electronically on the Listing Centre and Shareholding Pattern and Corporate Governance Report are filed through XBRL. The website also includes official news releases.

### Publishing of Quarterly Results

Quarter No.	Date of Publishing	Newspaper
1 <sup>st</sup>	13.08.2015 13.08.2015	Desh Sewak (Vernacular)  Financial Express (English)
2 <sup>nd</sup>	11.11.2015 11.11.2015	
3 <sup>rd</sup>	10.02.2016 10.02.2016	
4 <sup>th</sup>	28.05.2016 28.05.2016	

### Notice of Board Meeting

Meeting Date	Date of Publication/Information to Stock Exchange	Newspaper
12.08.2015	31.07.2015 31.07.2015	Desh Sewak (Vernacular)  Financial Express (English)
10.11.2015	31.10.2015 31.10.2015	
09.02.2016	29.01.2016 29.01.2016	
27.05.2016	17.05.2016 17.05.2016	

### Notice of Book Closure & AGM

Book Closure	Date of Publication	Newspaper
23.09.2015 29.09.2015	02.09.2015 02.09.2015	Desh Sewak (Vernacular) Financial Express (English)
AGM	Date of Publication	Newspaper
29.09.2015	02.09.2015 02.09.2015	Desh Sewak (Vernacular) Financial Express (English)

## 9. General Shareholder Information

### General Shareholders Information

- A. Annual General Meeting** : Date : 21<sup>st</sup> September, 2016  
(Date, time and venue) : Time : 1200 Hrs.  
: Venue : B-91/93, Phase VIII, Indl. Area  
SAS Nagar, (Chandigarh) - 160 071
- B. Financial Calendar** : 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016
- C. Date of Book Closure / Record Date** : 15<sup>th</sup> September, 2016 to 21<sup>st</sup> September, 2016  
(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

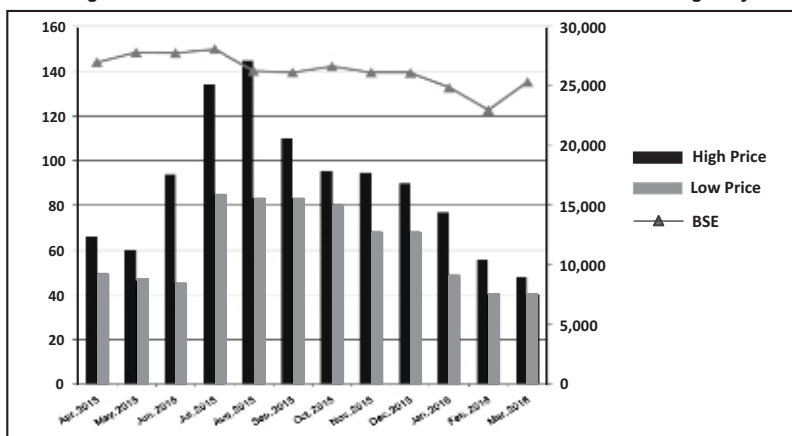
**Note :** Annual Listing Fee for the financial year 2015-16 has been paid to the Stock Exchange, Mumbai

- F. Stock Code** : Scrip Code 500346

### G. Market Price Data (BSE)

Month	High Price (₹)	Low Price (₹)
April, 2015	65.95	49.25
May, 2015	60.00	46.60
June, 2015	94.00	45.00
July, 2015	134.00	85.00
August, 2015	<b>144.90</b>	83.00
September, 2015	109.90	83.00
October, 2015	95.40	79.95
November, 2015	94.80	68.00
December, 2015	89.90	68.00
January, 2016	77.00	49.00
February, 2016	55.65	40.15
March, 2016	47.90	<b>40.00</b>

### H. Graph showing Stock Performance of Puncom on BSE vis a vis BSE Sensex during the year 2015-16



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  
2E/21, 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. The shares for transfers received in physical mode by the company are considered/ approved by the committee at regular intervals and transferred promptly.

L. **Distribution of Shareholding as on 30th June, 2016**

Category (Amount)	30-06-2016				30-06-2015			
	No. of share- holders	% of share- holders	No. of shares	% of total equity	No. of share- holders	% of share- holders	No. of shares	% of total equity
0001-5000	10571	96.135	1183930	9.847	10689	96.707	11869880	9.872
5001-10000	213	1.937	1659560	1.380	174	1.574	1348700	1.122
10001-20000	103	0.937	1516570	1.261	89	0.805	1325410	1.102
20001-30000	37	0.336	908770	0.756	30	0.271	748700	0.623
30001-40000	19	0.173	674070	0.561	19	0.172	687390	0.572
40001-50000	12	0.109	578630	0.481	08	0.072	390020	0.324
50001-100000	21	0.191	1630020	1.356	26	0.235	1887890	1.570
100001& Above	20	0.182	101428700	84.358	18	0.163	101977660	84.815
<b>Total</b>	<b>10996</b>	<b>100</b>	<b>120235650</b>	<b>100</b>	<b>11053</b>	<b>100</b>	<b>120235650</b>	<b>100</b>

Cate- gory Code	Category of Shareholder	30-06-2016			30-06-2015		
		No. of share- holders	Total number of shares	Shareholding as a % of total No. of shares	No. of share- holders	Total number of shares	Shareholding as a % of total No. of shares
(A)	<b>Promoter &amp; Promoter group : Indian Promoter</b>						
	1 Central Govt./ State Govt.	2	8561301	71.204	2	8561301	71.204
	2 Body corporate	1	9475	0.079	0	0	0
	<b>TOTAL</b>	<b>3</b>	<b>8570776</b>	<b>71.283</b>	<b>2</b>	<b>8561301</b>	<b>71.204</b>
(B)	<b>Public Shareholding : Institutions : Mutual Fund</b>						
	1 Mutual Fund (MF)	6	3400	0.028	6	3400	0.028
	2 UTI	1	100	0.001	1	100	0.001
	<b>TOTAL</b>	<b>7</b>	<b>3500</b>	<b>0.029</b>	<b>7</b>	<b>3500</b>	<b>0.029</b>

	<b>Banks</b>						
	1 Bank Cooperative	1	600	0.005	1	600	0.005
	2 Bank Nationalized	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 Cos.</b>						
	1 Insurance Cos.	1	5800	0.048	1	5800	0.048
	<b>TOTAL</b>	<b>1</b>	<b>5800</b>	<b>0.048</b>	<b>1</b>	<b>5800</b>	<b>0.048</b>
	<b>Central/State Govt.</b>						
	1 Corporate Body (State Govt)	0	0	0	1	9475	0.079
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>9475</b>	<b>0.079</b>
	<b>Foreign Institutional Investors</b>						
	1 FII (others)	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>17</b>	<b>612934</b>	<b>5.097</b>	<b>18</b>	<b>622409</b>	<b>5.176</b>
	<b>NON INSTITUTIONS</b>						
	<b>Corporate Body</b>						
	1 Body Corporate Limited Liability Partnership	1	400	0.003	1	1500	0.012
	2 Corporate Body Domestic	232	543408	4.520	243	506592	4.213
	3 Corporate Body Margin Account	22	65979	0.549	17	187173	1.557
	4 Corporate Body (Broker)	14	5757	0.048	23	16315	0.136
	5 Corporate body (Others)	15	6514	0.054	18	9515	0.079
	6 Clearing Member	6	1078	0.009	16	20672	0.172
	7 Corporate Body				1	5500	0.046
	<b>TOTAL</b>	<b>290</b>	<b>623136</b>	<b>5.183</b>	<b>319</b>	<b>747267</b>	<b>6.215</b>
	<b>Individual Shareholders</b>						
	1 Resident Ordinary	10518	2146890	17.856	10565	1971602	16.398
	2 Resident (HUF)	140	56068	0.466	119	41771	0.347
	<b>TOTAL</b>	<b>10658</b>	<b>2202958</b>	<b>18.322</b>	<b>10684</b>	<b>2013373</b>	<b>16.745</b>
	<b>Non-resident Indian</b>						
	1 NRI-Repatriable	16	5310	0.044	17	5865	0.049
	2 NRI (NonRepatriable)	12	8451	0.070	12	8350	0.069
	<b>TOTAL</b>	<b>28</b>	<b>13761</b>	<b>0.114</b>	<b>29</b>	<b>14215</b>	<b>0.118</b>

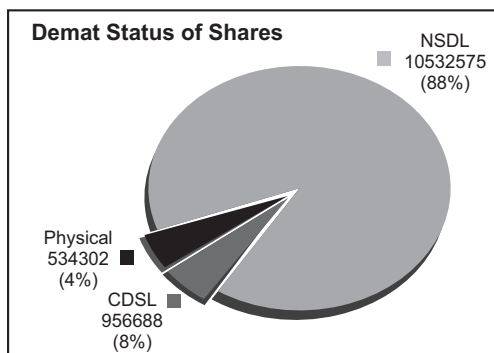
	<b>Foreign Portfolio Investor (Corporate)</b>						
	1 Foreign Portfolio Investor (Corp) Categ II	0	0	0	1	65000	0.541
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>65000</b>	<b>0.541</b>
	<b>TOTAL</b>	<b>10976</b>	<b>2839855</b>	<b>23.619</b>	<b>11033</b>	<b>2839855</b>	<b>23.619</b>
	<b>TOTAL</b>	<b>10993</b>	<b>3452789</b>	<b>28.716</b>	<b>11051</b>	<b>3462264</b>	<b>28.795</b>
	<b>GRAND TOTAL (A+B)</b>	<b>10996</b>	<b>12023565</b>	<b>100.00</b>	<b>11053</b>	<b>12023565</b>	<b>100.00</b>

- Notes :**
1. The shareholding of PSIDC, being a corporation of Govt. of Punjab, has been consolidated with the shareholding of "Promoter & Promoter Group" being
  2. 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, 2016 is as under:

Depository	No. of Shares	Percentage
NSDL	10532575	87.60
CDSL	956688	7.96
Physical	534302	4.44
<b>Total</b>	<b>12023565</b>	<b>100.00</b>



#### N. Details of Investors complaints received during 2015-16 are as follows :

During the year, 2 complaints pertaining to non receipt of Share Certificates after transfer were received. Out of these, one complaint was disposed off and the other complaint was pending as on 31st March, 2016. However, as on the date of this report, the same has been disposed off. It is Company's endeavour to redress all complaints timely and properly. All complaints/correspondence are usually dealt within 10 days and are completely resolved except in cases where litigation is involved.



**O. Details of share transfers in physical form lodged for transfer during 2015-16 are as follows:**

Lodged for transfer	Transferred and returned	Rejected & Returned	Pending
24	16	8	Nil
(2500 Shares)	(1700 Shares)	(800 Shares)	(Nil)

Shares lodged for transfer are processed within and returned 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, B-93 & A-39.

C-134 & C-135 (Given on Lease)

Phase-VIII, Industrial Area,

SAS NAGAR (Chandigarh) 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, Chandigarh 160071

Phone : +91-0172-2237142

Fax : +91-0172-2237125/3046919

E-mail : [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. Proceeds from public issues, rights issues, preferential issues etc.:** The company has not raised any public money since its public issue in 1994.

**U. 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 pertaining to five shareholders lying in the Escrow Account maintained for the said purpose with Axis Bank.

**10. Other Disclosures**

**(a) Related Party Disclosure**

The Company's "Policy on Related Party Transactions and Materiality of Related Party Transactions" was amended and adopted in the 186th meeting of Board of Directors held on 27th May, 2016. 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 5th 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 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 amended and adopted its "Vigil Mechanism/Whistle Blower Policy" in its 186th Board Meeting held on 27th May, 2016 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. A.K. Pathak, Executive Director had been appointed as Vigilance and Ethics Officer.

No personnel were denied access to the audit committee during the Financial Year 2015-2016.

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

Your company is complying with all the mandatory requirements as per Schedule V except the number of Independent directors required by the Company, and is in process of complying with the same. Compliance with discretionary requirements is covered under the point 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 <http://www.puncom.com/downloads/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.

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

The Company adopted revised Code of Conduct for Prevention of Insider Trading which is effective since 15th May, 2015 and the same is in place. The said code is available at [www.puncom.com](http://www.puncom.com).

- 12.** All corporate governance requirements as mentioned in Schedule V(C)(2) to (10) are complied with by the Company except the one pertaining to composition of Board of directors. The Company is in the process of filling the vacancy of one Independent Director.

**13. Compliance with Discretionary requirements:**

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

- The Company is moving towards a regime of financial statements with unmodified audit opinion.
- The Company has separate posts of Chairperson and Chief Executive Officer.
- The Internal Auditor submits the Internal Audit Report directly to the Audit Committee.

- 14.** 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 except for composition of Board of Directors. The company is short of one Independent Director and is in the process of complying with the same.

- 15. Declaration signed by Chief Executive Officer 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.**

**16. Auditors' Certificate on Corporate Governance**

Compliance Certificate was obtained from auditors regarding compliance of conditions of corporate governance and is annexed with the Board's report at annexure (vi).

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

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

- 18. 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 Computer share 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****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

*[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

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 March, 2016, 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 March, 2016 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 thereunder;
- (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 thereunder 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (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

**SECRETARIAL AUDIT REPORT**

- (11) Employees' State Insurance Act, 1948
- (12) Employees' Provident Fund & Misc. Provisions Act, 1952
- (13) Payment of Gratuity Act, 1972
- (14) Factories Act, 1948
- (15) Trade Marks Act, 1999
- (16) Indian Contract Act, 1872
- (17) Punjab Municipal Act, 1911
- (18) The Workmen's Compensation Act, 1923
- (19) 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 *but the Company has not maintained the desired ratio of Independent Directors as per the provisions of Section 149 of the Companies Act, 2013 and the Company has not complied with the provisions of Section 152 (6) and (7) read with Section 149 (13) wherein the Company has shown one of the Independent Directors as retired by rotation and re-appointed him in the Annual General Meeting held on 29.09.2015.* 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.

Decisions at the Board meetings, as represented by management, were taken unanimously.

**I further report that** *the Nomination and Remuneration Committee (NRC) is not constituted as per the provisions of Section 178 of the Companies Act, 2013 as the Executive Director cannot be a member of the NRC.*

**I further report 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)**  
COMPANY SECRETARY  
FCS NO. 4241  
CP NO.3582

PLACE: CHANDIGARH  
DATE: July 19, 2016

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**SECRETARIAL AUDIT REPORT**

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To  
The Members,  
PUNJAB COMMUNICATIONS LIMITED

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 as 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)**  
COMPANY SECRETARY  
FCS NO. 4241  
CP NO.3582

PLACE : CHANDIGARH  
DATE : July 19, 2016

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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**The Members,  
Punjab Communications Limited,  
S.A.S. Nagar,  
Mohali, Punjab**

We have examined the compliance of Corporate Governance by Punjab Communications Limited, for the year ended 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement / Schedule V of Listing Regulations of the said Company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations. However, for the provision of Clause 49 (II) (A) / Regulation 17 (1) (b) of Listing Regulations, there was compliance for the period from 03<sup>rd</sup> July, 2015 till 20<sup>th</sup> December, 2015 and the Company has assured that they are in process and will comply with its provisions shortly.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors / Shareholders Grievance Redressal Committee.

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

**For Grewal & Singh  
Chartered Accountants  
FRN : 012322N**

**CA Harcharan Singh Grewal  
Partner  
M. No : 083692**

**Place : Mohali  
Dated : July 28, 2016**

## **PCL TELECOM LTD. (UNDER LIQUIDATION)**

### **STATUS OF WINDING UP PROCEEDINGS**

#### **COMPANY PETITION NO: 1202 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 October 20, 2005. Subsequent to that the company has filed the Statement of Affairs with the Official Liquidator attached to the Hon'ble Court. Thereafter, all the queries have been replied on summon as well as in writing.

The matter is pending and Official Liquidator has to submit its reply with the Hon'ble Punjab & Haryana High Court at Chandigarh. After which based on the report of the Official Liquidator, the Hon'ble Punjab & Haryana High Court may proceed to dissolve the Company.

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## **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 Thirty Fifth (35th) Annual General Meeting of Punjab Communications Limited will be held on Wednesday, 21st September, 2016 at 1200 HRS at B-91/93, Phase VIII, Industrial Area, SAS Nagar, Chandigarh, at the registered office of the Company to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended on 31st March, 2016 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. Anirudh Tewari, IAS**, (DIN: 02682553) who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint M/s Grewal & Singh, Chartered Accountants, Chandigarh as the Statutory Auditors of the company for the financial year 2016-2017 (from the conclusion of this AGM till the conclusion of next AGM) and to fix their remuneration and to pass the following resolution as 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 M/s Grewal & Singh, Chartered Accountants, Chandigarh as Statutory Auditors of the Company for the financial year 2016-2017, from the conclusion of this AGM till the conclusion of next AGM at the remuneration as fixed by the Board of Directors and at such terms and conditions as provided in the CAG 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 and the rules made thereunder, **Smt. Shruti Singh, IAS**, (DIN: 06571472) who was appointed as Additional Director in the capacity of Sr. Vice Chairperson of the company w.e.f. 9th August, 2016 under Article 128 & Article 158 of the Articles of the Association of the Company and who holds the office of directorship upto the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the company has received notice in writing, pursuant to Section 160 of the Companies Act, 2013, proposing her candidature to the office of Director, be and is hereby appointed as Director of the Company in the capacity of Sr. Vice Chairperson of the Company.

Date : August 12, 2016

Place : Registered Office

B-91, Phase VIII, Industrial Area,  
SAS Nagar (Chandigarh) – 160071  
CIN: L32202PB1981SGC004616

By order of the Board

Sd/-

**(Madhur Bain Singh)**  
Company Secretary

### 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 I** and forms integral part of this notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT B-91, INDUSTRIAL AREA, PHASE VIII, MOHALI, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED WITH THE ANNUAL REPORT. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMEBERS NOT EXCEEDING FIFTY(50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Register of Directors' Shareholding is open for inspection, during the business hours, at the Registered Office of the Company upto and including the date of Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e. from 15th September, 2016 to 21st September, 2016, both days inclusive.
6. 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.
7. 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.
8. 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.
9. Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed there under, the company may send notice of general meeting, Boards' report, auditors' report, audited financial statements and other documents through electronic mode. 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 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 to the Company.
10. Electronic copy of the Notice of the 35th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode. The notice is also uploaded on the Company's Website i.e. [www.puncom.com](http://www.puncom.com).
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Agreement with Stock Exchanges, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 35th Annual General Meeting ("AGM") to be held on Wednesday, 21st September, 2016 at 12.00 p.m. The Company has engaged the services of CDSL to provide the e-voting facility. The e-voting will be available for the following voting period:

Resolution	Commencement of e-voting	End of e-voting
AGM Resolution(s)	18 <sup>th</sup> September, 2016 (9:00 a.m.)	20 <sup>th</sup> September, 2016 (5:00 p.m.)

12. The Notice of the 35th 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. 12th August, 2016.
13. The Instructions to members for E-Voting (AGM resolution) are as under :
  - a) Open the internet browser and type the following URL : [www.evotingindia.com](http://www.evotingindia.com)
  - b) Click on Shareholder tab.
  - c) Now enter your User ID
    - i) For CDSL: 16 digits beneficiary ID.
    - ii) For NSDL: 8 character DP ID followed by 8 digits Client ID.
    - iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - d) Next enter the Image Verification as displayed and click on login.
  - e) 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 voting of any company, then your existing password is to be used.

- f) If you are a first time user follow the steps given below :

	<b>FOR MEMBERS WHOSE PAN IS REGISTERED WITH THE COMPANY</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department, as registered with the Company.
Dividend Bank Details <b>OR</b> 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 (c).</li> </ul>

	<b>FOR MEMBERS WHOSE PAN IS NOT REGISTERED WITH THE COMPANY</b>
Sequence Number	Enter the first two digits of your name as registered with the Company, followed by your 8 digit Sequence Number as mentioned in your Address Sticker pasted on the Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details <b>OR</b> 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 (c).</li> </ul>

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu. Herein, they are required to mandatorily create a new password in the "new password" field. Kindly note that this password is to be used by the demat shareholders for voting on the 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.
- i) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- j) Select "EVSN (ELECTRONIC VOTING SEQUENCE NUMBER) of AGM" for voting on AGM Resolution(s) of Punjab Communications Limited.
- k) EVSN for AGM Resolution(s) can be viewed from 18th September, 2016 to 20th September, 2016 i.e. during the voting period.
- l) Once you enter, the "Cast Vote Page" will open. Now you are ready for e-voting.
- m) 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.
- n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o) After selecting your option, 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.
- p) Once you "CONFIRM" your vote on the resolution, you will NOT be allowed to modify your vote.
- q) You can also take out a print of the voting done by you by clicking on "Click here to Print" option on the voting page.

- r) If Demat Account Holder has forgotten the password, then Enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- s) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- t) Note for Institutional shareholders
  - i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ii) 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)
  - iii) After receiving the login details, create Compliance User using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - iv) 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.
  - v) A scanned copy of the Board Resolution & 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.
- u) **General Instructions :**
  - i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Help section of [www.evotingindia.com](http://www.evotingindia.com). You may also contact CDSL via email at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or on 18002005533.
  - ii) During the voting period, once a vote on a resolution is cast by the shareholder, the shareholder would not be allowed to change it subsequently. Also, he would not be allowed to vote at AGM, even if present.
  - iii) 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) 14th September, 2016 for AGM Resolution(s).
  - iv) Since, the Company is required to provide members, facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical or dematerialized form as on the cut-off dates, and not casting their vote electronically, may only cast their vote at the 35th Annual General Meeting.
  - v) Mr. Sushil Kumar Sikka, Company Secretary in practice of M/s S.K. Sikka & Associates, has been appointed as the Scrutinizer to scrutinize the E-voting as well as Postal Ballot event in a fair & transparent manner.
  - vi) The Scrutinizer shall within a period of not exceeding 3 working days from the conclusion of the e-voting period unlock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - vii) The results shall be declared on or after the 35th Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.puncom.com](http://www.puncom.com) and on the website of CDSL within 3 days of passing of the resolutions at the 35th Annual General Meeting of the Company i.e. on 23rd September, 2016 and communicated to BSE.
14. THE COMPANY WHOLE-HEARTEDLY WELCOMES MEMBERS/PROXIES AT THE ANNUAL GENERAL MEETING OF THE COMPANY. THE MEMBERS/PROXIES MAY PLEASE NOTE THAT NO GIFTS/GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.
15. Information pursuant to Regulation 36(3) of the Listing Regulations requires disclosure on the reappointment of the Directors, which is annexed as **Annexure II** to this notice.
16. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

17. **Members are requested to notify their PAN** to the Company's registered share transfer agents, quoting their Folio Number/DP IDs/ Client IDs and relevant particulars.
18. 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. 13 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.
19. 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.
20. The shareholders may contact Mr. Naresh Kumar Mehandru (Assistant Manager-Secretarial) at B-91, Phase-VIII, Industrial Area, SAS Nagar, Chandigarh-160071. The concerned person may also be contacted at [shareholders@puncom.com](mailto:shareholders@puncom.com) or at +91-172-2237142.

## ANNEXURES TO THE NOTICE

### ANNEXURE I

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

##### Item No. 4

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 Directors have appointed **Smt. Shruti Singh, IAS** (DIN 06571472) as an Additional Director on the Board, to hold office of the Director, as such, up to the date of the ensuing Annual General Meeting. The company has received notice from a member of the company along with deposit as required under Section 160 of Companies Act, 2013 proposing the candidature of **Smt. Shruti Singh, IAS** as the Director of the company.

Further pursuant to the requirement of Secretarial Standard on General Meetings (SS-2), the Articles of Association of the company are available for inspection and shall also be made available for inspection in physical form during specified business hours at the Registered Office of the company and also at the Meeting.

Further pursuant to Article 171 of the Articles of Association of the company, the holding Company has a right to appoint Vice Chairperson of the Company. The Government of Punjab vide its order bearing **No. 6/1/2016-IAS(3)/1884 dated 11th June, 2016** has appointed **Smt. Shruti Singh, IAS** as Managing Director of Punjab Information & Communication Technology Corporation Ltd.. 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/SECTL/2043 dated 9th August, 2016** has appointed Smt. Shruti Singh, IAS as director in the capacity of Sr. Vice Chairperson of the Company. The Directors of your company have recommended her appointment as above.

The appointment of Smt. Shruti Singh, IAS as director in the capacity of Sr. Vice Chairperson is subject to the approval of shareholders by way of Ordinary Resolution and provided further that as per the provisions of the Companies Act, 2013, consent of the shareholders by way of Ordinary Resolution is required for the appointment of any Director.

Smt. Shruti Singh, IAS being the appointee herself, may be deemed to be concerned or interested in this Resolution.

Smt. Shruti Singh, born on 9th May, 1982 is a 2004 Batch IAS Officer and is at present posted as Managing Director, Punjab INFOTECH. She holds a Bachelor of Arts Degree. She is an Indian Administrative Service Officer. She last served as Special Secretary, Home Affairs and Justice. She has also served as the Chairman of Ludhiana Improvement Trust in addition to being the MC Commissioner and Chief Administrator of the Greater Ludhiana Area Development Authority (GLADA). Also, she has served as the deputy commissioner in Shaheed Bhagat Singh Nagar and Jalandhar.

**Relationship inter-se :** Smt. Shruti Singh, IAS is nominated and appointed by Punjab Information and Communication Technology Corporation Ltd., our Holding Company and is therefore related to other directors appointed by the Holding Company.

The terms and conditions of appointment of Smt. Shruti Singh, IAS are as framed by the holding company (PICTCL) or the Board of Directors from time to time.

The last drawn remuneration by Smt. Shruti Singh, IAS was in her capacity as IAS officer by the Govt. of Punjab. However, Puncom is not providing any salary or remuneration in her capacity as director.

Smt. Shruti Singh, IAS is on the Board of Punjab Information and Communication Technology Corporation Ltd., Punjab Communications Ltd., Punjab Financial Corporation and Punjab Small Industries & Export Corporation. Further, she is neither a Member nor a Chairperson in any of the Committees as per the provisions of Regulation 36(3) of Listing Regulations.

The shareholding of Smt. Shruti Singh, IAS as per Regulation 36(3) of the Listing Regulations is NIL.

As Smt. Shruti Singh, IAS was appointed on the Board of Puncom after the close of financial year i.e. on 9<sup>th</sup> August, 2016, she has not attended any board meeting during the year.

## ANNEXURE II

### INFORMATION PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS

A brief resume of the Director who is being re-appointed, along with the name of the Listed Entities in which he holds directorship of the Board is given below. The details regarding appointment of new Director has already been given under explanatory statement vide item No. 4.

#### Brief Resume of Sh. Anirudh Tewari, IAS

Sh. Anirudh Tewari is a 1990 Batch IAS officer and is at present Principal Secretary (Industries & Commerce), Punjab. He is a Graduate in Electronics and Commerce and also Post Graduate in Economics. He is an Indian Administrative Service Officer.

**Relationship inter-se:** Sh. Anirudh Tewari, IAS is nominated and appointed by Punjab Information and Communication Technology Corporation Ltd., our Holding Company and is therefore related to other directors appointed by the Holding Company.

**Directorship in Listed Entities :** Sh. Anirudh Tewari holds directorship in the following listed entities:

Name of the Listed Entity	Nature of Interest or Concern	Shareholding	Date on which interest or concern arose / change
Punjab Communications Limited	Chairperson	Nil	12/05/2015
Punjab Alkalies and Chemicals Limited	Chairperson	Nil	18/05/2015

He is not a member in any Committee(s) of the Board as on 31<sup>st</sup> March, 2016.

Date : August 12, 2016

Place : Regd Office :

B-91, Phase VIII, Industrial Area,  
SAS Nagar (Chandigarh) – 160071  
CIN: L32202PB1981SGC004616

By order of the Board  
Sd/-

**(Madhur Bain Singh)**  
Company Secretary

----- TEAR HERE -----

**PUNJAB COMMUNICATIONS LTD.****Registered Office : B-91, Phase VIII, Indl. Area, S.A.S. Nagar (Mohali) - 160 071****ATTENDANCE SLIP****PLEASE FILL ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint shareholders may obtain additional Attendance Slip at the Venue of the meeting

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

No. of share(s) held :

I hereby record my presence at the 35<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Wednesday, 21<sup>st</sup> September, 2016 at 12:00 Noon at B-91/93, Phase - VIII, Industrial Area, S.A.S. Nagar (Mohali) - 160 071 (Punjab)

\_\_\_\_\_  
Signature of the shareholder or proxy

\* Application for investors holding shares in electronic form.

**PUNJAB COMMUNICATIONS LIMITED****Registered Office : B-91, Phase VIII, Industrial Area, S.A.S. Nagar, Mohali-160071 (INDIA)****Form No. MGT-11****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN** : **L32202PB1981SGC004616**  
**Name of the Company** : **Punjab Communications Limited**  
**Registered office** : **B-91, Phase- VIII, Industrial Area, S.A.S Nagar, Chandigarh- 160071**

Name of the member (s) :	
Registered address :	
E-mail ID :	
Folio No/ Client ID :	
DP ID :	

I/ We, being the member (s) of ..... Shares of the above named company, hereby appoint:

1. Name : ..... Address: .....  
Email ID: ..... Signature: ....., or failing him
2. Name : ..... Address: .....  
Email ID: ..... Signature: ....., or failing him
3. Name : ..... Address: .....  
Email ID: ..... Signature: .....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 21st September, 2016 at 1200 HRS at B-91/93, Phase- VIII, Industrial Area, S.A.S Nagar, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	
Ordinary Business	
S No.	Item No.
1	To receive, consider and adopt the audited Profit and Loss Account for the year ended on 31st March, 2016 and Balance Sheet as on that date together with Boards' Report, Secretarial Auditors' Report, Auditors' Report and CAG comments thereon.
2	To appoint Director in place of Sh. Anirudh Tewari, IAS (DIN: 02682553) who retires by rotation and being eligible has offered himself for reappointment.
3	To appoint the Statutory Auditors of the company for the financial year 2016-2017.
Special Business	
4	To appoint Smt. Shruti Singh (DIN: 06571472) as Director in the Capacity of Sr. Vice-Chairperson on the Board of Puncom.

Signed this 21<sup>st</sup> day of September, 2016

Signature of Shareholder:

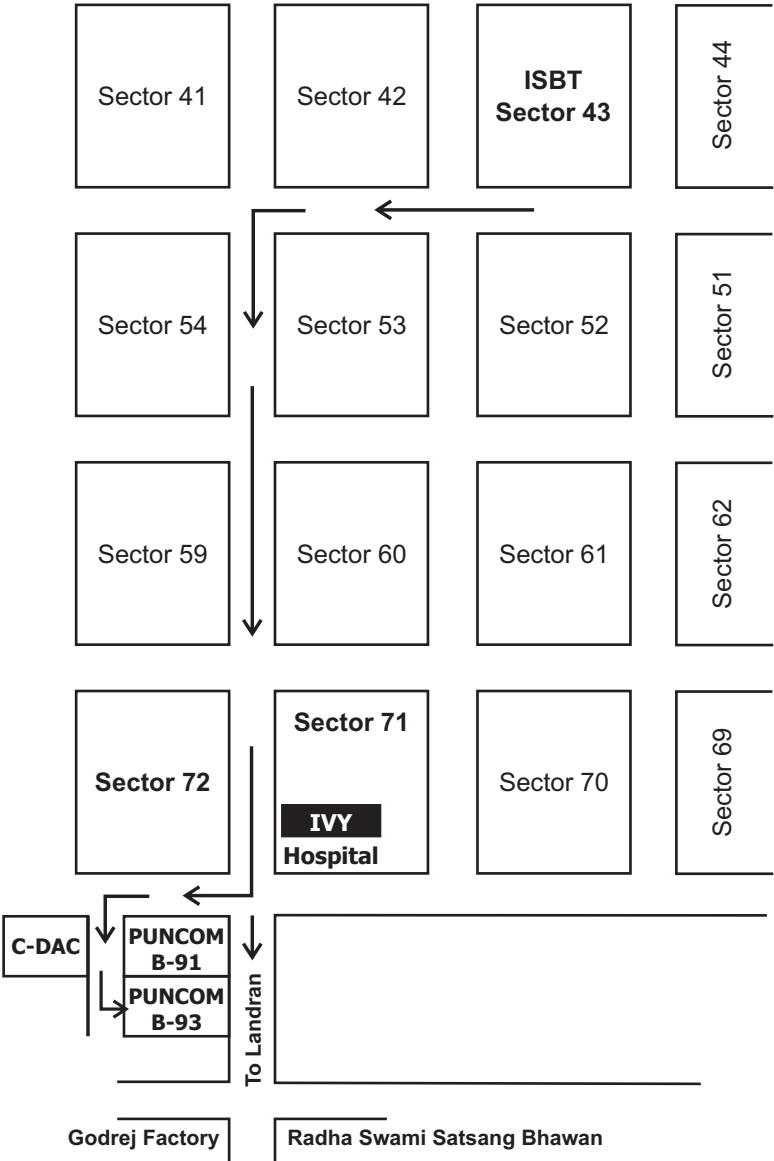
Signature of Proxy Holder (s):

Affix  
Re. 1/-  
Revenue  
Stamp

**Note :** This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.



ROUTE MAP TO THE VENUE OF AGM



## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## NOTES

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a guide for writing. There are no margins, text, or other markings on the paper.

***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)

