

The logo for PUNCOM, with 'PUN' in blue and 'COM' in blue, and a large pink 'C' in the middle.

PUNCOM



36th
ANNUAL REPORT
2016-2017

PUNJAB COMMUNICATIONS LIMITED
www.puncom.com

FOR YOUR INFORMATION

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

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

Alankit Assignments Limited
DP & RTA
Alankit House,
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 25th day of September 2017, (Monday) at 11.00 A.M at B-91, 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.**

Annual General Meeting

Date & Time : 25th September, 2017, Monday, at 1100 HRS

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

PUNJAB COMMUNICATIONS LIMITED

Web : www.puncom.com CIN : L32202PB1981SGC004616

**Corporate Information
as on 17.08.2017)**

Board of Directors	Designation	DIN No.
Sh. R.K. Verma, IAS	Chairman	01541990
Sh. Vikas Pratap, IAS	Sr. Vice Chairman & 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
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.)	Chairman
CA Rajiv Dewan	Member
Smt. Neena Singh	Member

Stakeholders' Relationship Committee

Sh. V.P. Chandan, IRSSE (Retd.)	Chairman
CA Rajiv Dewan	Member
Smt. Neena Singh	Member

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Sh. A.K. Pathak, ceased to be a Executive Director of Puncom as he retired on 30.11.2016.

Listing Regulations means SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

Financial Highlights 2012-2013 to 2016-2017 (Last Five Years)

	2012-13	2013-14	2014-15	2015-16	2016-17
Sales	2342.88	2089.39	2251.77	2182.74	3047.92
Other Income	1280.50	1137.37	1003.92	929.70	905.94
Total Income	3623.38	3226.77	3255.69	3112.44	3953.86
Earning/Loss before Dep.					
Interest and Tax (EBDIT)	103.62	-571.73	-978.61	-1008.40	-508.00
Depreciation	60.13	52.19	38.85	22.30	52.65
Profit / Loss after Tax	300.19	-684.64	-1026.16	-1047.58	-563.40
Equity Dividend (%)	—	—	—	—	—
Dividend Payout	—	—	—	—	—
Equity Share Capital	1202.36	1202.36	1202.36	1202.36	1202.36
Reserves & Surplus	10024.02	9233.28	8206.66	7159.01	6595.52
Tangible Net Worth	11174.96	10438.08	9411.46	8363.80	7800.32
Gross Fixed Assets	5427.70	5431.84	5440.02	5621.16	5608.33
Net Fixed Assets	497.57	449.53	418.85	566.23	566.39
Total Fixed Assets	497.57	449.53	418.85	566.23	566.39

Key Ratios 2012-2013 to 2016-17

	2012-13	2013-14	2014-15	2015-16	2016-17
Earning / loss Per Share (in ₹)	2.50	-5.69	-8.53	-8.71	-4.69
Cash Earning / Loss Per Share (in ₹)	0.86	-4.92	-7.02	-8.10	-4.00
Book Value Per Share (in ₹)	92.94	86.81	78.28	69.56	64.88
Debt / Equity Ratio	—	0.01	—	0.00	0.00
Current Ratio	4.12	4.24	3.80	2.32	2.17

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

PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTE	AS AT	AS AT
		31st MARCH, 2017 AMOUNT (₹)	31st MARCH, 2016 AMOUNT (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	2	12,04,79,788	12,04,79,788
b) Reserve and Surplus	3	65,95,52,301	71,59,00,617
(2) Non-Current Liabilities			
a) Long Term Liabilities	4	56,84,503	26,53,673
b) Long-Term Provisions	5	1,56,27,376	1,74,83,330
(3) Current Liabilities			
a) Short-Term Borrowings	6	50,05,526	—
b) Trade Payables	7	18,20,17,703	17,76,97,041
a) Other Current Liabilities	8	22,86,74,110	18,69,10,118
c) Short-Term Provisions	9	40,44,092	34,35,486
TOTAL		1,22,10,85,399	1,22,45,60,053
II. ASSETS			
(1) Non-Current Assets			
a) Fixed assets			
Tangible assets	10	5,66,39,079	5,66,23,174
b) Non-current investments	12	6,98,74,002	6,98,74,002
c) Deferred tax assets (net)	13	—	—
d) Long term loans and advances	14	3,05,38,700	1,99,11,706
e) Other non-current assets	15	15,41,00,730	22,38,89,319
(2) Current Assets			
a) Inventories	16	12,58,13,727	8,79,98,062
b) Trade receivables	17	15,41,32,900	14,43,16,904
c) Cash and Bank Balances	18	54,06,34,369	51,17,76,808
d) Short term loans and advances	19	2,26,24,779	3,43,26,915
e) Other Current Assets	20	6,67,27,113	7,58,43,163
TOTAL		1,22,10,85,399	1,22,45,60,053
Significant accounting policies and	1		
Notes to Accounts	31-43		

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
SR. 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 19, 2017

Annual Report 2016-2017

PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

PARTICULARS	NOTE	AS AT	
		31st MARCH, 2017 AMOUNT (₹)	31st MARCH, 2016 AMOUNT (₹)
I. Revenue from operations	30,47,92,018		
Less Excise duty	2,52,02,493	21	27,95,89,525
			21,82,73,681
			1,66,73,843
II. Other Income		22	9,05,93,580
			9,29,70,356
III. Total Revenue			37,01,83,105
			29,45,70,194
IV. Expenses:			
Cost of materials consumed		23	10,52,60,532
Purchases of Stock-in-Trade		24	5,34,02,867
Changes in inventories of Finished Goods/ Goods/Work-in-process and Stock-in-trade		25	-2,00,24,975
Employee benefits expenses		26	23,28,86,270
Finance costs		27	4,79,207
Depreciation and amortization expenses		10	52,64,847
Other expenses		28	4,92,54,768
Total expenses			42,65,23,516
			39,56,38,843
V. Profit before tax (III-IV)			-5,63,40,411
			-10,10,68,649
VI. Exceptional Items		29	—
			36,89,325
VII. Profit before tax (V-VI)			-5,63,40,411
			-10,47,57,974
VIII. Tax expenses:			
(1) Current tax			—
(2) Deferred tax		13	—
			—
IX Profit (Loss) for the year (VII-VIII)			-5,63,40,411
			-10,47,57,974
X Earning per equity share (EPS) :		30	
EPS (after exceptional items)			
(1) Basic			-4.69
(2) Diluted			-4.69
EPS (before exceptional items)			
(1) Basic			-4.69
(2) Diluted			-4.69
Significant accounting policies and Notes to Accounts		1 31-43	

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
SR. VC & MANAGING DIRECTOR
DIN : 01129385

RAJIV DEWAN
DIRECTOR
DIN : 00007988

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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 19, 2017

Annual Report 2016-2017

**SCHEDULES TO AND FORMING PART OF BALANCE SHEET AS AT AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**

PARTICULARS	AS AT 31 ST MARCH, 2017 AMOUNT (₹)	AS AT 31 ST MARCH, 2016 AMOUNT (₹)
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	<u>20,00,000</u>	<u>20,00,000</u>
	<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)	<u>2,44,138</u>	<u>2,44,138</u>
	<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 Holding	% 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)	<u>58,59,312</u>	<u>58,59,312</u>
	<u>69,09,02,912</u>	<u>69,09,02,912</u>
General Reserve:		
Opening Balance	89,592,529	8,95,92,529
Add:/(Less)Transferred from Statement of Profit & Loss Account	—	—
Surplus (Profit & Loss Account)	—	—
Opening Balance	-10,47,57,974	—
Add:/(Less)Transferred from Statement of	<u>-56,340,411</u>	<u>-10,47,57,974</u>
Deferred Govt. Grants (Subsidy)*	-16,10,98,385	-10,47,57,974
As per last Balance Sheet	84,600	92,504
Less: Transfer to Statement of P & L A/c	<u>7,905</u>	<u>7,904</u>
	<u>65,95,52,301</u>	<u>71,59,00,617</u>
NOTE 4 : LONG TERM LIABILITIES		
Security Received	56,84,503	26,53,673
	<u>56,84,503</u>	<u>26,53,673</u>
NOTE 5 : LONG TERM PROVISIONS		
Provision for Employee Benefits		
- Gratuity	12,64,666	12,49,518
- Leave Encashment	1,19,44,782	1,36,73,916
- Long term service award	<u>24,17,928</u>	<u>25,59,896</u>
	<u>1,56,27,376</u>	<u>1,74,83,330</u>

PARTICULARS	AS AT	AS AT
	31st MARCH, 2017 AMOUNT (₹)	31st MARCH, 2016 AMOUNT (₹)

NOTE 6: SHORT TERM BORROWINGS (Secured)

Loans Repayable on demand from Banks	50,05,526	-
Loan was taken from SBOP, (Now SBI) @ 8.77% p.a. These loans are secured against FDRs and repayable on demand.	<u>50,05,526</u>	<u>-</u>

NOTE 7 : TRADE PAYABLES

I. Dues of Micro, Small & Medium Enterprises	-	-
II. Dues of other Creditors*	<u>18,20,17,703</u>	<u>17,76,97,041</u>
	<u>18,20,17,703</u>	<u>17,76,97,041</u>

*Includes Rs.491.47 Lacs (Rs.492.65 Lacs) due to VMC Systems Ltd (earlier Vuppalamritha Magnetic Components Pvt Ltd) against which Rs.322.12 Lacs (Rs.322.12 Lacs) lies in the Escrow Account (Refer note 20)

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		
Principal Amount	Nil	Nil
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
IV. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under section 23 of this Act	Nil	Nil

NOTE 8 : OTHER CURRENT LIABILITIES

Unclaimed Buy back amount*	27,722	27,722
Advance from customers	95,15,230	46,62,784
Income received in advance	3,89,151	5,78,695
Statutory remittances	1,48,12,346	1,54,65,708
Trade / Security Deposits received**	9,19,89,176	3,72,92,852
Others\$#	<u>11,19,40,485</u>	<u>12,88,82,357</u>
	<u>22,86,74,110</u>	<u>18,69,10,118</u>

*Despite Company's best efforts, 5 shareholders could not be traced, against which an amount of Rs. 27,722/- is still lying in unclaimed buy-back account. Also refer Note-18

**Includes an amount of Rs.872.41 Lacs (Rs.302 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd. Further it also includes an amount of Rs.16.34 Lacs (Rs.22.06 Lacs) other than securities on rental properties outstanding for more than three years.

Includes amount of Rs. 735.63 Lacs related to UPCFML, Refer Note-12, 15 and Note-29

NOTE 9: SHORT TERM PROVISIONS

Provision for Employee benefits

Gratuity	23,77,121	14,71,531
Leave Encashment	9,24,770	10,66,397
Service award	<u>7,42,201</u>	<u>8,97,558</u>
	<u>40,44,092</u>	<u>34,35,486</u>

NOTE 10 : FIXED ASSETS

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS AT 01.04.2016 (₹)	AS AT 31.03.2017 SALE/TRF. (₹)	UPTO 01.04.2016 (₹)	FOR THE PERIOD ADJUSTMENTS WRITTEN BACK (₹)	AS AT 31.03.2017 (₹)	AS AT 31.03.2016 (₹)
I. TANGIBLE ASSETS						
LAND (Freehold)*	1,52,40,077	—	10,30,172	—	1,42,09,905	1,42,09,904
BUILDING	6,86,40,129	—	6,01,01,397	644,929	78,93,803	85,38,732
PLANT & MACHINERY	39,54,35,521	27,91,314	36,38,66,633	38,27,524	3,03,64,699	3,15,68,888
TEMPORARY STRUCTURE	44,18,531	—	44,01,031	—	17,500	17,500
ELECTRICAL INSTALLATION	2,63,98,362	1,372	2,52,48,018	208,233	9,37,639	11,50,343
OFFICE EQUIPMENT	1,74,03,941	8,71,395	1,67,91,521	3,69,984	11,13,831	6,12,420
FURNITURE & FIXTURE	1,01,43,823	—	1,00,53,490	1,541	88,792	90,333
VEHICLES	82,11,403	18,71,415	77,76,349	2,93,559	20,12,910	4,35,054
SUB TOTAL (A)	54,59,91,787	55,35,496	48,92,68,611	52,64,847	5,66,39,079	5,66,23,174
II. INTANGIBLE ASSETS						
TECHNICAL KNOW HOW	1,62,24,442	—	1,62,24,442	—	—	—
SUB TOTAL (B)	1,62,24,442	—	1,62,24,442	—	1,62,24,442	—
III. Capital Work in Process	—	—	—	—	—	—
SUB TOTAL (C)	—	—	—	—	—	—
IV. Intangible Assets w/Dev.	—	—	—	—	—	—
SUB TOTAL (D)	—	—	—	—	—	—
TOTAL (A+B+C+D) Current Year	56,21,16,229	55,35,496	50,54,93,053	52,64,847	5,66,39,079	5,66,23,174
PREVIOUS YEAR FIGURES	54,40,01,909	1,81,14,319	50,21,16,438	22,29,581	5,66,23,174	4,18,85,470

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

SR. V.C. & M.D.

DIRECTOR

C.F.O.

C.S.

A.M.-FINANCE

Annual Report 2016-2017

PARTICULARS	AS AT	
	31st MARCH, 2017 AMOUNT (₹)	AS AT 31st MARCH, 2016 AMOUNT (₹)

NOTE:11 DETAIL OF SPECIFIED BANK NOTES (SBNS)

Detail of SBNS held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNS	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	180000	1987	181987
(+) Permitted receipts	0	725810	725810
(-) Permitted payments	0	274662	274662
(-) Amount deposited in Banks	180000	0	180000
Closing Cash in hand as on 30.12.2016	0	453135	453135

NOTE:12 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 UPSCMF Bonds

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

6,98,74,000

6,98,74,000

WHOLLY OWNED SUBSIDIARY COMPANIES**

A) PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD.

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

of Rs.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.

196300 (196300) Equity shares

of Rs.10/- each fully paid up

1

1

6,98,74,002

6,98,74,002

*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 was 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-8. Above mentioned Bank guarantee of Rs. 735.63 lacs can be invoked by the Court anytime. Since the decree was issued against UPSCMFL 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 UPSCMFL 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. The company has also filed the claim with the official liquidator of UPSCMFL on 23.05.2016. 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 32 and Note 33

PARTICULARS	AS AT 31st MARCH, 2017 AMOUNT (₹)	AS AT 31st MARCH, 2016 AMOUNT (₹)
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NOTE 13: DEFERRED TAX ASSET (NET)

Deferred Tax Asset:

Relating to brought forward loss & other allowances under Income Tax Act 28,95,093 28,11,981

Deferred Tax Liability:

Relating to Fixed assets -28,95,093 -28,11,981

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.

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 14: LONG TERM LOANS AND ADVANCES

Festival Advance	34,47,500	35,70,000
Loans and Advance to Employees *	44,78,083	60,00,719
Security Deposits	38,83,643	21,09,994
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	88,84,616	41,81,069
Income Tax Recoverable for current year	96,83,376	39,05,325
	1,85,67,992	80,86,394
Less : Provision for Income Tax/MAT	—	80,86,394
Prepaid Expenses*	1,61,482	1,44,599
	3,05,38,700	1,99,11,706

#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 XVII)

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

*Loan to employees include loan to KMPs given in the ordinary course of business and as per the service rules of the Company.	Balance As on 31.03.2017	Balance As on 31.03.2016	Maximum amount due at any time during the year ended 31/03/2017	Maximum amount due at any time during the year ended 31/03/2016
- No repayment schedule or repayment beyond seven years.	32,870	98,451	98,451	2,62,451
- No interest or at an interest rate below which is specified in Section 186 (7) of Companies Act 2013	—	—	—	—

NOTE 15: OTHER NON-CURRENT ASSETS

Fixed Deposits with banks (having maturity period of more than 12 months from BS date)	14,63,58,631	21,58,95,956
Interest accrued on fixed deposits (having maturity period of more than 12 months from BS date)	77,42,099	79,93,363
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	1,52,52,173
Less :- Provision against Interest accrued	1,52,52,173	1,52,52,173
	15,41,00,730	22,38,89,319

PARTICULARS	AS AT	
	31st MARCH, 2017 AMOUNT (₹)	31st MARCH, 2016 AMOUNT (₹)

* Refer Note 12. The company had recognized and received interest income to the extent of Rs. 156.45 lacs (@ 14.90% on Principal) for a tenure of 18 months. In view of the protracted litigation and uncertainty of the amount realizable, pending settlement of the case, the company has provisioned the already recognized interest income of Rs. 152.52 lacs up to 31st March 2001 of which Rs. 115.63 Lacs was provisioned in FY 2014-15 and remaining Rs. 36.89 Lacs in FY 2015-16

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

NOTE 16: INVENTORIES

INVENTORIES

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

Stores, Spares & Packing Material		37,46,947		31,66,315
Raw material	15,82,45,694		14,77,13,246	
Less: Provision for Obsolete/ slow moving items	<u>9,76,96,295</u>	6,05,49,399	<u>9,67,95,513</u>	5,09,17,733
Work in Process:				
Work-in-process		1,88,24,002		1,13,06,843
Finished Sub-assemblies	6,46,53,794		6,10,96,949	
Less: Provision for Obsolete/ slow moving items	<u>4,17,25,900</u>	2,29,27,894	<u>4,13,09,554</u>	1,97,87,395
Goods-in-transit		1,04,87,117		24,17,379
Stock-in-Trade		92,78,368		4,02,397
		<u>12,58,13,727</u>		<u>8,79,98,062</u>

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

NOTE 17: TRADE RECEIVABLES

Unsecured Sundry Debtors

Outstanding for more than six months

Considered good	4,15,28,345		6,93,79,548
Considered doubtful *	<u>1,74,49,028</u>		<u>1,62,90,687</u>
	5,89,77,373		8,56,70,235
Less: Provision for doubtful debts	<u>1,74,49,028</u>		<u>1,62,90,687</u>
	4,15,28,345		6,93,79,548
Others			
Unsecured Considered good	11,26,04,555		7,49,37,356
	<u>15,41,32,900</u>		<u>14,43,16,904</u>

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.

*Includes an amount of Rs.289.66 lakh which is outstanding for a period of more than 5 years.

NOTE 18: CASH & BANK BALANCES

Cash and Cash equivalents

Balance with banks :

In Cash Credit account	85,68,756		57,35,281
In Current Accounts	8,90,034		28,52,937
In Fixed Deposits (having original maturity period of less than three months)	—		1,25,00,000
Cash in hand	<u>9,248</u>	94,68,038	<u>42,676</u>
			2,11,30,894

PARTICULARS	AS AT		AS AT	
	31st MARCH, 2017 AMOUNT (₹)		31st MARCH, 2016 AMOUNT (₹)	
Other Bank Balances :				
In Fixed Deposits (having original maturity period of more than three months)*	67,74,97,240		70,65,14,147	
In earmarked accounts (Unclaimed Buyback Amount)**	27,722	67,75,24,962	27,722	70,65,41,870
		68,69,93,000		72,76,72,764
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)		-14,63,58,631		-21,58,95,956
		54,06,34,369		51,17,76,808

* FDRs worth Rs. 3,526.60 Lacs (3,393.71 Lacs) are pledged with banks against Bank guarantees and overdrafts limits. FDRs further include an amount of Rs.872.41 Lacs (Rs.302 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd. Also refer Note-8

** Refer Note-8

Refer note 11 for disclosure regarding SBNs

NOTE 19: SHORT TERM LOANS & ADVANCES (UNSECURED & CONSIDERED GOOD UNLESS OTHERWISE STATED)

Loan and Advance to Employees*		18,76,885		43,06,665
Security deposits	83,34,540		60,14,471	
Less: Provision for Doubtful Amounts	4,75,660	78,58,880		60,14,471
Claims Recoverable		25,729		13,748
Balance with Government Departments				
- Income Tax Recoverable for Previous years		8,37,006		1,09,85,180
- Balance with Excise Department		47,957		77,884
Other Advances:-				
Considered good	1,19,78,322		1,29,28,967	
Doubtful Advances	2,31,521		2,31,521	
	1,22,09,843		1,31,60,488	
Less: Provision for Doubtful Advances	2,31,521	1,19,78,322	2,31,521	1,29,28,967
		2,26,24,779		3,43,26,915

*Includes Employee Loans to KMPs given in ordinary course of business and as per service rules of the company. Refer Note 14

NOTE 20: OTHER CURRENT ASSETS

Accruals

Interest accrued but not due on Fixed deposits (having maturity < 12 months from BS Date)

	3,45,15,235		2,75,28,864
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Others :

Deferred premium	—		82,421
Foreign Currency Receivable (w.r.t Forward Contract)*	—		1,60,20,000
In Escrow account (Money held on behalf of VMC & its Associated Companies)**		3,22,11,878	3,22,11,878
		6,67,27,113	7,58,43,163

* Refer Note 7

Note 21: REVENUE FROM OPERATIONS

(a) Sale of manufactured products	22,57,96,186		16,17,28,296
(b) Sale of services	1,96,66,284		2,20,97,324
(c) Sale of traded items	5,77,75,821		3,26,57,790
(d) Other Operating revenues (Training Fees & Scrap Sale)	15,53,727		17,90,271
	30,47,92,018		21,82,73,681
Less : Excise Duty	2,52,02,493		1,66,73,843
Net revenue from operations		27,95,89,525	20,15,99,838

PARTICULARS	AS AT	AS AT
	31st MARCH, 2017 AMOUNT (₹)	31st MARCH, 2016 AMOUNT (₹)
Particulars of Sale of products*		
(i) PLCC (Systems/Spares)	15,57,59,571	13,48,60,809
(ii) VMUX (Systems/ Spares)	5,97,07,049	2,08,80,237
(iii) POWER PLANT & OTHERS	1,03,29,566	59,87,250
(iv) Income from traded items**	5,77,75,821	3,26,57,790
(v) Services Income	1,96,66,284	2,20,97,324
(vi) Training Fee & Scrap Sales	15,53,727	17,90,271
	<u>30,47,92,018</u>	<u>21,82,73,681</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 22: OTHER INCOME

(a) Interest from banks on deposits		
Interest on Fixed Deposits	5,78,15,371	7,06,97,758
(b) Interest on Income Tax refund	18,26,676	5,43,259
(c) Other Interest		
Interest on Staff loans	7,21,464	8,84,063
(d) Other Income		
Miscellaneous Income	5,43,291	46,102
Profit on sale of Fixed Assets	9,63,603	—
Rent Income	2,86,96,818	2,07,26,166
Capital Subsidy written back *	7,905	7,904
Gain on exchange fluctuations	18,452	65,104
	<u>9,05,93,580</u>	<u>9,29,70,356</u>

* Refer Note-3

NOTE 23 : COST OF MATERIALS CONSUMED

(a) Opening Stock	14,77,13,246		14,99,22,681	
Add Purchases*	<u>12,90,58,819</u>	27,67,72,065	<u>9,39,97,425</u>	24,39,20,106
Less: CENVAT credit		1,24,10,704		94,13,177
Less: Input Tax credit (VAT)		<u>8,55,134</u>		<u>4,17,223</u>
		26,35,06,226		23,40,89,706
Less: Closing Stock		<u>15,82,45,694</u>		<u>14,77,13,246</u>
Net consumption		<u>10,52,60,532</u>		<u>8,63,76,460</u>
OPENING STOCK OF RAW MATERIAL*				
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>
RAW MATERIAL PURCHASE*				
i) Electronics Raw Material and Comp.	6,91,57,907		5,93,50,309	
ii) Assembly items	2,63,925		45,901	
iii) Mech. items	1,85,58,479		1,27,55,545	
iv) Misc. items	2,78,12,670		1,20,15,271	
		<u>11,57,92,981</u>		<u>8,41,67,025</u>
CLOSING STOCK OF RAW MATERIAL*				
i) Electronics Raw Material and Comp.	11,90,89,913		11,43,31,328	
ii) Mech. items	1,24,13,139		1,28,84,734	
iii) Misc. items	2,67,42,642		2,04,97,184	
		<u>15,82,45,694</u>		<u>14,77,13,246</u>

PARTICULARS	AS AT	
	31st MARCH, 2017 AMOUNT (₹)	31st MARCH, 2016 AMOUNT (₹)
RAW MATERIAL CONSUMED*		
i) Electronics Raw Material and Comp.	6,43,99,322	6,10,24,043
ii) Assembly items	2,63,925	45,901
iii) Mech. items	1,90,30,074	1,20,21,979
iv) Misc. items	2,15,67,212	1,32,84,538
	<u>10,52,60,533</u>	<u>8,63,76,460</u>
NOTE 24: PURCHASES OF STOCK-IN-TRADE		
Purchases of Stock-in-Trade * \$	<u>5,34,02,867</u>	<u>2,87,54,871</u>
	<u>5,34,02,867</u>	<u>2,87,54,871</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)

NOTE 25: CHANGES IN INVENTORIES

(I) OPENING STOCKS			
(a) Work in process:			
Work in process	1,13,06,843		85,05,777
Finished sub-assemblies	6,10,96,949		6,36,79,030
(b) Stock-in-Trade	<u>4,02,397</u>	<u>7,28,06,189</u>	<u>1,85,595</u>
(II) CLOSING STOCKS			
(a) Work in process:			
Work in process	1,88,24,002		1,13,06,843
Finished sub-assemblies	6,46,53,794		6,10,96,949
(b) Stock-in-Trade	<u>92,78,368</u>	<u>9,27,56,164</u>	<u>4,02,397</u>
(III) Increase/(Decrease) in Excise Duty on Stocks		<u>-75,000</u>	<u>-6,83,315</u>
Decrease(+) / Increase (-) in stock (I-II+III)		<u>-2,00,24,975</u>	<u>-11,19,102</u>

OPENING STOCK OF FINISHED SUB ASSEMBLIES*

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>

CLOSING STOCK OF FINISHED SUB ASSEMBLIES *

i) PLCC	1,65,03,632	1,31,11,913
ii) VMUX	64,43,957	58,44,132
iii) PCM, SWITCHING & OTHERS	<u>4,17,06,205</u>	<u>4,21,40,902</u>
	<u>6,46,53,794</u>	<u>6,10,96,949</u>

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

NOTE 26 : EMPLOYEE BENEFITS EXPENSES

Salary, Wages, Other Allowances & Benefits	21,27,94,786	20,52,07,124
Contribution towards provident and other funds	1,98,51,079	2,32,28,055
Bonus	<u>2,40,405</u>	<u>2,92,097</u>
	<u>23,28,86,270</u>	<u>22,87,27,276</u>

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 31/03/2017	As on 31/03/2016	As on 31/03/2017	As on 31/03/2016
1. Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
2. Table Showing Changes in Present Value of obligations				
Present value of obligations as at beginning of year	9,44,80,796	8,87,16,600	6,60,47,758	5,83,79,847
Interest cost	75,58,464	70,97,328	52,83,821	46,70,388
Current Service Cost	9,64,165	11,56,102	36,02,917	38,87,879
Benefits Paid	55,53,941	10,00,061	21,55,099	4,48,792
Actuarial (gain)/Loss on obligations	-2,15,747	-14,89,173	-65,59,264	-4,41,564
Present value of obligations as at end of year	9,72,33,737	9,44,80,796	6,62,20,133	6,60,47,758
3. Table Showing Changes in the Fair Value of Plan Assets				
Fair value of plan assets at beginning of year	9,17,59,747	8,56,53,306	5,13,07,445	4,77,67,782
Expected return on plan assets	73,86,144	70,92,531	41,98,235	39,66,806
Contributions	—	13,971	—	21,649
Benefits paid	55,53,941	10,00,061	21,55,099	4,48,792
Actuarial Gain / (Loss) on Plan assets	—	—	—	—
Fair value of plan assets at the end of year	9,35,91,950	9,17,59,747	5,33,50,581	5,13,07,445
4. Table Showing Fair Value of Plan Assets				
Fair value of plan assets at beginning of year	9,17,59,747	8,56,53,306	5,13,07,445	4,77,67,782
Actual return on plan assets	73,86,144	70,92,531	41,98,235	39,66,806
Contributions	—	13,971	—	21,649
Benefits Paid	55,53,941	10,00,061	21,55,099	4,48,792
Fair value of plan assets at the end of year	9,35,91,950	9,17,59,747	5,33,50,581	5,13,07,445
Funded status	-36,41,787	-27,21,049	-1,28,69,552	-1,47,40,313
Excess of Actual over estimated return on plan assets	—	—	—	—
5. Actuarial Gain/Loss recognized				
Actuarial gain/(Loss) for the year - Obligation	2,15,747	14,89,173	65,59,264	4,41,564
Actuarial (gain)/Loss for the year - plan assets	—	—	—	—
Total (gain)/Loss for the year	-2,15,747	-14,89,173	-65,59,264	-4,41,564
Actuarial (gain)/Loss recognized in the year	-2,15,747	-14,89,173	-65,59,264	-4,41,564
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	9,72,33,737	9,44,80,796	6,62,20,133	6,60,47,758
Fair value of plan assets as at the end of the year	9,35,91,950	9,17,59,747	5,33,50,581	5,13,07,445
Funded status	-36,41,787	-27,21,049	-1,28,69,552	-1,47,40,313
Net Asset/(liability) recognized in balance sheet	-36,41,787	-27,21,049	-1,28,69,552	-1,47,40,313
7. Expenses recognized in Statement of Profit & Loss				
Current Service cost	9,64,165	11,56,102	36,02,917	38,87,879
Interest Cost	75,58,464	70,97,328	52,83,821	46,70,388
Expected return on plan assets	73,86,144	70,92,531	41,98,235	39,66,806
Net Actuarial (gain)/Loss recognized in the year	-2,15,747	-14,89,173	-65,59,264	-4,41,564
Expenses recognized in statement of Profit & Loss	9,20,738	-3,28,274	-18,70,761	41,49,897

PARTICULARS	AS AT 31st MARCH, 2017 AMOUNT (₹)	AS AT 31st MARCH, 2016 AMOUNT (₹)
NOTE 27: FINANCE COSTS		
Interest on loan against FDR's for working capital	2,75,666	5,41,084
Finance Charges	<u>2,03,541</u>	<u>2,07,131</u>
	4,79,207	7,48,215
NOTE 28: OTHER EXPENSES		
(A) MANUFACTURING & INSTALLATION EXPENSES		
Stores & Spares	15,87,862	17,30,352
Power & Fuel	61,71,068	69,97,479
Freight	1,96,796	1,53,378
Installation charges/ AMC Services Expenses	42,53,113	88,90,662
Miscellaneous Production expenses	<u>10,11,086</u>	<u>14,19,921</u>
	1,32,19,925	1,91,91,792
(B) ADMINISTRATION AND OTHER EXPENSES		
Travelling & conveyance (including for directors Rs. 25,395/- (Rs. 87,428/-)	43,97,309	39,49,696
Printing & Stationery	6,02,648	7,08,786
Rent	1,85,930	1,15,830
Office electricity & Water	1,90,858	2,16,417
Postage, Telephone & Telex	7,62,935	7,79,070
Property Tax	17,12,884	17,91,937
Insurance (net)	3,68,970	2,88,703
Rates & Taxes	7,73,291	6,28,708
Directors sitting fee	2,17,500	2,38,035
Meeting expenses	87,062	1,28,382
Staff recruitment/training expenses	29,989	—
REPAIR & MAINTENANCE :-		
Building	1,44,463	36,284
Plant & Machinery	6,78,921	7,46,359
General maintenance	4,51,382	3,19,304
Vehicle running & maintenance	1,360,634	11,59,776
Membership fee and subscription	22,551	44,646
Internal audit fees & expenses	1,00,000	1,00,000
Auditors payments:-		
Audit fee	1,60,000	1,50,000
Tax audit fees	40,000	40,000
Out of pocket	17,500	38,450
Certification & other services	85,000	85,000
Legal & professional fees	5,32,663	15,27,618
Office Expenses	1,22,84,122	1,05,40,699
Miscellaneous expenses	6,29,644	5,49,032
Secretarial Audit Fee	70,000	70,000
Forward Premium	82,421	2,41,579
Bank charges	<u>1,13,973</u>	<u>1,78,926</u>
	2,61,02,650	2,46,73,236
Provisions		
Provision for slow moving stocks	13,17,128	2,87,608
Provision for Doubtful Debts	16,34,001	72,189
Amount written off	—	941
Total Administration & Other Expenses	<u>29,51,129</u>	<u>3,60,738</u>
	2,90,53,779	2,50,33,974

PARTICULARS	AS AT	AS AT
	31st MARCH, 2017 AMOUNT (₹)	31st MARCH, 2016 AMOUNT (₹)
(C) SELLING AND DISTRIBUTION COSTS		
Advertisement and publicity	2,85,479	1,94,420
Sales promotion expenses	8,87,650	7,65,433
Freight outwards (net)/State taxes	17,02,984	5,14,437
Packing & Forwarding expenses	46,74,792	30,45,429
Service Expenses	1,06,506	31,285
	<u>76,57,411</u>	<u>45,51,004</u>
(D) PRIOR PERIOD ITEMS		
Prior Period Income		
Administrative Expenses written back	-6,76,347	-26,534
Prior Period Expenses		
Manufacturing Expenses	—	21,220
Administrative Expenses*	—	3,052
Depreciation for FY 2014-15**	—	11,47,034
Net (Income)/ Expenses	<u>-6,76,347</u>	<u>11,44,772</u>
* 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)	<u>4,92,54,768</u>	<u>4,99,21,542</u>
NOTE 29 : EXCEPTIONAL ITEMS		
Provision against Interest Accrued #	—	36,89,325
# Refer Note 15 of the Financial Statements	—	36,89,325
NOTE 30 : EARNINGS PER SHARE		
Profit / (Loss) after Tax (₹)	-5,63,40,411	-10,47,57,974
Profit / (Loss) after Tax Before Extraordinary Items (₹)	-5,63,40,411	-10,10,68,649
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 (₹)	-4.69	-8.71
Diluted Earning/ (-Loss) Per Share (₹)	-4.69	-8.71
Basic Earning/(-Loss) Per Share before extraordinary items (₹)	-4.69	-8.41
Diluted Earning/ (-Loss) Per Share before extraordinary items (₹)	-4.69	-8.41
	(Figures in brackets denote previous year figures)	(₹ In Lacs)
NOTE : 31 : Contingent liabilities not provided for in the accounts :		
	31.03.2017	31.03.2016
a) Bank guarantees and Letter of credits *	2,574.12	(2,674.54)
b) Claims against company, not acknowledged as debts,		
- by Sales Tax authorities**	46.29	(44.09)
- by Excise & Custom authorities	30.20	(30.20)
c) Court cases #	2,524.99	(2,360.62)
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 8, 12, 15 & 29)		
*Includes expired guarantees for Rs. 0.45Lacs (Rs. 0.73 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.		
# Includes C-Dot Case. Refer Note 35		
*** Company received a Demand Notice from PSPCL Mohali which is being contested through the Lessee as per Lease Agreement.		

PARTICULARS	AS AT 31st MARCH, 2017 AMOUNT (₹)	AS AT 31st MARCH, 2016 AMOUNT (₹)
<p>NOTE : 32 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.</p>		
<p>NOTE : 33 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</p>		
<p>NOTE : 34 The company has reviewed the inventories at the year end and consequently provided for Rs.9.01 Lacs (Rs.0.88 Lacs) and Rs.4.16 Lacs (Rs. 1.99 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 Rs. 16.34 lacs (Rs. 0.72 lacs) in respect of doubtful debts and advances has been provided for during the year. The provision as on 31st March 2017 is considered adequate.</p>		
<p>NOTE : 35 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.83.02 Lacs (Rs. 57.62 Lacs) on account of non payment of award amount has been shown as contingent liability, pending appeal in the Hon'ble High Court, Delhi.</p> <p>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.</p>		
<p>NOTE : 36 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 31. 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.</p>		
<p>NOTE : 37 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.</p>		
NOTE : 38 CIF VALUE OF IMPORTS		(₹ in lacs)
	31.03.2017	31.03.2016
a) Raw Materials	257.06	125.63
b) Components & Spares	0.36	0.00
c) Capital Goods	0.00	170.59
d) Repair & Maintenance. (P&M Import)	2.99	0.26
NOTE : 39 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 : 40 EARNING IN FOREIGN EXCHANGE		
FOB Value of export during the year	Nil	Nil

NOTE : 41 CONSUMPTION OF RAW MATERIALS, STORES AND SPARES

(₹ in lacs)

Raw Materials, Traded Goods Stores & Spares

Imported	16.98%	257.08	12.40%	144.66
Indigenous	83.02%	1,256.68	87.60%	1,021.79
	100%	1,513.76	100%	1,166.45

NOTE : 42 Related party transactions

RELATION	Name of Party / Person
Holding Company	Punjab Information & Communication Technology Corporation Limited (PICTCL)
Key Management Personnel (CEO)	Sh. Vikas Pratap, IAS
Key Management Personnel (E.D)	Sh. A. K. Pathak (Retired on 30.11.2016)
Key Management Personnel (CFO)	Sh. J. S Bhatia
Key Management Personnel (CS)	Sh. Madhur Bain Singh

Details of related party transactions during the year FY 2016-17 and balances outstanding as at 31st March, 2017:

(₹ in lacs)

Nature of transaction	Holding Company	CEO	E.D.	CFO	CS
Salary	—	—	22.07	27.66	13.61
Balances outstanding as on 31.03.17*	—	—	—	—	—
Previous year figures: Salary	—	—	26.46	25.26	12.28
Balances outstanding as on 31.03.16	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-14.

Note : 43 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

SR. 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, 19, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**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. Property, Plant and Equipment (PPE)

The cost of an item of property, plant and equipment comprises:

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

Depreciation

- a) The depreciation on property, plant and equipment is provided on written down value (WDV) method at the rates determined after taking into account the prescribed useful life for respective class of PPE asset as given below in order to comply with Schedule II of the Companies Act, 2013. The property, plant and equipment amounting to Rs. 5000/-or less individually purchased during the year are depreciated at the rate of 100%. Residual value has been taken as 5% of original cost of PPE 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.

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.

IV. 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.

V. 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.

VI. Investments

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

VII. 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.

VIII. Valuation of Inventories

- a) Inventories are valued at the lower of cost or estimated net realizable value. Inventories are valued according to FIFO method of valuation.
- b) Cost of Work in process includes cost of material plus direct labour.
- c) Cost of Finished sub assemblies includes cost of material plus overheads apportioned on the basis of actual stage of completion as at year end.
- d) Finished goods are valued at lower of cost or net realizable value.
- e) Goods received after the cut off date (for physical verification as at the year end) and goods for which the documents are retired are 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.

IX. 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"

X. 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.

XI. 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.

XII. 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 recognize 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 with in 12 months from the date of Balance Sheet is classified under head Short term Provisions.

XIII. 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

XIV. 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.

XV. Provision, Contingent Liabilities and Contingent Assets

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

XVI. 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.

XVII. 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.

SR. V.C. & M.D.

DIRECTOR

C.F.O.

C.S.

A.M.-FINANCE

PUNJAB COMMUNICATIONS LIMITED

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

	I	II
a) Name of the Subsidiary	Punjab Digital Industrial System Ltd.	PCL Telecom Ltd.
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:**
- 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.
 - 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
SR. 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 : 19 May, 2017

PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ In lacs)

	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	-5,63,40,411	-10,47,57,974
Adjustment for :-		
Depreciation & Amortization	52,64,847	33,76,615
Long term Provision for Employee Benefits	-18,55,954	33,20,607
Short term Provision for Employee Benefits	6,08,606	7,38,555
Amounts written back	-7,905	-7,904
Interest & other financial expenses	4,79,207	7,48,215
Profit on sale of fixed assets	-9,63,603	—
Interest/Rental Income	-2,86,97,396	-2,07,26,873
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	-8,15,12,609	-11,73,08,759
Adjustment for :-		
Trade and Other Receivables	-98,15,996	2,37,47,504
Inventories	-3,78,15,665	6,67,626
Trade and Other Payables	43,20,661	45,58,171
Other current liabilities	4,15,60,451	9,14,17,822
Other current assets	91,16,050	-1,13,19,921
Short Term Loans and Advances	15,61,312	-29,44,967
CASH FROM/(USED IN) OPERATIONS	-7,25,85,797	-1,11,82,524
Income Tax Refund (Paid)	1,01,48,173	25,98,525
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	-6,24,37,624	-85,83,999
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-55,35,496	-1,81,14,319
Sale of Fixed Assets	12,11,000	—
Movement in Non- Current Investments	—	-6,98,74,000
Movement in Non- Current Assets	6,97,88,589	-10,21,14,009
Movement in Long term Liabilities	30,30,830	3,69,996
Long Term Loans and Advances	-1,06,26,995	4,69,946
Interest/Rental Income	2,86,97,396	2,07,26,873
Other Bank Balances	-4,05,20,417	18,22,89,219
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	4,60,44,907	1,37,53,706
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-2,75,665	-7,48,215
Movement in Working Capital Borrowings	50,05,526	—
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	47,29,861	-7,48,215
Net Change in Cash & Cash Equivalents (A+B+C)	-1,16,62,856	44,21,492
Cash & Cash Equivalents at the beginning of the year	2,11,30,894	1,67,09,402
Cash & Cash Equivalents at the end of the year	94,68,038	2,11,30,894

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

Date : May 19, 2017

SR. 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, 2017. 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 19, 2017

CA HARCHARAN SINGH GREWAL
PARTNER
M No:083692

Annual Report 2016-2017

INDEPENDENT AUDITORS' REPORT

To
The Members,
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, 2017**, 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; and design, implementation and maintenance of adequate internal financial controls, 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 there under.

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 judgment, 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 2017;
- 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 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 8, 12 & 15 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 provision 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 UPCSML on 30th January, 2016 and also filed a fresh suit against the State of UP through Special Secretary, Industrial Development on 11th March, 2016.

INDEPENDENT AUDITORS' REPORT

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 of Bank Guarantee of the same amount.

However, the Hon'ble Supreme Court of India vide its Order dated 19th January, 2015 directed the Civil Court, Lucknow to refund the amount of Rs.735.63 Lacs to the U. P. 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 U. P. State the party to this petition under which the Bonds were invested. However, the said Order is pending for execution. Taking cognizance of the same, the Company accounted for the same as liability of Rs.735.63 Lacs in the FY 2015-16 due to District Court, Lucknow and it has been reflected under Note 8 to the financial statements.

- (b) Attention is invited to Note 7 and 17 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 the financial statements.
- (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 yet been ascertained.
- (d) As per the explanation and information provided to us, the Company has been selected for Disinvestment by the Cabinet Committee on Disinvestment, Government of Punjab but no final decision in respect of disinvestment mode has been taken during the year under review.

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

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 purpose 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 and as amended from time to time.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, as amended by Companies (Audit and Auditors) Amendment Rules, 2017, dated 30th March, 2017, 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 31 and 35 to the financial statements;

INDEPENDENT AUDITORS' REPORT

- 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 under Matter of Emphasis and Note 36 of the financial statements.
- iii. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to its holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the Management Representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced before us by the Management.

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

Place : Chandigarh
Date : May 19, 2017

CA HARCHARAN SINGH GREWAL
PARTNER
M. No: 083692

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT OF
PUNJAB COMMUNICATIONS LIMITED FOR F.Y. 2016 - 17**

- 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 records 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 listed in the register maintained under section 189 of the Companies Act, 2013.
- 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 there under.
- 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 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 31st March, 2017 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, admitted by the Department.
4.	Sales Tax demand	Rs.14.67 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, admitted by the Department.

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.
11. That 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 05th 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.

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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 given 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 45-1A of the Reserve Bank of India Act, 1934.

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

CA HARCHARAN SINGH GREWAL
PARTNER
M. No: 083692

Place : Chandigarh
Date : May 19, 2017

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF
PUNJAB COMMUNICATIONS LIMITED FOR F.Y. 2016 - 17**

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

We have audited the internal financial controls over financial reporting of **Punjab Communications Limited** ("the Company") as of **31st March, 2017** in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility over 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 by 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 have 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 applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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.

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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. pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provides 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. provides 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 may 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal financial controls 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

Place : Chandigarh
Date : May 19, 2017

CA HARCHARAN SINGH GREWAL
PARTNER
M. No: 083692

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

As per the directions issued u/s Section 143 (5) of the Companies Act 2013, we report that:

1. As per information and records provided to us, the company has clear title deeds for immovable properties.
2. As per information and explanations provided to us, there is no case of waiver/write off of debts/loans/interest during the year under audit.
3. As per information and explanations provided 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 per information and explanations provided to us, there is no dispute in any contract for supply of hardware or software.
5. As per information and explanations provided to us, the company does not provide manpower services to any agency, thus, 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. As per information and explanations provided to us, no grants have been received by the company during the year under audit.

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

Place : Chandigarh
Date : May 19, 2017

CA HARCHARAN SINGH GREWAL
PARTNER
M. No: 083692

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **PUNJAB COMMUNICATIONS LIMITED** for the financial year ended **31st March, 2017** 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 : Chandigarh
Date : May 19, 2017

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, 2017

The preparation of financial statements of **Punjab Communications Limited** for the year ended **31 March 2017** 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 **19 May 2017**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Punjab Communications Limited** for the year ended **31 March 2017**. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors report.

**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 23, 2017**

BOARDS' REPORT

Your Board have pleasure in presenting the Thirty Sixth Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2017 along with Independent Auditors' Report thereon and Secretarial/Audit Report for the financial year under report.

Financial Results

(₹ In lacs)

Particulars	2016-17	2015-16
Gross Income	3953.86	3112.44
Total expenditure	4265.24	3956.39
Profit before tax	(563.40)	(1047.58)
Profit/Loss after tax	(563.40)	(1047.58)
Dividend	Nil	Nil
Paid up equity	1202.36	1202.36
Profit/Loss appropriated to General Reserve	0.00	0.00
Profit/Loss Account	(1610.98)	(1047.58)
Reserves (Including Capital Reserves)	6595.52	7159.01
Net fixed assets	566.39	566.23
Capital employed	8013.44	8565.17
Earning/Loss per share (in ₹)	(4.69)	(8.71)
Cash earning/loss per share (in ₹)	(4.00)	(8.10)
Book value per share (in ₹)	64.88	69.56

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 as prescribed under the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulations") and 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:

- i) That in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;
- iii) 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;
- iv) That the Directors have prepared the annual accounts for the financial year ended 31st March 2017, on a going concern basis; and
- v) 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.
- vi) 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 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 qualification(s), reservation(s) or adverse remark(s)**Management's Reply to Statutory Auditors Remarks / Emphasis of Matters :**

There are no qualification / reservation / adverse remarks made by the Statutory Auditors. However, there are Emphasis of Matters which are hereby explained by the Board as follows :-

M/s **Grewal & Singh**, Chartered Accountants, was appointed as Statutory Auditors of the Company for the financial year 2016-17. Notes to accounts forming part of Annual Accounts are self- explanatory and exhaustive to the remarks of Auditors in their report dated 19th May, 2017.

- 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 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 was 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 of India had decided against the ex-parte decree earlier made in favor of the company and directed the Civil Court, Lucknow (Executing / Trial Court) to refund the amount to UP State Government. The execution of the said order is pending at District Court Lucknow. In view of the Hon'ble Supreme Court of India's Decision, the company has accounted for the same and liability of Rs. 735.63 lacs has been reflected under Note-8. Above mentioned Bank Guarantee of Rs. 735.63 lacs can be invoked by the Court anytime. Since the decree was issued against UPCSML and State of UP and Hon'ble Supreme Court of India has considered that the State of UP was Ex-parte. Pursuant to the Hon'ble Supreme Court of India's order, the company has filed the execution of earlier decree issued in favour of Puncom against the UPCSML on 30.01.2016 and also filed a fresh suit against the State of UP through Special Secretary, Industrial Development on 11.03.2016.

On the other hand, 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. The company has also filed the claim with the official liquidator of UPCSML on 23.05.2016. 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.

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: 8, 12 & 15 of financial statements. [Refer Matter of Emphasis Para (a) of Independent Auditors' Report]

- Regarding the matter of balance confirmations, 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 Matter of Emphasis Para (b) of Independent Auditor's Report]

1. 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 of Significant Accounting Policy at Point I(b) and the same are being followed consistently. [Refer Emphasis of Matter Para (c) of Independent Auditors' Report]
2. 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 2016-17 [refer Matter of Emphasis Para (d) of Independent Auditor's Report]

Management's reply to Secretarial Auditors' Report

There are no qualification / reservation / adverse remarks made by the Secretarial Auditor, M/s A. Arora & Company (Practicing Company Secretaries) in their report. The Secretarial Audit Report is also enclosed herewith as MR 3 which is self explanatory and thus need no comments.

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, there is a marked improvement in the performance of company in terms of sales and productivity. Sales of all the main products viz, PLCC, V-Mux and Power Plant have gone up due to aggressive marketing strategies. The company is looking for tie ups with other companies and technologies to improve its product line. The company has successfully introduced its MUX equipment, after making suitable technical changes, in the power sector. Company is also taking new initiatives and formulating new strategies to aggressively make further inroads in the solar business.

With remarkable and aggressive marketing strategies clubbed with excellent planning and production, Puncom has been able to achieve a healthy turnover of Rs. 3047.92 lakhs in financial year 2016-2017 besides income of Rs. 905.94 lakhs from other activities.

Corporate Plan/ Market Scenario of our product

Puncom has made substantial efforts to successfully increase the market share of its PLCC products in last year. Puncom has successfully introduced its V-Mux in PGCIL and the project is under execution in J&K state. Efforts are being made to bid for SDH & PDH tenders from power sector by tie-up with established SDH manufacturers as well as 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 already has the strength to execute indoor OFC works. However, since most of the railway tenders now are being floated by clubbing both indoor and outdoor OFC works, Puncom is making efforts to strengthen its resources for executing such works as well. This would help Puncom in improving its market share in Railways besides the sales turnover. Though there is stiff competition in power plant market in power sector, Puncom is making efforts to get orders for the same. In last year Puncom received good orders from railways for power plants also.

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 contributes towards sales turnover but also helps in strengthening the performance of Puncom equipment in various networks of Railways, power 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 and 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 intellectual property 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. 563.40 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 2016-17.

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, 2017 till the date of this report i.e. 17th August, 2017 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:

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

- ii) Benefits derived:

Company is able to achieve significant cost reduction and improvement in the products and generate new markets; and as a result is 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 2016-2017 in terms of actual inflows and actual outflows is given as follows: (₹ in lacs)

	Current Year	Previous Year
EARNINGS		
F.O.B. value of Export	NIL	NIL
OUTGO		
i) CIF value of import of raw material	257.06	125.63
ii) Components & Spares	0.36	0.00
iii) Capital goods	0.00	170.59
iv) Repair & Maintenance (P&M) Imports	2.99	0.26
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 Obligations and Disclosure Requirements), Regulations 2015 (LODR).

Corporate Social Responsibility

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

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, the Board evaluation procedure is not applicable on us (exempted to Govt. Cos.), however there is a system in place for evaluation of performance of the Board, its committees and individual directors.

The performance of all the directors except Independent Directors was evaluated by the Nomination and Remuneration Committee in their 2nd Meeting held on 20th March, 2017 and the performance of Independent Directors was evaluated by the entire Board (except by the Director being evaluated) in their 190th Meeting held on 19th May, 2017.

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 2016-2017, 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 17th August, 2017.

Smt. Shruti Singh, IAS has been appointed as Additional Director in the Capacity of Sr. Vice-Chairperson, vide Resolution by Circulation dated 11th August, 2016 in place of Sh. Raj Kamal Chaudhuri, IAS w.e.f. 9th August, 2016 on the Board of Puncom as nominated by Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICT/SECTL/2043 dated 9th August, 2016. Further, the appointment of Smt. Shruti Singh, IAS as Director in the capacity of Sr. Vice Chairperson of the Company was regularized in the 35th AGM of the Company held on 21st September, 2016.

Sh. A. K. Pathak, Executive Director resigned from the Board of Puncom w.e.f.16.12.2016 owing to his retirement on 30.11.2016 from service in Puncom.

Further, Sh. D.P. Reddy, IAS has been appointed as Additional Director w.e.f. 19th May, 2017. Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICT/SECTL/1072 dated 14th June, 2017 appointed Sh. D. P. Reddy, IAS as Chairman. Further, Puncom vide Resolution by Circulation dated 15th June, 2017 formalized the above said appointment as Chairman of Puncom.

Thereafter, Sh. D.P. Reddy, IAS has ceased to be the Additional Director / Chairman of Puncom on 28.06.2017 as per Order of Govt. of Punjab vide Order No.6/1/2017-IAS(3)/1790 dated 23.06.2017

Subsequent to that Sh. R. K. Verma, IAS has been appointed as Additional Director in the capacity of Chairman of our company w.e.f. 10th August, 2017.

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. However, it is pertinent to point out that with the existence of National Company Law Tribunal (NCLT) / National Company Law Appellate Tribunal (NCLAT), the winding up case has been transferred from Hon'ble Punjab & Haryana High Court to NCLT / NCLAT.

Deposits

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

Details of significant and material orders passed

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

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	884182	NIL
2.	Er. A.K. Pathak*	884182	4.15

- 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	6.58%
2.	Sh. Jagdeep Singh Bhatia	CFO	5.64%
3.	Sh. Madhur Bain Singh	CS	5.48%

* Sh. A.K. Pathak (Whole-Time Director) retired on 30.11.2016 and for the purpose of calculations under point (a) and (b) above, the remuneration has been annualized.

- c) Percentage increase in the median remuneration of employees in the financial year: **6.08%**
d) Number of permanent employees on rolls of the Company as on 31/03/2017 : **226**
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	Percentage of equity shares held	Whether relative of any director or manager (if so, name of such director / manager)
1	Sh. Jagdeep Singh Bhatia	DVP	27.66	Regular	BCOM, ICWAI; Over 33 yrs	01.07.88	52y	CDIL	Nil	No
2	Sh. Jasmeet Singh Ghuman	DVP	27.54	Regular	MBA and BE; Over 27 yrs	21.01.91	50y	Hindustan Lever & Godrej	Nil	No
3	Sh. Rupinder S Mainee	AVP	24.48	Regular	BSc & MBA; Over 30 yrs	09.03.89	51y	Delta Hamlin Ltd.	Nil	No
4	Sh. A.K. Pathak	DVP	22.07*	Regular	BE & M.Tech; Over 37 yrs	06.09.91	60y	UPTRON	Nil	He himself is an Executive Director
5	Ms. Namita Sharma	GM	19.72	Regular	BE; Over 22 yrs	17.11.93	45y	Nil	Nil	No
6	Ms. Raminder Kaur	Addl. GM	18.55	Regular	BE(Electronics) and PGDOM Over 22 yrs	08.07.93	44y	Nil	Nil	No
7	Sh. Sanjay Garg	DGM	15.95	Regular	MSc(Physics); Over 26 yrs	23.09.91	51y	'The Oriental Apparatus Workshops'.	Nil	No
8	Sh. Raman Kumar Sharma	AGM	15.79	Regular	BE(CS) & MBA (Marketing); Over 19 yrs	02.09.96	42y	Nil	Nil	No
9	Ms. Amardeep Kaur	DGM	15.70	Regular	BE(Electronics); Over 22 yrs	05.10.93	47y	Nil	Nil	No
10	Sh. B.C. Chowdhary	GM	15.29**	Regular	BA, LLB; Over 35 yrs	30.09.92	60y	Punjab Electro-Optics Systems Ltd.	Nil	No

*Salary of Sh. A.K. Pathak is calculated up to date of his retirement i.e 30.11.2016

**Salary of Sh. B.C. Chowdhary is calculated up to date of his retirement i.e 31.12.2016

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

The Board pursuant to the provision of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. A. Arora & Company, Practising Company Secretaries, having Membership No.2191 to conduct Secretarial Audit for the financial year 2016-17.

M/s. A. Arora & Company, Practising Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2017 and their Secretarial Audit Report in Form No. MR-3 is annexed herewith this report as **Annexure 5** and forms part of the report.

The report is self explanatory and requires no comments.

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 Committees (ICC). During the year, 1 complaint with allegations of sexual harassment was filed with the Company and as the comments were not of direct nature and the case was disposed off with warnings and some procedural changes.

The Board discussed the matter in its 190th Meeting held on 19th May, 2017 and it was decided to include with immediate effect Ms. Neena Singh, running a NGO and an Independent Director on the Board as External Member of the Internal Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This reconstituted Committee re-examined the aforesaid case and has given its recommendations to the Competent Authority. After re-examination the findings of the committee were similar to the earlier one.

As a routine, one workshop or awareness programme against sexual harassment were carried out during the financial year under report.

Cautionary Statement

Certain statements in the Boards' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable laws, rules and regulations. Actual results might differ from those expressed or implied.

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

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

Acknowledgement

The Board places on record its gratitude to various State Transmission Corporations, Department of Railways, PGCIL and other esteemed customers in India and abroad. The Board also places on record its gratitude to 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, PF & Labour Department etc.

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

The Board also places on record its appreciation for the dedication, commitment and hard work of Divisional Heads and 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.

Place : S.A.S. Nagar
Date : August 17, 2017

For and on behalf of the Board of Directors

(R.K. VERMA), IAS
CHAIRMAN

List of Annexures to the Boards' Report

- 1) MGT 9
- 2) AOC 2
- 3) Corporate Governance Report
- 4) Management Discussion and Analysis 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 31.03.2017

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 2(45) of Companies Act, 2013
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
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	51.10
2	VMUX	2630	19.59
3	Income from traded items	61900	18.96

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	85,60,976	9,800	85,70,776	71.28%	85,60,976	9,800	85,70,776	71.28%	0.00%
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%
Sub Total (A) (1)	85,60,976	9,800	85,70,776	71.28%	85,60,976	9,800	85,70,776	71.28%	0.00%
(2) Foreign									
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%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	85,60,976	9,800	85,70,776	71.28%	85,60,976	9,800	85,70,776	71.28%	0.00%

The Shareholding of Promoter is comprises of 8551501 numbers of Shares (demated) of PICTCL, 9800 numbers of Shares (physical) of PSEDPL (earwhile name of PICTCL) & 9475 numbers of Shares (demated) of PSIDC (another Corporation of Government of Punjab). 9800 Shares have been sold by PSEDPL long back somewhere in the year 2000 but has not been registered for transfer by the buyers in his/her name. Further this is to certify that 100% holding of the Promoter is in demat form. The Promoter Sharholding has been regrouped with the inclusion of PSIDC as Promoter Corporation.

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)	-	-	-	0.00%	-	-	-	0.00%	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	5,75,000	-	5,75,000	4.78%	5,75,000	-	5,75,000	4.78%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):	6,08,634	4,300	6,12,934	5.10%	6,08,634	4,300	6,12,934	5.10%	0.00%

2. Non-Institutions

a) Bodies Corp.	6,19,146	29,933	6,48,779	5.40%	7,34,535	29,633	7,64,168	6.36%	0.96%
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 share holders holding nominal share capital upto Rs. 1 lakh	12,18,737	4,91,569	17,10,306	14.22%	12,80,999	4,85,073	17,66,072	14.69%	0.46%
ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	4,66,607	-	4,66,607	3.88%	2,95,729	-	2,95,729	2.46%	-1.42%
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	13,544	200	13,744	0.11%	13,267	200	13,467	0.11%	0.00%
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%
Sub-total (B)(2):	23,18,453	5,21,402	28,39,855	23.62%	23,24,949	5,14,906	28,39,855	23.62%	0.00%
Total Public (B)	29,27,087	5,25,702	34,52,789	28.71%	29,33,583	5,19,206	34,52,789	28.72%	0.00%
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	0.00%	NIL	NIL	NIL	0.00%	0.00%
Grand Total (A+B+C)	1,14,88,063	5,35,502	1,20,23,565	100.00%	1,14,94,559	5,29,006	1,20,23,565	100.00%	0.00%

(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. (PICTCL)	85,51,501	71.12%	0.00%	85,51,501	71.12%	0.00%	0.00%
2	Punjab State Electronics Dev. & Pro. Corp. Ltd* (PSEDPCL)	9,800	0.08%	0.00%	9,800	0.08%	0.00%	0.00%
3	Punjab State Industrial Development Corporation Ltd** (PSIDC)	9,475	0.08%	0.00%	9,475	0.08%	0.00%	0.00%

*9800 Shares have been sold by PSEDPCL (earwhile name of PICTCL) 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.

**9475 Equity Shares are held by Punjab State Industrial Development Corporation Ltd. (another Corporation of Government of Punjab).

**Promoters Shareholding has been regrouped with the inclusion of PSIDC as Promoter Corporation.

(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			85,70,776	71.28%	85,70,776	71.28%
	Changes during the year		Nil	-	-	-	0.00%
	At the end of the year			-	-	85,70,776	71.28%

The Shareholding of Promoter is comprises of 8551501 numbers of Shares (demated) of PICTCL, 9800 numbers of Shares (physical) of PSEDPCL (earwhile name of PICTCL) & 9475 numbers of Shares (demated) of PSIDC (another Corporation of Government of Punjab). 9800 Shares have been sold by PSEDPCL long back somewhere in the year 2000 but has not been registered for transfer by the buyers in his/her name. Further this is to certify that 100% holding of the Promoter is in demat form. The Promoter Shareholding has been regrouped with the inclusion of PSIDC as Promoter Corporation.

(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	31/03/2016		5,75,000	4.78%	5,75,000	4.78%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2017		5,75,000	4.78%	5,75,000	4.78%
2	Religare Securities Ltd						
	At the beginning of the year	31/03/2016		2,47,525	2.06%	2,47,525	2.06%
		27/05/2016	Sale	(1,97,500)	-1.64%	50,025	0.42%
		10/06/2016	Purchase	100	0.00%	50,125	0.42%
		24/06/2016	Sale	(100)	0.00%	50,025	0.42%
		08/07/2016	Purchase	110	0.00%	50,135	0.42%
		22/07/2016	Purchase	119	0.00%	50,254	0.42%
		01/08/2016	Sale	(229)	0.00%	50,025	0.42%
		05/08/2016	Purchase	110	0.00%	50,135	0.42%
	Changes during the year	26/08/2016	Sale	(100)	0.00%	50,035	0.42%
		09/09/2016	Sale	(10)	0.00%	50,025	0.42%
		16/09/2016	Purchase	50	0.00%	50,075	0.42%
		14/10/2016	Sale	(50)	0.00%	50,025	0.42%
		28/10/2016	Purchase	21	0.00%	50,046	0.42%
		04/11/2016	Sale	(10)	0.00%	50,046	0.42%
	16/12/2016	Purchase	9	0.00%	50,045	0.42%	
	30/12/2016	Sale	(20)	0.00%	50,025	0.42%	
	At the end of the year	31/03/2017		-	0.00%	50,025	0.42%

3	Giraben Atulbhai Shah						
	At the beginning of the year	31/03/2016	-	1,75,400	1.46%	1,75,400	1.46%
	Changes during the year	24/06/2016	Sale	(48,000)	-0.40%	1,27,400	1.06%
	At the end of the year	30/03/2017	-	-	-0.00%	1,27,400	1.06%
4	BMA Wealth Creators Ltd.						
	At the beginning of the year	31/03/2016	-	1,05,700	0.88%	1,05,700	0.88%
		22/04/2016	Purchase	52	0.00%	1,05,752	0.88%
	Changes during the year	14/09/2016	Sale	(1,000)	-0.01%	1,04,752	0.87%
		25/11/2016	Sale	(500)	0.00%	1,04,252	0.87%
	At the end of the year	31/03/2017	-	-	0.00%	1,04,252	0.87%
5	Arjun Vivek Datta						
	At the beginning of the year	31/03/2016	-	82,000	0.68%	82,000	0.68%
	Changes during the year	08/07/2016	Sale	(71,472)	-0.59%	10,528	0.09%
		22/07/2016	Sale	(10,528)	-0.09%	-	0.00%
		01/08/2016	Purchase	82,000	0.68%	82,000	0.68%
		05/08/2016	Sale	(82,000)	0.68%	-	0.00%
	At the end of the year	31/03/2017	-	-	0.00%	-	0.00%
6	Sunaina Naresh Kumar Saraf						
	At the beginning of the year	31/03/2016	-	80,000	0.67%	80,000	0.67%
	Changes during the year	24/06/2016	Purchase	54,000	0.45%	1,34,000	1.11%
		29/07/2016	Sale	(54,000)	-0.45%	80,000	0.67%
		01/08/2016	Purchase	54,000	0.45%	1,34,000	1.11%
		05/08/2016	Sale	(54,000)	0.45%	80,000	0.67%
	At the end of the year	31/03/2017	-	-	0.45%	80,000	0.67%
7	Choice Equity Broking Private Ltd.						
	At the beginning of the year	31/03/2016	-	54,000	0.45%	54,000	0.45%
	Changes during the year	24/06/2016	Sale	(54,000)	-0.45%	-	0.00%
		29/07/2016	Purchase	54,000	0.45%	54,000	0.45%
		01/08/2016	Sale	(54,000)	-0.45%	-	0.00%
		05/08/2016	Purchase	54,000	0.45%	54,000	0.45%
	At the end of the year	31/03/2017	-	-	0.45%	-	0.45%
8	New Consolidated Construction Co. Ltd.						
	At the beginning of the year	31/03/2016	-	50,000	0.42%	50,000	0.42%
	Changes during the year	24/06/2016	Sale	(50,000)	-0.42%	-	0.00%
		30/06/2016	Purchase	49,945	0.42%	49,945	0.00%
		08/07/2016	Purchase	55	0.00%	50,000	0.00%
		06/01/2017	Sale	(50,000)	-0.42%	-	0.00%
	At the end of the year	31/03/2017	-	-	0.42%	-	0.00%
9	Shriram Insight Share Brokers Ltd.						
	At the beginning of the year	31/03/2016	-	42,701	0.36%	42,701	0.36%
	Changes during the year	13/01/2017	Purchase	1,00,000	-0.83%	1,42,701	1.19%
		20/01/2017	Purchase	6,000	0.05%	1,48,701	1.24%
		03/03/2017	Sale	(1,362)	-0.01%	1,47,339	1.23%
	At the end of the year	31/03/2017	-	-	0.00%	1,47,339	1.23%
10	Saleem Jasdammalla						
	At the beginning of the year	31/03/2016	-	45,000	0.37%	45,000	0.37%
	Changes during the year	06/01/2017	Sale	(45,000)	-0.37%	-	0.00%
	At the end of the year	31/03/2017	-	-	0.00%	-	0.00%

11	Punjab National Bank						
	At the beginning of the year	31/03/2016	-	27,134	0.23%	27,134	0.23%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31/03/2017	-	-	0.00%	27,134	0.23%
12	Vincent Trading Private Limited						
	At the beginning of the year	31/03/2016	-	-	0.00%	-	0.00%
	Changes during the year	03/06/2016	Purchase	1,97,500	1.64%	1,97,500	1.64%
	At the end of the year	31/03/2017	-	-	0.00%	1,97,500	1.64%
13	Virtue Ceramics Private Limited						
	At the beginning of the year	31/03/2016	-	-	0.00%	-	0.00%
	Changes during the year	23/09/2016	Purchase	47,500	0.40%	47,500	0.40%
	At the end of the year	31/03/2017	-	-	0.00%	47,500	0.40%

(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 Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	1,542.88	-	-	1,542.88
Reduction	1,492.82	-	-	1,492.82
Net Change	50.06	-	-	50.06
Indebtedness at the end of the financial year				
i) Principal Amount	50.00	-	-	50.00
ii) Interest due but not paid	0.06	-	-	0.06
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	50.06	-	-	50.06

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	Sr. V.C & M.D		Whole-Time Director
1	Gross salary	-	22.07	22.07	
	(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)	-	22.07	22.07	
	Ceiling as per the Act	-	-	-	

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (₹ / Lac)
		CA Rajiv Dewan	Sh. V.P. Chandan	Smt. Neena Singh	
1	Independent Directors				
	Fee for attending board committee meetings	0.78	0.70	0.70	2.18
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.78	0.70	0.70	2.18
2	Other Non-Executive Directors	-	Sh. Anirudh Tewari, IAS	Smt Shruti Singh, IAS	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total Managerial Remuneration	0.78	0.70	0.70	2.18
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹ / Lac)
		Name	Sh. J.S. Bhatia	Sh. Madhur Bain Singh	
	Designation	-	CFD	CS	
1	Gross salary	-	27.66	13.61	41.27
	(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	-	27.66	13.61	41.27

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)
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A. COMPANY

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

B. DIRECTORS

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

C. OTHER OFFICERS IN DEFAULT

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. Despite high premium, the issue was heavily oversubscribed. The company achieved a record Turnover of Rs.157.32cr. 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 optimized 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 REPORTING

Puncom is engaged in the business of manufacturing of telecom products and these activities are covered by same set of risk and returns. Sales have been grouped as single segment in the accounts as per AS- 17 issued by ICAI.

FINANCIAL POSITION

a) Reserves and Surplus

The Reserves of the company stands at Rs. 6595.52 Lakhs as on March 31, 2017.

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 decreased from Rs. 5621.16 Lakhs to Rs 5608.33 Lakhs in the current year.

d) Investments

Non Current Investments stand to the tune of Rs.698.74 Lakhs as on 31st March, 2017. Principal amount of Fixed deposits of the company have decreased to Rs. 6774.97 Lakhs against Rs. 7190.14 Lakhs 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 increased from Rs. 879.98 Lakhs as at 31.03.2016 to Rs. 1258.14 Lakhs as at 31.03.2017.

f) Receivables

Receivables were Rs. 1541.33 Lakhs as at 31.03.2017 as compared to Rs. 1443.17 Lakhs as at 31.03.2016. The debtors are considered to be good but there being some doubtful debts, provision to the tune of Rs. 16.34 Lakhs 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. 542.39 Lakhs as at 31.03.2016 to Rs. 531.63 Lakhs as at 31.03.2017

h) Current Liabilities and Provisions

Total current liabilities have been increased from Rs. 3680.43 Lakhs as at 31.03.2016 to Rs. 4197.41 Lakhs as at 31.03.2017.

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 decreased from Rs. 758.43 Lakhs as at 31.03.2016 to Rs. 667.27 Lakhs as at 31.03.2017.

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 still more MNCs like Thales, ABB, ALSTOM, Honeywell, Schneider etc in these specialized areas. In addition government's increasing focus 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.
- Smart cities.
- 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 increasing 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, a restricted work environment subject to lot of audits etc. This hampers the overall growth and productivity of the organization.

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 unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

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

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

FINANCE REVIEW

Operating Results

a) Sales

During the financial year 2016-17, the sales have increased from Rs.2182.74 Lakhs to Rs. 3047.92 Lakhs. The break-up of the sales on the basis of product and customer is as follows:

Product wise sales	Amount (₹ in Lacs)	
	Particulars	Sale Amount
PLCC	1557.60	51.10%
MUX	597.07	19.59%
Power Plant & EPABX & Others	103.30	3.39%
Traded items	577.76	18.96%
Services	196.66	6.45%
Training Income & Scrap Sale	15.54	0.51%
Total	3047.92	

Customer wise sales
Amount (₹ in Lacs)

Particulars	Sale Amount	Percentage Sale
Power sector	1771.11	58.11%
Railways	830.28	27.24%
PEDA	2.69	0.09%
BSNL	12.40	0.41%
Other customers	415.90	13.65%
Training Income & Scrap Sale	15.54	0.51%
Total	3047.92	

b) Expenditure Analysis
i) Material consumed

Raw material consumed during the year under review is ₹ 1497.87 Lakhs as against ₹ 1149.15 Lakhs 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. decreased from ₹ 191.92 Lakhs to ₹ 132.20 Lakhs in the current year. As a percentage of sales, these decreased from 8.79% in the previous year to 4.34% in the current year.

Administrative expenses mainly comprising of travelling and conveyance, repair and maintenance, office electricity & water, rent and auditors expenses increased from ₹ 250.34 Lakhs to ₹ 290.54 Lakhs. However as a percentage of sales these decreased from 11.47% in the previous year to 9.53% 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 increased from ₹ 45.51 Lakhs to ₹ 76.57 Lakhs in the current year. As a percentage of sales these increased from 2.08% in the previous year to 2.51% 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	13.17
Provision for Doubtful debts and advances	16.34

Thus the overall amount provided for in the accounts during the financial year 2016-17 is to the tune of ₹ 29.51 Lakhs.

iv) Personnel cost

The personnel cost increased from ₹ 2287.27 Lakhs to ₹ 2328.86 Lakhs.

v) Financial costs & Depreciation

The financial charges decreased from ₹ 7.48 Lakhs in the previous year to ₹ 4.79 Lakhs in the current year.

Depreciation increased from ₹ 22.30 Lakhs to ₹ 52.65 Lakhs during FY 2016-17. Further additions in the capital expenditure was booked to the extent of ₹ 55.35 Lakhs during the current year.

vi) Net Profit / Loss

During the current financial year, the company has incurred Net Loss before tax of ₹ 563.40 Lakhs as against Net Loss before tax of ₹ 1047.58 Lakhs during the last year.

vii) Dividend

Owing to inadequate profit, during the previous year, the Directors of the company do not recommend any dividend for the financial year 2016-17.

ISO- 9001:2008 CERTIFICATION

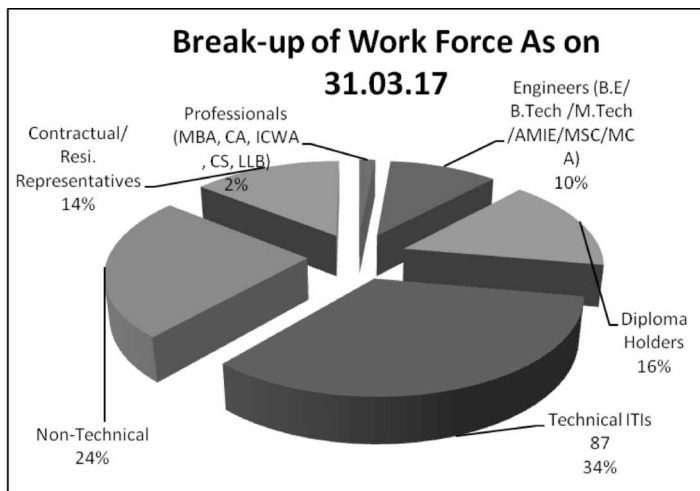
Making quality equipment & services available to its customers is the motto of Puncom. In pursuit of providing quality equipment & services, Puncom processes and procedures conform to the ISO 9001:2008 standard. These procedures and processes are audited once in three years for the recertification of the standard, followed by yearly Surveillance and quarterly Internal Audits. Puncom has successfully completed Surveillance Audit of ISO 9001:2008 standard in April, 2017. The recertification of the company due in early 2018 will be done as per the new ISO standard, ISO 9001:2015, 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 45 years.

Break- up of work force	As on 31 st March, 2017
Professionals (MBA, CA, ICWA, CS, LLB)	04
Engineers (B.E/ B.Tech /M.Tech /AMIE/MSC/MCA)	27
Diploma Holders	41
Technical ITIs	87
Non-Technical	63
Contractual / Resi. Representatives	37
Total (In Nos.)	259



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 2016-17 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 six directors; one executive director being Sr. Vice Chairman-cum-Managing Director and five non-executive directors, of which three are independent directors, who are professionals 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, 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 17th August, 2017) are given here below:

S. No.	Name	Directors' Identification Number	Category	Position in Board
1.	Sh. Rakesh Kumar Verma, IAS	01541990	Non-Executive, Nominee*	Chairman
2.	Sh. Vikas Pratap, IAS	01129385	Executive, Nominee*	Sr.VC & M.D
3.	Smt. Shruti Singh, IAS	06571472	Non-Executive, Nominee*	Sr. Vice Chairperson
4.	Sh. V. P. Chandan, IRSSE (Retd.)	00225793	Non-Executive, Independent	Director
5.	CA Rajiv Dewan	00007988	Non-Executive, Independent	Director
6.	Smt. Neena Singh	00233352	Non-Executive, Independent	Director

*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, took place during the period under review upto 17th August, 2017.

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

Sh. A. K. Pathak, Executive Director, Puncom retired from his services in Puncom after attaining the age of superannuation on 30.11.2016 and accordingly he resigned from the board w.e.f. 16.12.2016.

The name/nomination of Sh. Anirudh Tewari, IAS was withdrawn by Punjab Infotech and accordingly he ceased to be the Chairman/Director on the Board of Puncom w.e.f. 19th April, 2017. Sh. D. P. Reddy, IAS was appointed as additional director w.e.f. 19th April, 2017 and later nominated by Punjab Infotech as Chairman w.e.f. 14th June, 2017

Later, Sh. D.P. Reddy, IAS relinquished the charge of Addl. Chief Secretary (Industries & Commerce), Punjab and accordingly he ceased to be the Additional Director in the capacity of Chairman w.e.f. 28th June, 2017.

Sh. R. K. Verma, IAS has been appointed as Additional Director in the capacity of Chairman of our company w.e.f. 10th August, 2017.

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
186th	Friday	27th May, 2016
187th	Wednesday	3rd August, 2016
188th	Tuesday	8th November, 2016
189th	Tuesday	14th February, 2017

The attendance of Directors at Board Meeting(s) and General Meeting during the Financial Year 2016-17 along with 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 (21-09-2016)	Number of Directorships in other Companies (as per last disclosure given to Co.)	Number of Committee Chairperson/ Membership	
	Attended	Entitled to Attend			Chairperson	Member
Sh. Anirudh Tewari, IAS Chairman	2	4	No	6	-	-
Sh. Vikas Pratap, IAS, Sr.VC & MD	4	4	No	1	-	-
Sh. Raj Kamal Chaudhuri, IAS, VC	-	1	NA*	5	-	-
CA Rajiv Dewan, Director	3	4	No	8	1	3
Sh. V. P. Chandan, IRSSE, Director	3	4	Yes	-	2	-
Smt. Neena Singh, Director	3	4	Yes	2	-	3
Er. A.K. Pathak, Director	3	3	Yes	-	-	2
Smt. Shruti Singh, IAS, Sr.VC	0	3	No	3	-	-

* Director was 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	Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
Sh. Vikas Pratap, IAS	Sr.Vice Chairman & 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.
Smt. Shruti Singh, IAS	Sr. 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 2016-2017 was conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) on 20th March, 2017. 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 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.

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 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 2016-17 as per details given below:

Audit Committee Meeting No.	Day	Date
59th	Friday	27th May, 2016
60th	Monday	1st August, 2016
61st	Tuesday	8th November, 2016
62nd	Tuesday	14th February, 2017

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	3	4
2.	CA Rajiv Dewan, Member	Independent/ Non Executive	4	4
3.	Sh. A. K. Pathak, Member *	Non-Independent/ Executive	3	3
4.	Smt. Neena Singh, Member	Independent/ Non Executive	3	4
5.	CS Madhur Bain Singh, Convener	Compliance Officer	4	4

*Sh. A. K. Pathak resigned as director w.e.f. 16th December, 2016, owing to his retirement from his services after attaining the age of superannuation

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 31.03.2017. 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 atleast half of them to be Independent with the Chairperson being an Independent Director. The committee met for the second time on 20th March, 2017 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.

The company have Nomination, Remuneration and Evaluation Policy in place. 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 Smt. Neena Singh as Members. During the Financial Year 2016-17 the Committee met on 27th May, 2016.

The terms of reference as on 31.03.2017 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.
- Reports>Returns submitted to various bodies like Banks, Stock Exchanges, RBI etc.

The names of the members, chairperson, particulars of the meeting and attendance of the members during the year under review 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.	Smt. Neena Singh, Member	Independent/Non Executive	1	1
4.	Sh. A.K. Pathak, Member *	Non-Independent/Executive	1	1
5.	CS Madhur Bain Singh, Convener	Compliance Officer	1	1

* Sh. A. K. Pathak, Executive Director of the company resigned as director w.e.f. 16th December, 2016, owing to his retirement from his services after attaining the age of superannuation.

The status of redressal of complaints received from 1st April, 2016 to 31st March, 2017 is as under:

Number of complaints pending as on 1st April, 2016	01
Number of complaints received during the year	Nil
Number of complaints redressed during the year	01
Number of complaints not solved to the satisfaction of Shareholders	Nil
Number of complaints pending as on 31st March, 2017	Nil

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
21.09.16	35th AGM in respect of the financial year 2015- 2016	12 Noon	B-91, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
29.09.15	34th 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	33rd AGM in respect of the financial year 2013- 2014	11.30 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	Yes

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

8. Means of Communication

Quarterly results and presentations: The quarterly financial results are made available on the company's website (www.puncom.com) and simultaneously submitted to BSE through its portal of BSE Listing Centre within the time limit specified. 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 st	04.08.2016 04.08.2016	Desh Sewak (Vernacular) Financial Express (English)
2 nd	09.11.2016 09.11.2016	
3 rd	15.02.2017 15.02.2017	
4 th	20.05.2017 20.05.2017	

Notice of Board Meeting

Meeting Date	Date of Publication/Information to Stock Exchange	Newspaper
03.08.2016	20.07.2016 20.07.2016	Desh Sewak (Vernacular) Financial Express (English)
08.11.2016	27.10.2016 27.10.2016	
14.02.2017	03.02.2017 03.02.2017	
19.05.2017	03.05.2017 03.05.2017	

Notice of Book Closure & AGM

Book Closure	Date of Publication	Newspaper
15.09.2016 21.09.2016	31.08.2016 31.08.2016	Desh Sewak (Vernacular) Financial Express (English)
AGM	Date of Publication	Newspaper
21.09.2016	31.08.2016 31.08.2016	Desh Sewak (Vernacular) Financial Express (English)

9. General Shareholder Information

General Shareholders Information

- A. Annual General Meeting** : Date : 25th September, 2017
(Date, time and venue) : Time : 1100 HRS
 Venue : B-91, Phase VIII, Indl. Area
 SAS Nagar, (Chandigarh) - 160 071
- B. Financial Calendar** : 1st April 2016 to 31st March 2017
- C. Date of Book Closure / Record Date** : 19th September, 2017 to 25th September, 2017
 (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

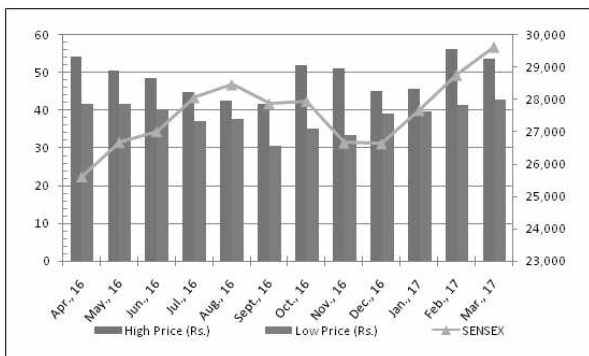
Note : Annual Listing Fee for the financial year 2016-17 as well as 2017-18 have been paid to the Stock Exchange, Mumbai;

- F. Stock Code** : 500346

G. Market Price Data (BSE)

Month	High Price (₹)	Low Price (₹)
April, 2016	54.00	41.50
May, 2016	50.35	41.65
June, 2016	48.40	40.00
July, 2016	44.75	37.05
August, 2016	42.30	37.55
September, 2016	41.55	30.30
October, 2016	51.80	35.00
November, 2016	51.00	33.30
December, 2016	45.00	38.95
January, 2017	45.60	39.65
February, 2017	55.90	41.15
March, 2017	53.50	42.60

H. Graph showing Stock Performance of Puncom on BSE vis a vis BSE SENSEX during the year 2016-17



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 and ratified by the Board in the subsequent Board Meeting.

L. Distribution of Shareholding as on 30th June, 2017

Category (Amount)	30-06-2017				30-06-2016			
	No. of share-holders	% of share-holders	Amount in (₹)	% of total equity	No. of share-holders	% of share-holders	Amount in (₹)	% of total equity
0001-5000	10320	95.893	11614990	9.660	10571	96.135	1183930	9.847
5001-10000	219	2.035	1708880	1.421	213	1.937	1659560	1.380
10001-20000	114	1.059	1688380	1.404	103	0.937	1516570	1.261
20001-30000	27	0.251	666100	0.554	37	0.336	908770	0.756
30001-40000	17	0.158	590780	0.491	19	0.173	674070	0.561
40001-50000	13	0.121	604720	0.503	12	0.109	578630	0.481
50001-100000	32	0.297	2405940	2.001	21	0.191	1630020	1.356
100001 & Above	20	0.186	100955860	83.965	20	0.182	101428700	84.358
Total	10762	100	120235650	100	10996	100	120235650	100

Category Code	Category of Shareholder	30-06-2017			30-06-2016		
		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)	Promoter & Promoter group : Indian Promoter						
	1 Central Govt./ State Govt.	2	8561301	71.204	2	8561301	71.204
	2 Body corporate	1	9475	0.079	1	9475	0.079
	TOTAL	3	8570776	71.283	3	8570776	71.283
(B)	Public Shareholding : Institutions : Mutual Fund						
	1 Mutual Fund (MF)	6	3400	0.028	6	3400	0.028
	2 UTI	1	100	0.001	1	100	0.001
	TOTAL	7	3500	0.029	7	3500	0.029
	Banks						
	1 Bank Cooperative	1	600	0.005	1	600	0.005
	2 Bank Nationalized	7	28034	0.233	7	28034	0.233
	TOTAL	8	28634	0.238	8	28634	0.238

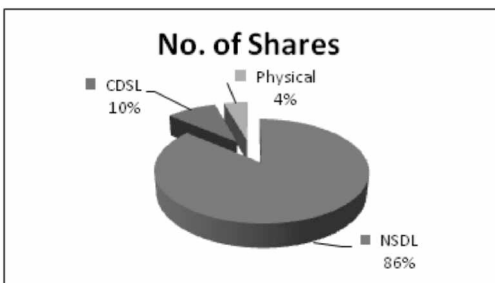
Insurance Cos.							
1 Insurance Cos.	1	5800	0.048	1	5800	0.048	
TOTAL	1	5800	0.048	1	5800	0.048	
Central/State Govt.							
1 Corporate Body (State Govt)	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	0	
Foreign Institutional Investors							
1 FII (others)	1	575000	4.782	1	575000	4.782	
TOTAL	1	575000	4.782	1	575000	4.782	
TOTAL	17	612934	5.098	17	612934	5.097	
NON INSTITUTIONS Corporate Body							
1 Body Corporate Limited Liability Partnership	-	-	-	1	400	0.003	
2 Corporate Body Domestic	210	682511	5.676	232	543408	4.520	
3 Corporate Body Margin Account	25	121678	1.012	22	65979	0.549	
4 Corporate Body (Broker)	10	4156	0.035	14	5757	0.048	
5 Corporate body (Others)	11	3334	0.028	15	6514	0.054	
6 Clearing Member	-	-	-	6	1078	0.009	
7 Corporate CM/TM Proprietary Account	3	749	0.006	-	-	-	
8 Corporate CM/TM Collertal Account	1	9	0.000	-	-	-	
9 Corporate Body (Stock Broker)	3	870	0.007	-	-	-	
TOTAL	263	813307	6.764	290	623136	5.183	
Individual Shareholders							
1 Resident Ordinary	10315	1940368	16.138	10518	2146890	17.856	
2 Resident (HUF)	138	72703	0.605	140	56068	0.466	
TOTAL	10453	2013071	16.743	10658	2202958	18.322	
Non-resident Indian							
1 NRI-Repatriable	16	5426	0.045	16	5310	0.044	
2 NRI (NonRepatriable)	10	8051	0.067	12	8451	0.07	
TOTAL	26	13477	0.112	28	13761	0.114	
Foreign Portfolio Investor (Corporate)							
1 Foreign Portfolio Investor (Corp) Categ II	0	0	0	0	0	0	
TOTAL	0	0	0	0	0	0	
TOTAL	10742	2839855	23.619	10976	2839855	23.619	
TOTAL	10759	3452789	28.716	10993	3452789	28.716	
GRAND TOTAL (A+B)	10762	12023565	100.00	10996	12023565	100.00	

- Notes :**
1. The shareholding of PSIDC, being another corporation of Govt. of Punjab, has been consolidated with the shareholding of "Promoter & Promoter Group".
 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, 2017 is as under:

Depository	No. of Shares	Percentage
NSDL	10367618	86.23
CDSL	1129106	9.39
Physical	526841	4.38
Total	12023565	100.00



N. Details of Investors complaints received during 2016-17 are as follows:

There was one investor complaint pending with respect to non-receipt of share certificate after transfer in the first quarter of the financial year and the same was resolved. Thereafter no investor complaint was pending during rest of the quarters. 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 2016-17 are as follows:

Lodged for transfer	Transferred and returned	Rejected & Returned	Pending
16	08	08	Nil
(2564 Shares)	(800 Shares)	(1764 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 & A-39.
 B-93, 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
E-mail : cosecy@puncom.com
Exclusive Email id : 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 have a "Policy on Related Party Transactions and Materiality of Related Party Transactions" in place. The policy takes into account various provisions on related party transactions mentioned in Regulation 23 of Listing Regulations and also in the Companies Act, 2013.

There is no Related Party Transaction, as required to be disclosed u/s 188(2), read with notification no G.S.R. 463 (E) dated 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 have its "Vigil Mechanism/Whistle Blower Policy" in place. In accordance with the requirements of Regulation 4(2)(d)(iv) and Regulation 22 of Listing Regulations and under Section 177 of the Companies Act, 2013. Sh. J. S. Ghuman, Dy. Vice President heading the HR & Admn. department, has been appointed as Vigilance and Ethics Officer.

No personnel were denied access to the audit committee during the Financial Year 2016-2017.

(d) Mandatory/Non-mandatory requirements

Your company is complying with all the mandatory requirements as per Schedule V. 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. 1.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.

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

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.

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

M/s Grewal & Singh, Chartered Accountants conducted the Corporate Government Audit and Compliance Certificate as obtained from auditors regarding compliance of conditions of corporate governance are 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 Computershare Pvt. Ltd., Hyderabad. As a good Corporate Governance practice the company is providing the information on the same pattern.

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

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

SECRETARIAL AUDIT REPORT

Form No. MR-3**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

*[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
B-91, Phase VIII,
Industrial Area, S A S Nagar,
Mohali, Punjab

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 the company'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 on March 31, 2017 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 PUNJAB COMMUNICATIONS LIMITED ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) 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 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014: Not Applicable, as there are the company did not provide any shares based benefits to the employees during the year.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.
 - e) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 01, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
 - 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- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923 etc.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited;

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

Based on our examination and the information received and records maintained, I further report that

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year.
- 2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
- 3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- 4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary / Officers, I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

FOR A. ARORA & CO.
COMPANY SECRETARIES

PLACE : CHANDIGARH
DATE : May 8, 2017

(AJAY K. ARORA)
(PROPRIETOR)
FCS No. 2191
C P No.: 993

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**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 31st March, 2017, as stipulated in Schedule V of SEBI (Listing Obligations & Disclosure Requirements).

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 in 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 Regulations. However, for the provision of Regulation 17 (1) (b) of Listing Regulations, there was compliance for the period from 15th June, 2016 to 08th August, 2016 and for the period 16th December, 2016 till the end of the Financial Year.

We state that in the first quarter, one investor's complaint was pending for a period exceeding one month against the Company but the same was resolved and thereafter no investor grievances was pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship 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 26, 2017**

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.

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 Sixth (36th) Annual General Meeting of Punjab Communications Limited will be held on **Monday, 25th September, 2017 at 1100 HRS** at B-91, 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, 2017 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 Smt. Shruti Singh, (DIN: 06571472) who retires by rotation and being eligible, has offered herself for reappointment.
3. To appoint Statutory Auditors of the company for the financial year 2017-2018 (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 Statutory Auditors of the Company for the financial year 2017-2018, 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 to be issued in this regard."
 (The company has not received the letter from CAG w.r.t. appointment of Statutory Auditors till date, Statutory Auditors will be appointed on the basis of the letter issued in this regard)

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED that pursuant to applicable provisions of Companies Act, 2013, if any and the rules made there under, **Sh. Rakesh Kumar Verma, IAS**, (DIN: 01541990) who was appointed as Additional Director in the capacity of Chairman of the company w.e.f. 10th August, 2017 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 Chairman of the Company.

By order of the Board

Sd/-

Date : August 17, 2017

Place : Registered Office

(Madhur Bain Singh)

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

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 19th September, 2017 to 25th September, 2017, 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, Board's 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 36th 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 Participants(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.
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 36th Annual General Meeting ("AGM") to be held on Monday, 25th September, 2017 at 1100 HRS. 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)	22nd September, 2017 (9:00 am)	24th September, 2017 (5:00 pm)

12. The Notice of the 36th 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. 18th August, 2017.
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
 - 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 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:

FOR MEMBERS WHOSE PAN IS REGISTERED WITH THE COMPANY	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department, as registered with the Company.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • 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).

FOR MEMBERS WHOSE PAN IS NOT REGISTERED WITH THE COMPANY	
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 OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> 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).

- 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 22nd September, 2017 to 24th September, 2017 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
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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 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. You may also contact CDSL via email at 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) 18th September, 2017 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 36th Annual General Meeting.
- v) Mr. Vishal Arora, Company Secretary in practice of M/s Arora & Gujral, 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 or any other Director authorized by him.
- vii) The results shall be declared on or after the 36th 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 and on the website of CDSL within 3 days of passing of the resolutions at the 36th Annual General Meeting of the Company i.e. on 27th September, 2017 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, 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 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 **Sh. Rakesh Kumar Verma, IAS**, (DIN: 01541990) 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 **Sh. Rakesh Kumar Verma, 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 Chairman of the Company. The Government of Punjab **vide its order bearing No. 6/1/2017-IAS(3)/1790 dated 23rd June, 2017** has appointed **Sh. Rakesh Kumar Verma, IAS** as Secretary Industries & Commerce, Punjab. 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/1708 dated 10th August, 2017** has appointed Sh. R. K. Verma, IAS as additional director in the capacity of Chairman of the Company. The Directors of your company have recommended his appointment as above.

The appointment of Sh. R. K. Verma, IAS as additional director in the capacity of Chairman 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.

Sh. R. K. Verma, IAS being the appointee himself, may be deemed to be concerned or interested in this Resolution.

Sh. R. K. Verma, IAS, born on 25th April, 1971 is a 1993 Batch IAS Officer and is at present serving as Secretary, Industries & Commerce, Punjab with additional charge of Department of Information Technology. He is currently involved in drafting a comprehensive policy for growth and promotion of industries in the State of Punjab. He is a Bachelor of Technology (Computer Science) from IIT, Delhi. He has served the State of Punjab in various capacities. He has been Deputy Commissioner at Kapurthala and Patiala.

He has served in various departments such as Transport, Technical Education, Local Government and Information Technology.

As on date, he is Chairman of Punjab Alkalies & Chemicals Ltd, Northern India Institute of Fashion Technology, Punjab State Industrial Development Corporation, Punjab Small Industries & Export Corporation Ltd, Punjab Khadi & Village Industries Board.

Relationship inter-se: Sh. R. K. Verma, 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 Sh. R. K. Verma, IAS are as framed by the holding company (PICTCL) or the Board of Directors from time to time.

The last drawn remuneration by Sh. R. K. Verma, IAS was in his capacity as IAS officer by the Govt. of Punjab. However, Puncom is not providing any salary or remuneration in her capacity as director.

Sh. R. K. Verma, 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, he 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 Sh. R. K. Verma, IAS as per Regulation 36(3) of the Listing Regulations is NIL.

As Sh. R. K. Verma, IAS was appointed on the Board of Puncom after the close of financial year i.e. on 10th August, 2017, he 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 she 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 Smt. Shruti Singh, IAS

Smt. Shruti Singh, IAS 2004 Batch IAS officer and is at present Managing Director of Punjab Information and Communication Technology Corporation Ltd. She holds a Bachelor of Arts Degree. She is an Indian Administrative Service Officer.

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.

Directorship in Listed Entities: Smt. Shruti Singh, IAS have DIN No. 06571472 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	Director	Nil	09-08-2016
Punjab Small Industries & Export Corpn.	Director	Nil	09-08-2016
Punjab Information and Communication Technology Corporation Ltd.	Managing Director	Nil	30-06-2016
Jalandhar City Transport Services Ltd	Director	Nil	19-02-2013

She is not a member in any prescribed Committee(s) of the Board as on 31st March, 2017.

Date : August 17, 2017

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 36th ANNUAL GENERAL MEETING of the Company held on Monday, 25th September, 2017 at 1100 HRS at B-91, 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:

- Name : Address:
Email ID: Signature:, or failing him
- Name : Address:
Email ID: Signature:, or failing him
- 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 36th Annual General Meeting of the Company, to be held on Monday, 25th September, 2017 at 1100 HRS at B-91, 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, 2017 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 Smt. Shruti Singh, (DIN: 06571472) who retires by rotation and being eligible, has offered herself for reappointment.
3	To appoint the Statutory Auditors of the Company for the Financial Year 2017-2018.
Special Business	
4	To appoint Sh. R.K. Verma, IAS (DIN: 01541990) as Director in the Capacity of Chairperson on the Board of Puncom.

Signed this 25th day of September, 2017

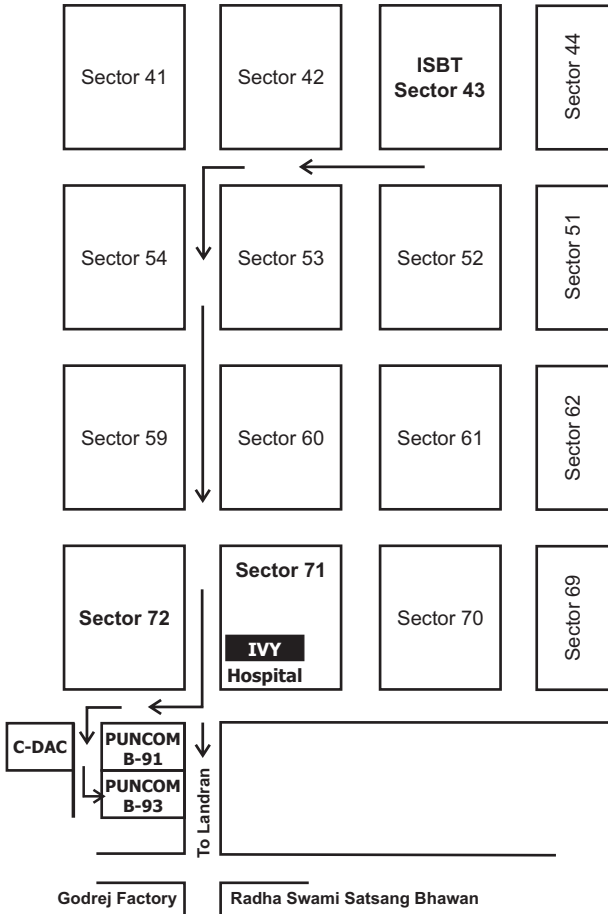
Signature of Shareholder:

Affix Re. 1/- Revenue Stamp

Signature of Proxy Holder (s):

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



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
- Shareholders having shares in Physical Form are requested to get their shares converted in Demat Form.

COURIER / REGISTERED

If underdelivered, please return to :

PUNJAB COMMUNICATIONS LIMITED

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