

37TH

ANNUAL REPORT

2017-2018



PUNCOM

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 21st day of September 2018, (Friday) 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 : 21st September, 2018, Friday, at 1100 HRS

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

PUNJAB COMMUNICATIONS LIMITED

Web : www.puncom.com CIN No: L32202PB19815GC004616

Corporate Information

as on 02.08.2018

Board of Directors	Designation	DIN No.
Sh. R.K. Verma, IAS	Chairman	01541990
Sh. Vikas Pratap, IAS	Sr. Vice Chairman & MD	01129385
Sh. Rajat Agarwal, IAS	Sr. Vice Chairman	07973901
Sh. V.P. Chandan, IRSSE (Retd.)	Independent Director	00225793
Smt. Neena Singh	Independent Director	00233352
Sh. J. S. Bhatia	Whole Time Director	02554023

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Company Secretary
CS Madhur Bain Singh

Chief Financial Officer
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
Smt. Neena Singh	Member
Sh. J.S. Bhatia	Member

Stakeholders' Relationship Committee

Sh. V.P. Chandan, IRSSE (Retd.)	Chairman
Smt. Neena Singh	Member
Sh. J.S. Bhatia	Member

Sh. Rajiv Dewan, ceased to be an Independent Director of Puncom as he resigned on 14.02.2018.

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

Financial Highlights 2013–2014 to 2017–2018

	(₹ in lacs)					
	2013–14	2014–15	2015–16	2016–17	2017–18	
Sales	2089.39	2251.77	2182.74	3047.92	3903.39	
Other Income	1137.37	1003.92	929.70	905.94	880.39	
Total Income	3226.77	3255.69	3112.44	3953.86	4783.78	
Earning/Loss before Dep.						
Interest and Tax(EBDIT)	-571.73	-978.61	-1008.40	-573.27	-419.28	
Depreciation	52.19	38.85	22.30	52.65	60.88	
Profit/Loss after Tax	-684.64	-1026.16	-1047.58	-628.67	-484.01	
Equity Dividend (%)	-	-	-	-	-	
Dividend Payout	-	-	-	-	-	
Equity Share Capital	1202.36	1202.36	1202.36	1202.36	1202.36	
Reserves & Surplus	9233.28	8206.66	7192.71	6535.01	6153.03	
Tangible Net Worth	10438.08	9411.46	8363.80	7739.81	7357.83	
Gross Fixed Assets	5431.84	5440.02	5621.16	5608.33	5647.83	
Net Fixed Assets	449.53	418.85	566.23	566.39	564.94	
Total Fixed Assets	449.53	418.85	566.23	566.39	564.94	

Key Ratios 2013–2014 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Earning /loss Per Share (in ₹)	-5.69	-8.53	-8.71	-5.23	-4.03
Cash Earning/ Loss Per Share (in ₹)	-4.92	-7.02	-8.10	-4.55	-3.51
Book Value Per Share (in ₹)	86.81	78.28	69.56	64.37	61.19
Debt/Equity Ratio	0.01	0.00	0.00	0.00	0.00
Current Ratio	4.24	3.80	2.32	2.16	2.16

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

PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

BALANCE SHEET AS ON 31ST MARCH 2018

Particulars	Note	Amount (₹ In Lacs)		
		As on 31 st March, 2018	As on 31 st March, 2017	As on 1 st April, 2016
ASSETS				
(1) Non-Current Assets				
a) Property Plant & Equipment	2	564.94	566.39	566.23
b) Financial Assets				
Investments	3	698.74	698.74	698.74
Loans and advances	4	382.01	305.39	205.88
Other Financial Assets	5	1,117.72	1,541.01	2,238.89
c) Deferred tax assets (net)	6	-	-	-
(2) Current Assets				
a) Inventories	7	1,172.23	1,258.14	879.98
b) Financial Assets				
Investments				
Trade receivables	8	1,894.62	1,541.33	1,443.17
Cash and cash equivalents	9	416.03	94.68	211.31
Other Bank Balances	10	4,950.30	5,311.66	4,906.46
Loans and advances	11	120.84	97.61	103.35
Other Financial Assets	12	549.87	667.27	758.43
c) Other Current Assets	13	73.66	128.63	239.92
TOTAL		11,940.96	12,210.85	12,252.36
EQUITY AND LIABILITIES				
Equity				
a) Share Capital	14	1,204.80	1,204.80	1,204.80
b) Other Equity	15	6,153.03	6,535.01	7,192.71
Liabilities				
(1) Non-Current Liabilities				
a) Financial Liabilities				
Other Financial liabilities	16	49.39	52.89	26.54
b) Provisions	17	287.75	202.77	136.10
(2) Current Liabilities				
a) Financial Liabilities				
Borrowings	18	189.04	50.06	0.00
Trade Payables	19	1,693.47	1,820.17	1,776.96
Other Financial liabilities	20	2,023.71	2,042.90	1,662.03
b) Other Current Liabilities	21	278.55	247.17	207.07
c) Provisions	22	61.22	55.08	46.15
TOTAL		11,940.96	12,210.85	12,252.36
Significant accounting policies and	1			
Notes to accounts	33-40			
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

NEENA SINGH
 DIRECTOR
 DIN: 00233352

CA. HARCHARAN SINGH GREWAL
 PARTNER

J.S. BHATIA
 CHIEF FINANCIAL OFFICER

MADHUR BAIN SINGH
 COMPANY SECRETARY

NEHA KAUSHIK
 AM- FINANCE

PLACE: S.A.S. Nagar (Mohali)
 DATE: May 24, 2018

PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Note	Amount (₹ In Lacs)	
		For the Year Ended 31 st March, 2018	For the Year Ended 31 st March, 2017
I. Revenue from operations	23	3,903.39	3,047.92
II. Other Income	24	880.39	905.94
III. Total Revenue		4,783.78	3,953.86
IV. Expenses:			
Cost of materials consumed	25	1,234.04	1,052.61
Purchases of Stock-in-Trade	26	608.00	534.03
Changes in inventories of Finished Goods/Work-in-process and Stock-in-trade	27	108.89	-200.25
Excise Duty		111.93	252.02
Employee benefits expenses	28	2,595.05	2,387.37
Finance costs	29	9.91	4.79
Depreciation and amortization expenses	2	60.88	52.65
Other expenses	30	539.09	499.31
Total expenses		5,267.79	4,582.53
V. Profit before tax (III-IV)		-484.01	-628.67
VI. Exceptional Items		-	-
VII. Profit before tax (V-VI)		-484.01	-628.67
VIII. Tax expenses:			
(1) Current tax		-	-
(2) Deferred tax		-	-
IX. Profit (Loss) for the year (VII-VIII)		-484.01	-628.67
X. Other Comprehensive Income/(losses)	31	-	-
Items that will not be reclassified subsequently to P&L			
Re-measurement of defined benefit plan & Fair Valuation of Financial Liabilities		102.80	-28.95
XI. Total Comprehensive Income/(losses) for the year		-381.21	-657.62
XII. Earnings per share from continuing and discontinued operations attributable to the equity holders of the Company during the year	32		
(1) Basic		-4.03	-5.23
(2) Diluted		-4.03	-5.23
Significant Accounting Policies and	1		
Notes to accounts	33-40		

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

NEENA SINGH
DIRECTOR
DIN: 00233352

CA. HARCHARAN SINGH GREWAL
PARTNER

J.S. BHATIA
CHIEF FINANCIAL OFFICER

MADHUR BAIN SINGH
COMPANY SECRETARY

NEHA KAUSHIK
AM- FINANCE

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

DATE: May 24, 2018

SCHEDULES TO AND FORMING PART OF BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

1) NON CURRENT ASSETS

NOTE 2 : PROPERTY, PLANT & EQUIPMENT

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				Amount (₹ In Lacs)	
	AS AT 01.04.2017	ADDITIONS	SALE/TRF	AS AT 31.03.2018	UPTO 01.04.2017	FOR THE PERIOD	SALE/TRF ADJUSTMENTS	UPTO 31.3.2018	AS AT 31.03.2018	AS AT 31.03.2017
I TANGIBLE ASSETS										
LAND (Freehold)*	152.40	-	-	152.40	10.30	-	-	10.30	142.10	142.10
BUILDING	686.40	-	-	686.40	607.46	5.87	-	613.34	73.06	78.94
PLANT & MACHINERY	3,917.03	46.85	-	3,963.89	3,613.39	37.95	-	3,651.33	312.55	303.65
TEMPORARY STRUCTURE	44.19	-	-	44.19	44.01	-	-	44.01	0.18	0.18
ELECTRICAL INSTALLATION	261.05	-	-	261.05	251.67	0.67	-	252.34	8.70	9.38
OFFICE EQUIPMENT	182.75	8.95	-	191.70	171.62	9.80	-	181.41	10.29	11.14
FURNITURE & FIXTURE	101.44	-	-	101.44	100.55	0.01	-	100.56	0.88	0.89
VEHICLES	100.83	3.83	20.13	84.52	80.70	6.57	19.93	67.34	17.18	20.13
SUB TOTAL (A)	5,446.09	59.63	20.13	5,485.58	4,879.70	60.88	19.93	4,920.64	564.94	566.39
II INTANGIBLE ASSETS										
TECHNICAL KNOW HOW	162.24	-	-	162.24	162.24	-	-	162.24	-	-
SUB TOTAL (B)	162.24	-	-	162.24	162.24	-	-	162.24	-	-
III CAPITAL WORK-IN-PROCESS	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV INTANGIBLE ASSETS UNDER DEVELOPMENT	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-
TOTAL (A+B+C+D) CURRENT YEAR	5,608.33	59.63	20.13	5,647.83	5,041.94	60.88	19.93	5,082.89	564.94	566.39
PREVIOUS YEAR FIGURES	5,621.16	55.35	68.19	5,608.33	5,054.93	52.65	65.64	5,041.94	566.39	566.23

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

SR. VC & M.D. DIRECTOR CFO C.S. AM-FINANCE

PARICULARS	31.03.2018	31.03.2017	01.04.2016
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NOTE 3: INVESTMENTS

(NON CURRENT FINANCIAL ASSETS)

(At cost adjusted for diminution in value)

UNQUOTED AND NON TRADE:-

U.P. CO-OPERATIVE SPINNING MILLS FEDERATION LTD., 14000 (14000) 14.90% (Taxable) Secured Redeemable UPCSMFL Bonds fully guaranteed by the Govt of U.P. of ₹ 5000/- each fully paid up*

698.74	698.74	698.74
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WHOLLY OWNED SUBSIDIARY COMPANIES**

A) PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD.

2,46,640 (2,46,640) Equity Shares of ₹10/- each, fully paid up

24.79	24.79	24.79
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Less:- Provision for diminution in value

24.79	24.79	24.79	-
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B) PCL TELECOM LTD.

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

-	-	-
<u>698.74</u>	<u>698.74</u>	<u>698.74</u>

* The Company had invested ₹ 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 Government for tenure of 18 months. Consequent to the Bonds not being redeemed on the due date of redemption viz 20-12-1999, the Company invoked the Government Guarantee. Pursuant to an ex-parte Order passed by the Hon'ble Punjab and Haryana High Court, Chandigarh on 31-01-2004, the UP State Government (Guarantor) deposited ₹ 735.63 Lacs and a govt. Guarantee of equivalent amount in Civil Court, Lucknow. The Company (Decree Holder) got the release of ₹ 735.63 Lacs against furnishing of Bank Guarantee of the equivalent amount.

On appeal by the UP State Govt., the Hon'ble Supreme Court of India vide its Order dated 19-01-2015 reversed the ex-parte Order of the Hon'ble Punjab and Haryana High Court and directed the Civil Court to refund the amount to UP State Govt. In compliance of the Orders of the Hon'ble Supreme Court, the Civil Judge, District Court, Lucknow passed an Order on 31-03-2018 directing the Company to refund ₹ 735.63 Lacs within 15 days viz by 16-04-2018. However, the Company has decided to file Review Petition and the Lawyer has advised that it can be filed by 29-05-2018. The Company has already accounted for the liability of ₹ 735.63 Lacs and reflected the same under Note-20.

Since the ex-parte Order of the Hon'ble Punjab and Haryana High Court was reversed by the Hon'ble Supreme Court, the Company filed a fresh suit against UP State Govt. through Special Secretary, Industrial Development on 11-03-2016.

UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) is under liquidation vide Order passed in March, 2006 by Hon'ble Bombay High Court and Official Liquidator was appointed in August, 2006. The liquidation is still pending. The Company has also filed a Claim with the Official Liquidator of UPCSMFL on 23-05-2016.

In view of the protracted litigation, the Company has accordingly reflected the value of the investment in Bonds at Cost as the same is fully guaranteed by the UP State Government.

** Refer Note 34 and Note 35.

PARICULARS	31.03.2018	31.03.2017	01.04.2016
NOTE 4: LOANS AND ADVANCES			
(NON CURRENT FINANCIAL ASSETS)			
Festival Advance	33.43	34.48	35.70
Loans and Advance to Employees	51.48	44.78	60.01
Security Deposits *	43.30	38.84	27.86
Due from Subsidiary companies (PDISL)	40.35	40.35	40.35
Less:- Provision for doubtful advances	40.35	40.35	40.35
Income Tax Recoverable for Previous years	147.23	88.85	41.81
Income Tax Recoverable for current year	104.45	96.83	39.05
	251.68	185.68	80.86
Less: Provision for Income Tax/MAT	-	251.68	185.68
Prepaid Expenses#	2.12	1.61	1.45
	382.01	305.39	205.88

* Security Deposits as on 01.04.16 have been restated in respect of prior period adjustments in compliance with IND AS-8. Also refer Note-15

#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).

NOTE 5: OTHER NON-CURRENT FINANCIAL ASSETS

Fixed Deposits with banks (having maturity period of more than 12 months from BS date)	1,002.51	1,463.59	2,158.96
Interest accrued on fixed deposits (having maturity period of more than 12 months from BS date)	115.21	77.42	79.93
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 ₹ 5000/- each fully paid up*	152.52	152.52	152.52
Less:- Provision against Interest accrued	152.52	152.52	152.52
	1,117.72	1,541.01	2,238.89

* Refer Note-3 The company had recognized and received interest income to the extent of ₹ 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 ₹ 152.52 lacs up to 31st March 2001 of which ₹ 115.63 Lacs was provisioned in FY 2014-15 and remaining ₹ 36.89 Lacs in FY 2015-16.

The Company has not recognized accrued interest, keeping in view uncertainty involved in the matter of realization of interest due to litigation. The same is in conformity with the IND AS 18 -"Revenue" which allows recognition of revenue only when it is probable that the economic benefits associated with the transaction will flow to the entity.

SR. VC & M.D. DIRECTOR CFO C.S. AM-FINANCE

PARICULARS	31.03.2018	31.03.2017	01.04.2016
NOTE 6: DEFERRED TAX ASSET (NET)			
Deferred Tax Asset:			
Relating to brought forward loss & other allowances under Income Tax Act	42.89	28.95	28.12
Deferred Tax Liability:			
Relating to Fixed assets	<u>-42.89</u>	<u>-28.95</u>	<u>-28.12</u>
Deferred Tax Asset/Liability*	<u>-</u>	<u>-</u>	<u>-</u>

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

NOTE 7: INVENTORIES

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

Stores, Spares & Packing Material	40.10	37.47	31.66
Raw material	1,648.78	1,582.46	1,477.14
Less: Provision for Obsolete/slow moving items	<u>981.63</u>	<u>976.96</u>	<u>967.96</u>
Work in Process:			
Work -in -process	144.05	188.24	113.07
Finished Sub-assemblies	661.17	646.54	610.97
Less: Provision for Obsolete/slow moving items	<u>414.85</u>	<u>417.26</u>	<u>413.09</u>
Goods -in -transit	66.72	104.87	24.17
Stock-in-Trade	<u>7.89</u>	<u>92.78</u>	<u>4.02</u>
	<u>1,172.23</u>	<u>1,258.14</u>	<u>879.98</u>

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

NOTE 8: TRADE RECEIVABLES

Unsecured Sundry Debtors

Outstanding for more than six months

Considered good	1,018.77	415.28	693.80
Considered doubtful	<u>175.41</u>	<u>174.49</u>	<u>162.91</u>
Total	1,194.18	589.77	856.70
Less: Provision for doubtful debts	<u>175.41</u>	<u>174.49</u>	<u>162.91</u>
	1,018.77	415.28	693.80
Others			
Unsecured Considered good	<u>875.85</u>	<u>1,126.05</u>	<u>749.37</u>
	<u>1,894.62</u>	<u>1,541.33</u>	<u>1,443.17</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.

PARICULARS	31.03.2018	31.03.2017	01.04.2016
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NOTE 9: CASH & CASH EQUIVALENTS

Cash and Cash equivalents

Balance with banks:			
In Cash Credit account	177.69	85.69	57.35
In Current Accounts	237.65	8.90	28.53
In Fixed Deposits (having original maturity period of less than 3 months)	-	-	125.00
Cash in hand	0.69	0.09	0.43
	<u>416.03</u>	<u>94.68</u>	<u>211.31</u>

NOTE 10: OTHER BANK BALANCES

In Fixed Deposits (having original maturity period of more than three months)*	5,952.53	6,774.97	7,065.14
In earmarked accounts (Unclaimed Buyback Amount)**	0.28	0.28	0.28
	<u>5,952.81</u>	<u>6,775.25</u>	<u>7,065.42</u>
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	-1,002.51	-1,463.59	-2,158.96
	<u>4,950.30</u>	<u>5,311.66</u>	<u>4,906.46</u>

* FDRs worth ₹ 4034.04 Lacs (3526.60 Lacs) are pledged with banks against Bank guarantees and overdrafts limits. FDRs further include an amount of ₹ 872.41 Lacs (₹ 872.41 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd.

** Despite Company's best efforts, 5 shareholders could not be traced, against which an amount of ₹ 0.28 Lacs is still lying in unclaimed buy-back account. Also refer Note-20.

NOTE 11: LOANS & ADVANCES

(CURRENT & FINANCIAL ASSETS)
(UNSECURED & CONSIDERED GOOD UNLESS OTHERWISE STATED)

Loan and Advance to Employees*	29.32	18.77	43.07
Security deposits	96.05	83.34	60.14
Less: Provision for Doubtful Amounts	4.78	4.76	-
Claims Recoverable	0.25	0.26	0.14
	<u>120.84</u>	<u>97.61</u>	<u>103.35</u>

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

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 31/03/2018	Balance As on 31/03/2017	Maximum amount due at any time during the year ended 31/03/2018	Maximum amount due at any time during the year ended 31/03/2017
- No repayment schedule or repayment beyond seven years	-	0.33	0.33	0.98
- No interest or at an interest rate below which is specified in Section 186 (7) of Companies Act 2013	-	-	-	-

SR. VC & M.D.

DIRECTOR

CFO

C.S.

AM-FINANCE

PARICULARS	31.03.2018	31.03.2017	01.04.2016
NOTE 12: OTHER CURRENT FINANCIAL ASSETS			
Accruals			
Interest accrued but not due on Fixed deposits (having maturity < 12 months from BS Date)	227.75	345.15	275.29
Others:			
Deferred premium	-	-	0.82
Foreign Currency Receivable (w.r.t Forward Contract)	-	-	160.20
In Escrow account (Money held on behalf of VMC & its Associated Companies)*	322.12	322.12	322.12
	<u>549.87</u>	<u>667.27</u>	<u>758.43</u>

* Refer Note 19.

NOTE 13: OTHER CURRENT ASSETS

Balance with Government Departments

- Income Tax Recoverable for Previous years	8.37	8.37	109.85
- Balance with Excise Department	-	0.48	0.78

Other Advances:-

Considered good	65.29	119.78	129.29
Doubtful Advances	2.34	2.32	2.32
	<u>67.63</u>	<u>122.10</u>	<u>131.60</u>
Less: Provision for Doubtful Advances	2.34	2.32	129.29
	<u>73.66</u>	<u>128.63</u>	<u>239.92</u>

NOTE 14 : SHARE CAPITAL

AUTHORISED

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

ISSUED AND SUBSCRIBED & FULLY PAID UP

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

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

14.1 The detail of shareholders holding more than 5% shares:

Name of the Shareholder	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
Punjab Information & Comm Tech Corp Ltd	85,51,501	71.12	85,51,501	71.12	85,51,501	71.12

PARICULARS	31.03.2018	31.03.2017	01.04.2016
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14.2 The reconciliation of number of shares outstanding is set out below:

Particulars	No of shares	No of shares	No of shares
Shares outstanding at the beginning of the year	1,20,23,565	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	1,20,23,565

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

NOTE 15: OTHER EQUITY

RESERVES & SURPLUS

(a) Securities premium	6,850.44	6,850.44	6,850.44	
Add:-Shares Forfeited (Amount paid-up)	58.59	6,909.03	58.59	6,909.03
(b) Other Reserves				
(i) Capital Redemption Reserve	400.79	400.79	400.79	400.79
(ii) General Reserve:	895.93	895.93	895.93	895.93
(iii) Deferred Govt. Grants (Subsidy)				
Opening Balance	0.77	0.85	0.93	
Less: Transfer to Statement of Profit & Loss*	0.77	0.08	0.77	0.08
(c) Retained Earnings				
Opening Balance	-1,671.51	-1,013.89	-4.68	
Add/(Less): Transfer from Statement of Profit & Loss	-484.01	-628.67	-1,051.73	
Add/(Less): Remeasurement of Defined employee benefit plans	101.93	-29.58	42.52	
Add/(Less): Fair valuation of Security deposits	0.87	-2,052.72	0.63	-1,671.51
	6,153.03	6,535.01	7,192.71	

* Keeping in view the materiality aspect, ₹0.77 lacs has been written back in Statement of P&L in current financial year. Alternatively the same could have been transferred in 10 years @ ₹0.08 lacs each yr. The same is in conformity with applicable Ind AS. Impact of the same in St of P&L has been disclosed to enable the users of financial statements to make economic decisions accordingly.

Prior period items mentioned in St of P&L ₹11.45 lacs (net expense) for FY 15-16 and Rs 6.76 lacs (income) for FY 16-17 pertain to periods before 01.04.2016, therefore the same has been adjusted in Opening balance of Retained earnings in Balance Sheet as on 01.04.2016 and corresponding impact of ₹ 6.76 Lacs has been given in Security Deposits in Note-4 of Balance Sheet in compliance of IND AS -8 "Accounting policies, Change in Accounting estimates & errors".

1 NON-CURRENT LIABILITIES

NOTE 16: OTHER FINANCIAL LIABILITIES

Security Received	29.10	29.28	26.54
Deferred Income	20.29	23.61	-
	49.39	52.89	26.54

Carrying amount of Security deposits have been reinstated as per IND AS-32 (Financial Instruments-Presentation) (Refer Point XVIII of Note-1).

NOTE 17: NON CURRENT PROVISIONS

Provision for Employee benefits

Gratuity	243.79	15.78	0.00
Leave Encashment	19.92	162.81	110.50
Long term service award	24.04	24.18	25.60
	287.75	202.77	136.10

Liabilities towards Gratuity & Leave encashment of employees has been restated in accordance with provisions of IND AS 19- "Employee Benefits". Also refer Note-28.

SR. VC & M.D. DIRECTOR CFO C.S. AM-FINANCE

PARICULARS	31.03.2018	31.03.2017	01.04.2016
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2 CURRENT LIABILITIES

NOTE 18: SHORT TERM BORROWINGS (Secured)

Loans Repayable on demand from Banks	189.04	50.06	-
	<u>189.04</u>	<u>50.06</u>	<u>-</u>

Loan was taken from SBI ₹126 lacs @ 7.90% p.a and ₹63 lacs @7.50%. These loans are secured against FDRs and repayable on demand.

NOTE 19: TRADE PAYABLES

i. Dues of Micro, Small & Medium Enterprises	-	-	-
ii. Dues of other Creditors*	1,693.47	1,820.17	1,776.96
	<u>1,693.47</u>	<u>1,820.17</u>	<u>1,776.96</u>

*Includes ₹489.15 Lacs (₹491.47 Lacs) due to VMC Systems Ltd (earlier Vuppalamritha Magnetic Components Pvt Ltd) against which ₹322.12 Lacs (₹322.12 Lacs) lies in the Escrow Account (Refer Note 12).

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:

1 The Principal amount and the interest due thereon unpaid to any supplier			
Principal Amount Interest thereon	Nil	Nil	Nil
2 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	Nil
3 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	Nil
4 The amount of interest accrued and remaining unpaid.	Nil	Nil	Nil
5 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	Nil

NOTE 20: OTHER FINANCIAL LIABILITIES

Unclaimed Buy back amount*	0.28	0.28	0.28
Trade / Security Deposits received**	902.26	919.89	372.93
Deferred Income	3.32	3.32	-
Others#	1,117.85	1,119.41	1,288.82
	<u>2,023.71</u>	<u>2,042.90</u>	<u>1,662.03</u>

*Refer Note-10

**Includes an amount of ₹872.41 Lacs (₹872.41 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd. Further it also includes an amount of Rs 8.35 Lacs (₹16.34 Lacs) other than securities on rental properties outstanding for more than three years

Includes amount of ₹ 735.63 Lacs related to UPCFML, Also refer Note-3 and Note-5.

SR. VC & M.D. DIRECTOR CFO C.S. AM-FINANCE

PARICULARS	31.03.2018	31.03.2017	01.04.2016
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NOTE 21: OTHER CURRENT LIABILITIES

Advance from customers	100.85	95.15	46.62
Income received in advance	5.07	3.89	5.79
Statutory remittances	172.63	148.12	154.66
	<u>278.55</u>	<u>247.17</u>	<u>207.07</u>

NOTE 22: SHORT TERM PROVISIONS

Provision for Employee benefits

Gratuity	26.61	26.76	2.89
Leave Encashment	29.03	20.90	34.28
Service award	5.58	7.42	8.98
	<u>61.22</u>	<u>55.08</u>	<u>46.15</u>

Liabilities towards Gratuity & Leave encashment of employees has been restated in accordance with provisions of IND AS 19- "Employee Benefits". Also refer Note-28.

PARICULARS	31.03.2018	31.03.2017
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NOTE 23: REVENUE FROM OPERATIONS

A Sale of manufactured products	2,590.32	2,257.96
B Sale of services	233.14	196.66
C Sale of traded items	1,052.48	577.76
d Other Operating revenues (Training Fees & Scrap Sale)	27.45	15.54
Net revenue from operations	<u>3,903.39</u>	<u>3,047.92</u>
Particulars of Sale of products*		
i) PLCC (Systems/Spares)	1,465.01	1,557.60
(ii) VMUX (Systems/ Spares)	771.71	597.07
(iii) POWER PLANT & OTHERS	353.59	103.30
(iv) Income from traded items	1,052.49	577.75
(v) Services Income	233.14	196.66
(vi) Training Fee & Scrap Sales	27.45	15.54
	<u>3,903.39</u>	<u>3,047.92</u>

* Includes various items of different configuration and spares.

NOTE 24: OTHER INCOME

(a) Interest from banks on deposits		
Interest on Fixed Deposits	485.85	578.15
(b) Interest on Income Tax refund	2.99	18.27
(c) Other Interest		
Interest on Staff loans	5.73	7.21
(d) Other Income		
Miscellaneous Income	7.59	5.44
Profit on sale of Fixed Assets	2.09	9.64
Rent Income	372.16	286.97
Capital Subsidy written back*	0.77	0.08
Provision for slow moving FSA written back	2.41	-
Gain on exchange fluctuations	0.80	0.18
	<u>880.39</u>	<u>905.94</u>

*Refer Note-15.

SR. VC & M.D. DIRECTOR CFO C.S. AM-FINANCE

PARICULARS	31.03.2018	31.03.2017
NOTE 25 : COST OF MATERIALS CONSUMED		
Opening Stock	1,582.46	1,477.13
Add Purchases*	<u>1,338.92</u>	<u>1,290.59</u>
Less: CENVAT credit	32.39	124.11
Less: Input Tax credit (VAT)	<u>6.17</u>	<u>8.55</u>
	<u>2,882.82</u>	<u>2,635.06</u>
Less: Closing Stock	<u>1,648.78</u>	<u>1,582.46</u>
Net consumption	<u>1,234.04</u>	<u>1,052.61</u>
NOTE 26: PURCHASES OF STOCK-IN-TRADE		
Purchases of Stock-in-Trade *	<u>608.00</u>	<u>534.03</u>
	<u>608.00</u>	<u>534.03</u>

*Includes various items of different configuration.

NOTE 27: CHANGES IN INVENTORIES

(I) OPENING STOCKS

(a) Work in process:

Work in process	188.24	113.07
Finished sub-assemblies	646.54	610.97
(b) Stock-in-Trade	<u>92.78</u>	<u>4.02</u>
	927.56	728.06

(II) CLOSING STOCKS

(a) Work in process:

Work in process	144.05	188.24
Finished sub-assemblies	661.18	646.54
(b) Stock-in-Trade	<u>7.89</u>	<u>92.78</u>
	813.12	927.56

(III) Increase/(Decrease) in Excise Duty on Stocks

Decrease(+) / Increase (-) in stock (I-II+III)	<u>-5.57</u>	<u>-0.75</u>
	<u>108.89</u>	<u>-200.25</u>

NOTE 28 : EMPLOYEE BENEFITS EXPENSES

Salary, Wages, Other Allowances & Benefits	2,193.57	2,127.95
Contribution towards provident and other funds	398.87	257.02
Bonus	<u>2.61</u>	<u>2.40</u>
	<u>2,595.05</u>	<u>2,387.37</u>

As required by IND AS 19 and IND AS 101, the company has remeasured its liabilities arising from Gratuity & Leave encashment of employees w.e.f 1st April, 2016 and restated the same in Balance Sheet and Statement of P&L of respective years Disclosure on employee benefits with regard to Gratuity and Leave Encashment, funded defined benefit plans, as per IND AS 19 is as below:

Defined benefit plans :-	Gratuity		Leave Encashment	
	As on 31/03/2018	As on 31/03/2017	As on 31/03/2018	As on 31/03/2017
1 Assumptions				
Discount Rate	7.85%	7.50%	7.85%	7.50%
Salary Escalation	4.00%	6.00%	4.00%	6.00%
Rate of return on Plan assets (estimated)	7.50%	7.95%	7.50%	7.95%
Rate of return on Plan assets (actual)	7.65%	8.25%	7.65%	8.25%
2 Table showing changes in present value of obligations				
Present value of obligations as at beginning of year	978.46	920.49	717.21	657.86
Interest cost	73.38	73.18	53.79	52.30
Past Service Cost *	284.06	-	-	-
Current Service Cost	42.53	9.85	47.24	57.59
Benefits Paid	42.82	55.54	22.17	21.55
Actuarial (gain)/Loss on obligations	-101.84	30.49	-195.70	-28.98
Present value of obligations as at end of year	1,233.78	978.46	600.38	717.21

3 Table showing changes in the fair value of plan assets				
Fair value of plan assets at beginning of year	935.92	917.60	533.51	513.07
Expected return on plan assets	70.19	72.95	40.01	40.79
Contributions	0.03	0.00	0.00	0.00
Benefits paid	42.82	55.54	22.17	21.55
Actuarial Gain / (Loss) on Plan assets	0.08	0.91	0.09	1.19
Fair value of plan assets at the end of year	963.41	935.92	551.45	533.51
4 Table showing fair value of plan assets				
Fair value of plan assets at beginning of year	935.92	917.60	533.51	513.07
Actual return on plan assets	70.28	73.86	40.10	41.98
Contributions	0.03	–	–	–
Benefits Paid	42.82	55.54	22.17	21.55
Fair value of plan assets at the end of year	963.41	935.92	551.45	533.51
Funded status	–270.37	–42.55	–48.94	–183.71
Excess of Actual over estimated return on plan assets	0.08	0.91	0.09	1.19
5 Actuarial Gain/Loss recognized				
Actuarial gain/(Loss) for the year –Obligation	–101.84	30.49	–195.70	–28.98
Actuarial (gain)/Loss for the year – plan assets	–0.08	–0.91	–0.09	–1.19
Total (gain)/Loss for the year	–101.93	29.58	–195.79	–30.17
Actuarial (gain)/Loss recognized in the year	–101.93	29.58	–195.79	–30.17
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	1,233.78	978.46	600.38	717.21
Fair value of plan assets as at the end of the year	963.41	935.92	551.45	533.51
Funded status	–270.37	–42.55	–48.94	–183.71
Net Asset/(liability) recognized in balance sheet	–270.37	–42.55	–48.94	–183.71
7 Expenses recognized in statement of Profit & loss				
Service cost	326.59	9.85	47.24	57.59
Interest Cost	73.38	73.18	53.79	52.30
Expected return on plan assets	70.19	72.95	40.01	40.79
Net Actuarial (gain)/Loss recognized in P&L			–195.79	–30.17
Expenses/ (Income) recognized in statement of Profit & loss	329.78	10.08	–134.77	38.93
Net Actuarial (gain)/Loss rec. in OCI	–101.93	29.58	–	–
Expenses/(Income) recognized in St. of P&L as per previous GAAP		9.21		–18.71
Increase / (Decrease) in expense due to transition to IND AS		0.87		57.64
Net Asset/(liability) recognized in balance sheet as per previous GAAP		–36.42		–128.70
Increase / (Decrease) in Liability due to transition to IND AS		6.13		55.01
Sensitivity analysis				
	Impact on Present value of obligations		Impact on Present value of obligations	
Increase in Discount rate by 0.50%	–51.56	–41.13	–26.54	–34.52
Decrease in Discount rate by 0.50%	54.75	43.77	28.29	36.95
Increase in salary inflation by 1%	95.25	7.30	57.71	74.11
Decrease in salary inflation by 1%	–95.35	–10.15	–51.72	–66.02

* Past service cost is due to change in Gratuity ceiling from ₹ 10 lakhs to ₹20 lakhs as per amended provisions of Gratuity Act 1972.

SR. VC & M.D.

DIRECTOR

CFO

C.S.

AM–FINANCE

PARICULARS	31.03.2018	31.03.2017
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NOTE 29: FINANCE COSTS

Interest on loan against FDR's for working capital	3.85	2.75
Finance Charges	6.06	2.04
	<u>9.91</u>	<u>4.79</u>

NOTE 30: OTHER EXPENSES

(A): MANUFACTURING & INSTALLATION EXPENSES

Stores & Spares	26.59	15.88
Power & Fuel	70.48	61.71
Freight	2.56	1.97
Installation charges/ AMC Services Expenses	50.49	42.53
Miscellaneous Production expenses	14.84	10.11
	<u>164.96</u>	<u>132.20</u>

(B): ADMINISTRATION AND OTHER EXPENSES

Travelling & conveyance (incl. for directors ₹0.93 Lakh (₹0.74 Lakh)	46.83	43.97
Printing & Stationery	7.48	6.03
Rent	0.52	1.86
Office electricity & Water	2.18	1.91
Postage, Telephone & Telex	7.25	7.63
Property Tax	27.69	17.13
Insurance (net)	3.88	3.69
Rates & Taxes	9.24	7.73
Directors sitting fee	2.18	2.18
Meeting expenses	1.06	0.87
Staff recruitment/training expenses	1.49	0.30
REPAIR & MAINTENANCE :-		
Building	1.24	1.44
Plant & Machinery	4.70	6.79
General maintenance	2.24	4.51
Vehicle running & maintenance	17.33	13.61
Membership fee and subscription	0.37	0.23
Internal audit fees & expenses	1.00	1.00
Auditors payments:-		
Audit fee	1.60	1.60
Tax audit fees	0.40	0.40
Out of pocket	0.28	0.18
Certification & other services	0.85	0.85
Legal & professional fees	5.50	5.33
Office Expenses	134.21	122.83
Miscellaneous expenses	8.32	6.30
Secretarial Audit Fee	0.70	0.70
Forward Premium	0.43	0.82
Bank charges	0.77	1.14
	<u>289.74</u>	<u>261.03</u>
Provisions		
Provision for slow moving stocks	4.66	13.17
Provision for Doubtful Debts	0.96	16.34
	<u>5.62</u>	<u>29.51</u>
Total Administration & Other Expenses	<u>295.36</u>	<u>290.54</u>

SR. VC & M.D. DIRECTOR CFO C.S. AM-FINANCE

PARICULARS	31.03.2018	31.03.2017
(C):SELLING AND DISTRIBUTION COSTS		
Advertisement and publicity	3.07	2.85
Sales promotion expenses	8.34	8.88
Freight outwards (net)/State taxes	12.84	17.03
Packing & Forwarding expenses	54.45	46.75
Service Expenses	0.07	1.07
	<u>78.77</u>	<u>76.57</u>
TOTAL OTHER EXPENSES (A+B+C)	539.09	499.31

NOTE 31: OTHER COMPREHENSIVE INCOME / (LOSSES)

Items that will not be reclassified subsequently to P&L

(a) Re-measurement of defined benefit plan	101.93	-29.58
(b) Income/(expense) on Fair valuation of Financial liabilities	0.87	0.63
	<u>102.80</u>	<u>-28.95</u>

NOTE 32 : EARNINGS PER SHARE

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

(a) Profit / (Loss)after Tax (₹ In Lakhs)	-484.01	-628.67
(b) Weighted average no. of ordinary shares	120.24	120.24
(c) Weighted average no. of diluted shares	120.24	120.24
(d) Nominal Value of ordinary share (₹)	10.00	10.00
(e) Basic Earning/(-Loss) Per Share (Rs)	-4.03	-5.23
(f) Diluted Earning/ (-Loss) Per Share (Rs)	-4.03	-5.23

(figures in brackets denote previous year figures)

NOTE : 33 Contingent liabilities not provided for in the accounts :-

(a) Bank guarantees and Letter of credits *	-	-
(b) Claims against company, not acknowledged as debts, -by Sales Tax authorities**	46.29	46.29
-by Excise & Custom authorities	30.20	30.20
(c) Court cases #	2714.26	2524.99
(d) PSPCL Demand ***	27.96	27.96

* As mentioned in GN on Ind AS Schedule III to the Companies Act 2013 issued by ICAI, Guarantees given by company to perform its own obligations does not represent a contingent liability, accordingly its disclosure under contingent liability has been discontinued as required under previous GAAP to comply with IND AS 37 Provisions, Contingent Liabilities and Contingent Assets.

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

Includes C-Dot Case. Refer Note-37.

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

NOTE : 34 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 ₹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 (₹40.35 lacs) and ₹ 4.55 Lacs against balance appearing in Sundry Debtors at Rs 4.55 lacs (Rs 4.55 lacs) has also been made.

NOTE : 35 PCL Telecom Ltd, another subsidiary company, is in the process of being winding up. The Board of Directors of PUNCOM at their 81st meeting held on 29.01.1997 decided to bear all statutory expenditure incurred in connection with the winding up of PCL Telecom Ltd. Further, the company has been ordered to be wound up by the Hon'ble Punjab and Haryana High Court vide its order dated 20th October 2005

NOTE : 36 The company has reviewed the inventories at the year end and consequently provided for ₹4.66 Lacs (₹9.01 Lacs) and written back ₹2.41Lacs (provided for ₹ 4.16 lacs) in current financial year for non moving items of obsolete and slow moving inventories of Raw material and finished sub-assemblies respectively. An amount of ₹ 0.96 lacs (₹ 16.34 lacs) in respect of doubtful debts and advances has been provided for during the year. The provision as on 31st March 2018 is considered adequate.

NOTE : 37 C-DOT had filed claim of ₹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 ₹ 226.17 Lacs (Claim of ₹182.15 Lacs plus Interest of ₹29.54 Lacs till date of award and Arbitration fee of ₹ 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 ₹108.42 Lacs (₹ 83.02 Lacs) on account of non payment of award amount has been shown as contingent liability, pending appeal in the Hon'ble High Court, Delhi.

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

NOTE : 38 The company has been giving performance guarantees against equipments supplied to various customers and has not incurred any material expenditure on replacement of any part or equipment except for expenditure on travelling of service engineers which is accounted for as and when incurred. Keeping in view the past pattern and the concept of materiality, no provision has been created or disclosure has been made. This is in accordance with the requirements of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

NOTE : 39 Related Party Disclosure

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 (CFO)	Sh. J. S Bhatia
Key Management Personnel (CS)	Sh. Madhur Bain Singh

Details of related party transactions during the year FY 2017-18 and balances outstanding as at 31st March, 2018:

Nature of transaction	Holding Company	CEO	CFO	CS
Salary	-	-	30.40	15.69
Balances outstanding as on 31.03.18*	-	-	-	-
Previous year figures: Salary	-	-	27.66	13.61
Balances outstanding as on 31.03.17	-	-	-	-

* 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-11.

NOTE : 40 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 (and amendments thereon) and applicable IND AS. The amounts shown under Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, etc. have been rounded off to rupees in lakhs (unless otherwise stated).

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

NEENA SINGH
DIRECTOR
DIN: 00233352

CA. HARCHARAN SINGH GREWAL
PARTNER

J.S. BHATIA
CHIEF FINANCIAL OFFICER

MADHUR BAIN SINGH
COMPANY SECRETARY

NEHA KAUSHIK
AM- FINANCE

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

DATE: May 24, 2018

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

I

Basis of preparation of Financial Statements

- a) The Company has adopted Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, with effect from 1st April 2017 with 1st April 2016 as the date of transition as per MCA notification dated 16th Feb, 2015. Accordingly the financial statements have been prepared in accordance with the said Ind AS & Rules and other recognized accounting practices & policies to the extent applicable. The company has applied IND AS to items which are material and made specific disclosure required by an Ind AS if the information is material or when required by law in accordance with said notification. Accounting policies unless referred to otherwise are consistent with generally accepted accounting principles. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- b) The Company 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 (Ind AS) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

III

Property, Plant and Equipment (PPE)

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

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

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 which is in line with Schedule II of the Companies Act, 2013. The property, plant and equipment amounting to ₹ 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 ₹ 5,000/- or less individually. The estimated useful lives of assets are as mentioned below:

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

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

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

Impairment:

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

IV Intangible Assets

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

V Borrowing Costs:

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

VI Cash and Cash Equivalents

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

VII Valuation of Inventories:

- a) Inventories are valued at the lower of cost or estimated net realizable value. Inventories are valued according to FIFO method of valuation.
- b) Cost of Work in process includes cost of material plus direct labour.
- c) Cost of Finished sub assemblies includes cost of material plus overheads apportioned on the basis of actual stage of completion as at year end.
- d) Finished goods are valued at lower of cost or net realizable value.
- e) Goods received after the cutoff date (for physical verification as at the yearend) 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/GST ITC on inputs is reduced from purchases. Inventories are valued at net of CENVAT credit / GST ITC.
- h) Provision for obsolete inventories is reviewed periodically and provided for as per the assessment of management.

VIII Revenue Recognition

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

Sale of Goods

Revenue from sale of goods is recognized when the company has transferred to the buyer the

significant risks and rewards of ownership of the goods and the company retains neither ownership nor effective control over the goods sold;

Services

Revenue from services are recognized as and when they are rendered based on agreements/arrangements with the respective parties and recognized 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, revenue is recognized on completion of specific periods or as specified as per terms of the contract with the customer

IX Government Grants

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

X Transactions in Foreign currency

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

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

XI Employee Benefits

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

b) **Post Employment Benefits**

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

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

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

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

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

XII Income Tax

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current 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. In accordance with IND AS 12 "Income Taxes" the company reviews the carrying amount of a deferred tax asset at the end of each reporting period and reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

XIII As the company has a history of recent losses, the company does not recognise deferred tax asset arising from MAT credit as there is no convincing evidence that sufficient taxable profit under the normal provisions of the Income Tax Act, 1961 within the period specified under section 115JAA of the said Act, will be available against which the unused tax losses or unused tax credits can be utilised by the company.

XIV Earnings per share

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

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

XV Provision, Contingent Liabilities and Contingent Assets

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

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

c) Contingent Assets are neither recognized, nor disclosed.

XVI Prior Period 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.

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 and amendments thereon. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Noncurrent classification of assets and liabilities.

XVIII Financial Instruments

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

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

Measurement: Financial assets and financial liabilities which are material are measured at Fair value/Amortised cost (using the effective interest rate method) based on their nature and contractual arrangements entered into, in accordance with Ind AS 39 Financial Instruments: Recognition and Measurement unless specified otherwise.

XIX Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified new Ind AS 115 (Revenue from Contracts with Customers), Ind AS 21 (The effect of changes in Foreign Exchange rates) and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018. The company is evaluating the impact of this amendment on its financial Statements and will apply the same accordingly.

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:

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

FOR GREWAL & SINGH
CHARTERED ACCOUNTANTS
FRN: 012322N

VIKAS PRATAP, IAS
SR. VC & MANAGING DIRECTOR
DIN: 01129385

NEENA SINGH
DIRECTOR
DIN: 00233352

CA. HARCHARAN SINGH GREWAL
PARTNER

J.S. BHATIA
CHIEF FINANCIAL OFFICER

MADHUR BAIN SINGH
COMPANY SECRETARY

NEHA KAUSHIK
AM- FINANCE

PLACE: S.A.S. Nagar (Mohali)
DATE: May 24, 2018

PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

	(Amount ₹ In Lacs)	
	For the Year Ended 31 st March, 2018	For the Year Ended 31 st March 2017
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	-381.21	-657.62
Adjustment for :-		
Depreciation & Amortization	60.88	52.65
Long term Provision for Employee Benefits	84.97	66.67
Short term Provision for Employee Benefits	6.13	8.93
Amounts written back	-0.77	-0.08
Interest & other financial expenses	9.91	4.79
Profit on sale of fixed assets	-2.09	-9.64
Interest/Rental Income	-858.01	-865.11
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	-1,080.19	-1,399.41
Trade and Other Receivables	-353.29	-98.16
Inventories	85.91	-378.16
Trade and Other Payables	-126.72	43.21
Other current financial liabilities	-19.18	380.87
Other current liabilities	31.38	40.10
Short Term Loans and Advances	-23.22	5.81
Other Financial assets	117.40	91.16
Other Current assets	8.92	9.81
CASH FROM/(USED IN) OPERATIONS	-1,358.99	-1,304.77
Income Tax Refund (Paid)	46.05	101.48
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	-1,312.94	-1,203.29
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-59.63	-55.35
Sale of Fixed Assets	2.30	12.11
Movement in Non- Current Financial Assets	423.29	697.88
Movement in Long term Liabilities	-3.50	26.36
Long Term Loans and Advances	-76.62	-99.51
Interest/Rental Income	858.01	865.11
Other Bank Balances	361.36	-405.20
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	1,505.21	1,041.40
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-9.91	-4.79
Movement in Working Capital Borrowings	138.99	50.05
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	129.08	45.26
Net Change in Cash & Cash Equivalents (A+B+C)	321.35	-116.63
Cash & Cash Equivalents at the beginning of the year	94.68	211.31
Cash & Cash Equivalents at the end of the year	416.03	94.68

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

DATE: May 24, 2018

SR. VC & M.D.

DIRECTOR

CFO

C.S.

AM-FINANCE

AUDITOR'S CERTIFICATE ON CASH FLOW STATEMENT

To,
The Board of Directors,
Punjab Communications Limited,

We have examined the attached Cash Flow Statement of Punjab Communications Limited for the period ended 31st March, 2018. 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 24, 2018

CA. HARCHARAN SINGH GREWAL
PARTNER
M No: 083692

PUNJAB COMMUNICATIONS LIMITED

CIN No: L32202PB1981SGC004616

STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March, 2018

A. EQUITY SHARE CAPITAL

Amount (₹ In Lacs)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1204.80	0.00	1204.80

B. OTHER EQUITY

S. No.	PARTICULARS	Reserves & Surplus					
		Security Premium Account	Capital Redemption Reserve	General Reserve	Deferred Govt. Grants	Retained Earnings	Total
(i)	Balance at the beginning of the reporting period (i.e. 01/04/2017)	6909.03	400.79	895.93	0.77	-1671.51	6535.01
(ii)	Change in accounting policy or prior period errors	-	-	-	-	-	-
(iii)	Restated balance at the beginning of the reporting period	-	-	-	-	-	-
(iv)	Total Comprehensive Income for the Year	-	-	-	-	-	-
	Remeasurement of Employee Benefits (Gratuity)	-	-	-	-	101.93	-
	Fair Valuation of Financial Liabilities	-	-	-	-	0.87	102.80
(v)	Dividends	-	-	-	-	-	-
(vi)	Transfer to Retained Earnings	-	-	-	-0.77	-484.01	-484.78
(vii)	Any other change (to be specified)	-	-	-	-	-	-
(viii)	Balance at the end of the reporting period (i.e. 31/03/2018)	6909.03	400.79	895.93	0.00	-2052.72	6153.03

SR. VC & M.D.

DIRECTOR

CFO

C.S.

AM-FINANCE

INDEPENDENT AUDITORS' REPORT

To

The Members,
Punjab Communications Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Punjab Communications Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

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 Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on 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 3, 5 and 20 in financial statements regarding realization of investment of ₹ 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 Government for tenure of 18 months. Consequent to the Bonds not being redeemed on the due date of redemption viz 20-12-1999, the Company invoked the Government Guarantee. Pursuant to an ex-parte Order passed by the Hon'ble Punjab and Haryana High Court, Chandigarh on 31-01-2004, the UP State Government (Guarantor) deposited ₹ 735.63 lacs and a Govt. Guarantee of equivalent amount in the Civil Court, Lucknow. The Company (Decree Holder) got the release of ₹ 735.63 lacs against furnishing of Bank Guarantee of the equivalent amount.*

On appeal by the UP State Govt., the Hon'ble Supreme Court of India vide its Order dated 19-01-2015 reversed the ex-parte Order of the Hon'ble Punjab and Haryana High Court and directed the Civil Court to refund the amount to UP State Govt. In compliance of the Orders of the Hon'ble Supreme Court, the Civil Judge, District Court, Lucknow passed an Order on 31-03-2018 directing the Company to refund ₹735.63 lacs within 15 days viz by 16-04-2018. However, the Company has decided to file Review Petition and the Lawyer has advised that it can be filed by 29-05-2018. The Company has already accounted for the liability of ₹735.63 lacs and reflected the same under Note 20.

INDEPENDENT AUDITORS' REPORT

Since the ex-parte Order of the Hon'ble Punjab and Haryana High Court was reversed by the Hon'ble Supreme Court, the Company filed a fresh Suit against UP State Govt. through Special Secretary, Industrial Development on 11-03-2016.

UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) is under liquidation vide Order passed in March, 2006 by the Hon'ble Bombay High Court and Official Liquidator was appointed in August, 2006. The liquidation is still pending. The Company has also filed a Claim with the Official Liquidator of UPCSML on 23-05-2016.

In view of the protracted litigation, the Company has accordingly reflected the value of the investment in Bonds at Cost as the same is fully guaranteed by the UP State Government

- (b) Attention is invited to Note 8 and 19 in the matter of balance confirmations wherein we further specify that the said balance confirmations have not been received by us till the date of signing of Balance Sheet.
- (c) *Attention is invited to Significant Accounting Policy 1-I (b), certain items of income and expenditure have been accounted for as and when they are incurred, ascertained or settled. Impact of such treatment on profits for the year has not been ascertained.*
- (d) *As per the explanation and information provided to us, the Company has been selected for Disinvestment by Cabinet Committee on Disinvestment, Government of Punjab but no final Decision in respect of disinvestment made has been taken place during the year under review.*

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

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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;
 - The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
 - On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 and 37 to the standalone Ind AS financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except as mentioned above in Para of Matter of Emphasis and Note 38. to the standalone Ind AS financial statements;
 - During the year under audit, there were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.

for Grewal & Singh
Chartered Accountants
 Firm's registration number: 012322N

CA. Harcharan Singh Grewal
Partner
 Membership number: 083692

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

DATE: May 24, 2018

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

“ANNEXURE A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**Re: Punjab Communications Limited**

1. (a) As per the information and explanations provided to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The company has a regular system of verification of fixed assets at the end of each year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Fixed assets were verified by the company and no discrepancy was noticed.
- (c) As per the information and explanations provided to us, the title deeds of immovable properties of the company are held in the name of company.
2. The company has a regular system of verification of the inventory at the end of each year which, in our opinion, is reasonable having regard to the size of the company. The inventory was verified and the discrepancies noticed on physical verification between physical stock and book records were not material and have been adequately dealt in the books of account.
3. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, we are of opinion that the company has not accepted any deposit in pursuance of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed 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 made and maintained. However, during the current year, the company was not required to maintain cost records as per the provisions of Section 148(1).
7. (a) According to the information and explanations given to us and books and records as produced and examined by us are in accordance with generally accepted auditing practices in India and also based on management representation, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. Further, we report that no undisputed amount payable in respect to such statutory dues were outstanding as at March 31, 2018 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	₹30.20 Lacs	FY 2002-03	Deputy Commissioner of Customs, New Delhi	Reply was submitted in 2002-03. Thereafter, no further communication has been received.
2.	Sales Tax demand	₹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	₹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	₹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 was 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 or Government. 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. **The Section 197 read with Schedule V to the Companies Act, in relation to the managerial remuneration is not applicable to Government companies as per Notification No GSR 463E dated 5 June 2015.**
12. The company is a manufacturing company and not a chit fund or a Nidhi Company. Therefore, this clause is not applicable to the Company.
13. The company transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statement as required by the Indian Accounting Standards and Companies Act, 2013 and amendments thereon.
14. The company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.
15. As per information and explanation provided to us, no such non cash transactions were entered into by the Company with Directors or persons connected with it.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for Grewal & Singh
Chartered Accountants
Firm's registration number: 012322N

CA. Harcharan Singh Grewal
Partner
Membership number: 083692

PLACE: S.A.S. Nagar (Mohali)
DATE: May 24, 2018

“ANNEXURE B” TO INDEPENDENT AUDITOR'S REPORT FY 2017–18**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Punjab Communications Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”).

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) 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 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Grewal & Singh

Chartered Accountants

Firm's registration number: 012322N

CA. Harcharan Singh Grewal

Partner

Membership number: 083692

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

DATE: May 24, 2018

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

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

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

for Grewal & Singh

Chartered Accountants

Firm's registration number: 012322N

CA. Harcharan Singh Grewal

Partner

Membership number: 083692

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

DATE: May 24, 2018

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **PUNJAB COMMUNICATIONS LIMITED** for the year ended **31.03.2018** 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

Firm's registration number: 012322N

CA. Harcharan Singh Grewal

Partner

Membership number: 083692

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

DATE: May 24, 2018

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 31ST MARCH, 2018

The preparation of financial statements of the **Punjab Communication Limited** for the year ended 31st March 2018 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 24th May 2018.

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 31st March 2018. 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. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6) (a) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report :

A. Comments on financial Position

A.1 Balance Sheet

A.1.1 Assets

A.1.1.1 Property Plant & Equipment (Note-2): ₹ 5.65 crore

The above includes written down value (WDV) of land & building of ₹ 0.79 crore which are given on lease for earning rental income. As the land & buildings are leased out with a view to earn rental income, the same falls in the category of investment property as per Ind AS-40 instead of Plant Property and Equipment and the same should have been separately disclosed on the face of Balance Sheet as per Ind AS-I and Schedule-III of the Companies Act 2013. This has resulted in overstatement of 'Plant Property and Equipment' and understatement of 'Investment Property' by ₹ 0.79 crore.

A.1.2 Loans and advances (Note-4): ₹ 3.82 crore

- i. The above includes ₹ 2.54 crore on account of income tax recoverable (₹ 2.52 crore) and prepaid expenses (₹ 2.12 lakh) which are not financial assets within the meaning of Ind AS-32 as the Company did not have any contractual right to receive cash or other financial asset. This has resulted in overstatement of 'Non-Current Financial Assets (Loans and Advances)' and understatement of 'Other Non-Current Assets' by ₹ 2.54 crore.
- ii. As per para 5.1.1 of Ind AS-109 financial assets and liabilities should be measured at fair value. The above includes ₹ 33.43 lakh on account of interest free festival advance given to employees. The Company has shown this financial asset at carrying value and not measured the same on fair value which works out to ₹ 12.59 lakh (at discount rate of 10 per cent which is charged by the Company for loan given to employees for conveyance and housing renovation loan). This has resulted in overstatement of 'Non-Current Financial Assets' and understatement of 'Retained Earning' by ₹ 20.84 lakh.

B Statement of changes in equity

As per para 21 of Ind AS-101, an entity's first Ind AS financial statement shall include two statements of changes in equity alongwith notes. However, the Company has prepared only one statement of changes in equity for the period ended 31st March 2018 against the requirement of two statements.

C Comments on disclosure

- i. As per para 134 of Ind AS-I, an entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. However, the Company has not disclosed the same in compliance of Ind AS-I.
- ii. As per para 23 of Ind AS-101, an entity shall explain how the transition from previous GAAP to Ind AS affected its reported balance sheet, financial performance and cash flows through reconciliation statements and give sufficient detail to enable users to understand the material adjustments to the balance sheet, statement of profit and loss and cash flow statement. However, the Company has neither prepared the above mentioned reconciliation statements nor given detail of material adjustment made as required under AS-101.
- iii. The Company has not made following disclosure with regard to various financial instruments as required under Ind AS-107.
 - Balance Sheet: Category wise disclosure of carrying value of each financial assets/liabilities vis-à-vis fair value (FV) shown at amortised cost, FV through profit & loss and FV value through other comprehensive income. All the Financial Assets and Liabilities have been shown at carrying value except 'Liabilities against Securities Deposits' (note-16) which has been shown at fair value of ₹ 29.10 lakh against the carrying value of ₹ 49.39 lakh;
 - Fair value hierarchy: Fair value hierarchy used for measuring different financial assets and liabilities alongwith detail of valuation techniques and key inputs e.g. discount rate. The company has used Level-3 of fair value hierarchy and used Present Value Technique to measure the fair value of security deposits. The discount rate used by the company is 9 percent per annum; and
 - Qualitative and quantitative disclosure regarding financial risk management: Disclosure regarding credit risk, liquidity risk and market risk alongwith detail of risk management practices and measures adopted by the management to manage these risks.

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

Sd/-

(Punam Pandey)

Principal Accountant General
(Audit), Punjab, Chandigarh

Place : Chandigarh
Date : August 23, 2018

BOARDS' REPORT

Your Board have pleasure in presenting the Thirty Seventh Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2018 along with Independent Auditors' Report thereon and Secretarial Audit Report for the financial year under report.

Financial Results

(₹In lacs)

Particulars	2017-18	2016-17	2015-16
Gross Income	4783.78	3953.86	3112.44
Total expenditure	5267.79	4582.53	3956.39
Profit before tax	-484.01	-628.67	-1047.58
Profit/Loss after tax	-484.01	-628.67	-1047.58
Other comprehensive Income	102.80	-28.95	0.00
Total Comprehensive Income	-381.21	-657.62	0.00
Dividend	Nil	Nil	Nil
Paid up equity	1202.36	1202.36	1202.36
Profit/Loss appropriated to General Reserve	0.00	0.00	0.00
Profit/ Loss Account	-2052.72	-1671.51	-1013.89
Reserves (Including Capital Reserves)	6153.03	6535.01	7192.71
Net fixed assets	564.94	566.39	566.23
Capital employed	7694.97	7995.47	8560.14
Earning/Loss per share (in ₹)	-4.03	-5.23	-8.71
Cash earning/loss per share (in ₹)	-3.51	-4.55	-8.10
Book value per share (in ₹)	61.19	64.37	69.56

Weblink of Annual Return

The Copy of Annual Return pursuant to the provisions of sub section (3) of Section 92 of the Companies Act, 2013 is placed on the website of the company and the web link of annual return is as under:

<http://www.puncom.com/downloads/2018/MGT-9%20EXCEL.pdf>

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 :

- (a) That in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable Indian Accounting Standards have been followed under first-time adoption along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2018, on a going concern basis; and
- (e) 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.
- (f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Frauds reported by Auditors u/s 143(12)

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

Declaration by Independent Director(s)

All the Independent Directors on the Board of Puncom have given their respective declaration under section 149(7) that they meet the criteria of independence, as per the provisions of sub-section (6) of section 149 of Companies Act, 2013, sub regulation (b) of Regulation 16 & 25 of Listing Regulation.

Nomination and Remuneration Committee

The details of the Nomination and Remuneration Policy in accordance with Section 178(2) & (3) 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) or Matter of Emphasis are as follows:**a) Management Reply to Auditors' Remarks**

M/s **Grewal & Singh**, Chartered Accountants, was appointed as Statutory Auditors of the Company for the financial year 2017-18. Notes to accounts forming part of Annual Accounts are self-explanatory and exhaustive to the remarks of Auditors in their report dated 24th May, 2018.

- Regarding the investment of ₹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 the tenure of 18 months. Consequent to the Bonds not being redeemed on the due date of redemption viz 20-12-1999, the Company invoked the Government Guarantee. Pursuant to an ex-parte Order passed by the Hon'ble Punjab and Haryana High Court, Chandigarh on 31-01-2004, the UP State Government (Guarantor) deposited ₹ 735.63 Lacs and a govt. Guarantee of equivalent amount in Civil Court, Lucknow. The Company (Decree Holder) got the release of ₹ 735.63 Lacs against furnishing of Bank Guarantee of the equivalent amount.

On appeal by the UP State Govt., the Hon'ble Supreme Court of India vide its Order dated 19-01-2015 reversed the ex-parte Order of the Hon'ble Punjab and Haryana High Court and directed the Civil Court to refund the amount to UP State Govt. In compliance of the Orders of the Hon'ble Supreme Court, the Civil Judge, District Court, Lucknow passed an Order on 31-03-2018 directing the Company to refund ₹ 735.63 Lacs within 15 days viz by 16-04-2018. However, the Company has decided to file Review Petition and the Lawyer has advised that it can be filed by 29-05-2018. The Company has already accounted for the liability of ₹ 735.63 Lacs and reflected the same under Note-20.

Since the ex-parte Order of the Hon'ble Punjab and Haryana High Court was reversed by the Hon'ble Supreme Court, the Company filed a fresh suit against UP State Govt. through Special Secretary, Industrial Development on 11-03-2016.

UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) is under liquidation vide Order passed in March, 2006 by Hon'ble Bombay High Court and Official Liquidator was appointed in August, 2006. The liquidation is still pending. The Company has also filed a Claim with the Official Liquidator of UPCSML on 23-05-2016.

In view of the protracted litigation, the Company has accordingly reflected the value of the investment in Bonds at Cost as the same 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. Also, refer note: 3, 5 & 20 of financial statements. [Refer Matter of Emphasis Para (a) of Independent Auditor's 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, falling which the balance will be presumed to be correct. The company has no other means of confirming the balances for which no response has been received except presuming them to be correct as per terms of letter. [Refer Matter of Emphasis Para (b) of Independent Auditor's Report]
- Regarding accounting of certain items of income and expenditure as and when they have been incurred, ascertained or settled, the same have been accounted for as per disclosures made in Note 1 Significant Accounting Policy Point I(b) being followed consistently. [Refer Matter of Emphasis Para (c) of Independent Auditor's Report]
- 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 2017-18 [refer Matter of Emphasis Para (d) of Independent Auditor's Report]

b) Management's reply to Secretarial Auditors' Report

There are no qualification / reservation / adverse remarks made by the Secretarial Auditor, Mr. Vishal Arora, Practicing Company Secretary in his 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 1** to this report.

Under Listing Regulations: Puncom has not entered into any Related Party Transaction and the disclosures as per Schedule V of the listing regulations are as follows:

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

Disclosures under Regulation 34(3) Listing Regulations, 2015 are as follows:

Related Party Disclosure: The disclosures related to Related Party Transactions are detailed in Note-39 and Note-11 of Notes to Accounts of Financial Statements for the year ended 31st March, 2018. There are no materially significant related party transactions which have potential conflict with the interest of the Company.

State of the company's affairs

The Sales of the company has seen a healthy growth this year too. There is a substantial growth in business for V-Mux and Power Plant over last year despite very strong competition from other manufacturers and suppliers. This could be achieved due to remarkable and aggressive marketing strategies of the company. The company did reasonably good business for its PLCC equipment and is in the process of executing a very prestigious project in the state of Bihar. With a view to maximise the business in Railways for OFC projects involving V-Mux and Power Plant equipment, different strategies have been worked out on case to case basis depending upon the terms of the project and regional location where the project is to be executed. There is a very stiff competition in solar business as number of players has multiplied in this sector and there is an intense price war to grab maximum business which in turn is affecting the quality of the equipment. Puncom is very watchful and carefully working out its strategy to get some share of the market without compromising on the quality aspect.

Aggressive and result oriented marketing strategies have borne excellent results for the company in terms of orders. This clubbed with good planning and production, Puncom has been able to achieve a healthy turnover of ₹ 3903.39 lacs in Financial Year 2017-18.

Corporate Plan/ Market Scenario of our products

Puncom has made substantial efforts to increase market share of its PLCC products during last year. Puncom has also successfully introduced its V-Mux in PGCIL network and the project is under execution in J&K state. Efforts are being made to bid for SDH & PDH tenders from power sector through tie-up with established SDH manufacturers as well as to increase market share of V-Mux in Railways.

Puncom is executing prestigious OFC and PLCC turnkey projects for railways and power sector. Puncom has extensive strengths to execute indoor OFC works. However, since most of the railway tenders now are being floated after clubbing both indoor and outdoor OFC works, Puncom is making efforts to strengthen its resources for executing such works as well. This would help Puncom in improving its market share in Railways besides the sales turnover. 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 increases the population of Puncom make equipment in these networks.

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

Puncom is making continuous efforts to add new products to increase its product mix by way of tie-ups with other companies and through in house re-engineering of existing products and new developments. 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 approach

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

Large scale upgrade of main telecom network and IT in general is also changing the work environment and catalysing other segments like power, railways, defence, government, agriculture, security, education etc to upgrade their networks and work processes and are generating new business opportunities. New areas of network and information security, renewable energy, green and clean technologies, information access and automation etc are becoming increasingly important and are emerging as new growth segments.

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 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 ₹ 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 2017-18.

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, 2018 till the date of this report i.e. 2nd August, 2018 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) : **NIL**
 Details of technology imported : **N/A**
 Year of Import : **N/A**
 Whether the technology has been fully absorbed : **N/A**
 If not absorbed, areas where absorption has not taken place and reasons thereof : **N/A**

iv) Expenditure incurred on Research and Development

(₹ In Lacs)

Particulars	2017-18 Current Year	2016-17 Previous Year
Capital	NIL	NIL
Recurring	NIL	NIL
Total R&D expenditure as a percentage of total turnover	NIL	NIL

c) **Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo during the financial year 2017-18 in terms of actual inflows and actual outflows is given as follows:

(₹ In Lacs)

Particulars	2017-18 Current Year	2016-17 Previous Year
EARNINGS		
F.O.B Value of Exports	NIL	NIL
OUTGO		
i) CIF Value of Import of Raw Materials	280.11	257.06
ii) Components & Spares	0.00	0.36
iii) Capital Goods	45.53	0.00
iv) Repair & Maintenance (P&M) imports	1.48	2.99
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 Nomination and Remuneration Committee considered the exemption provided to the Government companies and decided to take the benefit of the exemption. As a result, Committee decided to not to evaluate the performance of the KMP's and senior management/HODs during Financial Year 2017-2018 except w.r.t. appointment of senior management and other employees. The performance of Independent Directors was evaluated by the entire Board (except by the Director being evaluated) in their 194th Meeting held on 24th May, 2018.

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.

Composition of Audit Committee

Composition of Audit Committee is mentioned in the Corporate Governance report annexed herewith.

Change in the nature of business

During the year 2017-2018, 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

Further, none of the KMP have been appointed during the Financial Year other than Sh. Vikas Pratap, IAS as Managing Director on the Board of Puncom.

Sh. Rajiv Dewan, Independent Director resigned from the Board of Puncom w.e.f. 14th February, 2018.

Further, CA Rajat Agarwal, IAS has been appointed as Additional Director w.e.f. 25th April, 2018. Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICT/SECTL/447 dated 25th April, 2018 appointed CA Rajat Agarwal, IAS as Sr. Vice-Chairman. Further, Puncom vide Resolution by Circulation dated 27th April, 2018 formalized the above said appointment as Sr. Vice Chairman of Puncom.

Subsequent to that CMA J.S. Bhatia has been appointed as Additional Director in the capacity of CFO of our company w.e.f. 24th May, 2018.

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:

Disclosure relating to Remuneration of Directors and KMP:

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

- a) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year : Name of the Director : Sh. Vikas Pratap, IAS ; Median Remuneration : 910365 and Ration : NIL
- b) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year : There are only two KMP covered under this and they are Sh. Jagdeep Singh Bhatia, CFO and Sh. Madhur Bain Singh, CS having 5.39% and 9% respectively.
- c) Percentage increase in the median remuneration of employees in the financial year : **2.96%**
- d) Number of permanent employees on rolls of the Company as on 31/03/2018 : **223**
- 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 or otherwise)	Qualifications and Experience	Date of commencement of employment	Completed Age (in yrs)	Last employment held	Percentage of equity shares held	Whether relative of any director or manager if so, name of such director/manager)
1	Sh. Jagdeep Singh Bhatia	DVP	30,39,514	Regular	BCOM, ICWAI; Over 33 yrs	01.07.88	53	CDIL	Nil	No
2	Sh. Jasmeet Singh Ghuman	DVP	28,59,192	Regular	MBA and BE; Over 27 yrs	21.01.91	51	Hindustan Lever & Godrej	Nil	No
3	Sh. Rupinder S Mainee	AVP	25,28,026	Regular	BSc & MBA; Over 30 yrs	09.03.89	52	Delta Hamlin Ltd.	Nil	No
4	Mrs. Namita Sharma	GM	21,77,510	Regular	BE; Over 22 yrs	17.11.93	46	Nil	Nil	No
5	Mrs. Raminder Kaur	Addl. GM	18,34,741	Regular	BE(Electronics) and PGDOM Over 22 yrs	08.07.93	45	Nil	Nil	No
6	Mrs. Amardeep Kaur	DGM	16,37,533	Regular	BE(Electronics); Over 22 yrs	05.10.93	48	Nil	Nil	No
7	Sh. Sanjay Garg	DGM	16,23,404	Regular	MSc(Physics); Over 26 yrs	23.09.91	52	'The Oriental Apparatus Workshops'.	Nil	No
8	Sh. Raman Kumar Sharma	AGM	16,05,741	Regular	BE(CS) & MBA (Marketing); Over 19 yrs	02.09.96	43	Nil	Nil	No
9	Sh. Kapil Kumar	AGM	16,01,953	Regular	MCA Over 21 yrs	10.02.97	46	Nil	Nil	No
10	Mrs. Indu Walia	AGM	15,99,164	Regular	MSc(Physics);,PG DBA (Operation), MCA Over 26 yrs	30.09.91	49	Nil	Nil	No

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

Management Discussion and Analysis Report

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

Corporate Governance Report

The Corporate Governance Report for the year under review as stipulated under the Listing Agreement with the Stock Exchange(s) and Schedule V of Listing Regulations is appended as **Annexure 3** and is an integral part of this report.

Secretarial Audit Report

The Board pursuant to the provision of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed Mr. Vishal Arora, Practising Company Secretary, having Membership No.4566 to conduct Secretarial Audit for the financial year 2017-18.

Mr. Vishal Arora, Practising Company Secretary has carried out the Secretarial Audit for the financial year ended March 31, 2018 and the Secretarial Audit Report in Form No. MR-3 is annexed herewith this report as **Annexure 4** 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, No complaint with allegations of sexual harassment filed with the Company and the complaint was received during 2016 was closed during the year after due enquiry and appropriate action.

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.

For and on behalf of the Board of Directors

PLACE : S.A.S. Nagar
DATE : August 2, 2018

(R.K.VERMA), IAS
CHAIRMAN

List of Annexures to the Boards' Report

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

Form No. AOC-2

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

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

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

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

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

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

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

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 ₹157cr. during the year 2001-2002, when its net worth was ₹181 cr.

Thereafter the turnover of the company was adversely affected due to industry wide shift from landline based narrowband communication to wireless and broadband. Realising this, the company made attempts to broaden its customer and product base through tie-ups with foreign companies including Huawei Technologies of China for supply of DWDM equipment. Simultaneously, for improving bottom line, the company went about developing its core markets of railways and power sector with own products. The company is also 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 growth rate in mobile and broadband networks and its deeper penetration into rural and other tertiary areas continues to provide business opportunities in telecom segment.
- Growth of telecom and IT is prompting related growth in niche markets of power, railways, defence, government etc for telecom 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.

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 Ind AS 108 Operating Segments as issued by Ministry of Corporate Affairs.

FINANCIAL POSITION**a) Reserves and Surplus**

The Reserves of the company stands at ₹ 6153.03 Lacs as on March 31, 2018.

b) Secured / Unsecured Loans

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

c) Fixed Assets

The gross block of the company increased from ₹ 5608.33 Lacs to ₹ 5647.83 Lacs in the current year.

d) Investments

Non Current Investments stand to the tune of ₹ 698.74 Lacs as on 31st March, 2018. Principal amount of Fixed deposits of the company have decreased to ₹ 5952.53 Lacs against ₹ 6774.97 Lacs in the previous year. Fixed deposits having maturity period of more than one year from Balance Sheet date are classified as Non-Current Financial Assets.

e) Inventories

Total inventory has decreased from ₹ 1258.14 Lacs as at 31.03.2017 to ₹ 1172.23 Lacs as at 31.03.2018.

f) Receivables

Receivables are ₹ 1894.62 Lacs as at 31.03.2018 as compared to ₹ 1541.33 Lacs as at 31.03.2017. The debtors are considered to be good but there being some doubtful debts, provision to the tune of ₹ 0.96 Lacs has been made this year.

g) Loans and Advances

These consists of both long term and short term loans and advances and have increased from ₹ 403.00 Lacs (re-grouped) as at 31.03.2017 to ₹ 502.84 Lacs as at 31.03.2018

h) Current Liabilities and Provisions

Total current liabilities have been increased from ₹ 4215.38 Lacs as at 31.03.2017 to ₹ 4245.99 Lacs as at 31.03.2018.

i) Other Current Financial Assets

Other current financial 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 ₹ 667.27 Lacs as at 31.03.2017 to ₹ 549.87 Lacs as at 31.03.2018.

OUTLOOK

Industrial Outlook

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

Government of India has progressively improved business and manufacturing climate in the country with reforms such as improved ease of doing business, streamlining controls, taxation 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 ALSTOM, Honeywell, Schneider, GE etc in 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 using broadband and mobile to find yet newer applications and constant technological innovations in most sectors of Industry and society.

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.
- Water management and agriculture

Business Outlook

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

RISKS AND CONCERNS

- Puncom operates in a highly competitive high-tech segment. However, being a PSU, it is not able to employ the level of flexibility in business operations as enjoyed by its competitors from private sector.
- Better career opportunities in private segment has resulted in continued attrition of its technical manpower and depleted company's strength to meet competition.

The company is exposed to many interferences/ disclosures like information under RTI, a restricted work environment subject to lot of audits etc. This hampers the overall growth and productivity of the organization.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

FINANCIAL REVIEW

Operating Results

a) Sales

During the financial year 2017-18, the sales have increased from ₹ 3047.92 Lacs to ₹ 3903.39 Lacs. 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	Percentage Sale
PLCC	1465.01	37.53%
MUX	771.71	19.77%
Power Plant & EPABX & Others	353.59	9.06%
Traded items	1052.49	26.96%
Services	233.14	5.97%
Training Income & Scrap Sale	27.45	0.70%
TOTAL	3903.39	

Customer wise sales

Amount (in Lacs)

Particulars	Sale Amount	Percentage Sale
Power sector	1898.51	48.64%
Railways	1549.45	39.69%
BSNL	14.38	0.37%
Other customers	413.60	10.60%
Training Income & Scrap Sale	27.45	0.70%
TOTAL	3903.39	

b) Expenditure Analysis

i) Material Consumed

Raw material consumed during the year under review is ₹ 1926.93 Lacs as against Rs 1497.87 Lacs in the previous year. Raw material consumption consists of consumption of traded goods also.

ii) Manufacturing, Administrative & Selling expenses

Manufacturing expenses comprising of stores and spares, power and fuel, freight and installation expenses etc. increased from ₹ 132.20 Lacs to ₹ 164.96 Lacs in the current year. As a percentage of sales, these decreased from 4.34% in the previous year to 4.23% in the current year.

Administrative expenses mainly comprising of travelling and conveyance, repair and maintenance, office electricity & water, rent and auditors expenses increased from ₹ 290.54 Lacs to ₹ 295.36 Lacs. However as a percentage of sales these decreased from 9.53% in the previous year to 7.57% 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 ₹ 76.57 Lacs to ₹ 78.77 Lacs in the current year. As a percentage of sales these decreased from 2.51% in the previous year to 2.02% 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	4.66
Provision for Doubtful debts and advances	0.96

Thus the overall amount provided for in the accounts during the financial year 2017-18 is to the tune of ₹ 5.62 Lacs.

iv) Personnel Cost

The personnel cost increased from ₹ 2387.37 Lacs (restated as per Ind AS) to ₹ 2595.05 Lacs.

v) Finance costs and Depreciation

The financial charges increased from ₹ 4.79 Lacs in the previous year to ₹ 9.91 Lacs in the current year.

Depreciation increased from Rs 52.65 Lacs to ₹ 60.88 Lacs during FY 2017-18. Further, additions in the capital expenditure were booked to the extent of ₹ 59.63 Lacs during the current year.

vi) Net Profit/Loss and Total Comprehensive Income

During the current financial year, the company has incurred Net Loss before tax of ₹ 484.01 Lacs as against Net Loss before tax of ₹ 628.67 Lacs during the last year.

Total Comprehensive Income(+)/Loss(-) for the current financial year is ₹ - 381.21 Lacs in comparison to ₹ - 657.62 Lacs after considering impact of Other Comprehensive Income to the tune of ₹ 102.80 Lacs and ₹ - 28.95 Lacs in current and previous year respectively.

vii) Dividend

Owing to inadequate profit, during the previous year, the Directors of the company do not recommend any dividend for the financial year 2017-18.

ISO- 9001:2008 CERTIFICATION

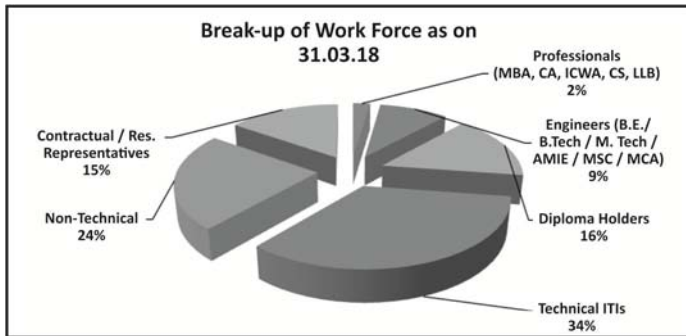
Making quality equipment & services available to its customers is the motto of Puncom. In pursuit of providing quality equipment & services, Puncom processes and procedures conform to the ISO 9001:2015 standard. These procedures and processes are audited once in three years for the recertification of the standard, followed by yearly Surveillance and half-yearly Internal Audits. Puncom has successfully completed ISO standards upgradation and recertification audit of ISO 9001:2015 standard in March, 2018. Upcoming surveillance audit will be done in April, 2019 as 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 46 years.

Break- up of work force	As on 31.03.18
Professionals (MBA, CA, ICWA, CS, LLB)	06
Engineers (B.E/ B.Tech /M.Tech /AMIE/MSC/MCA)	24
Diploma Holders	40
Technical ITIs	87
Non-Technical	60
Contractual/ Res. Representatives	39
Total	256



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 corpse 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 2017-18 the employee management relations remained cordial and positive.

Disclosure of Accounting Treatment:

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

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

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

2. Board of Directors

The present strength of the Board is six directors; one executive director being Sr. Vice Chairman-cum-Managing Director, one whole-time director, CMA J.S. Bhatia, being employee of the Company and four non-executive directors, of which two are independent directors, who are professionals and/or have expertise in their respective functional areas. The Chairman 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 2nd August, 2018) 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.	CA Rajat Agarwal, IAS	07973901	Non-Executive, Nominee*	Sr. Vice Chairman
4.	Sh. V. P. Chandan, IRSSE (Retd.)	00225793	Non-Executive, Independent	Director
5.	Smt. Neena Singh	00233352	Non-Executive, Independent	Director
6.	CMA Jagdeep Singh Bhatia	02554023	Executive (Wholetime)	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 2nd August, 2018.

The name/nomination of Smt, Shruti Singh, IAS, was withdrawn by Punjab Infotech and accordingly she ceased to be the Sr. Vice Chairperson/Director on the Board of Puncom w.e.f. 16th March, 2018. In her place, CA Rajat Agarwal, IAS was appointed as Director in the capacity of Sr. Vice Chairman by Punjab Infotech w.e.f. 25th April, 2018.

CA Rajiv Dewan, Independent Director resigned from the Board of Puncom w.e.f. 14th February, 2018 due to pre-occupation.

CMA J.S. Bhatia, CFO of the company has been appointed as Additional Director on the Board w.e.f. 24th May, 2018.

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
190 th	Friday	19 th May, 2017
191 st	Thursday	17 th August, 2017
192 nd	Tuesday	14 th November, 2017
193 rd	Tuesday	13 th February, 2018

The attendance of Directors at Board Meeting(s) and General Meeting during the Financial Year 2017-2018 along with the number of Directorships held by them in other companies and number of Board Committees in which they are Chairman/Member at the end of financial year or as per the last disclosure given by them, as the case may be, is given here below. This is being disclosed as per provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) and Listing Regulations.

Name	Attendance at Board Meeting(s)		Attendance at AGM (21-09-2016)	Number of Directorships in other Companies (as per last disclosure given to Company)	Number of Committee Chairpersonship/ Membership	
	Attended	Entitled to Attend			Chair-person	Member
Sh. R. K. Verma, IAS Chairman	3	3	No	5	-	-
Sh. Vikas Pratap, IAS, Sr.VC & MD	3	4	No	4	-	-
Smt. Shruti Singh, IAS, Sr. VC	1	4	No	5	-	-
CA Rajiv Dewan, Director	3	4	No	6		3
Sh. V. P. Chandan, IRSSE, Director	4	4	Yes	-	4	-
Smt. Neena Singh, Director	3	4	Yes	1	-	3

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

Name of the Director	Designation	Relationship inter-se
Sh. R. K. Verma, 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.
Smt. Shruti Singh, IAS	Sr. Vice Chairperson	Director nominated and appointed by holding company is related to other directors appointed by Holding company
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 2017-2018 was conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) on 23rd March, 2018. 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 Chairman of the company and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The familiarization programme of independent directors is available at www.puncom.com 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 Chairman & Smt. Neena Singh as Member. 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 2017-18 as per details given below:

Audit Committee Meeting No.	Day	Date
63 rd	Friday	19 th May, 2017
64 th	Thursday	17 th August, 2017
65 th	Tuesday	14 th November, 2017
66 th	Tuesday	13 th February, 2018

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

The names of the members, Chairman, particulars of the meetings and attendance of the members during the year are as follows:

S.No	Name	Category	Number of Meetings attended	Number of meetings entitled to attend
1.	Sh. V. P. Chandan, Chairperson	Independent/ Non Executive	4	4
2.	CA Rajiv Dewan, Member	Independent/ Non Executive	3	4
3.	Smt. Neena Singh, Member	Independent/ Non Executive	3	4
4.	CS Madhur Bain Singh, Convener	Compliance Officer	4	4

* CA. Rajiv Dewan, Director/Member of the Committee resigned from the Board of Puncom w.e.f. 14th February, 2018.

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 31.03.2018. 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, IRSE(Retd.) as Chairman and Smt. Neena Singh as member, both 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 Chairman being an Independent Director. The committee met for the third time on 23rd March, 2018 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 (2) & (3) of section 178 of the Companies Act, 2013 and Part D Schedule II of Listing Regulations.

The terms of reference stipulated are as follows:

- Identification of persons qualified to be directors and in senior management in accordance with the criteria laid down.
- Recommend to the Board appointment and removal of the directors apart from the nominee directors as proposed by the Government of Punjab and in the Senior Management.
- Evaluation of every director's performance.
- Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- Recommendation of Remuneration policy for the directors, KMP and other employees.
- 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 w.r.t. appointment of senior management and other employees. 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 is constituted in accordance with sub section (5) of section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations and the Committee is presently comprises of Sh. V.P. Chandan, IRSSE (Retd.), Non Executive Director as Chairman and Smt. Neena Singh as Member. During the Financial Year 2017-18, the Committee met on 19th May, 2017.

The terms of reference as on 31.03.2018 mandated by your Board to this committee, which are also in line with the statutory and regulatory requirements as mentioned under Part D Schedule II are:

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

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

S.No	Name	Category	Number of Meetings 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.	CS Madhur Bain Singh, Convener	Compliance Officer	1	1

The status of redressal of complaints received from 1st April, 2017 to 31st March, 2018 is as under:

Number of complaints pending as on 1 st April, 2017	Nil
Number of complaints received during the year	Nil
Number of complaints redressed during the year	Nil
Number of complaints not solved to the satisfaction of Shareholders	Nil
Number of complaints pending as on 31 st March, 2018	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
25.09.17	36 th AGM in respect of the financial year 2016- 2017	11.00 AM	Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
21.09.16	35 th AGM in respect of the financial year 2015- 2016	12 Noon	Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
29.09.15	34 th AGM in respect of the financial year 2014- 2015	11.00 AM	Phase-VIII, Industrial Area, 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 web-site (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, Financial Results, Reconciliation of Share Capital Audit, Voting Results are filed through XBRL. The website also includes official news releases.

Publishing of Quarterly Results

Quarter No.	Date of Publishing	Newspaper
1 st	19.08.17	Desh Sewak (Vernacular) Financial Express (English)
	19.08.17	
2 nd	15.11.17	
	15.11.17	
3 rd	14.02.18	
	14.02.18	
4 th	25.05.18	
	25.05.18	

Notice of Board Meeting

Meeting Date	Date of Publication/Information to Stock Exchange	Newspaper
17.08.17	10.08.17	Desh Sewak (Vernacular) Financial Express (English)
	10.08.17	
14.11.17	07.11.17	
	07.11.17	
13.02.18	03.02.18	
	03.02.18	
24.05.18	10.05.18	
	10.05.18	

Notice of Book Closure & AGM

Book Closure	Date of Publication	Newspaper
19.09.17	03.09.17	Desh Sewak (Vernacular) Financial Express (English)
25.09.17	03.09.17	
AGM	Date of Publication	Newspaper
25.09.17	03.09.17	Desh Sewak (Vernacular) Financial Express (English)
	03.09.17	

9. General Shareholder Information

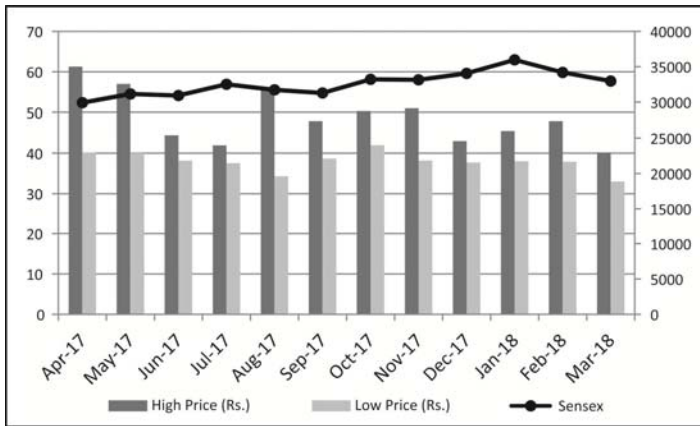
General Shareholders Information

A. Annual General Meeting (Date, time and venue)	:	Date	:	21 st September, 2018
		Time	:	11.00 A.M
		Venue	:	B-91, Phase VIII, Indl. Area SAS Nagar, (Chandigarh) - 160 071
B. Financial Calendar	:	1 st April 2017 to 31 st March 2018		
C. Date of Book Closure/ Record Date	:	15 th September, 2018 to 21 st September, 2018		
		(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 2018-19 have		been paid to the Stock Exchange, Mumbai;
F. Stock Code	:	500346		

G. Market Price Data (BSE)

Month	High Price (₹)	Low Price (₹)
April, 2017	61.30	40.20
May, 2017	57.00	40.05
June, 2017	44.45	38.15
July, 2017	41.95	37.55
August, 2017	56.00	34.30
September, 2017	47.95	38.70
October, 2017	50.30	42.00
November, 2017	51.00	38.20
December, 2017	43.00	37.70
January, 2018	45.50	38.00
February, 2018	47.95	37.90
March, 2018	40.20	33.00

H. Graph showing Stock Performance of Puncom on BSE vis a vis BSE Sensex during the year 2017-18



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, 2018

Category (Amount)	30-06-2018				30-06-2017			
	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	10095	95.290	11401830	9.483	10320	95.893	11614990	9.660
5001-10000	247	2.332	1949750	1.622	219	2.035	1708880	1.421
10001-20000	134	1.265	2005240	1.668	114	1.059	1688380	1.404
20001-30000	33	0.331	808460	0.672	27	0.251	666100	0.554
30001-40000	15	0.142	526040	0.438	17	0.158	590780	0.491
40001-50000	13	0.123	599410	0.499	13	0.121	604720	0.503
50001-100000	34	0.321	2416600	2.010	32	0.297	2405940	2.001
100001& Above	23	0.217	100528320	83.609	20	0.186	100955860	83.965
Total	10594	100	120235650	100	10762	100	120235650	100

Category Code	Category of shareholder	30-06-2018			30-06-2017		
		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 Nationalised	7	28034	0.233	7	28034	0.233
	TOTAL	8	28634	0.238	8	28634	0.238
	:Insurance Companies						
	1 Insurance Companies	1	5800	0.048	1	5800	0.048
	TOTAL	1	5800	0.048	1	5800	0.048
	Central Govt./StateGovt						
	1 Corporate Body (State Govt)	0	0	0	0	0	0
	TOTAL	0	0	0	0	0	0
	: Foreign Portfolio Investor (Corporate)						
	1 Foreign Portfolio Investor (Corp) Category II	1	575000	4.782	1	575000	4.782
	TOTAL	1	575000	4.782	1	575000	4.782
	TOTAL	17	612934	5.098	17	612934	5.098

:NON INSTITUTIONS							
:Corporate Body							
1 Body Corporate Limite Liability Partnership	1	1600	0.013	-	-	-	-
2 Corporate Body Domestic	196	512786	4.265	210	682511	5.676	
3 Corporate Body Margin Account	19	18914	0.157	25	121678	1.012	
4 Corporate Body (Broker)	7	3896	0.032	10	4156	0.035	
5 Corporate body (Others)	11	3334	0.028	11	3334	0.028	
6 Clearing Member	11	1607	0.013	-	-	-	
7 Corporate CM/TM Proprietary Account	2	649	0.005	3	749	0.006	
8 Corporate CM/TM Collertal Account	-	-	-	1	9	0.000	
9 Corporate body (Stock Broker)	4	902	0.008	3	870	0.007	
TOTAL	251	543688	4.522	263	813307	6.764	
: Individual Shareholders							
1 Resident Ordinary	10147	2199351	18.292	10315	1940368	16.138	
2 Resident (HUF)	150	90473	0.752	138	72703	0.605	
TOTAL	10297	2289824	19.044	10453	2013071	16.743	
: Non Resident Indian							
1 NRI-Repatriable	15	5082	0.042	16	5426	0.045	
2 NRI(NonRepatriable)	11	1261	0.010	10	8051	0.067	
TOTAL	26	6343	0.053	26	13477	0.112	
TOTAL	10574	2839855	23.619	10742	2839855	23.619	
TOTAL	10591	3452789	28.716	10759	3452789	28.716	
GRAND TOTAL (A+B)	10594	12023565	100.00	10762	12023565	100.00	

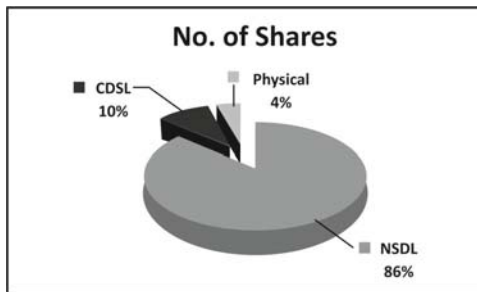
Notes: 1. The shareholding of PSIDC, being another corporation of Govt. of Punjab, has been consolidated with the shareholding of "Promoter & Promoter Group".

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, 2018 is as under:

Depository	No. of Shares	Percentage
NSDL	10250440	85.26
CDSL	1253307	10.42
Physical	519818	4.38
Total	12023565	100.00



N. Details of Investors complaints received during 2017-18 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 2017-18 are as follows:

Lodged for transfer	Transferred and returned	Rejected & Returned	Pending
24	15	09	Nil
(2394 Shares)	(1597 Shares)	(797 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
Email : 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 ₹ 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 has a "Policy on Related Party Transactions and Materiality of Related Party Transactions" in place. The policy takes into account various provisions on related party transactions mentioned in Regulation 23 of Listing Regulations and also in the Companies Act, 2013.

There is no Related Party Transaction, as required to be disclosed u/s 188(2), read with notification no G.S.R. 463 (E) dated 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. Bhatia, Dy. Vice President/CFO heading the Finance Division, has been appointed as Vigilance and Ethics Officer.

No personnel were denied access to the audit committee during the Financial Year 2017-2018.

(c) Mandatory/Non-mandatory requirements

Your company is complying with all the mandatory requirements as per Schedule V of Listing Regulations. Compliance with discretionary requirements is covered under the point covering the same.

(d) 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.

(e) 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>.

(f) Disclosures of commodity price risks and commodity hedging activities

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

11. Code of Conduct for Prevention of Insider Trading

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

12. All corporate governance requirements as mentioned in Schedule V(C)(2) to (10) of Listing Regulations 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.

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.

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).

CEO/CFO Certification under Regulation 17(8):

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

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 ON 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

TO

THE MEMBERS,

PUNJAB COMMUNICATIONS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PUNJAB COMMUNICATIONS LIMITED** (hereinafter referred to as "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **PUNJAB COMMUNICATIONS LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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 31stMarch, 2018 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) **OTHER APPLICABLE ACTS :**
 - (a) Factories Act, 1948
 - (b) Payment of Wages Act, 1936, and rules made thereunder
 - (c) The minimum Wages Act, 1948, and rules made thereunder
 - (d) Employee's state Insurance Act, 1948, and rules made thereunder
 - (e) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder
 - (f) The payment of Bonus Act, 1956, and rules made thereunder
 - (g) The Water (Prevention & Control of Pollution) Act 1974, Read with water (Prevention & Control of Pollution) Rules, 1975
 - (h) The Payment of Gratuity Act, 1972
 - (i) Trade Marks Act, 1999.
 - (j) Indian Contract Act, 1872
 - (k) Punjab Municipal Act, 1911
 - (l) The Apprentices Act, 1961

- (m) The Workmen's Compensation Act, 1923
- (n) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act. The Company has complied with section 203 of Companies Act 2013 in relation to the appointment of KMP for the relevant financial year under review.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with my letter of even date which is annexed as "annexure A" and forms and integral part of this report.

PLACE: Chandigarh
DATE: July 23, 2018

(VISHAL ARORA)
COMPANY SECRETARY
FCS NO. 4566
CP NO.3645

"Annexure –A"

**TO
THE MEMBERS,
PUNJAB COMMUNICATIONS LIMITED**

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

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

PLACE: Chandigarh
DATE: July 23, 2018

(VISHAL ARORA)
COMPANY SECRETARY
FCS NO. 4566
CP NO.3645

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, 2018, 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 1st April, 2017 to 14th February, 2018 during the Financial Year and the Company has assured that they are in process and will comply with its provisions shortly.

We state that no investor complaint 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 S. Grewal
**Partner
Membership No: 083692**

PLACE: Mohali
DATE: July 17, 2018

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 Seventh (37th) Annual General Meeting of Punjab Communications Limited will be held on Friday, 21st September, 2018 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, 2018 and Balance Sheet as on that date together with Boards' Report, Auditors' Report, CAG comments thereon and Secretarial Auditors' Report thereto.
2. To appoint Statutory Auditors of the company for the financial year 2018-2019 (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 there under, as amended from time to time, consent of the members of the company be and is hereby accorded to appoint M/s Grewal & Singh, Chartered Accountants, Chandigarh as Statutory Auditors of the Company for the financial year 2018-2019, 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."

SPECIAL BUSINESS

3. 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, **CA Rajat Agarwal, IAS**, (DIN : 07973901) who was appointed as Additional Director in the capacity of Sr. Vice-Chairman of the Company w.e.f. 25th April, 2018 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 his candidature to the office of Director, be and is hereby appointed as Director of the Company in the capacity of Sr. Vice-Chairman of the Company."
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED that **CMA Jagdeep Singh Bhatia**, (DIN : 02554023) who is in whole time employment of the company and who was appointed as Additional Director of the company w.e.f. 24th May, 2018 under Article 132 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 be and is hereby appointed as Director of the Company."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED that pursuant to applicable provisions of Companies Act, 2013, if any and the rules made there under, **Smt. Vini Mahajan, IAS**, (DIN : 06943948) who was appointed as Additional Director in the capacity of Chairman of the Company w.e.f. 10th August, 2018 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."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:
 "RESOLVED that pursuant to provisions of Regulation 17(1A) of SEBI (LODR) Amendment Regulations, 2018, approval of shareholders be and is hereby granted for continuation of Sh. V. P. Chandan as Independent Director who has attained the age of more than 75 years and thus cannot continue as Director of the company post 1st April, 2019 unless the approval of shareholders is granted."

Date : 17th August, 2018
 Place : Registered Office
 B-91, Phase VIII, Industrial Area,
 SAS Nagar (Chandigarh) - 160071
 CIN: L32202PB1981SGC004616

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

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto at **Annexure I** and forms integral part of this notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT B-91, INDUSTRIAL AREA, PHASE VIII, MOHALI, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED WITH THE ANNUAL REPORT. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMEBERS NOT EXCEEDING FIFTY(50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Register of Directors' Shareholding is open for inspection, during the business hours, at the Registered Office of the Company upto and including the date of Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e. from 15th September, 2018 to 21st September, 2018 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 37th 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 37th Annual General Meeting ("AGM") to be held on Friday, 21st September, 2018 at 11:00 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)	18 th September, 2018 (9.00 am)	20 th September, 2018 (5.00 pm)

12. The Notice of the 37th 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. 17th August, 2018.

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 18th September, 2018 to 20th September, 2018 i.e. during the voting period.
- l) Once you enter, the "Cast Vote Page" will open. Now you are ready for e-voting.
- m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

- n) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - o) After selecting your option, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - p) Once you “CONFIRM” your vote on the resolution, you will NOT be allowed to modify your vote.
 - q) You can also take out a print of the voting done by you by clicking on “Click here to Print” option on the voting page.
 - r) If Demat Account Holder has forgotten the password, then Enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
 - s) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 - t) Note for Institutional shareholders
 - i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - iii) After receiving the login details, create Compliance User using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com 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) 17th September, 2018 for AGM Resolution(s).
 - iv) Since, the Company is providing 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 37th Annual General Meeting.
 - v) **Mr. S.K. Sikka, Company Secretary in practice of Mr. S. K. Sikka & Associates, has been appointed as the Scrutinizer to scrutinize the E-voting as well as Postal Ballot event in a fair & transparent manner.**
 - vi) The Scrutinizer shall within a period of not exceeding 3 working days from the conclusion of the e-voting period unlock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman or any other Director authorized by him.
 - vii) The results shall be declared on or after the 37th 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 37th Annual General Meeting of the Company i.e. on 24th September, 2018 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. 3**

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 CA Rajat Agarwal, IAS, (DIN : 07973901) 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 CA Rajat Agarwal, 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 Sr. Vice-Chairman of the Company. The Government of Punjab vide its order bearing No. 61112018- IAS(3)1999 dated 3rd April, 2018 has appointed CA Rajat Agarwal, IAS as Managing Director, Punjab Infotech. Further in exercise of its power, vide Article 158 & Article 128 of the Articles of Association of the company, Punjab Information & Communication Technology Corporation Ltd. (our holding company) vide their letter No. PICTISECTLI447 dated 25th April, 2018 has appointed CA Rajat Agarwal, IAS as additional director in the capacity of Sr. Vice-Chairman of the Company. The Directors of your company have recommended his appointment as above.

The appointment of CA Rajat Agarwal, IAS as additional director in the capacity of Sr. Vice-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.

CA Rajat Agarwal, IAS being the appointee himself, may be deemed to be concerned or interested in this Resolution.

CA Rajat Agarwal, IAS, born on 27th March, 1978 is a 2003 Batch IAS Officer and is at present serving as Managing Director, Punjab Infotech. He is Bachelor of Commerce (Hons.) & a Chartered Accountant. He has served the State of Punjab in various capacities.

He has served in various departments such as D.C. Ludhiana, Special Secretary(Finance) and Registrar, Co-operative Society, etc.

As on date, he is Director of Punjab Small Industries & Export Corporation, Punjab State Industries Development Corporation, Punjab Finance Corporation, Punjab Information and Communication Technology Corporation Ltd.

Relationship inter-se: CA Rajat Agarwal, 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 CA Rajat Agarwal, IAS are as framed by the holding company (PICTCL) or the Board of Directors from time to time.

The last drawn remuneration by CA Rajat Agarwal, IAS was in his capacity as IAS Officer by the Govt. of Punjab. However, Puncom is not providing any salary or remuneration in his capacity as director.

CA Rajat Agarwal, IAS is on the Board of Punjab Small Industries & Export Corporation, Punjab State Industries Development Corporation, Punjab Finance Corporation, Punjab Information and Communication Technology Corporation Ltd. Further, he is neither a Member nor a Chairman in any of the Committees as per the provisions of Regulation 36(3) of Listing Regulations.

The shareholding of CA Rajat Agarwal, IAS as per Regulation 36(3) of the Listing Regulations is NIL.

As CA Rajat Agarwal, IAS was appointed on the Board of Puncom after the close of financial year i.e. on 25th April, 2018, he has not attended any board meeting during the year.

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 CMA Jagdeep Singh Bhatia, (DIN: 02554023) as Additional Director w.e.f. May 24th, 2018 on the Board, to hold office of the Director, as such, up to the date of the ensuing Annual General Meeting as per the provisions of section 161 of the Companies Act 2013.

The Directors of your company have recommended his appointment as above. 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.

Brief Resume of CMA Jagdeep Singh Bhatia is given here below:

CMA Jagdeep Singh Bhatia, born on 27th August, 1964 is working with Punjab Communications Ltd since 1st July, 1988 at different posts. He is Bachelor of Commerce and a Cost Accountant. In his career span of 34 years, he has gathered an extensive experience in various fields, such as Accounts, Costing, Finance, Sales & Audit. At present he is serving as Chief Financial Officer (CFO) of our Company.

The shareholding of CMA Jagdeep Singh Bhatia as per Regulation 36(3) of the Listing Regulations is NIL.

Item No. 5

Pursuant to Article 132 of the Articles of Association of the company, the Directors have the right to appoint a person or persons as an Additional Director or Directors. Pursuant to this Article, the Directors have appointed Smt. Vini Mahajan (DIN : 06943948) as an Additional Director on the Board, to hold office of the Director, as such, up to the date of the ensuing Annual General Meeting. The company has received notice from a member of the company along with deposit as required under Section 160 of Companies Act, 2013 proposing the candidature of Smt. Vini Mahajan 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. 6/01/12018-IAS(3)2531 dated 10th August, 2018 has appointed Smt. Vini Mahajan, IAS as Additional Chief 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) has appointed Smt. Vini Mahajan, IAS as additional director in the capacity of Chairman of the Company. The Directors of your company have recommended her appointment as above.

The appointment of Smt. Vini Mahajan, IAS as additional director in the capacity 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.

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

Smt. Vini Mahajan, IAS born on 21st October, 1964 is a 1987 Batch IAS Officer (Punjab Cadre) and is at present serving as Additional Chief Secretary of Housing & Urban Development, Industries and Commerce, Information Technology & Investment Promotion. She is an Economics graduate from Lady Shri Ram College, Delhi University and post graduate from the Indian Institute of Management (IIM), Calcutta, where she was placed on the Roll of Honour. She is the recipient of numerous academic awards, including the National Talent Search Scholarship.

She has served in various departments such as D.C. Ropar,, MD, Punjab Tourism Development Corporation Limited, Chief Administrator, Anandpur Sahib Urban Planning & Development Authority, Chief Administrator, Anandpur Sahib Urban Planning & Development Authority, Convenor, Expert Group on Power Reforms, Govt of Punjab, Secretary, Power, Govt of Punjab , M.D., Punjab Infrastructure Development Board, Director-cum-Secretary, Disinvestment, Govt of Punjab, Additional Chief Secretary-cum-Financial Commissioner, Revenue and Rehabilitation, to name a few.

As on date, she is Additional Chief Secretary, Housing and Urban Development and in addition Additional Chief Secretary, Industries & Commerce and in addition Additional Chief Secretary, Information Technology and in addition Additional Chief Secretary, Investment Promotion.

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

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

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

Smt. Vini Mahajan, IAS has been nominated on the Board of our holding Corporation M/s Punjab Information and Technology Corporation Limited and Punjab Alkalies and Chemicals Limited. Further, she is neither a Member nor a Chairman in any of the Committees as per the provisions of Regulation 36(3) of Listing Regulations.

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

As Smt. Vini Mahajan, IAS was appointed on the Board of Puncom after the close of financial year i.e. on 10th August, 2018, she has not attended any board meeting during the year under report.

Item No. 6

Pursuant to Regulation 17(1A) of SEBI (LODR) Amendment Regulations, 2018 no listed entity shall appoint a person or continue the directorship of any person w.e.f. 1st April, 2019 as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Sh. V. P. Chandan, (DIN : 00225793) a qualified Engineer, has been associated with the company since 1997 and has a rich experience in the field of Telecom, Administration and Consultancy. He is an advisor to the World Bank and an asset to the company. The company has benefited a lot from his rich experience and knowledge. At this point of time the Board and company needs his advice and guidance and thus the Board of the Company has in their meeting held on 2nd August, 2018, recommended continuation of his tenure as director of our company to the shareholders of the company.

Sh. V. P. Chandan, being the appointee himself, may be deemed to be concerned or interested in this Resolution.

The shareholding of Sh. V. P. Chandan, as per Regulation 36(3) of the Listing Regulations is NIL.

The appointment of Sh. V.P. Chandan as independent director is subject to the approval of shareholders by way of Special Resolution.

**ANNEXURE II
INFORMATION PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS**

Presently the company is having six directors on Board, out of which two are independent directors and one Managing Director, who are not liable to retire by rotation. In the Board Meeting held on 2nd August, 2018, the Board recommended the appointment of Sh. R. K. Verma, IAS who was eligible to retire by rotation as per the provisions of the Companies Act, 2013, however, the nomination of Sh. R. K. Verma is withdrawn before the Annual General Meeting. The other three directors viz. Sh. Rajat Agarwal, IAS, Sh. J. S. Bhatia and Smt. Vini Mahajan, IAS being additional directors are proposed in this notice for appointment as Directors. Now after the withdrawal of nomination of Sh. R.K. Verma, IAS, none of the directors are eligible for retiring by rotation and thus none of the directors actually retire by rotation as per the provisions of Companies Act, 2018.

Date : 17th August, 2018
Place : Registered Office
B-91, Phase VIII, Industrial Area,
SAS Nagar (Chandigarh) - 160071
CIN: L32202PB1981SGC004616

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

----- 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*	
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Regd. Folio No.	
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Client Id*	
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NAME AND ADDRESS OF THE SHARE HOLDER

No. of share(s) held :

I hereby record my presence at the 37th ANNUAL GENERAL MEETING of the Company held on Friday, 21st September, 2018 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:, or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 37th Annual General Meeting of the Company, to be held on Friday, 21st September, 2018 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, 2018 and Balance Sheet as on that date together with Boards' Report, Auditors' Report, CAG comments thereon and Secretarial Auditors' Report thereto.
2	To appoint the Statutory Auditors of the Company for the Financial Year 2018-2019.
Special Business – Ordinary Resolution	
3	To appoint CA Rajat Agarwal, IAS, (DIN: 07973901) as Additional Director in the capacity of Sr. Vice-Chairman of the Company.
4	To appoint CMA Jagdeep Singh Bhatia, (DIN : 02554023) as Additional Director in the capacity of whole time Director of the Company.
5	To appoint Smt. Vini Mahajan, IAS, (DIN : 06943948) as Additional Director in the capacity of Chairman of the Company.
Special Business - Special Resolution	
6	To appoint Sh. V. P. Chandan, (DIN : 00225793) as Independent Director who has attained the age of more than 75 years and thus cannot continue as Director of the company post 1 st April, 2019 unless the approval of shareholders is granted.

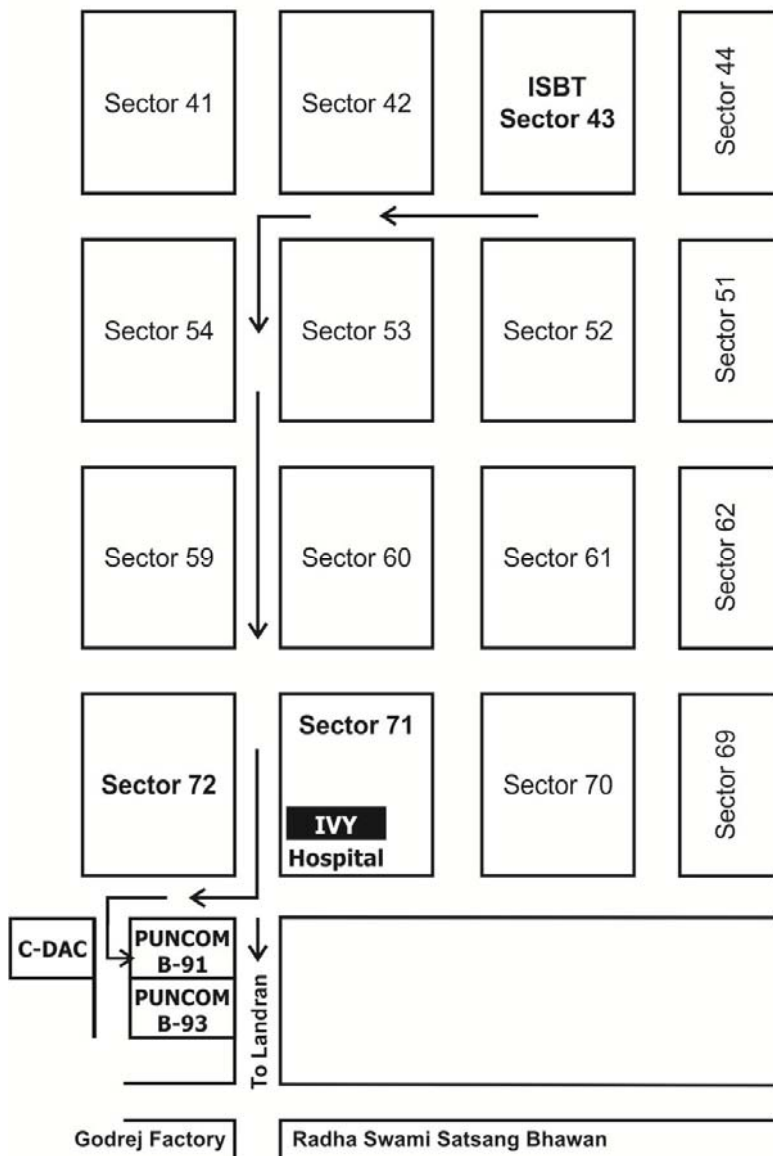
Signed this 21st day of September, 2018

Signature of Shareholder:

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 underlivered, please return to :

PUNJAB COMMUNICATIONS LIMITED

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