



PUNCOM



34th

**Annual Report
2014-2015**



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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 : **Alankit Assignments Limited**
(Both for Physical & Demat Category) DP & RTA
Alankit House,
2E/21, Jhandewalan Extension,
New Delhi - 110055
Ph.: (011) 42541234, 42541955, 23541234
Fax : 91-11-23552001

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

- Annual General Meeting of the company is scheduled to be held on 29th day of September 2015, (Tuesday) at 11.00 A.M. at B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali-160071 (Punjab) (Notice Enclosed).
- Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
- The Trading of Puncom's scrip has come under compulsory Demat for all investors w.e.f. August 28, 2000 (ISIN INE609A01010).
- The Annual Report also covers reports on "Management Discussion & Analysis" and "Corporate Governance".
- The shares of your company are listed with The Bombay Stock Exchange Ltd., Mumbai (BSE) only.
- As per Amendments to clause 32 of Equity Listing Agreement and Modification of SEBI Circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated 26.4.2011 towards Green Initiatives in the Corporate Governance, Listed Companies are required to send Balance Sheet etc. by electronic mail to its members. Thus, Shareholders having Shares in Electronic Form are requested to **register their e-mail address with concerned Depository Participant (DP)** and Shareholders having Shares in Physical Form are requested to register their e-mail address through letter duly signed with our Share Transfer Agent i.e. **Alankit Assignments Ltd., New Delhi**.

Annual General Meeting

Date & Time : 29th September, 2015, Tuesday, at 11.00 a.m.

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

PUNJAB COMMUNICATIONS LIMITED

Web : www.puncom.com CIN : L32202PB1981SGC004616

Corporate Information
(as on 12.08.2015)

Board of Directors	Designation	DIN No.
Sh. Anirudh Tewari, IAS	Chairman	02682553
Sh. Vikas Pratap, IAS	Vice Chairman & MD	01129385
Sh. R.K. Chaudhuri, IAS	Vice Chairman	06941397
CA R.K. Nangia*	Director	00225725
Sh. V.P. Chandan, IRSSE (Retd.)	Independent Director	00225793
CA Rajiv Dewan	Independent Director	00007988
Er. A.K. Pathak	Executive Director	00474919
CA Asish K. Bhattacharyya	Independent Director	00799039
Smt. Neena Singh	Independent Director	00233352

Company Secretary
CS Madhur Bain Singh

Head (Finance) / CFO
CMA J.S. Bhatia

Statutory Auditors
M/s B. Rattan & Associates
Chartered Accountants

Bankers
IndusInd Bank Limited
Allahabad Bank

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

Committee of Directors
Audit Committee

Sh. V.P. Chandan, IRSSE (Retd.)	Chairman
CA R.K. Nangia*	Member
CA Rajiv Dewan	Member
CA Asish K. Bhattacharyya	Member

Stakeholders' Relationship Committee

Sh. V.P. Chandan, IRSSE (Retd.)	Chairman
CA R.K. Nangia*	Member
CA Rajiv Dewan	Member
CA Asish K. Bhattacharyya	Member

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* CA R.K. Nangia ceased to be a Director of Puncom as he resigned on 2nd July, 2015 owing to withdrawal of Nomination by the Nominating Authority.

Financial Highlights 2010-2011 to 2014-2015 (Last Five Years)

	(₹ in Lacs)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Sales	1817.06	2312.99	2342.88	2089.39	2251.77
Other Income	965.88	1167.72	1280.5	1137.37	1005.22
Total Income	2782.94	3480.71	3623.38	3226.77	3256.99
Earning/Loss before Dep.					
Interest and Tax (EBDIT)	100.67	178.97	103.62	-571.73	-978.61
Depreciation	76.81	69.94	60.13	52.19	38.85
Profit / Loss after Tax	-0.46	73.58	300.19*	-684.64	-1026.16
Equity Dividend (%)	—	—	—	—	—
Dividend Payout	—	—	—	—	—
Equity Share Capital	1202.35	1202.35	1202.35	1202.36	1202.36
Reserves & Surplus	9650.59	9723.99	10024.02	9233.28	8206.66
Tangible Net Worth	10797.00	10874.13	11174.96	10438.08	9411.46
Gross Fixed Assets	5399.62	5414.83	5427.7	5431.84	5440.02
Net Fixed Assets	598.63	544.11	497.57	449.53	418.85
Total Fixed Assets	598.63	544.11	497.57	449.53	418.85

* Includes Exceptional items amounting to ₹ 271.48 lacs.

Key Ratios 2010-11 to 2014-15

	2010-11	2011-12	2012-13	2013-14	2014-15
Earning /loss Per Share (in ₹)	—	0.61	2.5	-5.69	-8.53
Cash Earning/Loss Per Share (in ₹)	0.84	1.49	0.86	-4.92	-6.4
Book Value Per Share (in ₹)	89.80	90.44	92.94	86.81	78.28
Debt/Equity Ratio	—	—	—	0.01	—
Current Ratio	1.79	1.81	4.12	4.25	3.77

BOARDS' REPORT

The Board hereby presents the Thirty Fourth Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2015 alongwith Independent Auditors' Report thereon and Secretarial Audit Report for the financial year 2014-2015.

Financial Results

(₹ In lacs)

Particulars	2014-15	2013-14
Gross Income	3256.99	3226.77
Total expenditure	3964.50	3725.88
Profit before tax	(1026.16)*	(630.78)
Profit/Loss after tax	(1026.16)	(684.64)
Dividend	Nil	Nil
Paid up equity	1202.36	1202.36
Profit/Loss appropriated to General Reserve	(1026.16)	(684.64)
Reserves (Including Capital Reserves)	8206.66	9233.28
Net fixed assets	418.85	449.53
Capital employed	9575.93	10570.59
Earning/Loss per share (in ₹)	(8.53)	(5.69)
Cash earning/loss per share (in ₹)	(6.40)	(4.92)
Book value per share (in ₹)	78.28	86.81

*includes exceptional item of Rs.167.98 lacs.

Review of Operations

During the year, the company continued its efforts to improve sales of its own products i.e. Primary Drop/Insert Multiplexer as well as PLCC (Power Line Carrier Communication equipment). The company is also looking for tie ups to enhance its product line. As part of the new initiatives company successfully entered into SPV solar power plant business and also looking for opportunities emerging around smart city project. Further due to aggressive marketing tie-ups, the company achieved a healthy turnover of approx. Rs.2251.77 lacs in financial year 2014-15 besides income of Rs.1005.22 lacs from other activities.

The book value of share held by you is around Rs.78.28 per share and the Reserves stood at approx. Rs.8206.66 lacs. The Company has invested an amount of Rs.8.17 lacs during the year in acquiring fixed assets. 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. Puncom offered value-added products and services to the customers on the basis of strategic and effective use of technology aided by aggressive market and product initiatives.

Corporate Plan/ Operations

With lot of hard work and best efforts Puncom has been able to increase its market share of its PLCC product. This has been well supplemented by its V-Mux Product. Though the Government did not make any appreciable change in its policy to promote manufacturing in India, yet Puncom has done reasonably well keeping in mind the stiff competition in Telecom field and squeezing margins.

Puncom is executing some prestigious OFC turnkey projects for railways. Puncom is focusing on outdoor projects in addition to the indoor turnkey projects. This would help Puncom in improving its market share in Railways. Puncom is also offering its V-Mux and Power Plant equipment to other contractors who are executing turnkey projects for Railways. This not only helps in improving the sales but also increase in Puncom make equipment in Railway network.

Puncom has established itself very well in the power utility sector by improving its share of PLCC in various state electricity boards, PGCIL etc. To further increase its market share in this sector Puncom is offering and supplying PLCC

equipment to private parties which are undertaking turnkey projects of sub-stations for various state electricity boards.

While Puncom has made good inroads in turnkey projects it is also undertaking repair and maintenance contracts for V-Mux, power plant and PLCC equipment. Undertaking such value added activities would not only help in improving the sales but also help in strengthening the performance of Puncom equipment in various networks of railways, power utility sector etc.

In the recent industrial policy of Govt of India, lots of efforts are being made to strengthen and promote manufacturing sector in India. Puncom is making continuous efforts to add new products to its kitty by having tie-ups with other potential companies. Puncom is also in continuous search of companies which are looking for a tie-up from services point of view involving installation, erection and commissioning work.

The Future

- India has seen an exponential growth of telecom network in India for several years now, leading to an increase in subscriber density to an impressive 80% and a sizeable broadband penetration. Liberal government policies and fierce competition between operators have ensured that India received latest and best equipments and technologies from largest equipment MNCs at lowest prices. Unfortunately, this technology upgrade, by-passed Indian telecom manufacturers, as majority of the equipment was simply imported fully finished into India. Government of India has now become sensitive to the huge current account deficit caused by unbridled import of MNC equipment, and is creating policy frame work, including preference for increased domestic manufacturing in telecom and IT. Driven by these imperatives, and by the gradual maturing of industry, domestic manufacturing by MNCs directly or in tie ups is likely to increase with increased localization and IP content.
- Fortunately large scale upgrade of main telecom network and IT in general is also changing the work environment and catalysing other segments like power, railways, defence, government, security, education etc to upgrade their networks and work processes and are generating new business opportunities. New areas of network and information security, renewable energy, green and clean technologies, information access and automation etc are becoming increasingly important and emerging as new growth segments. Apart from this, defence with its unique domestic focus remains a major potential growth segment.
- Historically, Puncom has been deriving its revenue mainly from Power, Railway and BSNL segments. Unfolding telecom and industrial scenario however foresees increased role of new revenue streams from emerging growth segments. Puncom is monitoring these emerging trends and is on look out for appropriate opportunities for itself for sustenance and growth and preparing itself to meet the emerging challenges in the changing environment.

Change in the nature of business

During the year 2014-2015, there was no change in the nature of Business of the Company.

Dividend

Due to inappropriate profit/loss in the current year, the Board of Directors of your Company have not recommended any dividend for the Financial Year 2014-15.

Reserves

Due to inappropriate profit/loss in the current year, no amount was carried over to Reserves and Surplus. Instead, the reserves have been utilized to the extent of Rs.1026.61 Lacs.

Share Capital

During the year, there was no change in the Share Capital of Puncom. The Company neither issued further shares nor shares with differential rights or sweat equity shares. Moreover, none of the ESOPs were offered to any of the employees.

Directors and Key Managerial Personnel

Following changes, in the constitution of Board of Directors and Key Managerial Personnel, took place during the period under review upto 12th August, 2015.

Sh. Karan Avtar Singh, IAS was appointed as an Alternate Director to Sh. D.P. Reddy, IAS on 28th October, 2014. However, he ceased as Alternate Director on 8th December, 2014.

Sh. Vikas Pratap, IAS has been appointed as Vice Chairman and Managing Director replacing Sh. D.K. Tiwari, IAS w.e.f. 20th November, 2014.

Smt. Neena Singh has been appointed as an Independent Director w.e.f. 31st March, 2015.

Further, Sh. Anirudh Tewari, IAS has been appointed as an Additional Director in the capacity of Chairman w.e.f. 13th May, 2015 replacing Sh. D.P. Reddy, IAS.

Also, CA R.K. Nangia has resigned from the Board of Puncom w.e.f. 2nd July, 2015 owing to withdrawal of Nomination by the holding Company, i.e. Punjab Infotech.

Moreover, none of the Key Managerial Personnel have been appointed during the Financial year other than Sh. Vikas Pratap, IAS as Managing Director on the Board of Puncom. However, the existing Head (Finance) was re-designated as CFO of the Company.

S. No.	Name of the Outgoing Director	Name of the Incoming Director	Reason
1.	Sh. D. K. Tiwari, IAS	Sh. Vikas Pratap, IAS	As per the Order of Govt. of Punjab vide Order No. 6/1/2014-IAS(3)/4037 dated 19 th November, 2014 and further nominated by Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICTC/SECTL/5452 dated 19 th Nov., 2014 Appointing Sh. Vikas Pratap, IAS as Managing Director. The BOD has appointed Sh. Vikas Pratap, IAS as Managing Director in place of Sh. D.K. Tiwari, IAS vide Resolution by Circulation passed dated 8 th December, 2014.
2.	—	Smt. Neena Singh	Smt. Neena Singh has been appointed as an Independent Director on the Board w.e.f. 31 st March, 2015 by the Board of Directors, vide Resolution by Circulation dated 31 st March, 2015.
3.	Sh. D. P. Reddy, IAS	Sh. Anirudh Tewari, IAS	As per the Order of Govt. of Punjab vide Order No. 6/1/2015-IAS(3)/1146 dated 11 th May, 2015 and further nominated by Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICTC/SECTL/576 dated 13 th May, 2015 appointing Sh. Anirudh Tewari, IAS as Additional Director in the Capacity of Chairman vide Resolution by Circulation dated 13 th May, 2015 in the place of Sh, D.P. Reddy, IAS w.e.f. 13 th May, 2015.
4.	CA. R.K. Nangia	—	CA. R.K. Nangia has resigned from the Board of Puncom owing to withdrawal of nomination by the nominating authority w.e.f. 2 nd July 2015.

Meetings

During the year, five Board meetings and four Audit Committee meetings were duly convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the provisions of Companies Act, 2013 and Listing Agreement.

Directors' Responsibility Statement

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility

Statement, it is hereby confirmed:

- i) That in the preparation of accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and the Companies Act, 1956, wherever applicable, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March 2015 on a going concern basis.
- v) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively.
- vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, and subsequent Government Notification G.S.R. 463(E) dated 5th June, 2015, the Board evaluation is not applicable. However, there is a system in place for evaluation of the Board, its committees and individual directors and the company is complying with the same.

Declaration by Independent Director(s)

All the Independent Directors on the Board of Puncom have given their respective declaration that they meet the criteria of independence, as per the provisions of sub-section (6) section 149 of Companies Act, 2013. The term of Appointment of Independent Directors has been fixed for 5 years, in accordance with the provisions of the Companies Act, 2013, and none of the Independent Directors have been reappointed for more than 5 years.

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.

Nomination and Remuneration Committee

The details of the Nomination and Remuneration Policy in accordance with Section 178(2) are mentioned in the Report on Corporate Governance. There is a Nomination and Remuneration Committee of the Company and there is a policy in place. The same is exempted to our Company as referred to in Govt. Notification No G.S.R. 463(E) dated 5th June, 2015 to the extent it is applicable to Directors. However, it is applicable to Senior Management and the same is being duly complied with.

Vigil Mechanism

In accordance with the provisions of section 177(9) & (10) of the Companies act, 2013, and Clause 49 of the Listing Agreement, a Vigil Mechanism (Whistle Blower Policy) has been adopted and the same is complying with the provisions of the Act and Clause 49 of the Listing Agreement.

Risk Management Policy

The Risk Management structure conforms to the requirements of clause 49 of Listing Agreement and is formed to ensure the harmonious growth of the company and to maximize the net worth of the shareholders.

An integrated risk management system continuously identifies monitors and manages Puncom's risks. The Audit Committee of the Board provides the overall policy guidelines. The committee also conducts periodic reviews of Puncom's Risk Management Policy, while the Board monitors and manages Puncom's risk management through quarterly risk reports to achieve above objectives.

Details of Puncom's 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. The former one is not in operations since 1997-98 and an application for winding-up was filed before the Hon'ble Punjab & Haryana High Court at Chandigarh. The Court on 20th October, 2005 has passed the order of its winding-up. Subsequently the Statement of Affairs has been filed with the Official Liquidator attached with the said Court. The Hon'ble Court is yet to issue the dissolution order.

M/s Punjab Digital Industrial Systems Limited, the other subsidiary is also not in operation since long. Accordingly, a winding-up petition was filed with the Hon'ble Punjab & Haryana High Court at Chandigarh for winding-up of the company. The Court on 20th February 2009 has passed the order of its winding-up. Subsequent to that, the Statement of Affairs has been filed with the Official Liquidator attached with the said Court. The records have been handed over to the 'Liquidator's Office'.

Management's Reply to Statutory Auditors Remarks

M/s **B. Rattan & Associates**, Chartered Accountants, was appointed as Statutory Auditors of the Company for the financial year 2014-15. Notes to accounts forming part of Annual Accounts are self- explanatory and exhaustive to the remarks of Auditors in their report dated 28th May, 2015.

Though there is no qualification in Independent Auditor's Report, the reply to some observations/remarks are as follows :

- a) As regards non- recognition of the accrued interest amounting to Rs.968.43 lacs (up to 12.07.2005 i.e. date of deposit of Rs.735.63 lacs by UP Government) from UPSCMFL as per decree awarded by the court, we are of the opinion that there being contingency in realization of interest in near future and as the execution of the same is pending before the lower court, the same has not been recognized to comply with AS-9 on Revenue Recognition.

All the courts below the Hon'ble Supreme Court had decided in favour of Puncom but unfortunately the Hon'ble Supreme Court on 19.01.2015 had decided against the ex-parte decree earlier made in favour of the Company. Accordingly, now in view of protracted litigation and uncertainty of the amount realizable, pending settlement of the case, the accrued interest standing at the beginning of the year amounting to Rs.115.63 lacs has also been provisioned by the company. The same has also been dealt in accordance with applicable AS -29 "Provisions, Contingent Liabilities and Contingent Assets". [Refer Matter of Emphasis Para (a) of Independent Auditor's Report]

- b) Regarding accounting of certain income and expenditure on cash basis, the same has been accounted for as per disclosures made in Significant Accounting Policy I(b). [Refer Matter of Emphasis Para (b) of Independent Auditor's Report]
- c) Regarding provision of Rs.52.35 lacs for 30% back wages of Sh. A.S. Gill, the same has been correctly provided for in books of accounts in compliance with applicable Accounting standards and order of Hon'ble Supreme Court. [Refer Matter of Emphasis Para (c) of Independent Auditor's Report]
- d) Regarding selection of Company for disinvestment by Cabinet Committee on Disinvestment in 2003, we are to inform that there is no final decision in respect of mode of Disinvestment during FY 2014-15. Relevant developments in this matter have already been informed and explained to Auditors for which reference can be made to Point 1 of Report on Directions u/s 143(5) of Companies Act 2013, [Refer Matter of Emphasis Para (d) of Independent Auditor's Report]
- e) The excise and custom duty demand of Rs.30.20 lacs is disputed with Deputy Commissioner of Customs, New Delhi, Excise and Custom department. In this regard Puncom had submitted the reply/ necessary documents but no further communication has been received till date. [Refer Annexure to the Independent Auditor's Report Point VII (b)(i)]
- f) As regards Sales Tax demand including interest aggregating to Rs.14.85 lacs (net of pre deposit), which is disputed, we are to inform that company has filed an appeal and the same is pending at the office of Sales Tax Appellate Tribunal, Andhra Pradesh. [Refer Annexure to the Independent Auditor's Report Para VII (b)(ii)]
- g) Regarding Sales Tax demand including interest aggregating to Rs.16.77 lacs, which is disputed, we are to inform that company has filed an appeal and the same is pending at the office of Ld. Senior Joint

Commissioner, Salt Lake Taxation appellate office (South 24 Parganas), Kolkata, West Bengal. [Refer Annexure to the Independent Auditor's Report Para VII (b)(iii)]

Management's reply to Secretarial Auditor's Report

Secretarial Auditors have reported that the Company is not complying with the desired ratio of Independent Directors in their report for the financial year 2014-2015. Efforts to comply with the desired ratio were made. However, as on the date of this report, the Company is maintaining the desired ratio.

Internal Audit & Controls

Puncom, being a Government owned undertaking, is subject to various internal Audits and Controls. M/s Rakesh Krishan & Associates, Chartered Accountants, were engaged as Internal Auditors during the Financial year 2014-2015. During the year, Puncom continued to implement their suggestions and recommendations to improve the control environment. Internal Auditors findings were discussed with the product owners and suitable corrective actions have been taken as per the directions of the Audit Committee on an ongoing basis to improve efficiency in operations. Thus, there were adequate internal controls w.r.t. the Financial Statements.

Particulars of Deposits under Section 73 of the Companies Act, 2013

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

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 are NIL.

Particulars of Related Party Transactions Under Section 188 of the Companies Act, 2013

Puncom has not entered into any Related Party Transaction except with its Holding Company Punjab Infotech which is at arm's length price and governed by the provisions of section 188 of the Companies Act, 2013. The details of the same are given in the prescribed form AOC 2 and is annexed herewith.

Disclosures relating to Remuneration of Directors and KMP:

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

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

S. No.	Name of the Director	Median Remuneration	Ratio
1.	Sh. Vikas Pratap, IAS	789722	NIL
2.	Er. A.K. Pathak	789722	3.78

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

S. No.	Name of Director/CFO/CEO/CS	Designation	Percentage increase
1.	Er. A.K. Pathak	Whole-Time Director	14%
2.	Sh. Jagdeep Singh Bhatia	CFO	16%
3.	Sh. Madhur Bain Singh	CS	13%

- c) Percentage increase in the median remuneration of employees in the financial year : 16%
- d) Number of permanent employees on rolls of the Company : 232
- e) Relationship between average increase in remuneration and company performance: Average increase in remuneration is equivalent to rate of inflation declared by state for the purpose of DA. The company being an undertaking of Punjab Government follows applicable pay-scales uniformly for all its employees as per the respective designation and tenure of employee with the company.

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: There are no performance linked hikes, variable pay or special monetary benefits for Directors/KMPs.
- g) Market Capitalisation of the Company, Price earning ratio

Particulars	31st March, 2015	31st March, 2014
Market Capitalisation	61,19,99,458	79,29,54,112
Price Earnings Ratio	—	—

The Company came out with its Initial Public Offer in October 1994 @ Rs.250 per share (including Rs.240 as share premium). Market quotations of the shares of the company have decreased by 79.64% and have come down to Rs.50.90 (Closing Price at 31st March, 2015).

- h) 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
- i) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: The Company being an undertaking of Punjab Government follows applicable pay-scales uniformly for all its employees as per the respective designation and tenure of employee with the company. There are no performance linked hikes, variable pay or special monetary benefits for Directors/KMPs.
- j) Key parameters for any variable component of remuneration availed by the directors : NIL
- k) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : N/A
- l) affirmation that the remuneration is as per the remuneration policy of the company : Yes

B. Companies (Particulars of Employees) Rules, 1975

As per Section 134 of the Companies Act, 2013 and Section 217(2A) of the Companies Act, 1956 (wherever applicable) read with the Companies (Particulars of Employees) Rules, 1975, the Company is required to give the list of employees who have been paid annual remuneration of Rs.60,00,000/- or above and a monthly remuneration of Rs.5,00,000/- and above in case the employee worked for less than a year. Since there is no employee drawing remuneration exceeding the aforesaid limits, hence the same is not applicable.

Puncom's shares on the Bourses

The Shares of your Company are listed with The Bombay Stock Exchange Limited, Mumbai (BSE) only. Presently approx. 95% of the company's shares have been dematerialized. During the year under report, the share price of the company ranged between the low of Rs.47.10 (26th March, 2015) to the high of Rs.107.75 (17th June, 2014).

Disclosure w.r.t. Conservation of energy, technology absorption and Foreign Exchange Earnings and Outgo:

A. CONSERVATION OF ENERGY

- a) 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.
- b) Steps taken for utilizing alternate sources of energy : The system is in place for alternate sources of energy.
- c) Capital investment on energy conservation equipments : NIL

B. TECHNOLOGY ABSORPTION

- a) Efforts made towards technology absorption: Efforts in brief made towards technology absorption, adoption and innovation.
- b) Benefits derived: Company shall be able to achieve significant cost reduction and improvement in the product and generate new markets; and as a result shall be able to strengthen its position in its market segments
- c) Technology imported (during the last three years) :

Details of technology imported	NIL
Year of Import	N/A
Whether the technology has been fully absorbed	NIL
If not absorbed, areas where absorption has not taken place and reasons thereof	N/A
- d) Expenditure incurred on Research and Development

(Rs.In lacs)

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings and outgo during the Financial year 2014-2015 in terms of actual inflows and actual outflows is given as follows:

(Rs.In lacs)

	Current Year	Previous Year
EARNINGS		
F.O.B. value of Export	NIL	NIL
OUTGO		
i) CIF value of import of raw material	168.67	182.71
ii) Components & Spares	1.94	0.09
iii) Capital goods	0.00	1.63
iv) Repair & Maintenance (P&M) Imports	0.33	2.24
v) Foreign travel & others	NIL	NIL

Sexual Harassment of Women at Workplace: Internal Committee

In compliance of the provisions of Section 21 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Internal Committee constituted by the Company has prepared the following Annual Report:

S.No.	Particulars	Status
1.	No. of Complaints of sexual harassment received in the year	NIL
2.	No. of Complaints disposed off during the year	NIL
3.	No. of cases pending for more than ninety days	NIL
4.	No. of Workshops or awareness programme against sexual harassment carried out	General awareness programme/ Verbal discussions carried out in groups
5.	Nature of action taken by the Employer	NIL

Material changes and Commitments affecting the financial position of the company after the close of the 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, 2015 till the date of this report i.e. 12th August, 2015 under Section 134(3)(l) of the Companies Act, 2013 are as follows :

1. The appointment of Global Advisors and Legal Advisors for the purpose of disinvestment has been terminated and as per the decision of the Core Group of Officers on Disinvestment, fresh appointment of Global Advisors and Legal Advisors is to be made from Sale of Assets point of view.

Corporate Social Responsibility

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

Details of significant and material orders passed

Following significant orders were passed by Courts, Tribunals affecting the going concern status and operations in future of the company :

- a) In the matter of Punjab Communications Limited v/s State of UP, an application under Order 9 Rule 13 of the Civil Procedure Code was filed by the State of UP, which was decided in all the lower and High court in favour of the company. However, on appeal of the State of UP before the Hon'ble Supreme Court of India, the decision was reversed, The company has filed a Curative Petition and the same is pending in the said Court.
- b) Your Company is in the list of Companies to be disinvested by the Government of Punjab and steps in this regard have already been initiated by them.

Adequacy of Internal Financial Controls

The company has adequate internal financial controls with reference to financial statements and these are working effectively.

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) is annexed as Annexure 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) is annexed as Annexure and is an integral part of this report.

Industrial Relations

The employee-employer relationship remained cordial and harmonious throughout the year. The Board of Directors of your Company placed on record their satisfaction for the dedicated services rendered by the employees of the company.

Extract of Annual Return

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

Acknowledgement

The Board places on record its gratitude to the BSNL, Punjab Energy Development Agency (PEDA), Department of Railways, Ministry of Defence, VSNL, MTNL, PGCIL, PSEB and other esteemed customers in India and abroad. The Board also places on record its gratitude to IndusInd Bank & Allahabad Bank for their keen interest in the affairs of the company, continuous help and co-operation for successful working of the Company. The Board also places on record its

gratitude to the Punjab Information Communications and Technology Corporation Limited (PICTCL), the Holding Company, for its guidance and support.

The Board also places on record its appreciation for the dedication, commitment and hard work of staff at all levels. The Board in particular acknowledges the co-operation of esteemed shareholders for their constant support and for the confidence reposed in the Management of the Company.

Place : S.A.S. Nagar
Date : August 12, 2015

(ANIRUDH TEWARI)
CHAIRMAN

List of Annexures to the Boards' Report

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

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2015

[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

We 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 our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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:

We 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 31st March, 2015 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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with 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.

We further report that

The Board of Directors of the Company is duly constituted. However, the company has not maintained the requisite ratio of Independent Director's as required when the chairman is Non-executive and the same has been reported in the minutes of the Board Meeting. It has been informed that the company is in the process of appointing Independent Directors/maintaining the required ratio. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

We 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 our letter of even date which is annexed as "Annexure A" and forms and integral part of this report.

PLACE : CHANDIGARH
DATE : 01/07/2015

FOR **ARORA & GUJRAL**
COMPANY SECRETARIES

(VISHALARORA)
COMPANY SECRETARY
FCS NO. 4566, CP NO. 3645

TO
THE MEMBERS,
PUNJAB COMMUNICATIONS LIMITED

Our 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. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We 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. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required, we 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. Our 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 : 01/07/2015

FOR **ARORA & GUJRAL**
COMPANY SECRETARIES

(VISHALARORA)
COMPANY SECRETARY
FCS NO. 4566
CP NO.3645

FORM No. AOC-2

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

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

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

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

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

(a) Name(s) of the related party and nature of relationship:	Punjab Information and Communication Technology Corporation Limited; (Holding Company)
(b) Nature of contracts/arrangements/transactions:	Lease Agreement (Govt. to Govt.) (Premises of Puncom at C-134 leased to PICTCL for their INNCUBE Centre)
(c) Duration of the contracts / arrangements/ transactions:	3 months (during FY 2014-2015)
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	General Lease Agreement at rentals of Rs.4,81,761 per month with 6% increment every year
(e) Date(s) of approval by the Board, if any:	Not Applicable/Exempted vide Govt Notification G.S.R. 463(E)
(f) Amount paid as advances, if any:	Rs.10,80,000 received as security

FORM No. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	PLCC	2630	52.084
2	MUX	2630	12.502
3	POWER PLANT	2630	4.415

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Punjab Information and Communication Technology Corporation Ltd.	U17219CH1976PLC006342	Holding	71.21%	2(46)
2	PCL Telecom Ltd.	U13203PB1993PLC013203	Subsidiary	100%	2(87)
3	Punjab Digital Industrial Systems Ltd.	U72210PB1977PLC003714	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the beginning of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			-	0.00%			-	0.00%	0.00%
b) Central Govt	85,51,501	9,900	85,61,401	71.21%	85,51,501	9,800	85,61,301	71.20%	0.019%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	85,51,501	9,900	85,61,401	71.21%	85,51,501	9,800	85,61,301	71.20%	0.01%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	85,51,501	9,900	85,61,401	71.21%	85,51,501	9,800	85,61,301	71.20%	0.01%

B. Public Shareholding

1. Institutions

a) Mutual Funds	-	3,500	3,500	0.03%	-	3,500	3,500	0.03%	0.00%
b) Banks / FI	27,834	800	28,634	0.24%	27,834	800	28,634	0.24%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	9,475	-	9,475	0.08%	9,475	-	9,475	0.08%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Co.	5,800	-	5,800	0.05%	5,800	-	5,800	0.05%	0.00%
g) FIs	5,55,814	-	5,55,814	4.62%	6,40,000	-	6,40,000	5.32%	15.15%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	-
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):	5,98,923	3,500	6,03,223	5.02%	6,83,109	3,500	6,87,409	5.72%	12.46%

2. Non-Institutions

a) Bodies Corp.	5,33,175	29,933	5,63,108	4.64%	6,08,527	29,933	6,38,460	5.31%	13.38%
i) Indian-	-	-	0.00%	-	-	-	0.00%	0.00%	-
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,44,645	5,12,117	15,56,762	12.95%	10,45,177	5,00,397	15,45,574	12.86%	-0.72%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,82,532	-	6,82,532	5.68%	5,26,404	0	5,26,404	4.38%	-22.87%
c) Others (specify) Lying in escrow account-Buy Back with Karvy Consultants Ltd.	419	-	419	0.00%	419	-	419	0.00%	0.00%
Non Resident Indians	55,920	200	56,120	0.47%	63,798	200	63,998	0.53%	14.04%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts -	-	-	0.00%	-	-	-	0.00%	0.00%	0.00%
Foreign Bodies-DR	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):	23,16,691	5,42,250	28,58,941	23.78%	22,44,325	5,30,530	27,74,855	23.08%	-2.94%
Total Public (B)	29,15,614	5,46,550	34,62,164	28.80%	29,27,434	5,34,830	34,62,264	28.80%	0.00%
C. Shares held by Custodian for GDRs & ADRs	NIL		NIL	0.00%	NIL		NIL	0.00%	0.00%
Grand Total (A+B+C)	1,14,67,115	5,56,450	1,20,23,565	100.00%	1,14,78,935	5,44,630	1,20,23,565	100.00%	0.01%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	
1	Punjab Information and Comm. Tech. Corp. Ltd.	85,51,501	71.12%	0	85,51,501	71.12%	0	0.00%
2	Punjab State Electronics Dev. & Pro. Corp. Ltd**	9,900	0.08%	0	9,800	0.08%	0	-1.01%

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

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			85,61,401	71.21%	85,61,401	71.21%
	Changes during the year		Sale	(100)	0.00%	85,61,301	71.20%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year			85,61,301	71.20%	85,61,301	71.20%

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Giraben Atulbhai Shah						
	At the beginning of the year	3/31/2014		4,90,493	4.08%	4,90,493	4.08%
	Changes during the year	6/30/2014	Sale	(55,000)	-0.46%	4,35,493	3.62%
		7/4/2014	Sale	(50,871)	-0.42%	3,84,622	3.20%
		8/8/2014	Purchase	10,789	0.09%	3,95,411	3.29%
		11/14/2014	Purchase	13,000	0.11%	4,08,411	3.40%
	At the end of the year	3/31/2015		4,08,411	3.40%	4,08,411	3.40%
2	Orange Mauritius Investments Limited						
	At the beginning of the year	3/31/2014		4,25,000	3.53%	4,25,000	3.53%
	Changes during the year	6/30/2014	Purchase	1,50,000	1.25%	5,75,000	4.78%
	At the end of the year	3/31/2015		5,75,000	4.78%	5,75,000	4.78%
3	Nirmal Bang Securities Pvt. Ltd.						
	At the beginning of the year	3/31/2014		1,93,100	1.61%	1,93,100	1.61%
	Changes during the year	4/11/2014	Purchase	29	0.00%	1,93,129	1.61%
		5/2/2014	Purchase	71	0.00%	1,93,200	1.61%
		5/16/2014	Sale	(47)	0.00%	1,93,153	1.61%
		5/23/2014	Sale	(53)	0.00%	1,93,100	1.61%
		5/30/2014	Purchase	190	0.00%	1,93,290	1.61%
		6/6/2014	Purchase	338	0.00%	1,93,628	1.61%
		6/13/2014	Purchase	10	0.00%	1,93,638	1.61%
		6/30/2014	Sale	(60)	0.00%	1,93,578	1.61%
		8/1/2014	Sale	(94,500)	-0.79%	99,078	0.82%
		8/8/2014	Sale	(304)	0.00%	98,774	0.82%

		8/15/2014	Sale	(124)	0.00%	98,650	0.82%
		8/22/2014	Sale	(50)	0.00%	98,600	0.82%
		9/29/2014	Purchase	465	0.00%	99,065	0.82%
		9/5/2014	Purchase	1,804	0.02%	1,00,869	0.84%
		10/24/2014	Sale	(199)	0.00%	1,00,670	0.84%
		10/31/2014	Purchase	50	0.00%	1,00,720	0.00%
		3/13/2015	Sale	(1,990)	-0.02%	98,730	0.00%
		3/27/2015	Sale	(100)	0.00%	98,630	0.00%
		3/31/2015	Purchase	30	0.00%	98,660	0.00%
	At the end of the year	3/31/2015		98,660	0.82%	98,660	0.82%
4	Jignesh Hiralal Shah						
	At the beginning of the year	3/31/2014		87,000	0.72%	87,000	0.72%
	Changes during the year	6/30/2014	Sale	(55,000)	-0.46%	32,000	0.00%
		7/4/2014	Sale	(32,000)	-0.27%	-	0.00%
	At the end of the year	3/31/2015		-	0.00%	-	0.00%
5	Marfatia Stock Broking Private Limited						
	At the beginning of the year	3/31/2014		80,283	0.67%	80,283	0.67%
	Changes during the year	4/18/2014	Sale	(1,965)	-0.02%	78,318	0.65%
		5/2/2014	Sale	(76,868)	-0.64%	1,450	0.01%
		5/16/2014	Purchase	75,218	0.63%	76,668	0.64%
		5/23/2014	Sale	(15,150)	-0.13%	61,518	0.51%
		5/23/2014	Sale	(61,218)	-0.51%	300	0.00%
		5/30/2014	Purchase	6,550	0.05%	6,850	0.06%
		6/30/2014	Purchase	4,568	0.04%	11,418	0.09%
		8/1/2014	Sale	(11,362)	-0.09%	56	0.00%
		8/8/2014	Purchase	54,562	0.45%	54,618	0.45%
		8/15/2014	Sale	(38,368)	-0.32%	16,250	0.14%
		9/12/2014	Purchase	34,568	0.29%	50,818	0.42%
		10/17/2014	Sale	(100)	0.00%	50,718	0.42%
		10/24/2014	Sale	(8,000)	-0.07%	42,718	0.36%
		10/31/2014	Sale	(1,501)	-0.01%	41,217	0.34%
		12/12/2014	Purchase	21,133	0.18%	62,350	0.52%
		12/19/2014	Sale	(62,250)	-0.52%	100	0.00%
		3/6/2015	Purchase	9,900	0.08%	10,000	0.08%
		3/6/2015	Purchase	42,250	0.35%	52,250	0.43%
		3/27/2015	Purchase	10,000	0.08%	62,250	0.52%
		3/31/2015	Sale	(62,250)	-0.52%	-	0.00%
	At the end of the year	3/31/2015		-	0.00%	-	0.00%
6	Shriram Credit Co. Ltd.						
	At the beginning of the year	3/31/2014		74,600	0.62%	74,600	0.62%

7	Changes during the year	6/30/2014	Sale	(34,500)	-0.29%	40,100	0.33%
		7/4/2014	Sale	(40,100)	-0.33%	-	0.00%
	At the end of the year	3/31/2015		-	0.00%	-	0.00%
8	ITF Mauritius						
	At the beginning of the year	3/31/2014		65,814	0.55%	65,814	0.55%
	Changes during the year	7/18/2014	Sale	(30,000)	-0.25%	35,814	0.30%
9		7/21/2014	Sale	(35,814)	-0.30%	-	0.00%
	At the end of the year	3/31/2015		-	0.00%	-	0.00%
	Albula Investment Fund Ltd						
10	At the beginning of the year	3/31/2014		65,000	0.54%	65,000	0.54%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	3/31/2015		65,000	0.54%	65,000	0.54%
9	Priti Mehta						
	At the beginning of the year	3/31/2014		29,990	0.25%	29,990	0.25%
	Changes during the year	6/13/2014	Purchase	10	0.00%	30,000	0.25%
10		3/31/2015		30,000	0.25%	30,000	0.25%
	Sohil Maheshbhai Shah						
	At the beginning of the year	3/31/2014		29,717	0.25%	29,717	0.25%
10	Changes during the year	4/11/2014	Purchase	2,165	0.02%	31,882	0.27%
		8/15/2014	Sale	(9,950)	-0.08%	21,932	0.18%
		11/14/2014	Sale	(21,932)	-0.18%	-	0.00%
10		3/31/2015	Purchase	42,250	0.35%	42,250	0.35%
	At the end of the year	3/31/2015		42,250	0.35%	42,250	0.35%

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	100.79	NIL	NIL	100.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.05	NIL	NIL	1.05
Total (i+ii+iii)	101.84	-	-	101.84
Change in Indebtedness during the financial year				
* Addition	1,631.19	-	-	1,631.19
* Reduction	(1,733.04)	-	-	(1,733.04)
Net Change	(101.85)	-	-	(101.85)
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs./ Lac)
		Sh. Vikas Pratap, IAS Managing Director	Er. A. K. Pathak Whole-Time Director	
1	Gross salary	-	26.43	26.43
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	26.43	26.43
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs./ Lac)
1	Independent Directors	CA Rajiv Dewan	Sh. V.P. Chandan	CA Ashish K Bhattacharya	
	Fee for attending board committee meetings	0.83	0.75	0.43	2.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.83	0.75	0.43	2.00
2	Other Non-Executive Directors	Sh. R.K. Chaudhuri, IAS	CA R.K. Nangia	Sh. D.P. Reddy, IAS	
	Fee for attending board committee meetings	-	0.30	-	0.30
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	0.30	-	0.30
	Total (B)=(1+2)	0.83	1.05	0.43	2.30
	Total Managerial Remuneration	-	-	-	28.73
	Overall Ceiling as per the Act	-	-	-	-

The details of Smt. Neena Singh are not provided as she joined the company as Director on 31st March, 2015

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs./ Lac)
	Name				
	Designation	CEO	CFO	CS	
1	Gross salary	-	25.02	12.67	37.68
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	25.02	12.67	37.68

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Punjab Communications Limited,
S.A.S. Nagar,
Mohali (Chandigarh).

We have examined the compliance of Corporate Governance by Punjab Communications Limited, for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except for provisions of Clause 49 (II) (A), which the Company has assured that they are in process and will comply with its provisions shortly.

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

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

Place : Ludhiana
Dated : July 15, 2015

For B. Rattan & Associates
Chartered Accountants
FRN : 011798N

CA Bharat Rattan
Partner
Membership No : 090682

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 eight directors; One executive director being Vice Chairman cum Managing Director, the second Er. A. K. Pathak being employee of the Company and six non-executive directors, of which four are independent directors, who are professional 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, more than half of the Board is ex-officio nominated by the holding company PICTCL (hereinafter referred to as Punjab Infotech). The names and categories of present directors (as on 12th August, 2015) are given here below:

S. No.	Name	Directors' Identification Number	Category	Position in Board
1.	Sh. Anirudh Tewari, IAS	02682553	Non-Executive, Nominee*	Chairman
2.	Sh. Vikas Pratap, IAS	01129385	Executive, Nominee*	VC & MD
3.	Sh. Raj Kamal Chaudhuri, IAS	06941397	Non-Executive, Nominee*	Vice Chairman
4.	Sh. V. P. Chandan, IRSSE (Retd.)	00225793	Non-Executive, Independent	Director
5.	CA Rajiv Dewan	00007988	Non-Executive, Independent	Director
6.	CA Asish K. Bhattacharyya	00799039	Non-Executive, Independent	Director
7.	Smt. Neena Singh	00233352	Non-Executive, Independent	Director
8.	Er. A.K. Pathak	00474919	Executive / Whole-time	Executive Director

*These Directors are nominees of Punjab Information and Communication Technology Corporation Limited (Our holding Company having 71.20% equity shares in our Company)

Following changes, in the constitution of Board of Directors, happened during the period under review upto 12th August, 2015.

Sh. Karan Avtar Singh, IAS was appointed as an Alternate Director in place of Sh. D.P. Reddy, IAS w.e.f. 28th October, 2014. However, he ceased as an Alternate Director w.e.f. 8th December, 2014.

Sh. Vikas Pratap, IAS has been appointed as Vice Chairman and Managing Director in place of Sh. D.K. Tiwari, IAS w.e.f. 2nd December, 2014.

Smt. Neena Singh was appointed as Independent Director on the Board of Puncom w.e.f. 31st March, 2015.

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

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

3. Board Procedure

Five Board Meetings were held during the financial year under report as detailed below out of which two meetings were adjourned due to lack of quorum. 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 Clause 49 of the Listing Agreement.

Board Meeting No.	Day	Date
177 th	Thursday	29 th May, 2014 (adjourned due to lack of quorum)
177 th (Adj.)	Friday	30 th May, 2014
178 th	Tuesday	12 th August, 2014
179 th	Wednesday	12 th November, 2014
180 th	Tuesday	20 th January, 2015
181 st	Friday	13 th February, 2015 (adjourned due to lack of quorum)
181 st (Adj.)	Wednesday	18 th February, 2015

The attendance of Directors at Board Meetings during the Financial Year 2014-15 and General Meetings along with the number of Directorships held by them in other companies and number of Board Committees in which they are Chairman/Member as per Clause 49 of the Listing Agreement at the end of financial year or as per the last disclosure given by them, as the case may be, is given here below:

Name	Attendance at Board Meetings	Attendance at AGM (26-09-2014)	Number of Directorships in other Companies (as per last disclosure given to Co.)	Number of Committee Chairmanship/ Membership	
				Committee Chairmanship	Committee Membership
Sh. Karan Avtar Singh, IAS Alternate Director (relinquished on 8th Dec., 2014)	1	No.	5	-	-
Sh. D. K. Tiwari, IAS, VC & MD (relinquished on 20th Nov., 2014)	2	Yes	7	-	-
CA R. K. Nangia, Director (relinquished on 13th May, 2015)	4	No	2	-	-
Sh. V. P. Chandan, IRSSE, Director	4	No	-	2	-
CA Rajiv Dewan, Director	4	Yes	9	1	3
CA Asish K. Bhattacharyya, Director	2	No	-	1	3
Er. A.K. Pathak, Director	5	Yes	-	-	-
Sh. D.P. Reddy, IAS, Chairman (relinquished on 13th May, 2015)	2	No	6	-	-
Sh. Raj Kamal Chaudhuri, IAS, VC	4	No	4	-	-
Sh. Vikas Pratap, IAS, VC&MD	2	-	-	-	-
Smt. Neena Singh, Director (appointed on 31st March, 2015)	-	-	3	-	1

**The details of Sh. Anirudh Tewari, IAS are not included above as he was appointed as Chairman of the Company w.e.f 13th May, 2015 i.e. in the current Financial Year.

4. Independent Directors' Meeting

In accordance with the provisions of Clause 49(II)(B)(6)(a), the meeting of Independent Directors for the financial year 2014-2015 was held on 26th March, 2015. CA. Rajiv Dewan and Sh. V.P. Chandan, IRSSE 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 the performance of the Chairperson of the company and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The weblink to the familiarization programme of independent directors is as follows :

http://www.puncom.com/index.php?option=com_content&view=article&id=110&Itemid=69

5. Audit Committee

The Audit Committee of the company comprises of Sh. V. P. Chandan as Chairman, CA R. K. Nangia, CA Rajiv Dewan & CAAsish K. Bhattacharyya as Members. The constitution of Audit Committee meets the requirements as laid down under Section 177 of the Companies Act, 2013. The duly constituted committee met four times during the financial year 2014-15 i.e. 51st, 52nd, 53rd, 54th and 54th(Adj.) on 29th May, 2014, 12th August, 2014, 12th November, 2014, 13th February, 2015 and 18th February, 2015, respectively.

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
1.	Sh. V. P. Chandan, Chairman	Independent/Non Executive	3
2.	CA Rajiv Dewan, Member	Independent/Non Executive	4
3.	CA R. K. Nangia, Member	Non-Independent/Non Executive	4
4.	CA Asish K. Bhattacharyya, Member	Independent/Non Executive	2
5.	CS Madhur Bain Singh, Convener	Compliance Officer	4

The terms of reference stipulated by the Board to Audit Committee are as contained in Clause 49 of the Listing Agreement & Section 177 of the Companies Act, 2013 as on 31.03.2015. 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.

6. Nomination & Remuneration Committee

The Company formed a Nomination and Remuneration Committee in its 177th Board Meeting held on 29th May, 2014 and the same was reconstituted in 182nd Board Meeting held on 28th May, 2015. Presently the committee comprises of Sh. V.P. Chandan, IRSSE (Retd.), CA Rajiv Dewan, Smt. Neena Singh who are Independent Directors and Sh. A. K. Pathak who is Whole Time Director.

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained under sub-section (5) of section 178 of the Companies Act, 2013. The terms of reference stipulated are as follows:

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

Details of Remuneration of Directors, Key Managerial Personnel and Senior Management:

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 Companies Act, 2013 from time to time.

The present Nomination and Remuneration Policy was adopted by the Company in its 182nd Board Meeting held on 28th May, 2015.

7. Risk Management Policy

The Risk Management structure conforms to the requirements of clause 49 of Listing Agreement and is formed to ensure the harmonious growth of the company and to maximize the net worth of the shareholders.

An integrated risk management system continuously identifies, monitors and manages Puncom's risks. The Audit Committee of the Board provides the overall policy guidelines. The committee also conducts periodic reviews of Puncom's Risk Management Policy, while the Board monitors and manages Puncom's risk management through quarterly risk reports to achieve above objectives.

8. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee (Formerly Shareholders/ Investors Grievances Redressal Committee) presently comprises of Sh. V.P. Chandan, IRSSE (Retd.), Non Executive Director as Chairman, CA R.K. Nangia & CA Rajiv Dewan as Members. During the Financial Year 2014-15 the Committee met on 29th May, 2014.

The terms of reference as on 31.03.2015 mandated by your Board to this committee, which are also in line with the statutory and regulatory requirements, are:

- Redressing Shareholders and Investors complaints/ grievances.
- Approving issue of duplicate share certificates and transfer of securities.
- Oversee the performance of Registrar & Transfer Agent/s.
- Recommending measures for overall improvement in the quality of services being provided to the shareholders/investors.
- Consider and resolve the grievances of security holders of the Company.

- Other terms of reference/ scope of Stakeholder's Relationship Committee shall be as notified by the appropriate authority from time to time or as directed by the Board of Directors of the Company from time to time.

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

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

The status of redressal of complaints received from 1st April, 2014 to 31st March, 2015 is as under :

Number of complaints pending as on 1st April, 2014	Nil
Number of complaints received during the year	Nil
Number of complaints redressed during the year	Nil
Number of complaints pending as on 31st March, 2015	Nil

9. Procedure at Committee Meetings

Company's Guidelines relating to board meetings are applicable to committee meetings as far as may be practicable. Each committee has the authority to engage outside experts, advisers to assist the committee in its work. Minutes of the proceedings of each committee meeting are placed before the Board for its perusal and noting.

10. General Meetings

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

Date	Particulars	Time	Location	Special Resolution Passed
26.09.14	33 rd AGM in respect of the financial year 2013-2014	11.30 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	Yes
21.11.13	32 nd AGM in respect of the financial year 2012-2013	11.30 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
28.12.12	31 st AGM in respect of the financial year 2011-2012	11.00 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No

No Special Resolution was passed in the last AGM through Postal Ballot.

A Special Resolution is proposed to be conducted through Postal Ballot. The Postal Ballot procedure shall be as per the provisions laid down under section 110 of the Companies Act, 2013 read with rule 22 of the Companies(Management and Administration) Rules, 2013 and any of the other applicable provisions of the Companies Act, 2013 and rules made thereunder.

11. Transfer of Unclaimed amounts to Investor Education & Protection Fund

During the year under review, there was no amount of unclaimed dividend to be credited to the Investor Education & Protection Fund, pursuant to section 125 of the Companies Act, 2013 & the Investor Education & Protection Fund (Awareness & Protection of Investors) Rules, 2001. However, there is an unclaimed amount of Rs.27,722/- pertaining to Buyback Offer made by the company in the year 2003 pertaining to five shareholders lying in the Escrow Account maintained for the said purpose with Axis Bank, Mohali.

12. Disclosures

Mandatory/ Non-mandatory provisions of Clause 49

Your company is complying with the mandatory requirements as per Annexure IA and has not adopted any of the non-mandatory requirements as given in Annexure XIII to Clause 49 of the Listing Agreement.

The required disclosures under Clause 49 of the Listing Agreement are as follows :

Under Sub-Clause II (F) - Vigil Mechanism/Whistle Blower Policy:

The company formed a Vigil Mechanism Policy in its 179th Board Meeting held on 12th November, 2014 in accordance with the requirements of Clause 49(II)(F) and under Section 177 of the Companies Act, 2013. Sh. A.K. Pathak, Executive Director had been appointed as Vigilance and Ethics Officer.

No personnel has been denied access to the audit committee during the Financial Year 2014-2015.

Under Sub-Clause V (D) - Material Subsidiary:

The company has no material subsidiary as defined in Sub-clause V (E) and thus no policy has been formulated to determine 'material' subsidiaries.

Under Sub-Clause VIII (A) - Related Party Disclosure:

The Company has formulated a policy on "materiality of related party transactions" and also on dealing with related party transactions, to be effective from 1st October, 2014. The policy takes into account various provisions on related party transactions mentioned in Clause 49 of the listing agreement and also in the Companies Act, 2013. The weblink for the policy on dealing with related party transactions is <http://www.puncom.com/downloads/POLICY%20ON%20RELATED%20PARTY%20TRANSACTION%20AND%20MATERIALITY.pdf>

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 Clause 49 of the Listing Agreement.

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. However, the company had leased a portion of its building to its holding Company M/s Punjab Information, Communication and Technology Corporation Limited but the same was at market rate/price only.

Also, 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.

Under Sub-Clause VIII (B) - Accounting Treatment:

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

Under Sub-Clause VIII (C) - Remuneration to Directors:

- a) 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.
- b) 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.
- c) Service contracts, notice period, severance fees: as per Service Rules of the company and terms and conditions of the respective appointment letters.
- d) Stock option details, if any- and whether issued at a discount as well as the period over which accrued and over which exercisable: NIL.

Under Sub-Clause VIII (C) (2)-Disclosure on Remuneration of Directors

None of the non-executive directors are getting remuneration from the company except for the sitting fee which is within the prescribed limits.

Under Sub-Clause VIII (D) - Management:

Management and Discussion Analysis is an integral part of this Annual Report. Senior Management Disclosure has also been obtained and the disclosure is a part of the annual report.

Under Sub-Clause VIII (E) - Shareholders:

- 1) Disclosure as required under this clause is covered as an integral part of the AGM Notice and forms an integral part of the Annual Report
- 2) The relationship of the Directors inter-se is as follows :

S. No.	Name of the Director	Designation	Relationship inter-se
1.	Sh. Anirudh Tewari, IAS	Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
2.	Sh. Vikas Pratap, IAS	Vice Chairman & Managing Director	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
3.	Sh. R. K. Chaudhuri, IAS	Vice Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
4.	Er. A.K. Pathak	Executive Director	As an employee of the Company at a designation of Dy. Vice President and heading Production Division.
5.	Sh. V.P. Chandan, IRSSE	Director	Independent Director
6.	CA Rajiv Dewan	Director	Independent Director
7.	CA Asish K. Bhattacharyya	Director	Independent Director
8.	Smt. Neena Singh	Director	Independent Director

- 3) 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 within the time limit specified. These are also uploaded on the corporate filing website (www.corporatefiling.com) under Corporate Filing & Dissemination System (CFDS).
The Company is in the process of Disinvestment and M/s IDBI Capital, M/s RBSA and M/s Khaitan & Co. have been appointed as Global Advisors, Asset Valuers and Legal Advisors cum Tax Consultants, respectively. Necessary formalities are being carried on including any representation/presentation given by them to the Government/Holding Company.
- 4) The company has a separate Stakeholders' Relationship Committee (Formerly Shareholders' Grievances Committee) which inter-alia complies with the provisions of this clause.
- 5) To expedite the Share Transfer Procedure, there is a Committee in the name of "Share Transfer Committee" in place, which meets fortnightly.

Under Sub-Clause VIII (F) - Proceeds from public issues, rights issues, preferential issues etc.:

The company has not raised any public money since its public issue in 1994.

13. Means of Communication

Notice of Board Meeting

Meeting Date	Date of Publication/Information to Stock Exchange	Newspaper
29.05.2014 (adj. to 30.05.2014)	22.05.2014 22.05.2014	Desh Sewak (Vernacular) Financial Express (English)
12.08.2014	31.07.2014 31.07.2014	
12.11.2014	05.11.2014 05.11.2014	
12.02.2015 (adj. to 18.02.2015)	03.02.2015 03.02.2015	
28.05.2015	21.05.2015 21.05.2015	

Notice of Book Closure & AGM

Book Closure	Date of Publication	Newspaper
23.09.2014	22.08.2014 22.08.2014	Desh Sewak (Vernacular) Financial Express (English)
AGM	Date of Publication	Newspaper
26.09.2014	22.08.2014 22.08.2014	Desh Sewak (Vernacular) Financial Express (English)

Publishing of Quarterly Results

Quarter No.	Date of Publishing	Newspaper
1 st	13.08.2014 13.08.2014	Desh Sewak (Vernacular) Financial Express (English)
2 nd	13.11.2014 13.11.2014	
3 rd	19.02.2015 19.02.2015	
4 th	29.05.2015 29.05.2015	

14. Code of Conduct for Prevention of Insider Trading

The Company adopted revised Code of Conduct for Prevention of Insider Trading to be effective from 15th May, 2015 and the same is in place. The said code has been uploaded on Puncom's website under the link-<http://www.puncom.com/downloads/2015/CODE%20OF%20CONDUCT%20FOR%20PREVENTION%20OF%20INSIDER%20TRADING.pdf>

15. Certifications/Declarations

Declaration on compliance with Code of Conduct for Senior Management and Board

The necessary declaration from MD/CEO under Clause 49(II)(E)(2) has been obtained. The Code of Conduct for Senior Management and Board has been uploaded on Puncom's website at <http://www.puncom.com/downloads/CGC-Clause-49.pdf>

CEO/CFO Certification under Clause 49(IX):

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

16. Disclosure under Clause 5A.I (g) of Listing Agreement

Following information have been given with respect to Listing Agreement under clause 5A.I. Though the information asked for is for shares issued pursuant to Public Issues or any other issue which remains unclaimed & are 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 with M/s Karvy Computer Share Pvt. Ltd., Hyderabad as required in the Buy-back guidelines & the company is providing the information on the same pattern.

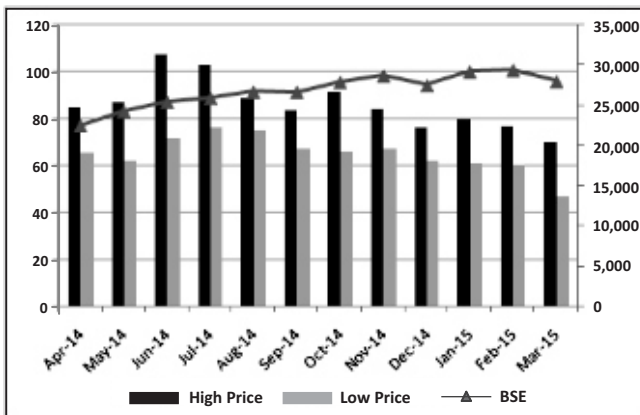
S.No.	Particulars	No. of Shareholders	Outstanding shares
1.	Aggregate no. of shareholders & the outstanding shares in the escrow account lying at the beginning of the year	10	419
2.	No. of the shareholders who approached issuer for transfer of shares from escrow account during the year	Nil	Nil
3.	Aggregate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

General Shareholders Information

- A. Annual General Meeting (Date, time and venue)** : Date : 29th of September, 2015
 Time : 1100 Hrs.
 Venue : B-93, Phase VIII, Indl. Area
 SAS Nagar, (Chandigarh) - 160 071
- B. Financial Calendar** : 1st April 2014 to 31st March 2015
- C. Date of Book Closure/ Record Date** : 23rd September, 2015 to 29th September, 2015
 (Both days inclusive)
- D. Dividend Payment Date** : N.A.
- E. Listing on Stock Exchange** : The Bombay Stock Exchange Limited, Mumbai (BSE)
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai – 400 001
- Note** : Annual Listing Fee for the financial year 2014-15 has been paid to the Stock Exchange, Mumbai
- F. Stock Code** : Bombay Stock Exchange
 Scrip Code 500346
- G. Market Price Data (BSE)**

Month	High Price (₹)	Low Price (₹)
April, 2014	85.00	65.50
May, 2014	87.00	62.40
June, 2014	107.75	72.15
July, 2014	103.10	76.20
August, 2014	89.10	75.30
September, 2014	83.80	67.55
October, 2014	91.90	66.10
November, 2014	84.25	67.45
December, 2014	76.50	62.05
January, 2015	80.00	61.00
February, 2015	77.00	60.60
March, 2015	69.95	47.10

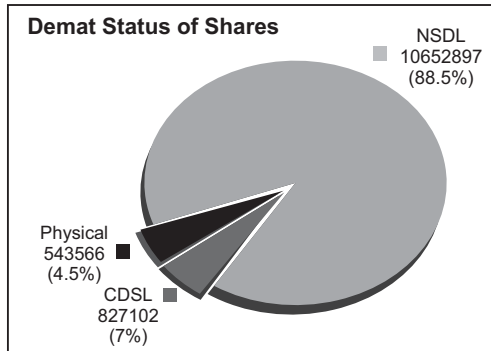
Graph showing Stock Performance of Puncom on BSE vis a vis BSE Sensex during the year 2014-15



H. Dematerialization of Shares and Liquidity

Details of paid up capital of the Company as on June 30, 2015 is as under:

Depository	No. of Shares	Percentage
NSDL	10652897	88.60
CDSL	827102	6.88
Physical	543566	4.52
Total	12023565	100.00



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

Alankit Assignments Limited
 DP & RTA, Alankit House
 2E/21, Jhandewalan Extension,
 New Delhi – 110055.

J. Share Transfer System

For expeditious processing of share transfers, the Board of Directors of the Company has delegated the power of share transfer to Share Transfer Committee. The shares for transfers received in physical mode by the company are considered/ approved by the committee at regular intervals (fortnightly) and transferred promptly.

K. Details of Investors complaints received during 2014-15 are as follows:

S. No.	Nature of complaint	Pending as on 1 st April, 2014	Received	Disposed	Pending as on 31 st March, 2015
1.	Non receipt of Dividend Warrant	0	0	0	Nil
2.	Non receipt of Share Certificates after transfer	0	0	0	Nil
3.	Others	0	0	0	Nil

It is Company's endeavour to redress all complaints timely and properly. All complaints/correspondence are usually dealt within 10 days and are completely resolved except in cases where litigation is involved.

Details of share transfers in physical form lodged for transfer during 2014-15 are as follows:

Lodged for transfer	Transferred and returned	Rejected & Returned	Pending
43	23	20	Nil
(4128 Shares)	(2196 Shares)	(1932 Shares)	(Nil)

Shares lodged for transfer are processed within 30 days and returned except in cases where litigation is involved.

L. Distribution of Shareholding as on Quarter ended on 30th June, 2015

(I)(a) Statement showing Shareholding Pattern

Name of the Company : PUNJAB COMMUNICATIONS LIMITED

Scrip Code, Name of the scrip, class of security : 500346, PUNCOM, Equity Shares

Quarter ended : 30th June, 2015

Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/ promoter group	N.A	N.A	N.A
Held by public	N.A	N.A	N.A
Total	0	0	0
Outstanding convertible Securities :-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/ promoter group	N.A	N.A	N.A
Held by public	N.A	N.A	N.A
Total	0	0	0
Warrants	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/ promoter group	N.A	N.A	N.A
Held by public	N.A	N.A	N.A
Total	0	0	0
Total paid-up capital of the company assuming full conversion of warrants and convertible securities	12023565		100

Category Code	Category of Shareholder	No of Shareholders	Total Number of Shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total Number of shares		Shares pledged or otherwise encumbered	
					As a %age of (A+B) ¹ (VI)	As a %age of (A+B+C) (VII)	Number of Shares (VIII)	As a %age (IX)=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group²	—	—	—	—	—	—	—
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	—	—	—	—	—	—	—
(b)	Central Government/ State Government(s)	2	8561301	8551501	71.204	71.204	0	0
(c)	Bodies Corporate	—	—	—	—	—	—	—
(d)	Financial Institutions/ Banks	—	—	—	—	—	—	—
(e)	Any Other (specify)	—	—	—	—	—	—	—
(e-i)		—	—	—	—	—	—	—
	Sub-Total(A)(1)	2	8561301	8551501	71.204	71.204	0.00	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	—	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—	—
(d)	Any Other (specify)	—	—	—	—	—	—	—
(d-i)		—	—	—	—	—	—	—
	Sub-Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2	8561301	8551501	71.204	71.204	0.00	0.00
(B)	Public shareholding¹							
(1)	Institutions							
(a)	Mutual Funds/UTI	7	3500	—	0.029	0.029	—	—
(b)	Financial Institutions/ Banks	8	28634	27834	0.238	0.238	—	—
(c)	Central Government/ State Govt.(s) PSIDC	1	9475	9475	0.079	0.079	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—	—
(e)	Insurance Companies	1	5800	5800	0.048	0.048	—	—
(f)	Foreign Institutional Investors	2	640000	640000	5.323	5.323	—	—

(g)	Foreign Venture Capital Investors	—	—	—	—	—	—	—
(h)	Any Other (specify)	—	—	—	—	—	—	—
(h-i)		—	—	—	—	—	—	—
	Sub-Total (B) (1)	19	687409	683109	5.717	5.717	0.00	0.00
(2)	Non-institutions							
(a)	Bodies Corporate	318	746848	716915	6.212	6.212	100000	13.39
(b)	Individuals -							
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh	10677	1584867	1085534	13.181	13.181	293515	18.52
ii.	Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	7	428506	428506	3.564	3.564	—	—
	Total Individual Shareholders	10684	2013373	1514040	16.745	16.745	293515	14.58
(c)	Any Other (specify)							
i)	NRIs/OCBs	29	14215	14015	0.118	0.118	0	0
ii)	Lying in Escrow A/c - Buy Back with Karvy Consultants Ltd.	1	419	419	0.003	0.003	—	—
	Sub-Total (B)(2)	11032	2774855	2245389	23.08	23.08	393515	14.18
(B)	Total Public Shareholding (B)=(B)(1)+(B)(2)	11051	3462264	2928498	28.796	28.796	393515	11.37
	TOTAL (A)+(B)	11053	12023565	11479999	100	100	393515	3.27
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1	Promoter and Promoter Group	—	—	—	—	—	—	—
2	Public	—	—	—	—	—	—	—
	Sub-Total (C)	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	11053	12023565	11479999	100	100	393515	3.27

1 For determining public shareholding for the purpose of Clause 40A.

2 For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

(I) (b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the Shareholder	Details of shares held		Encumbered Shares(*)			Details of Warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of shares held	As a % of grand total (A)+(B)+(C)	No.	As a %	As a % of grand total (A)+(B)+(C) of sub clause (i) (a)	No. of warrants held	As a % of total number of warrants of the same class	No. of convertible securities held	As a % of total No. of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)= (V)/(III) *100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	Punjab Information & Comm. Tech. Corp. Ltd.	8551501	71.123	0	0	0	0	0	0	0	8551501
2	Punjab State Electronics Dev. & Prod. Corp. Ltd.**	9800	0.082	0	0	0	0	0	0	0	9800
	TOTAL	8561301	71.205	0	0	0	0	0	0	0	8561301

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

**9800 Shares have been sold by PSEDPCL long back somewhere in the year 2000 but has not been registered for transfer by the buyers in his/her name.

Further this is to certify that 100% holding of the Promoter is in demat form.

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the Shareholder	No. of shares held	Shares as % of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in statement at para (I)(A) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as % of diluted shares capital
				Number of warrants held	As a % of total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securities of the same class	
1	Orange Mauritius Investments Ltd.(FIL)	575000	4.782	0	0	0	0	
2	Religare Securities Ltd. (Body Corporate)	172525	1.435	0	0	0	0	
3	Giraben Atulbhai Shah (Individual)	293163	2.438	0	0	0	0	
	TOTAL	1040688	8.655	0	0	0	0	

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name of the Shareholder	Number of Shares held	Shares as % of total number of Shares (i.e., Grand Total (A)+(B)+(C) indicated in statement at para (I) (a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as % of diluted shares capital
				Number of warrants held	As a % of Total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securities of the same class	
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above)
1.	NIL	NIL	NIL
	TOTAL	NIL	NIL

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of Outstanding DRs	Number of shares Underlying Outstanding DRs	Shares underlying outstanding DRs as a percentage of total Number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1.	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL

(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by 'promoter/ promoter group' are in excess of 1% of the total number of shares.

Sr. No.	Name of the DR Holder, Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	No. of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e. Grand Total (A) + (B) + (C) indicated in Statement at para (I)(a) above)
1	NIL	NIL	NIL
	TOTAL	NIL	NIL

(III)(a) Statement showing the voting pattern of shareholders, if more than one class of shares/ securities is issued by the issuer

Description of voting rights for each class of security

Class X : Equity Shares

Class Y : N.A

Class Z : N.A

Category (I)	Category of Shareholder (II)	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V) (VI)	Total Voting rights i.e. (VI) (VII)	
		Class X (III)	Class Y (IV)	Class Z (V)		As a %age of (A+B) (VII)	As a %age of (A+B+C) (VIII)
(A)	Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/Hindu Undivided Family	—	—	—	—	—	—
(b)	Central Government/ State Government(s)	8551501	0	0	8551501	71.123	71.123
(c)	Bodies Corporate	—	—	—	—	—	—
(d)	Financial Institutions/ Banks	—	—	—	—	—	—
(e)	Any Other-PSEDPCL*	9800	0	0	9800	0.082	0.082
	Sub-Total(A)(1)	8561301	0	0	8561301	71.204	71.204
(2)	Foreign						
(a)	Individuals(Non-Resident Individuals/ Foreign Individuals)	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—
(d)	Any Other (specify)	—	—	—	—	—	—
	Sub-Total (A)(2)	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8561301	0	0	8561301	71.204	71.204

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

(B)	Public shareholding					
(1)	Institutions					
(a)	Mutual Funds/UTI	3500	0	0	3500	0.029
(b)	Financial Institutions/ Banks	28634	0	0	28634	0.238
(c)	Central Government/ State Government(s)	9475	0	0	9475	0.079
(d)	Venture Capital Funds	—	—	—	—	—

(e) Insurance Companies	5800	0	0	5800	0.048	0.048
(f) Foreign Institutional Investors	640000	0	0	640000	5.323	5.323
(g) Foreign Venture Capital Investors	—	—	—	—	—	—
(h) Any Other (specify)	—	—	—	—	—	—
Sub-Total (B) (1)	687409	0	0	687409	5.717	5.717
(2) Non-institutions						
(a) Bodies Corporate	746848	0	0	746848	6.212	6.212
(b) Individuals -						
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	1584867	0	0	1584867	13.181	13.181
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	428506	0	0	428506	3.564	3.564
Total Individual Shareholders	2013373	0	0	2013373	16.75	16.75
(c) Any Other (specify)						
i) NRIs/OCBs	14215	0	0	14215	0.118	0.118
ii) Lying in Escrow A/c - Buy Back with Karvy Consultants Ltd.	419	0	0	419	0.003	0.003
Sub-Total (B)(2)	2774855	0	0	2774855	23.08	23.08
Total Public Shareholding (B)= (B)(1)+(B)(2)	3462264	0	0	3462264	28.796	28.80
TOTAL (A)+(B)	12023565	0	0	12023565	100.00	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A)+(B)+(C)	12023565	0	0	12023565	100.00	100.00

L. Outstanding GDRs/ADRs or any Convertible instruments

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

M. Puncom's Building Locations

B-91, B-93 & A-39.

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

Phase-VIII, Industrial Area,

S.A.S. Nagar (Chandigarh) - 160 071 - PUNJAB.

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

CS Madhur Bain Singh

Company Secretary

B-91, Phase VIII, Industrial Area,

S.A.S. Nagar (Chandigarh) - 160 071 - PUNJAB.

Phone : +91-0172-2237142.

Fax : +91-0172-2237125, 3046919

Email : cosecy@puncom.com

Exclusive Email id : shareholders@puncom.com (as per the provisions of the Listing Agreement)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Punjab Communications Limited (Puncom), a premier Telecom and IT company was incorporated in the year 1981 by the Punjab Govt. for giving fillip to the Electronics and Telecommunication industry in the region. The company passed through a very good phase from 1981 to 1993, and came up with a public issue in October, 1994. Besides high premium, the issue was highly oversubscribed. The company achieved a record Turnover of ₹ 157.32 Cr during the year 2001-2002, when its net worth was ₹ 181.77 cr. Thereafter the turnover of the company was adversely affected due to industry wide shift from landline based narrowband communication to wireless and broadband technologies promoted by major MNCs. Realising this, the company made attempts to broaden its customer and product base through tie-ups with foreign companies including Huawei Technologies of China for supply of DWDM equipment to BSNL/ MTNL and achieved a healthy turnover of ₹ 129.70 Cr. and ₹ 110.86 Cr. for the years 2008-2009 and 2009-10 respectively. For improving the bottom line, the company went about developing its core markets of railways and power sector with own products. Simultaneously the company is on look out for additional partners for new products and services for new markets.

INDUSTRIAL OUTLOOK

The Indian telecommunication sector has experienced phenomenal growth during the past few years and has emerged as the second largest network in the world. With urban tele-densities having already exceeded 100%, rural and semi-urban segments and broadband are new growth segments. On the back of ongoing investments flowing into infrastructure through nationwide programmes like Digital India, digital empowerment and service delivery, mobile banking and e-commerce etc, the country is projected to witness extensive penetration of Internet, broadband, and mobile subscribers and IT based digital services in the near future.

Make in India programme of Government of India has progressively led to improved business and manufacturing climate in the country with reforms such as improved ease of doing business, streamlining controls, taxation and duties, increasing FDI limits in most business segments, increased public private participation and so on. This, together with India being among the largest and fastest growing markets of the world, has ensured that most MNCs and domestic companies are making aggressive plans to set up bases in India.

Rapid expansion and availability of telecom and IT networks in the country has also increased demand for telecom, IT and all kinds of equipment and services from related segments like power, transport, education, defence etc for increased automation, safety & security, connectivity etc encouraging yet more MNCs like Thales, ABB, ALSTOM, Honeywell, Schneider etc in these specialized areas. In addition government's increasing stress on green technologies like solar, LEDs, is altering the power space in a major way.

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

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

- Make in India programs for all business segments especially railways, defence, power, telecom, networking, health, security, automation
- Digital India and related services
- Renewable and clean energy technologies.
- E-Commerce and e-governance.
- 3G/4G and Video Capable Mobile Networks.
- Wireless broadband and cloud
- Network and Information Security.

BUSINESS OUTLOOK

Puncom has a diversified customer base. Though historically BSNL accounted for a major portion of its sales, however railways and power sector contribute significantly towards revenues and bottom line. The shift in demand from voice to data and from wireline to wireless, has revolutionized the very nature of telecom networks. Considering severe competition and dominance of MNCs in telecom, the company is continuously looking for diversification of its customer

base as well as products. The same is being done by having a re-look at the niche segments of power sector, defence, railways etc for growth and exploring emerging business opportunities in solar, LEDs, networking, training etc. taking benefit from renewed focus on manufacturing by Indian government.

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

QUALITATIVE REVIEW

Technology

Puncom being a telecom equipment manufacturing company has to stay updated on technology front as the rate of obsolescence in this field is quite high. To keep pace with this requirement, Puncom has adopted two-pronged approach i.e., firstly through tie-ups and secondly through stepped up product engineering efforts. This helps in infusion of newer versions of products/ new technology in the existing range of company's products. Puncom provides very large spectrum of telecom solutions covering Transmission, networking, Switching, wireless, IT, training etc. under one roof. The product base is wide which provides the company with the requisite strengths to handle composite projects effectively.

ISO-9001:2008 Certification

Making quality equipment & services available to its customers is the motto of Puncom. In pursuit of providing quality equipment & services, Puncom processes and procedures conform to the ISO 9001:2008 standard. These procedures and processes are audited once in three years for the recertification of the standard, followed by yearly Surveillance and quarterly Internal audits. Puncom has successfully completed Recertification Audit of ISO 9001:2008 standard in April, 2015. New ISO standard namely, ISO 9001:2015 is going to be published soon and necessary changes in the current system will be made accordingly.

Transparency

To bring about transparency in the working of the company at all levels, to attain smooth operations and effective co-ordination amongst various departments, your company has successfully established Enterprise Resource Planning (ERP) System. The ERP system, which is in place in the company, facilitates proper co-ordination of all activities in the divisions to give improved results. Due to this, the company is able to maintain absolute control over all the activities resulting in the optimum utilisation of its financial resources. Puncom being a Govt. company is subject to various audits, which reinforce 100% transparency in the working of the company including the Accounting Systems.

The Company has implemented code on Insider Trading under SEBI Regulations. Through this code, Company is able to keep check on the transactions pertaining to sales and purchases of Puncom's shares by the Designated employees/connected person. This Code ensures that no insider either on his behalf or on behalf of other person, deal in securities of a company listed on any Stock exchange on the basis of Unpublished Price Sensitive Information, which is not generally known or published by Company for general information. The Company has formulated a Memorandum of Right to Information under the Right to Information Act and anybody can access the non-confidential information under the Act. This further adds to the transparency of company affairs.

The company has also adopted a Code of Conduct for Board and Senior Management of Company as desired under Clause 49 of the Listing Agreement which ensures the high ethical standards of the company and transparency of important decision at higher level.

Adequacy of Internal Controls

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

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

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

FINANCIAL REVIEW

A) Operating Results - Sales

During the financial year 2014-15, the sales have increased from ₹ 2089.39 Lacs to ₹ 2251.77 Lacs. The Break up of the Sales on the basis of Product & Customer is as follows :

Product wise sales

PLCC	51.52 %
MUX	12.37 %
Power plant	04.37 %
Solar Power	06.96 %
Traded items	13.61 %
Services	10.09 %
Training Income & Scrap Sale	01.09 %

Customer wise sales

Amount (₹ in Lacs)

BSNL	44.13
Railways	628.07
Power Sector	1299.48
PEDA	156.63
Other customers	98.86
Training Income	24.60
Total	2251.77

B) Expenditure Analysis

a) Materials consumed

Raw material consumed during the year under review is Rs. 1223.35 lacs as against Rs 1098.96 lacs in the previous year. Raw material consumption consists of consumption of traded goods also.

b) Manufacturing, Administrative & Selling Expenses

Manufacturing expenses comprising of stores and spares, power and fuel, freight and installation expenses etc., decreased from ₹ 228.09 Lacs to ₹ 175.47 Lacs in the current year. As a percentage of sales, these decreased from 10.92% in the previous year to 7.79% in the current year.

Administrative expenses mainly comprising of travelling and conveyance, repair and maintenance, office electricity & water, rent and auditors' expenses increased from ₹ 245.51 Lacs to ₹ 280.77 Lacs. However, as a percentage of sales, these increased from 11.75% in the previous year to 12.47% in the current year.

Selling & distribution expenses comprising of advertisement and publicity, sales promotion expenses, packing & forwarding expenses and customers claims and recoveries have decreased from ₹ 63.03 Lacs to ₹ 55.93 Lacs in the current year. As a percentage of sales, these decreased from 3.02% in the previous year to 2.48% in the current year.

c) Amount written off/Provisioning

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

(₹ in lacs)

Provision for slow Moving Stocks	21.22
Provision for excise duty on closing FSA	13.15
Provision for Doubtful debts and advances	3.46
Amount Written off	0.06

Thus, the overall amount provided for in the accounts during the financial year 2014-15 is to the tune of ₹ 37.89 Lacs.

d) Personnel cost

The personnel cost increased from ₹ 2110.15 Lacs to ₹ 2218.06 Lacs.

e) Finance costs & Depreciation

The Financial Charges increased from ₹ 12.60 lacs in the previous year to ₹ 14.81 lacs in the current year.

Depreciation decreased from Rs 52.19 lacs to Rs.38.85 lacs during 2014-15. The reduction in amount of depreciation is due to compliance with the newly introduced provisions of Companies Act, 2013, under which the Company has revised depreciation on fixed assets as per the useful life specified in the Schedule II to the Companies Act, 2013 during the year ended 31st March, 2015. Based on the prescribed method, depreciation of Rs.16.48 lacs on account of assets whose useful life is already exhausted as on 01/04/2014 have been adjusted to Statement of Profit and Loss. Further addition in the capital expenditure was booked to the extent of Rs.8.18 lacs during the current year.

f) Net Profit / Loss

During the current financial year, the company has incurred Net Loss before tax of Rs.1026.16 Lacs. as against Net Loss before tax of Rs.630.78 lacs during the last year. The Net Loss before tax for the FY 2014-15 includes an exceptional item (expense) amounting to Rs. 167.98 lacs.

g) Dividend

Owing to inadequate profit, during the previous year, the Directors of the company do not recommend any dividend for the financial year 2014-15.

C) Segment reporting

Puncom is engaged in the business of manufacturing of telecom products and these activities are covered by same set of risk and returns. Sales have been grouped as single segment in the accounts as per AS-17 issued by ICAI. However, interest income has been considered as a separate segment. Out of total revenue of ₹ 3107 lacs, ₹ 2112 lacs pertains to Sales, Service and other Income segment, ₹ 820 lacs pertains to interest segment and ₹ 175 lacs pertains to Rental Segment.

FINANCIAL SEGMENT

a) Reserves & Surplus

The Reserves of the Company stands at ₹ 8206.66 lacs as on March 31, 2015.

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 marginally from Rs.5431.84 Lacs to Rs 5440.02 Lacs in the current year.

d) Investments

The fixed deposits of the company (including interest thereon) have decreased to Rs.8269.34 Lacs against Rs.9238.19 Lacs in the previous year. Fixed deposits having maturity period of more than one year from Balance Sheet date are classified as Non current assets.

e) Inventories

Total inventory has increased from Rs.692.00 Lacs as at 31.03.2014 to Rs.886.66 Lacs. as at 31.03.2015.

f) Receivables

Receivables were Rs.1680.64 Lacs as at 31.03.2015 as compared to Rs.1741.11 Lacs as at 31.03.2014. The debtors are considered to be good but there being some doubtful debts, provision to the tune of Rs.3.46 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 Rs.446.36 Lacs as at 31.03.2014 to Rs.543.62 Lacs as at 31.03.2015

h) Current Liabilities & Provisions

Total current liabilities have been decreased from Rs.3003.70 Lacs as at 31.03.2014 to Rs.2738.68 Lacs as at 31.03.2015.

i) Other Current Assets

Other current assets mainly consist of Accrued interest on fixed deposits having maturity of less than one year and Money held in escrow account on behalf of VMC and its associate companies. These have decreased from Rs.1206.56 lacs as at 31.03.2014 to Rs.645.23 lacs as at 31.03.2015.

FOREIGN EXCHANGE EARNINGS AND OUTGO

		Amount (₹ in lacs)
a) EARNINGS:		
F.O.B. value of export	:	NIL
b) OUTGO		
CIF value of import of raw material	:	168.67
Components & Spares	:	1.94
Capital goods	:	0.00
Repair & Maintenance (P&M) Imports	:	0.33
Foreign travel & others	:	NIL

BUSINESS REVIEW

1. Opportunities and Threats

Opportunities

- Continuing exponential growth rate in mobile and broadband networks and its deeper penetration into rural and other tertiary areas continues to provide business opportunities in telecom segment.
- Even though, most of telecom growth in India has been based on imported MNC equipment, the policy makers and industry itself is maturing and a greater proportion of locally manufactured equipment is expected.
- Growth of telecom and IT is prompting related growth in niche markets of power, railways, defence, government etc for telecom and IT equipments.
- Newer areas of security, New & Renewable energy, Digital India, Smart cities, Green and clean technologies, etc, provide new business opportunities to penetrate/invest into new segments.
- India, with its vast and vibrant economy and deeper integration with global markets, is moving up the value chain and is in the process of throwing up large requirements of cost optimised high tech products in telecom and IT domains. This is providing new opportunities and markets for domestic industry.
- M&A continues to be the norm in the growing Indian economy providing necessary impetus to the change management.

Threats

- ❑ Continuously evolving market place increases product churn and reduces timelines. This increases business risks and puts pressure on companies to continuously innovate and explore investments into new markets and products.
- ❑ Continuing uncertainty of disinvestment and other issues is affecting morale and operational difficulties in the functioning of the company.

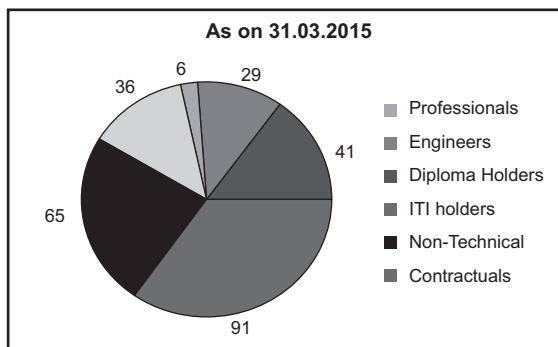
2. Risks and Concerns

- ❑ Policy framework and a perceived purchaser bias in India results in skewed playing field in favour of MNCs which Indian telecom manufacturers find difficult to match.
- ❑ Puncom operates in a highly competitive high-tech segment. However, being a PSU, it is not able to employ the level of flexibility in business operations as enjoyed by its competitors from private sector.
- ❑ Better career opportunities in private segment has resulted in continued attrition of its technical manpower and depleted company's strength to meet competition.
- ❑ The company is exposed to many interferences/ disclosures like information under RTI and working in a limited environment subject to lot of audits. This hampers the overall growth and productivity of the organisation.

HUMAN RESOURCE DEVELOPMENT

The employees of Puncom are the backbone and this resource is very efficiently utilised. The company nurtures the 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 43 years.

	Break- up of work force	As on 31st March, 2015
a)	Professionals (MBA, CA, ICWA, CS, LLB)	06
b)	Engineers (B.E/ B.Tech. /M.Tech /AMIE/MSC/MCA)	29
c)	Diploma Holders	41
d)	Technical ITIs	91
e)	Non-Technical	65
f)	Contractual / Resi. Representatives	36
	Total (In Nos.)	268



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.

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 2014-15 the employee management relations remained cordial and positive.

Safety

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.

Environment

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.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Punjab Communications Limited.

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Punjab Communications Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows 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 Note 13 in financial statements regarding realization of investment of Rs. 700 lacs in the Bonds of UP Co-operative Spinning Mills Federation Ltd and interest of Rs. 968.43 lacs accruing up to 12.07.2005 consequent to the ex-parte decree awarded by Court against the UP State Government, which is pending for execution before the lower court. In view of the uncertainty involved in the realization of interest, the interest accrued amounting to Rs. 968.43 lacs up to 12.07.2005 i.e. date of deposit of the decreed amount by the

UP Government, and for the period subsequent thereto, has not been recognized as income.

On 19.01.2015, the Hon'ble Supreme Court had decided against the ex-parte decree earlier made in favour of the company. Accordingly, in view of the protracted litigation and uncertainty of the amount realizable, pending settlement of the case, the accrued interest standing at the beginning of the year amounting to Rs. 115.63 lacs has been provisioned by the Company to comply with the applicable Accounting Standards.

- (b) Attention is invited to Significant Accounting Policy I(b), certain items of income and expenditure have been accounted for on cash basis. Impact of such treatment on profits of the year has not been ascertained.
- (c) Attention is invited to Note No 26 of the financial statements. Hon'ble Supreme Court has passed an order dated 24.03.2015 in case of Sh. A.S Gill Vs Punjab Communications Limited in which it has directed to pay 30% back wages for the period 11.3.2003 to 30.04.2006. The company has adequately provided for the provisional amount of Rs. 52.35 lacs in its books of accounts as on 31.03.2015.
- (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 mode has been taken place during the year under review. Also refer Para 1 of our report on Directions issued u/s 143(5) of the Companies Act, 2013.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26, 28 and 34 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Also Refer Note 35)
 - iii. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B. Rattan & Associates
Chartered Accountants
FRN : 011798N

Place : Chandigarh
Dated : May 28, 2015

Bharat Rattan
(Partner)
M. No : 090682

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements."

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, fixed assets have been physically verified by the management at the end of the year. We have also obtained physical verification report and no material discrepancies were noticed in the verification report.
2. a) As explained to us, the inventories were physically verified by the management at the end of the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. We have also obtained physical verification report 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 explained to us, the Company has neither granted any secured/unsecured loans to, nor taken secured/unsecured loans from, any Company, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013
4. The Company has adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of stores, raw material including components, plant and machinery, equipment and other assets and for sale of goods and services. We have not come across any major weakness in internal control system.
5. The Company has not accepted any deposits from public during the year.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013. However, during the current year, the company was not required to maintain cost records as per provision of Section 148(1).
7. a) According to the records of the Company, it is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, which have remained outstanding as at 31st March 2015 for a period of more than six months from the date when they became payable.
- b) According to the information and explanations given to us, there were no disputed amounts in respect of income tax, sales tax, custom duty, excise duty, etc which were outstanding in the books of accounts as at 31st March 2015. However, the following demands have been raised in respect of disputed dues pending before various statutory authorities:
 - (i) The excise and custom duty demand of Rs. 30.20 lacs is disputed with Deputy Commissioner of Customs, New Delhi.
 - (ii) The Sales Tax demand including interest aggregating to Rs. 14.85 lacs (net of pre-deposit) is disputed and the appeal is pending at the office of Sales Tax Appellate Tribunal, Andhra Pradesh.
 - (iii) The Sales Tax demand including interest aggregating to Rs. 16.77 lacs is disputed and the appeal is pending at the office of Ld. Senior Joint commissioner, Salt Lake Taxation appellate office (South 24 Parganas), Kolkata, West Bengal.
- c) As informed to us, no such amount was required to be transferred to investor education and protection fund during the year.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

8. The Company does not have any accumulated losses. The Company has incurred cash loss amounting to Rs. 769.71 Lacs in the current financial year and Rs. 592.04 Lacs in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
10. According to information and explanations given to us, the Company has not given any guarantee in respect of loans taken by others from banks or financial institutions.
11. The Company has not obtained any term loans during the year.
12. Based upon the audit procedures performed and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

**For B. Rattan & Associates
Chartered Accountants
FRN : 011798N**

**Place : Chandigarh
Dated : May 28, 2015**

**Bharat Rattan
(Partner)
M. No : 090682**

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

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

1. As per the explanation and information provided to us, the Company has been selected for Disinvestment by Cabinet Committee on Disinvestment, Government of Punjab. In accordance to that, following major actions have been taken place:
 - a) Appointment of IDBI Capitals Markets Ltd, as Global advisor for the purpose of Disinvestment in April 2013 by PICTCL (Holding company).
 - b) Appointment of M/s RB Shah & Co. as Asset valuers of the company in October 2013 by the Department of Public Enterprises and Disinvestment, Government of Punjab.
 - c) Appointment of M/s Khaitan & Co. as Legal advisor in October 2013 by the Department of Public Enterprises and Disinvestment, Government of Punjab.

Thereafter, in the meeting of Cabinet committee on Disinvestment, Government of Punjab held on 2nd September 2014, it was decided that the Department of Industries may initiate urgent measures for sale of assets of Puncom with a view to maximize returns for all shareholders.

Thereafter, the Board of Directors of the company in its meeting held on 20th January, 2015, discussed the matter and sought for information/clarifications on the decision of sale of assets and constituted a sub-committee consisting of four members including MD - PCL, MD - PICTCL, Secretary (Expenditure) and Sh Rajeev Dewan - Independent Director, PCL for said purpose.

Presently, the matter is under consideration with respect to Disinvestment of PICTCL Shareholding (i.e. 71%) or Sale of Assets of the company.

As far as the valuation of Assets are concerned, the sealed Asset Valuation Report of RB Shah & Co. was received by PCL which was forwarded as it is to MD PICTCL through its letter dated 28th May, 2015.

Valuation of liabilities has not yet been done.

2. As informed to us, there is no case of waiver/write off of debts/loans/interest during the year under review except minor write offs of Trade receivables totalling to Rs. 6383/-.
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 review.

4. The attention is invited to Note No. 13, 26, 28 & 34 of the Financial Statements, the company has adequately provisioned / disclosed the Financial impact of the Legal /arbitration cases as per the status of respective cases. Further, there is an effective mechanism in place for monitoring the expenditure on such legal cases. The summarized details of Pending Legal/arbitration cases as provided to us is given below:

S. No.	Particulars	Tentative amount involved (Rs. Lacs)	Matter/Cases pending since	Forum where dispute is pending	Current status/Reason for pendency
1.	Excise and custom duty demand	Rs.30.20 Lacs	FY 2002-03	Deputy Commissioner of Customs, New Delhi	Reply was submitted in 2002-03 to the satisfaction of Custom Authorities. Thereafter, no further communications has been received.
2.	Sales Tax demand	Rs.14.85 Lacs	FY 2011-12	Sales Tax Appellate Tribunal, Andhra Pradesh	Appeal against the said Sales tax demand is admitted with STAT. Matter not listed for hearing yet.
3.	Sales Tax demand	Rs.16.77 Lacs	FY 2014-15	Ld. Senior Joint commissioner, Salt Lake Taxation appellate office, West Bengal	Appeal filed by the company against the said sales tax demand is admitted by the Senior Joint Commissioner Salt Lake Taxation appellate office, West Bengal.
4.	Centre for development of Telematics Vs Puncom	Rs. 24.88 Lacs	FY 2012-13	Sole arbitrator appointed by Hon'ble Delhi High Court	Claim is being contested by the company before the Sole Arbitrator.
5.	Centre for development of Telematics Vs Puncom (Royalty payment)	Rs. 226.17 Lacs	FY 2014-15	Hon'ble Delhi High Court	Refer Note No. 34 of the financial Statements. Indian Council of Arbitration, New Delhi (ICA) has passed an award against the company. Appeal has been filed against the said award and same has been admitted by Hon'ble Delhi High Court, New Delhi.
6.	Puncom Vs UP Co-operative Spinning Mills Ltd	Rs.700 Lacs and interest thereon	FY 2014-15	Hon'ble Supreme Court of India	Refer Note 13 to financial statements. Pursuant to recent decision by Hon'ble SCI, the company is in process of filing the Curative Petition before the Hon'ble Supreme Court of India against the dismissal of Review Petition.
7.	P.K Joshi Vs Puncom	Rs.34.59 Lacs	FY 1999-00	Hon'ble Punjab & Haryana High Court	Claim is being contested by the company.

8.	Baljit Singh Vs Puncom	Rs. 11.92 Lacs	FY 1997-98	Labour Court Ludhiana	Claim is being contested by the company.
9.	Mr. Naseeb Singh & Others Vs Puncom	Rs.1945.59 Lacs	FY 2003-04	Hon'ble Punjab & Haryana High Court	Claims is being contested by the company.

Place : Chandigarh
Dated : May 28, 2015

For B. Rattan & Associates
Chartered Accountants
FRN : 011798N

Bharat Rattan
(Partner)
M. No : 090682

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, 2015.

The preparation of financial statements of **Punjab Communications Limited** for the year ended **31 March 2015** 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 **28 May, 2015**.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of **Punjab Communications Limited** for the year ended **31 March 2015** and as such have no comments to make under Section 143(6)(b) of the Act.

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

Sd/-

(Jagbans Singh)

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

**Place : Chandigarh
Dated : June 24, 2015**

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	NOTE	AS AT 31st MARCH, 2015 AMOUNT (₹)	AS AT 31st MARCH, 2014 AMOUNT (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	1	12,04,79,788	12,04,79,788
b) Reserve and Surplus	2	82,06,66,495	92,33,28,358
(2) Non-Current Liabilities			
a) Long Term Liabilities	3	22,83,677	26,55,000
b) Long-Term Provisions	4	1,41,62,723	1,05,96,104
(3) Current Liabilities			
a) Short-Term Borrowings	5	—	1,01,84,480
b) Trade Payables	6	17,31,38,870	21,19,88,510
c) Other Current Liabilities	7	9,80,32,637	7,81,96,870
d) Short-Term Provisions	8	26,96,931	—
TOTAL		1,23,14,61,121	1,35,74,29,110
II. ASSETS			
(1) Non-Current Assets			
a) Fixed assets			
(i) Tangible assets	9	4,18,85,470	4,49,52,515
b) Non-current investments	10	2	2
c) Deferred tax assets (net)	11	—	—
d) Long term loans and advances	12	3,39,65,357	2,71,21,201
e) Other non-current assets	13	12,17,75,310	1,22,62,809
(2) Current Assets			
a) Inventories	14	8,86,65,688	6,91,99,753
b) Trade receivables	15	16,80,64,408	17,41,10,685
c) Cash and Bank Balances	16	69,21,84,876	89,16,11,929
d) Short term loans and advances	17	2,03,96,768	1,75,14,584
e) Other Current Assets	18	6,45,23,242	12,06,55,632
TOTAL		1,23,14,61,121	1,35,74,29,110

See accompanying notes forming integral part of the financial statements

This is the Balance Sheet referred to in our report of even date.

For **B. RATTAN & ASSOCIATES**

CHARTERED ACCOUNTANTS
FRN: 011798N

VC & MANAGING DIRECTOR

DIRECTOR

BHARAT RATTAN
PARTNER
MNo:090682

J. S. BHATIA
HEAD-FINANCE

MADHUR BAIN SINGH
COMPANY SECRETARY

BHUPINDER KAUR
JOINT MANAGER-FINANCE

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

Date : May 28, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	NOTE	For the year ended 31st March, 2015 Amount (₹)	For the year ended 31st March, 2014 Amount (₹)
I. Revenue from operations		22,51,77,362	20,89,39,417
Less Excise duty		<u>1,50,66,932</u>	<u>1,31,66,131</u>
	19	21,01,10,430	19,57,73,286
II. Other Income	20	10,05,21,625	11,37,37,182
III. Total Revenue		31,06,32,055	30,95,10,468
IV. Expenses:			
Cost of materials consumed	21	8,48,83,283	7,75,46,056
Purchases of Stock-in-Trade	21	3,72,49,737	3,15,89,149
Changes in inventories of Finished Goods/ Work-in-process and Stock-in-trade	22	-90,71,852	-77,44,225
Employee benefits expenses	23	22,18,06,129	21,10,14,596
Finance costs	24	14,80,658	12,60,497
Depreciation and amortization expenses	9	38,84,877	52,18,838
Other expenses	25	5,62,17,548	5,37,03,270
Total expenses		39,64,50,380	37,25,88,181
V. Profit before tax (III-IV)		-8,58,18,325	-6,30,77,713
VI. Exceptional Items	26	1,67,98,073	—
VII. Profit before tax (V-VI)		-10,26,16,398	-6,30,77,713
VIII. Tax expenses:			
(1) Current tax		—	—
(2) Deferred tax	11	—	-53,86,401
IX Profit (Loss) for the year (VII-VIII)		-10,26,16,398	-6,84,64,114
X Earning per equity share (EPS) :	27		
(1) Basic		-8.53	-5.69
(2) Diluted		-8.53	-5.69
Significant accounting policies and Notes on Financial Statements	I to XVIII 1 to 42		

In terms of our separate report of even date attached.

For **B. RATTAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

VC & MANAGING DIRECTOR

DIRECTOR

FRN: 011798N

BHARAT RATTAN

PARTNER

MNo:090682

J. S. BHATIA

HEAD-FINANCE

MADHUR BAIN SINGH

COMPANY SECRETARY

BHUPINDER KAUR

JOINT MANAGER-FINANCE

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

Date : May 28, 2015

**SCHEDULES TO AND FORMING PART OF BALANCE SHEET AS AT AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015**

PARTICULARS	AS AT 31 ST MARCH, 2015 AMOUNT (₹)	AS AT 31 ST MARCH, 2014 AMOUNT (₹)		
I EQUITY AND LIABILITIES				
1) SHAREHOLDER'S FUNDS				
NOTE 1 : SHARE CAPITAL				
AUTHORISED				
1,98,00,000 (1,98,00,000)	19,80,00,000	19,80,00,000		
EQUITY SHARES OF RS. 10/- EACH				
20,000 (20,000)	20,00,000	20,00,000		
REDEEMABLE PREF. SHARES OF RS. 100/- EACH	<u>20,00,00,000</u>	<u>20,00,00,000</u>		
ISSUED AND SUBSCRIBED				
1,20,23,565 (1,20,23,565)	12,02,35,650	12,02,35,650		
EQUITY SHARES OF RS. 10/- EACH*				
Add: Share forfeited (Amount paid-up)	2,44,138	2,44,138		
	<u>12,04,79,788</u>	<u>12,04,79,788</u>		
* Includes 85,51,501 (85,51,501) Equity Shares of Rs.10/-each fully paid up held by Holding Company (PICTCL) and its nominees.				
1.1 The detail of shareholders holding more than 5% shares:				
Name of the Shareholder	No of shares	% of Holding	No of shares	% of Holding
Punjab Information & Comm Tech Corp Ltd	85,51,501	71.12	85,51,501	71.12
2 The reconciliation of number of shares outstanding is set out below:				
Particulars	No of shares	No of shares		
Shares outstanding at the beginning of the year	1,20,23,565	1,20,23,565		
Shares Issued during the year	—	—		
Shares bought back during the year	—	—		
Shares outstanding at the end of the year	1,20,23,565	1,20,23,565		
Terms/ rights and restrictions attached to equity shares & Preference Shares are as per provisions of the Companies Act 2013.				
NOTE 2: RESERVES AND SURPLUS				
Capital Redemption Reserve	4,00,78,550	4,00,78,550		
Securities premium	68,50,43,600	68,50,43,600		
Add:-Shares Forfeited (Amount paid-up)	<u>58,59,312</u>	<u>58,59,312</u>		
	69,09,02,912	69,09,02,912		
General Reserve:				
Opening Balance	19,22,08,927	27,12,69,145		
Add:/(Less)Transferred from Profit & Loss Account	-10,26,16,398	-6,84,64,114		
Less:Provision for Employee Benefits-Gratuity*	—	-14,41,238		
Less:Provision for Employee Benefits-Leave encashment*	—	<u>-91,54,866</u>		
Deferred Govt. Grants (Subsidy)**	1,37,969	1,51,831		
As per last Balance Sheet	45,465	13,862		
Less: Transfer to Profit & Loss Account	<u>92,504</u>	<u>1,37,969</u>		
	<u>82,06,66,495</u>	<u>92,33,28,358</u>		

* The Unfunded Gratuity liability - NIL (Rs. 14.41 Lacs) and Leave encashment liability NIL (Rs. 91.55 Lacs) is transferred from General reserve to Provision for Employee Benefits- Gratuity and Leave encashment respectively during previous year to comply with the provisions of AS-15 "Employee Benefits"

** During the current year, the amount of deferred income related to Government grant has been recognised in the statement of profit and loss based on the revised useful lives of assets as defined under Schedule II of Companies Act 2013. Also refer Note-20.

PARTICULARS	AS AT	AS AT
	31st MARCH, 2015 AMOUNT (₹)	31st MARCH, 2014 AMOUNT (₹)
2) NON-CURRENT LIABILITIES		
NOTE 3 : OTHER LONG TERM LIABILITIES		
Security Received	22,83,677	26,55,000
NOTE 4 : LONG TERM PROVISIONS		
Provision for Employee benefits - Gratuity	17,81,218	14,41,238
- Leave Encashment	96,47,728	91,54,866
- Long term service award	27,33,777	—
	<u>1,41,62,723</u>	<u>1,05,96,104</u>
3) CURRENT LIABILITIES		
NOTE 5 : SHORT TERM BORROWINGS (Secured)		
Loans Repayable on demand from Banks	—	1,01,84,480
NOTE 6 : TRADE PAYABLES		
i. Dues of Micro, Small & Medium Enterprises	3,360	1,28,813
ii. Dues of other Creditors*	17,31,35,510	21,18,59,697
	<u>17,31,38,870</u>	<u>21,19,88,510</u>

* Includes ₹ 493.84 Lacs (₹ 917.21 Lacs) due to Vuppalamritha Magnetic Components Pvt Ltd against which ₹ 322.12 Lacs (₹ 748.71 Lacs) lies in the Escrow Account (Refer note 18). The company had sent balance confirmation letters to all parties requesting them to confirm the balance within 15 days of the receipt of the letter, failing which the balance will be presumed to be correct. The company has no other means of confirming the balances for which no response has been received except presuming them to be correct as per the terms of the letter. The details of dues of small scale industries to whom the company owes any sum for more than 30 days is ₹ 3360/- to M/s Techno Crafts Mohali. The disclosure as required by section 22 of The Micro, Small and medium Enterprises Development Act, 2006 are given below:

i	The Principal amount and the interest due thereon unpaid to any supplier	3,360	1,28,813
	- Principal Amount		
	- Interest thereon		
ii	The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day	Nil	Nil
iii	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
iv	The amount of interest accrued and remaining unpaid.	Nil	Nil
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	Nil	Nil

NOTE 7 : OTHER CURRENT LIABILITIES

Unclaimed Buy back amount	27,722	27,722
Advance from customers	23,15,506	39,50,558
Income received in advance	6,70,507	12,66,000
Statutory remittances (Contributions to PF, ESIC, Withholding taxes, Excise Duty, VAT, Service Tax, Bonus etc)	1,54,27,634	1,40,00,326
Trade / Security Deposits received *	3,56,81,607	46,00,056
Others	4,39,09,661	5,43,52,208
	<u>9,80,32,637</u>	<u>7,81,96,870</u>

* Includes an amount of Rs.10.80 Lacs (Rs. 10.80 Lacs) received from Holding Company – PICTCL and Security Deposit of Rs.302 Lacs (Rs. NIL) received by company through encashment of Bank Guarantee submitted by VMC Systems Limited.

NOTE 8 : SHORT TERM PROVISIONS

Provision for Employee benefits - Gratuity	12,82,076	—
- Leave Encashment	9,64,337	—
- Service award	4,50,518	—
	<u>26,96,931</u>	<u>—</u>

II. ASSETS
1. NON-CURRENT ASSETS

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK		DEPRECIATION			NET BLOCK			
	AS AT 1.4.2014	ADDITIONS SALE/TRF.	AS AT 31.3.2015	UPTO 1.4.2014	FOR THE PERIOD	ADJUST- MENTS / WRITTEN BACK	UPTO 31.3.2015	AS AT 31.3.2015	AS AT 31.3.2014
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
I. TANGIBLE ASSETS									
LAND (Freehold)*	1,52,40,077	—	1,52,40,077	10,30,172	—	—	10,30,172	1,42,09,905	1,42,09,905
BUILDING	6,86,40,129	—	6,86,40,129	5,86,14,155	4,77,678	—	5,90,91,833	95,48,296	1,00,25,974
PLANT & MACHINERY	37,75,69,581	76,793	37,76,46,374	36,04,73,663	21,21,297	—	36,25,94,960	1,50,51,414	1,70,95,918
TEMPORARY STRUCTURE	40,68,531	3,50,000	44,18,531	40,68,531	3,32,500	—	44,01,031	17,500	—
ELECTRICAL INSTALLATION	2,63,89,983	0	2,63,89,984	2,47,79,718	1,18,505	—	2,48,98,223	14,91,760	16,10,265
OFFICE EQUIPMENT	1,67,05,332	3,81,815	1,70,87,147	1,59,29,352	5,37,408	—	1,63,66,760	7,20,387	8,75,980
FURNITURE & FIXTURE	1,01,34,598	9,225	1,01,43,823	1,00,41,072	9,386	—	1,00,50,458	93,365	93,526
VEHICLES	82,11,403	—	82,11,403	71,70,456	2,88,103	—	74,58,559	7,52,844	10,40,947
SUB TOTAL (A)	52,69,59,634	8,17,833	52,77,77,467	48,20,07,119	38,84,877	—	48,58,91,996	4,18,85,470	4,49,52,515
II. INTANGIBLE ASSETS									
TECHNICAL KNOW HOW	1,62,24,442	—	1,62,24,442	1,62,24,442	—	—	1,62,24,442	—	—
SUB TOTAL (B)	1,62,24,442	—	1,62,24,442	1,62,24,442	—	—	1,62,24,442	—	—
TOTAL (A+B+C+D) Current Year	54,31,84,076	8,17,833	54,40,01,909	49,82,31,561	38,84,877	—	50,21,16,438	4,18,85,470	4,49,52,515
PREVIOUS YEAR FIGURES	54,27,69,635	4,14,441	54,31,84,076	49,30,12,723	52,18,838	—	49,82,31,561	4,49,52,515	4,97,56,912

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

To comply with newly introduced provisions of Companies Act, 2013, the Company has revised depreciation on fixed assets as per the useful life specified in the Schedule II to the Companies Act, 2013 during the year ended 31st Mar 2015. Based on the prescribed method, depreciation of Rs. 16.48 lacs on account of assets whose useful life is already exhausted as on 01/04/2014 have been adjusted to Statement of Profit and Loss. Had there not been any change in useful life of assets, depreciation for the year would have been higher by Rs.9.36 Lacs.

V.C. & M.D.

DIRECTOR

HEAD FINANCE

C.S.

J.M.-FINANCE

Annual Report 2014-2015

PARTICULARS	AS AT 31st MARCH, 2015 AMOUNT (₹)	AS AT 31st MARCH, 2014 AMOUNT (₹)
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NOTE 10 : NON CURRENT INVESTMENTS

(At cost adjusted for diminution in value)

UNQUOTED AND NON TRADE :-

WHOLLY OWNED SUBSIDIARY COMPANIES:-

A) PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD. 2,46,640 (2,46,640) Equity Shares of ₹ 10/- each, fully paid up	24,78,744	24,78,744	
Less:- Provision for diminution in value	24,78,743	24,78,743	1
B) PCL TELECOM LTD. 196300 (196300) Equity shares of ₹ 10/- each fully paid up			1
	<u>2</u>	<u>2</u>	<u>2</u>

Refer Note 29 and Note 30

NOTE 11 : DEFERRED TAX ASSET (NET)

Deferred Tax Asset:

Relating to brought forward loss & other allowances under Income Tax Act	20,12,431	13,76,161
--	-----------	-----------

Deferred Tax Liability:

Relating to Fixed assets	-20,12,431	-13,76,161
--------------------------	------------	------------

Deferred Tax Asset (Net)*	<u>—</u>	<u>—</u>
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* As per the provisions of Para 17 of AS 22-Accounting for Taxes on Income, Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax asset should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.

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

NOTE 12 : LONG TERM LOANS AND ADVANCES

Festival Advance	35,94,500	36,36,500
Loans and Advance to Employees*	72,53,102	28,19,899
Security Deposits	12,38,524	4,86,504
Due from Subsidiary companies (PDISL)	40,35,473	40,35,473
Less :- Provision for doubtful advances	40,35,473	40,35,473
Income Tax Recoverable for Previous years	1,82,78,326	1,39,73,294
Income Tax Recoverable for current year	33,91,773	61,16,851
	<u>2,16,70,099</u>	<u>2,00,90,145</u>
Less : Provision for Income Tax/MAT	—	—
Prepaid Expenses	2,09,132	88,153
	<u>3,39,65,357</u>	<u>2,71,21,201</u>

PARTICULARS	AS AT		AS AT	
	31st MARCH, 2015		31st MARCH, 2014	
	AMOUNT (₹)		AMOUNT (₹)	

Disclosure as per clause 32 of Listing Agreement

*Loan to employees include loan to KMPs given in the ordinary course of business & as per the service rules of the Company.	Balance As on 31.03.2015	Balance As on 31.03.2014	Max. amount due at any time during the year ended 31.03.2015	Max. amount due at any time during the year ended 31.03.2014
- No repayment schedule or repayment beyond seven years.	2,62,451	4,32,108	4,32,108	6,10,370
- No interest or at an interest rate below which is specified in Section 186 (7) of Companies Act 2013	—	—	—	—

NOTE 13 : OTHER NON-CURRENT ASSETS

Fixed Deposits with banks (having original maturity period of more than twelve months)	12,02,19,335	6,46,474
Interest accrued on fixed deposits having maturity >12months	15,55,975	53,487
Interest Accrued - U.P. CO-OPERATIVE SPINNING MILLS FEDERATION LTD., 14000 (14000) 14.90% (Taxable) Secured Redeemable UPSCSMF Bonds fully guaranteed by the Govt of U.P. of Rs. 5000/- each fully paid up*	1,15,62,848	—
Less :- Provision against Interest accrued	1,15,62,848	1,15,62,848
	12,17,75,310	1,22,62,809

" * The company had invested Rs 700 lacs in the Bonds of UP Co-operative Spinning Mills Federation Ltd (UPCSMFL) duly guaranteed by the UP State Govt. for a tenure of 18 months. The company invoked the government guarantee consequent to the bonds not being redeemed on the due date of redemption viz 20.12.1999. The suit was filed for recovery of Rs 993.44 lacs (Principal of Rs 700 lacs and Interest of Rs 293.44 lacs.) The suit had been decided ex-parte in favour of the company on 31.01.2004. The U.P State Government (Guarantor) has deposited Rs.735.63 lacs and a Govt. guarantee of equivalent amount in the Civil Court, Lucknow in compliance of the orders of the Hon'ble Punjab and Haryana High Court, Chandigarh. Further an amount of Rs. 735.63 lacs deposited with the Executing Court released to the Company (decree holder) on 24.04.2006 against furnishing bank guarantee of the equivalent amount. The Bombay High Court has passed (March 2006) an order for liquidation of UP Cooperative Spinning Mills federation Limited (UPCSMFL) and the official liquidator has been appointed (August 2006) i.e. Liquidation of the unit is pending finalization.

The company had recognized and received interest income to the extent of Rs. 156.45 lacs (@ 14.90% on Principal) for a tenure of 18 months. The company had further recognized interest income of Rs. 152.52 lacs upto 31st March 2001 of which Rs. 115.63 Lacs is yet to be recovered. On 19.01.2015, the Hon'ble Supreme Court had decided against the ex-parte decree earlier made in favor of the company. Accordingly, in view of the protracted litigation and uncertainty of the amount realizable, pending settlement of the case, accrued interest standing at the beginning of the year amounting to Rs. 115.63 Lacs has been provisioned by the Company to comply with the applicable Accounting Standards.

The Company has not recognized accrued interest amounting to Rs.968.43 lacs up to 12.07.2005 viz. the date of deposit of Rs.735.63 lacs by the U.P. Govt., and for the period subsequent thereto, keeping in view uncertainty involved in the matter of realization of interest due to litigation. This is also in conformity with the Accounting Standard 9-"Revenue Recognition" issued by the Institute of Chartered Accountant of India (ICAI). "

PARTICULARS	AS AT 31st MARCH, 2015 AMOUNT (₹)		AS AT 31st MARCH, 2014 AMOUNT (₹)	
(2) CURRENT ASSETS				
NOTE 14 : INVENTORIES				
INVENTORIES (As taken, valued, and certified by the management)				
Stores, Spares & Packing Material		34,72,074		16,52,794
Raw material	14,99,22,681		13,57,97,470	
Less: Provision for Obsolete/ slow moving items	<u>9,67,07,078</u>	5,32,15,603	<u>9,49,77,602</u>	4,08,19,868
Work in Process:				
Work -in -process		85,05,777		73,50,733
Finished Sub-assemblies	6,36,79,030		5,55,60,217	
Less: Provision for Obsolete/ slow moving items	<u>4,11,10,381</u>	2,25,68,649	<u>4,07,18,190</u>	1,48,42,027
Goods -in -transit		7,17,990		41,46,731
Stock-in-Trade		1,85,595		3,87,600
		<u>8,86,65,688</u>		<u>6,91,99,753</u>

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

NOTE 15 : TRADE RECEIVABLES

Unsecured Sundry Debtors

Outstanding for more than six months

Considered good	7,22,27,643	6,98,52,054
Considered doubtful *	1,62,18,498	1,58,69,593
	8,84,46,141	8,57,21,647
Less: Provision for doubtful debts	<u>1,62,18,498</u>	<u>1,58,69,593</u>
	<u>7,22,27,643</u>	<u>6,98,52,054</u>

Others

Unsecured Considered good	<u>9,58,36,765</u>	<u>10,42,58,631</u>
	<u>16,80,64,408</u>	<u>17,41,10,685</u>

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

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

NOTE 16 : CASH & BANK BALANCES

Cash and Cash equivalents

Balance with banks :

In Cash Credit account	25,03,465	56,46,553
In Current Accounts	29,74,206	82,73,499
In Fixed Deposits (having original maturity period of less than three months)	1,35,00,000	—
Cheques, drafts in hand	2,22,926	2,48,022
Cash in hand	<u>49,146</u>	<u>82,114</u>
	1,92,49,743	1,42,50,188

PARTICULARS	AS AT		AS AT	
	31st MARCH, 2015		31st MARCH, 2014	
	AMOUNT (₹)		AMOUNT (₹)	
Other Bank Balances :				
In Fixed Deposits*(having original maturity period of more than three months)	79,31,26,746		87,79,80,493	
In earmarked accounts (Unclaimed Buyback Amount)	27,722		27,722	
	<u>79,31,54,468</u>		<u>87,80,08,215</u>	
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	12,02,19,335	67,29,35,133	6,46,474	87,73,61,741
		<u>69,21,84,876</u>		<u>89,16,11,929</u>

"* FDRs worth ₹ 3243.47 Lacs (₹ 3026.29 Lacs) are pledged with banks against Bank guarantees and overdrafts limits."

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

Loan and Advance to Employees*	36,42,774		13,03,839
Security deposits	60,99,521		76,44,354
Claims Recoverable	13,748		14,510
Balance with Government Departments			
- Balance with Excise Department	93,926		5,89,924
Other Advances:-			
Considered good	1,05,46,799		79,61,957
Doubtful Advances	2,31,521		2,34,055
	<u>1,07,78,320</u>		<u>81,96,012</u>
Less: Provision for Doubtful Advances	2,31,521	1,05,46,799	2,34,055
		<u>2,03,96,768</u>	<u>79,61,957</u>
			<u>1,75,14,584</u>

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

NOTE 18 : OTHER CURRENT ASSETS

Accruals			
Income accrued and due	60,050		—
Interest accrued but not due on Fixed deposits having maturity < 12 months	3,22,51,314		4,57,84,824
Others :			
In Escrow account (Money held on behalf of VMC & its Associated Companies)	3,22,11,878		7,48,70,808
	<u>6,45,23,242</u>		<u>12,06,55,632</u>

NOTE 19 : REVENUE FROM OPERATIONS

(a) Sale of manufactured products	15,36,98,077		14,06,33,341
(b) Sale of services	2,27,11,475		2,58,81,690
(c) Sale of traded items	4,63,06,963		3,70,65,484
(d) Other Operating revenues (Training Fees & Scrap Sale)	24,60,847		53,58,902
	<u>22,51,77,362</u>		<u>20,89,39,417</u>
Less Excise Duty	1,50,66,932		1,31,66,131
Net revenue from operations		<u>21,01,10,430</u>	<u>19,57,73,286</u>

PARTICULARS	AS AT 31st MARCH, 2015 AMOUNT (₹)	AS AT 31st MARCH, 2014 AMOUNT (₹)
Particulars of Sale of products*		
(i) PLCC (Systems/Spares)	11,60,05,581	8,70,44,952
(ii) VMUX (Systems/ Spares)	2,78,46,044	4,31,61,774
(iii) POWER PLANT & OTHERS	98,46,452	1,04,26,615
(iv) Income from traded items**	4,63,06,963	3,70,65,484
(v) Services Income	2,27,11,475	2,58,81,690
	<u>22,27,16,515</u>	<u>20,35,80,515</u>

* Includes various items of different configuration and spares

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

NOTE 20 : OTHER INCOME

(a) Interest from banks on deposits		
Interest on Fixed Deposits	8,19,95,794	9,10,11,859
(b) Interest on Income Tax refund	—	3,88,570
(c) Other Interest		
Interest on Staff loans	8,75,177	2,66,436
(d) Other Income		
Miscellaneous Receipts	4,305	3,524
Rent Income	1,74,70,990	1,74,18,467
Capital Subsidy written back*	45,465	13,862
Outstanding Liabilities Written Back	—	36,38,549
Provision for slow moving RM written back	—	4,52,836
Provision For excise on FSA written back	1,29,894	5,43,079
	<u>10,05,21,625</u>	<u>11,37,37,182</u>

* Refer Note-2

NOTE 21 : COST OF MATERIALS CONSUMED

(a) Opening Stock	13,57,97,470	12,87,74,417
Add Purchases*	<u>10,86,30,205</u>	<u>9,35,01,236</u>
Less: CENVAT credit	92,23,921	85,85,080
Less: Input Tax credit (VAT)	3,97,790	3,47,047
	<u>23,48,05,964</u>	<u>21,33,43,526</u>
Less: Closing Stock	14,99,22,681	13,57,97,470
Net consumption	<u>8,48,83,283</u>	<u>7,75,46,056</u>

OPENING STOCK OF RAW MATERIAL*

i) Electronics Raw Material and Components	10,51,86,669	10,17,45,298
ii) Mech. items	98,86,009	94,41,288
iii) Misc. items	2,07,24,792	1,75,87,831
	<u>13,57,97,470</u>	<u>12,87,74,417</u>

RAW MATERIAL PURCHASE*

i) Electronics Raw Material and Components	6,89,56,329	5,49,57,977
ii) Assembly items	1,09,014	1,60,651
iii) Mech. items	1,64,21,129	1,18,57,000
iv) Misc. items	1,35,22,021	1,75,93,481
	<u>9,90,08,493</u>	<u>8,45,69,109</u>

PARTICULARS	AS AT	
	31st MARCH, 2015 AMOUNT (₹)	31st MARCH, 2014 AMOUNT (₹)
RAW MATERIAL CONSUMED*		
i) Electronics Raw Material and Components	5,81,37,936	5,15,16,606
ii) Assembly items	1,09,014	1,60,651
iii) Mech. items	1,41,55,970	1,14,12,279
iv) Misc. items	1,24,80,363	1,44,56,520
	<u>8,48,83,283</u>	<u>7,75,46,056</u>
CLOSING STOCK OF RAW MATERIAL*		
i) Electronics Raw Material and Components	11,60,05,062	10,51,86,669
ii) Mech. items	1,21,51,168	98,86,009
iii) Misc. items	2,17,66,451	2,07,24,792
	<u>14,99,22,681</u>	<u>13,57,97,470</u>
PURCHASES OF STOCK-IN-TRADE		
(b) Purchases of Stock-in-Trade * \$	3,72,49,737	3,15,89,149
	<u>3,72,49,737</u>	<u>3,15,89,149</u>

*Includes various items of different configuration.

\$ Includes SDH / STM bought out items amounting to ₹ 95,28,201/- (₹ 1,36,98,891/-) and Solar Photovoltaic Power System amounting to ₹ 1,42,39,500/- (Nil)

NOTE 22 : CHANGES IN INVENTORIES

(I) OPENING STOCKS

(a) Work in process:

Work in process	73,50,733	42,27,627
Finished sub-assemblies	5,55,60,217	5,01,78,152

(b) Stock-in-Trade	<u>3,87,600</u>	<u>6,32,98,550</u>	<u>11,48,546</u>	<u>5,55,54,325</u>
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(II) CLOSING STOCKS

(a) Work in process:

Work in process	85,05,777	7,350,733
Finished sub-assemblies	6,36,79,030	5,55,60,217

(b) Stock-in-Trade	<u>1,85,595</u>	<u>7,23,70,402</u>	<u>3,87,600</u>	<u>6,32,98,550</u>
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Decrease(+) / Increase (-) in stock (I-II)	<u>-90,71,852</u>		<u>-77,44,225</u>
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OPENING STOCK OF FINISHED SUB ASSEMBLIES*

i) PLCC	68,39,426	59,27,963
ii) PCM, SWITCHING	1,44,28,488	1,44,23,327
iii) VMUX	65,85,485	50,82,842
iv) Others	2,77,06,818	2,47,44,020
	<u>5,55,60,217</u>	<u>5,01,78,152</u>

CLOSING STOCK OF FINISHED SUB ASSEMBLIES *

i) PLCC	1,76,61,377	68,39,426
ii) PCM, SWITCHING	1,45,13,902	1,44,28,488
iii) VMUX	58,02,812	65,85,485
iv) Others	2,57,00,940	2,77,06,818
	<u>6,36,79,030</u>	<u>5,55,60,217</u>

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

PARTICULARS	AS AT	AS AT
	31st MARCH, 2015 AMOUNT (₹)	31st MARCH, 2014 AMOUNT (₹)
NOTE 23 : EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Other Allowances & Benefits	19,97,77,631	16,95,62,978
Contribution towards provident and other funds	2,19,09,746	4,13,35,336
Bonus	1,18,752	1,16,282
	<u>22,18,06,129</u>	<u>21,10,14,596</u>

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

Defined benefit plans :-	Gratuity		Leave encashment	
	As on 31/03/2015	As on 31/03/2014	As on 31/03/2015	As on 31/03/2014
1 Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
2 Changes in present value of obligations				
Present value of obligations as at beginning of year	8,12,77,468	7,40,45,281	5,30,97,397	4,22,01,031
Interest cost	65,02,197	59,23,622	42,47,792	33,76,082
Current Service Cost	10,83,467	13,25,537	36,20,124	30,55,304
Benefits Paid	13,13,237	28,01,430	1,44,779	17,07,981
Actuarial (gain)/Loss on obligations	11,66,705	27,84,458	-24,40,687	61,72,961
Present value of obligations as at end of year	8,87,16,600	8,12,77,468	5,83,79,847	5,30,97,397
3 Changes in the fair value of plan assets				
Fair value of plan assets at beginning of year	7,98,36,230	5,79,86,781	4,39,42,531	3,73,76,493
Expected return on plan assets	71,30,313	49,30,195	39,47,568	31,80,932
Contributions	-	1,97,20,684	22,462	50,93,087
Benefits paid	13,13,237	28,01,430	1,44,779	17,07,981
Actuarial Gain / (Loss) on Plan assets	-	-	-	-
Fair value of plan assets at the end of year	8,56,53,306	7,98,36,230	4,77,67,782	4,39,42,531
4 Fair value of plan assets				
Fair value of plan assets at beginning of year	7,98,36,230	5,79,86,781	4,39,42,531	3,73,76,493
Actual return on plan assets	71,30,313	49,30,195	39,47,568	31,80,932
Contributions	-	1,97,20,684	22,462	50,93,087
Benefits Paid	13,13,237	28,01,430	1,44,779	17,07,981
Fair value of plan assets at the end of year	8,56,53,306	7,98,36,230	4,77,67,782	4,39,42,531
Funded status	-30,63,294	-14,41,238	-1,06,12,065	-91,54,866
Excess of Actual over estimated return on plan assets	-	-	-	-
5 Actuarial Gain/Loss recognized				
Actuarial gain/(Loss) for the year -Obligation	-11,66,705	-27,84,458	24,40,687	-61,72,961
Actuarial (gain)/Loss for the year - plan assets	-	-	-	-
Total (gain)/Loss for the year	11,66,705	27,84,458	-24,40,687	61,72,961
Actuarial (gain)/Loss recognized in the year	11,66,705	27,84,458	-24,40,687	61,72,961

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	8,87,16,600	8,12,77,468	5,83,79,847	5,30,97,397
Fair value of plan assets as at the end of the year	8,56,53,306	7,98,36,230	4,77,67,782	4,39,42,531
Funded status	-30,63,294	-14,41,238	-1,06,12,065	-91,54,866
Net Asset/(liability) recognized in balance sheet	-30,63,294	-14,41,238	-1,06,12,065	-91,54,866

7 Expenses recognised in Statement of Profit & Loss

Current Service cost	10,83,467	13,25,537	36,20,124	30,55,304
Interest Cost	65,02,197	59,23,622	42,47,792	33,76,082
Expected return on plan assets	71,30,313	49,30,195	39,47,568	31,80,932
Net Actuarial (gain)/Loss recognised in the year	11,66,705	27,84,458	-24,40,687	61,72,961
Expenses recognised in statement of Profit & Loss	16,22,056	51,03,422	14,79,661	94,23,415

PARTICULARS	AS AT 31st MARCH, 2015 AMOUNT (₹)	AS AT 31st MARCH, 2014 AMOUNT (₹)
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NOTE 24 : FINANCE COSTS

Interest on loan against FDR's for working capital	8,70,233	6,86,006
Interest on cash credit	—	1,873
Bank charges & commission	3,12,558	1,66,969
Loss/(Gain) on exchange fluctuations	2,97,867	4,05,649
	14,80,658	12,60,497

NOTE 25 : OTHER EXPENSES

(A) MANUFACTURING & INSTALLATION EXPENSES

Stores & Spares	10,61,452	7,13,427
Power & Fuel	59,56,189	70,37,351
Freight	1,94,018	2,58,938
Installation charges/ AMC Services Expenses	87,23,227	1,38,73,653
Miscellaneous Production expenses	16,12,475	9,25,848
	1,75,47,361	2,28,09,217

(B) ADMINISTRATION AND OTHER EXPENSES

Travelling & conveyance (including for directors Rs. 87,428/- (Rs.1,61,958/-))	39,36,184	40,00,593
Printing & Stationery	5,49,862	4,85,662
Rent	1,09,530	1,00,080
Office electricity & Water	1,84,212	2,17,650
Postage, Telephone & Telex	6,92,148	6,61,351
Property Tax	12,74,868	—
Insurance (net)	3,06,633	5,02,577
Rates & Taxes	3,82,051	5,95,493
Directors sitting fee	2,30,000	2,10,000
Meeting expenses	2,14,734	2,18,085
REPAIR & MAINTENANCE :-		
Building	44,192	38,602
Plant & Machinery	15,54,077	4,60,897
General maintenance	5,00,200	5,60,580

PARTICULARS	AS AT 31st MARCH, 2015 AMOUNT (₹)	AS AT 31st MARCH, 2014 AMOUNT (₹)
Vehicle running & maintenance	15,36,134	18,45,470
Membership fee and subscription	19,748	32,816
Internal audit fees & expenses	1,00,000	1,12,000
Auditors payments:-		
Audit fee	1,50,000	1,50,000
Tax audit fees	40,000	40,000
Out of pocket	38,250	38,500
Certification & other services	85,000	85,000
Legal & professional fees	13,89,736	9,27,691
Cost audit fees	—	35,000
Office Expenses	1,03,11,568	97,92,417
Miscellaneous expenses	5,69,126	5,42,655
Secretarial Audit Fee	70,000	—
	<u>2,42,88,252</u>	<u>2,16,53,119</u>
Provisions		
Provision for slow moving stocks	21,21,668	4,94,026
Provision for excise duty on closing FSA	13,14,815	1,29,894
Provision for Doubtful Debts	3,46,371	22,73,514
Amount written off	6,383	—
	<u>37,89,237</u>	<u>28,97,434</u>
Total Admin & Other Expenses	<u>2,80,77,489</u>	<u>2,45,50,553</u>
(C) SELLING AND DISTRIBUTION COSTS		
Advertisement and publicity	2,64,031	5,47,760
Sales promotion expenses	9,96,895	12,11,061
Freight outwards (net)/State taxes	10,07,540	14,46,457
Packing & Forwarding expenses	33,21,227	30,97,307
Service Expenses	3,100	—
	<u>55,92,793</u>	<u>63,02,585</u>
(D) PRIOR PERIOD ITEMS		
Prior Period Expenses		
Manufacturing/Selling Expenses	70,335	—
Administrative Expenses*	49,29,570	40,915
Net (Income)/ Expenses	49,99,905	40,915
* Includes Property Tax of Rs. 19.69 Lacs for FY 2013-14		
TOTAL OTHER EXPENSES (A+B+C+D)	<u>5,62,17,548</u>	<u>5,37,03,270</u>
NOTE 26 : EXCEPTIONAL ITEMS		
Provision for Back Wages*	52,35,225	—
Provision against Interest Accrued #	1,15,62,848	—
	<u>1,67,98,073</u>	<u>—</u>

* In case of Sh A.S. Gill, Hon'ble Supreme court passed an order dated 24.03.2015 issued on 11.04.2015, directing the company to pay 30% of the back wages for the period 11.3.2003 to 30.04.2006. The company has adequately provided for the same in accordance with the requirements of AS 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India.

Refer Note 13 of the Financial Statements

PARTICULARS	AS AT	
	31st MARCH, 2015 AMOUNT (₹)	31st MARCH, 2014 AMOUNT (₹)
NOTE 27 : EARNINGS PER SHARE		
Profit / (Loss) after Tax (₹)	-10,26,16,398	-6,84,64,114
Profit / (Loss) after Tax Before Extraordinary Items (₹)	-8,58,18,325	-6,84,64,114
Weighted average no. of ordinary shares	1,20,23,565	1,20,23,565
Weighted average no. of diluted shares	1,20,23,565	1,20,23,565
Nominal Value of ordinary share (₹)	10	10
Basic Earning/(-Loss) Per Share (₹)	-8.53	-5.69
Diluted Earning/(-Loss) Per Share (₹)	-8.53	-5.69
Basic Earning/(-Loss) Per Share before extraordinary items (₹)	-7.14	-5.69
Diluted Earning/(-Loss) Per Share before extraordinary items (₹)	-7.14	-5.69

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

NOTE : 28 Contingent liabilities not provided for in the accounts :-

a) Bank guarantees and Letter of credits *	2471.29	(2477.34)
b) Claims against company, not acknowledged as debts, - by Sales Tax authorities**	31.62	(14.85)
- by Excise & Custom authorities	30.20	(30.20)
- by other parties	—	(2.01)
c) Court cases	2009.85	(1979.29)
d) PSPCL Demand ***	27.96	(27.96)

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

**Also Includes expired guarantees for Rs.68.01 Lacs (190.75 lacs) against which neither any claims have been lodged nor reversed by issuing banks pending returning of original guarantee by beneficiary.

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

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

NOTE : 29 Punjab Digital Industrial Systems Ltd (PDISL), the fully-owned subsidiary, has been ordered to be wound up by the Hon'ble Punjab & Haryana High Court vide their order dated 20/02/2009. The Company has filed its statement of affairs with the Official Liquidator appointed by the said court and all books of accounts/records and store items have been handed over to him. The loss on account of permanent diminution in investment in equity shares of Rs.24.79 lacs in PDISL has been provided for. Full provision amounting to Rs. 40.35 lacs against amount recoverable of Rs 40.35 lacs (Rs.40.35 lacs) and Rs. 4.55 Lacs against balance appearing in Sundry Debtors at Rs 4.55 lacs (Rs 4.55 lacs) has also been made.

NOTE : 30 PCL Telecom Ltd, another subsidiary company, is in the process of being wound 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.

NOTE : 31 The Company is primarily engaged in the business of telecom products and its spares. As the basic nature of these activities is governed by same set of risks and returns, the sales have been grouped as single segment in the accounts as per Accounting Standard 17 "Segment Reporting" issued by ICAI.

PARTICULARS	AMOUNT (Rs. Lacs)			
	SEGMENT	SEGMENT REVENUE	SEGMENT RESULTS	
a. Sales, Services & Other Income	2112	(2011)	-2020	(-1714)
b. Interest Income	820	(910)	820	(910)
c. Rental Income	175	(174)	174	(173)
TOTAL	3106	(3095)	-1026	(-631)

	SEGMENT ASSETS		SEGMENT LIABILITIES	
a. Sales, Services & Others	4234	(4321)	2903	(3004)
b. Interest Income	8066	(9238)	Nil	(Nil)
c. Rental Income	14	(15)	Nil	(Nil)
TOTAL	12315	(13574)	2903	(3004)

(Depreciation on segment a- ₹ 38.51 lacs (₹ 51.43 lacs), segment b - ₹ Nil (₹ Nil), segment c ₹ 0.34 lacs (₹ 0.75 lacs), total ₹ 38.85 lacs (₹ 50.18 lacs). Segment assets acquired for expected use during more than one period - ₹ 4.68 lacs (₹ 4.14 lacs) in respect of segment a, Nil (Nil) in respect of segment b and ₹ 3.50 Lacs (Nil) for segment c.

NOTE : 32 The company has reviewed the inventories at the year end and consequently provided for ₹ 17.29 lacs (₹ Nil lacs) and ₹ 3.92 lacs (₹ 4.94 lacs) but written back ₹ Nil lacs (₹ 4.53 lacs) and ₹ Nil (₹ Nil) 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 ₹ 3.46 lacs (₹ 22.74 lacs) in respect of doubtful debts and advances has been provided for during the year. The provision as on 31st March 2015 is considered adequate.

NOTE : 33 Current Liabilities includes payables outstanding for more than three years. Management decided to carry forward the same.

NOTE : 34 C-DOT had filed claim of Rs. 197.20 Lacs against the company under the agreement for transfer of Max- XL technology with Indian Council of Arbitration, New Delhi (ICA) . The award was passed by ICA for an amount of Rs. 226.17 Lacs (Claim of Rs. 182.15 Lacs plus Interest of Rs. 29.54 Lacs till date of award and Arbitration fee of Rs. 14.47 Lacs) in favour of C-Dot. The said award passed by ICA is being contested by the company before the Delhi High Court. The application for setting aside the award has already been admitted by Delhi High Court and accordingly Interest liability of Rs.17.75 Lacs on account of non payment of award amount has been shown as contingent liability, pending appeal in the Hon'ble High Court, Delhi.

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

NOTE : 35 The company has been giving performance guarantees against equipments supplied to various customers and has not incurred any material expenditure on replacement of any part or equipment except for expenditure on traveling of service engineers which is accounted for as and when incurred. Keeping in view the past pattern and the concept of materiality, no provision has been created or disclosure has been made, except contingent liabilities already disclosed at Note 28. This is in accordance with the requirements of AS 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India.

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

NOTE : 37 CIF VALUE OF IMPORTS

	31.03.2015	(₹ in Lacs)	31.03.2014
a) Raw Materials	168.67		182.79
b) Components & Spares	1.94		0.09
c) Capital Goods	0.00		1.63
d) Repair & Maintenance. (P&M Import)	0.33		2.24

NOTE : 38 EXPENDITURE IN FOREIGN CURRENCY :

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

NOTE : 39 EARNING IN FOREIGN EXCHANGE

FOB Value of export during the year Nil Nil

NOTE : 40 CONSUMPTION OF RAW MATERIALS, STORES AND SPARES

(₹ in Lacs)

Raw Materials, Traded Goods Stores & Spares				
Imported	11.31%	139.60	13.58%	150.16
Indigenous	88.69%	1094.37	86.42%	955.94
	100%	1233.96	100%	1106.10

NOTE : 41 Related party disclosure for the year ended 31st March, 2015

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 (Executive Director)	Sh. A. K. Pathak
Key Management Personnel (CFO)	Sh. J. S Bhatia
Key Management Personnel (CS)	Sh. Madhur Bain Singh

Details of related party transactions during the year ended :

(₹ in Lacs)

Nature of transaction	31-03-2015		31-03-2014	
	Holding Company	KMP	Holding Company	KMP
Rental Income	10.72	—	57.76	—
Purchase of Temporary Structure	3.50	—	—	—
Salary *	—	64.11	—	20.95
Balances outstanding at the end of the year#	32.83	—	25.73	—

*Salary of KMPs includes Salary of CEO -Rs. Nil, ED- Rs. 26.43 Lacs, CFO -Rs. 25.01 Lacs, CS- Rs. 12.67 lacs (ED- Rs. 20.95 Lacs)

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

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

In terms of our separate report of even date attached.

 For **B. RATTAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

VC & MANAGING DIRECTOR

DIRECTOR

FRN: 011798N

BHARAT RATTAN

PARTNER

M. No: 090682

J. S. BHATIA

HEAD-FINANCE

MADHUR BAIN SINGH

COMPANY SECRETARY

BHUPINDER KAUR

JOINT MANAGER-FINANCE

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

Date : May 28, 2015

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015
SIGNIFICANT ACCOUNTING POLICIES

I. Basis of preparation

- a) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs in respect of Sec 133 of Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis and treating the entity as going concern. Accounting policies unless referred to otherwise are consistent with generally accepted accounting principles. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for change in accounting policy for depreciation (**Refer Note IV below**).
- 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 recognised 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 paid.
 - ii) Refunds on account of octroi, excise duty, custom duty, income tax and insurance claims are accounted for on settlement.
 - iii) Customer claims, recoveries, liquidated damages and penal interest for delay in execution of the contracts are provided for as and when settled.
 - iv) Ex-gratia payments to employees are accounted for as and when incurred.
 - v) The claims for price escalation on sales are accounted for on settlement.
 - vi) Expenditure on warranty and guarantee of satisfactory performance of equipments is accounted for when incurred.

II. Use of estimates

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

III. Fixed Assets

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

IV. Depreciation :

- a) Effective from April 1, 2014, method of depreciation is changed from Written Down Value to Straight-Line Method taking into account the prescribed useful life for respective class of assets in order to comply with the Schedule II of the Companies Act, 2013. Accordingly, the carrying amount of the assets as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Where the remaining useful life of an asset is NIL, the carrying amount of the assets has been charged to Statement of Profit and loss after retaining their residual value. For the current year, Residual value has been taken as 5% of original cost of asset or WDV as on 31.3.2014 whichever is lower. Had been there no change in this accounting policy the depreciation for the year would have been higher by Rs. 9,36,030/-.

Asset Class	Period (Years)
Buildings – Factory	30
Building (Other than Factory)	60

Temporary Structure	3
Plant and Equipment*	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 & E head and their useful life is also taken accordingly.

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

V. Intangible Assets

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

VI. Impairment

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

VII. Borrowing Costs

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

VIII. Investments :

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

IX. Cash and Cash Equivalents

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

X. Inventories :

- a) Inventories are valued at the lower of cost or estimated net realisable 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 realisable value.
- e) Goods received after the cut off date (for physical verification as at the year end) and goods for which the documents are retired are treated as goods in transit.
- f) Any Shortage/excess in Raw Material detected at the time of physical verification is included in consumption of goods.
- g) CENVAT on inputs is reduced from purchases. Inventories are valued at net of CENVAT credit.
- h) Provision for obsolete inventories is reviewed periodically and provided for as per the assessment of management.

XI. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Sale of Goods

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

Services

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

"Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. For AMC contracts, the company follows completed service contract method as a method of accounting and recognizes service revenue in the statement of profit and loss when the rendering of service under a AMC contract is completed or substantially completed in accordance with the provisions of AS-9 "Revenue Recognition"

XII. Government Grants

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to depreciable assets are treated as deferred income which is recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset in accordance with Accounting Standard-12 issued by the Institute of Chartered Accountants of India.

XIII. Transactions in Foreign currency

"Current assets and liabilities in foreign currencies are recorded at the exchange rate prevailing at the time of transaction and 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 recognised in that period."

XIV. Employee Benefits

- a) **Short term employee benefits** are recognised 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 recognised 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 recognised in the Statement of Profit and Loss in the manner laid down in AS-15. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis in Balance Sheet. For the purpose of presentation of net obligation, the allocation between short term and long term provisions has been done on the basis of AS 15 Valuation certificates received from LIC.
- c) **Other Long term Employee benefits: Accumulated compensated absences/Leave encashment –** The Employees' Leave encashment liability is also covered under the qualifying Insurance policy of Life Insurance Corporation of India. The obligation for long term compensated absences/Leave encashment is recognised in the same manner as in the case of defined benefit plans as mentioned in XIV (b) (ii) above.

Long Term service awards which are expected to be availed beyond 12 months from the end of the balance Sheet date, are treated as other long term employee benefits. The present value of the said liability determined as per prescribed method in AS-15 as on Balance Sheet date is recognized in the books of accounts. Liability towards Service awards due with in 12 months from the date of Balance Sheet is classified under head Short term Provisions.

XV Income Tax

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

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

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

XVI Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year after tax (including the post tax effect of extraordinary items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

XVII Provision, Contingent Liabilities and Contingent Assets

- a) A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.
- b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- c) Contingent Assets are neither recognised, nor disclosed.

Provision & Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

XVIII Classification of Current / Non Current Assets

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

For **B. RATTAN & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 FRN: 011798N

VC & MANAGING DIRECTOR

DIRECTOR

BHARAT RATTAN
 PARTNER
 M. No: 090682

J. S. BHATIA
 HEAD-FINANCE

MADHUR BAIN SINGH
 COMPANY SECRETARY

BHUPINDER KAUR
 JOINT MANAGER-FINANCE

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

Date : May 28, 2015

**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 the books of accounts/ records and store items have been handed over to him. A provision of Rs. 40.35 lacs towards expenses incurred by the company on their behalf, Rs. 4.55 Lacs in Sundry Debtor's and Rs. 24.79 lacs being investment in PDISL has been kept in the accounts of holding company.

2. Complete investment in PCL Telecom Ltd (Subsidiary) and accumulated losses amounting to Rs. 40.65 lacs have been completely written off in the accounts of holding company. Further, the company has been ordered to be wound up by the Hon'ble Punjab and Haryana High Court vide its order dated 20th October 2005. Accordingly as per the direction of the Hon'ble Court all records have been handed over to the official liquidator attached to the court.

For **B. RATTAN & ASSOCIATES**

CHARTERED ACCOUNTANTS
FRN: 011798N

VC & MANAGING DIRECTOR

DIRECTOR

BHARAT RATTAN
PARTNER
M. No: 090682

J. S. BHATIA
HEAD-FINANCE

MADHUR BAIN SINGH
COMPANY SECRETARY

BHUPINDER KAUR
JOINT MANAGER-FINANCE

Place : S.A.S. Nagar (Mohali)
Date : May 28, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)

	2014-2015	2013-2014
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	(1,026.16)	(630.78)
Adjustment for :-		
Depreciation & Amortization	38.85	52.19
Long term Provision for Employee Benefits	35.67	—
Short term Provision for Employee Benefits	26.97	—
Amounts written back	(0.45)	(0.14)
Interest & other financial expenses	14.81	12.60
Interest/Rental Income	(994.67)	(1,084.30)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	(1,905)	(1,650.43)
Adjustment for :-		
Trade and Other Receivables	60.46	287.26
Inventories	(194.66)	(171.69)
Trade and Other Payables	(388.50)	(411.23)
Other current liabilities	195.38	14.89
Other current assets	561.32	(260.55)
Short Term Loans and Advances	(28.82)	(16.20)
CASH FROM/(USED IN) OPERATIONS	(1,699.81)	(2,207.95)
Income Tax Refund (Paid)	(15.80)	(36.19)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(1,715.61)	(2,244.14)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8.18)	(4.14)
Sale of Fixed Assets	—	—
Movement in Non- Current Assets	(1095.13)	—
Movement in Long term Liabilities	(3.71)	—
Long Term Loans and Advances	(52.64)	(8.07)
Interest/Rental Income	994.67	1084.30
Other Bank Balances	2044.27	937.74
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	1,879.28	2,009.83
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(11.83)	(8.55)
Movement in Working Capital Borrowings	(101.84)	101.84
NET CASH FROM/ (USED) IN FINANCING ACTIVITIES	(113.67)	93.29
Net Change in Cash & Cash Equivalents (A+B+C)	50.00	(141.02)
Cash & Cash Equivalents at the beginning of the year	142.50	283.52
Cash & Cash Equivalents at the end of the year	192.50	142.50

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

VC & MD

Director

Date : May 28, 2015

Head - Finance

Company Secretary

Joint Manager-Finance

AUDITOR'S CERTIFICATE ON CASH FLOW STATEMENT

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

We have examined the attached Cash Flow Statement of Punjab Communications Limited for the period ended 31st March, 2015. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report to the members of the Company.

FOR B. RATTAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 011798N

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

BHARAT RATTAN
PARTNER

Date : May 28, 2015

M No:090682

PCL TELECOM LTD. (IN 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. (IN 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. Thereafter, the submission of record with the Official Liquidator is pending which will be done in due course of time.

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 Fourth (34th) Annual General Meeting of Punjab Communications Limited will be held on Tuesday, 29th September, 2015 at 1100 HRS at B-93, Phase VIII, Industrial Area, SAS Nagar, Chandigarh, next to the registered office (i.e. at B-91) 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, 2015 and Balance Sheet as on that date together with Boards' Report, Secretarial Auditors' Report, Auditors' Report and CAG comments thereon.
2. To appoint Director in place of **Er. A.K. Pathak**, (DIN: 00474919) who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint Director in place of **Sh. V. P. Chandan**, (DIN: 00225793) who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint M/s Grewal & Singh, Chartered Accountants, Chandigarh as the Statutory Auditors of the company for the financial year 2015-2016 (from the conclusion of this AGM till the conclusion of next AGM) and to fix their remuneration.

SPECIAL BUSINESS

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 thereunder, **Sh. Vikas Pratap, IAS**, (DIN: 02363047) who was appointed as Additional Director in the capacity of Vice Chairman & Managing Director of the company w.e.f. 20th November, 2014 under Article 128 & Article 171 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 Vice Chairman & Managing Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :
"RESOLVED that pursuant to applicable provisions of Companies Act, 2013, if any and the rules made thereunder, **Smt. Neena Singh**, (DIN: 00233352) who was appointed as Additional Director of the Company w.e.f. 31st March, 2015 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."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :
"RESOLVED that pursuant to applicable provisions of Companies Act, 2013, if any and the rules made thereunder, **Sh. Anirudh Tiwari, IAS**, (DIN: 02682553) who was appointed as Additional Director in the capacity of Chairman of the company w.e.f. 13th May, 2015 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 Chairman of the Company."

Date : August 12, 2015
Regd Office
B-91, Phase VIII, Industrial Area,
SAS Nagar (Chandigarh) – 160071
CIN: L32202PB1981SGC004616

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

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 MEMEBRS NOT EXCEEDING FIFTY(50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
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 23rd September, 2015 to 29th September, 2015, 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 34th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode. The notice is also uploaded on the Company's Website i.e. www.puncom.com.
11. The Instructions to members for E-Voting (Postal Ballot & AGM resolution) are as under :
 - a) 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 34th Annual General Meeting ("AGM") to be held on Tuesday, 29th September, 2015 at 11:00 A.M. as well as on the resolution to be passed through Postal Ballot, the details of which are part of the notice as well as given repeatedly alongwith the Annual Report. 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
Postal Ballot Resolution	30 th August, 2015 (9:00 A.M.)	28 th September, 2015 (5:00 P.M.)
AGM Resolution(s)	26 th September, 2015 (9:00 A.M.)	28 th September, 2015 (5:00 P.M.)

- b) The Notice of the 34th 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. 21st August, 2015.
- c) Open the internet browser and type the following URL : www.evotingindia.com
- d) Click on Shareholder tab.
- e) 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.
- f) Next enter the Image Verification as displayed and click on login.
- g) 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.
- h) 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 (e).

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.
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 (e).

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) 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. Wherein they are required to mandatorily enter newly created password by you in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- l) Select "EVSN (ELECTRONIC VOTING SEQUENCE NUMBER) of Postal Ballot" for voting on Postal Ballot Resolution and select "EVSN of AGM" for voting on AGM Resolution(s) of Punjab Communications Limited.
- m) EVSN for Postal Ballot Resolution can be viewed from 30th August, 2015 to 28th September, 2015 and EVSN for AGM Resolution(s) can be viewed from 26th September, 2015 to 28th September, 2015 i.e. during the respective voting periods.
- n) Once you enter, the Cast Vote Page will open. Now you are ready for e-voting.
- o) 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.

- p) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - q) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - r) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - s) 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.
 - t) 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.
 - u) Points (l) and (s) above may be read for E-voting on resolution to be passed through Postal Ballot as well.
 - v) 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 should be mailed to helpdesk@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.
 - w) **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 Downloads section of www.evotingindia.com. You may also contact CDSL via email at helpdesk.evoting@cdslindia.com.
 - 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) i.e. 29th August, 2015 and 23rd September, 2015 for Postal Ballot Resolution and AGM Resolution(s), respectively.
 - iv) Since, the Company is required to provide members, facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical or dematerialized form as on the cut-off dates, and not casting their vote electronically, may only cast their vote at the 34th Annual General Meeting.
 - v) Mr. Vishal Arora, Company Secretary in practice of M/s Arora & Gujral, has been appointed as the Scrutinizer to scrutinize the E-voting as well as Postal Ballot event in a fair & transparent manner.
 - vi) The Scrutinizer shall within a period of not exceeding 3 working days from the conclusion of the e-voting period unlock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - vii) The results shall be declared on or after the 34th 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 34th Annual General Meeting of the Company i.e. on 1st October, 2015 and communicated to BSE.
12. 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.

13. Information pursuant to Clause 49 (VIII) (E) (1) of the Listing Agreement requires disclosure on the reappointment of the Directors, which is annexed as **Annexure II** to this notice.
14. 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.
15. **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.
16. The persons who have acquired shares and become members after the dispatch of notice and before cut-off date shall have same "Login ID and Password" as mentioned at Sr. No. 11 of Notes to AGM Notice. The Notice of AGM is displayed on our website www.puncom.com, for your reference please.
17. If you have received this Annual Report, but you are not a member as on the cut-off date, this document is for information purpose only.
18. 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 +911722237142.

ANNEXURE TO THE NOTICE

ANNEXURE I

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

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 Sh. Vikas Pratap, IAS (DIN 01129385) as an Additional Director on the Board, to hold office of the Director, as such, up to the date of the ensuing Annual General Meeting. The company has received notice from a member of the company along with deposit as required under Section 160 of Companies Act, 2013 proposing the candidature of Sh. Vikas Pratap, IAS as the Director of the company.

Further pursuant to Article 171 of the Articles of Association of the company, the holding Company has a right to appoint Vice-Chairman cum Managing Director or Managing Director of the Company. The Government of Punjab vide its order bearing No. 6/1/2014-IAS(3)/4037 dated 19th November, 2014 has appointed Sh. Vikas Pratap, IAS as Managing Director of the Company. Further in exercise of its power, vide Article 171 & Article 128 of the Articles of Association of the company, Punjab Information & Communication Technology Corporation Ltd. (our holding company) vide their letter No. PICT:SECTL:5452 dated 2nd December, 2014 has appointed Sh. Vikas Pratap, IAS as director in the capacity of Vice Chairman & Managing Director of the Company. The Directors of your company have recommended his appointment as above.

The appointment of Sh. Vikas Pratap, IAS as director in the capacity of Vice Chairman & Managing Director is subject to the approval of shareholders by way of Ordinary Resolution and provided further that as per the provisions of the Companies Act, 2013, consent of the shareholders by way of Ordinary Resolution is required for the appointment of any Director.

Sh. Vikas Pratap, IAS being the appointee himself, may be deemed to be concerned or interested in this Resolution.

Brief Resume of Sh. Vikas Pratap, IAS is given here below.

Sh. Vikas Pratap, is a 1994 Batch IAS Officer and is at present Secretary (Personnel), Punjab. He holds a Bachelor of Engineering Degree in Electronics Communication. He is an Indian Administrative Service Officer.

Sh. Vikas Pratap, IAS is a nominee director and thus is concerned or interested financially or otherwise in the affairs of our Company. He is also serving Officer of the Govt. of Punjab.

Sh. Vikas Pratap, IAS is not on the Board of any other company except Punjab Communications Ltd.

Sh. Vikas Pratap, IAS is neither a Member nor a Chairman in any of the Committees as per the provisions of Clause 49(II)(D)(2).

The shareholding of Sh. Vikas Pratap, IAS as per Clause 49(VIII) (E) (1) of the Listing Agreement is NIL.

Item No. 6

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. Neena Singh,

as Independent 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 candidature of Smt. Neena Singh as the Director of the company.

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

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

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

Brief Resume of Smt. Neena Singh is given here below.

Smt. Neena Singh holds Masters of Education degree from Lucknow University. She has 29 years experience in Banking Service as Branch Head, Planning Manager and Chief Manager-International Banking. Presently, she is working as Trustee and Chief Functionary, Bharat Prakarsh Foundation.

Currently, Smt. Neena Singh is also on the Board of the following other companies :

- | | |
|---------------------------------------|---------------------|
| 1) Kuantum Papers Limited | Director |
| 2) Nectar Life Sciences Limited | Additional Director |
| 3) Winsome Textile Industries Limited | Additional Director |

Smt. Neena Singh is a member of Corporate Social Responsibility Committee of Kuantum Papers Ltd.

The shareholding of Smt. Neena Singh as per Clause 49(VIII) (E) (1) of the Listing Agreement is NIL.

Item No. 7

Pursuant to Article 132 of the Articles of Association of the company, the Directors have the right to appoint a person or persons as an Additional Director or Directors. Pursuant to this Article, the Directors have appointed Sh. Anirudh Tewari, IAS, as an Additional Director in the capacity of Chairman 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 candidature of Sh. Anirudh Tewari, IAS as the Director of the company.

Further pursuant to Article 128 and Article 158 of the Articles of Association of the company, the holding Company has a right to nominate a person to be Chairman and Vice Chairman of the Company. The Government of Punjab vide its order bearing No. 6/1/2015-IAS(3)/1146 dated 11th May, 2015 has appointed Sh. Anirudh Tewari, IAS as Principal Secretary (Industries and Commerce), Government of Punjab. Further in exercise of its power, vide Article 128 & Article 158 of the Articles of Association of the company, Punjab Information & Communication Technology Corporation Ltd. (our holding company) vide their letter No. PICT:SECTL:576 dated 13th May, 2015 has appointed Sh. Anirudh Tewari, IAS as Chairman of the Company. The Directors of your company have recommended his appointment as above.

The appointment of Sh. Anirudh Tewari, IAS as director in the capacity of Chairman is subject to the approval of shareholders by way of Ordinary Resolution and provided further that as per the provisions of the Companies Act, 2013, consent of the shareholders by way of Ordinary Resolution is required for the appointment of any Director.

Sh. Anirudh Tewari, IAS being the appointee himself, may be deemed to be concerned or interested in this Resolution.

Brief Resume of Sh. Anirudh Tewari, IAS is given here below.

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

Sh. Anirudh Tewari, IAS is a nominee director and thus is concerned or interested financially or otherwise in the affairs of our Company. He is also serving officer of the Government of Punjab.

Currently, Sh. Anirudh Tewari, IAS is also on the Board of the following other companies:

- | | |
|---|----------|
| 1) Punjab State Power Corporation Limited | Director |
| 2) Punjab Genco Limited | Director |
| 3) Northern India Institute of Fashion Technology | Chairman |
| 4) Punjab Alkalies and Chemicals Ltd. | Chairman |
| 5) Punjab State Industrial Development Corporation Ltd. | Director |
| 6) Punjab Small Industries & Export Corporation Ltd. | Director |

7) Punjab Financial Corporation

Chairman

Sh. Anirudh Tewari, IAS is neither a Member nor a Chairman in any of the Committees as per the provisions of Clause 49(II)(D)(2).

The shareholding of Sh. Anirudh Tewari, IAS as per Clause 49(VIII) (E) (1) of the Listing Agreement is NIL.

ANNEXURE II

(INFORMATION PURSUANT TO CLAUSE 49 (VIII) (E) OF THE LISTING AGREEMENT)

A brief resume of the Directors who are being re-appointed, along with the name of the companies in which they hold directorship of the Board is given below. The details regarding appointment of new Directors have already been given under explanatory statement vide item Nos. 5, 6 & 7.

A) Brief Resume of Er. A.K. Pathak

Er. A.K. Pathak holds a Bachelor of Engineering Degree in Electronics and Communication from Punjab Engineering College, Chandigarh and M. Tech Degree from IIT, Kanpur. He has extensive experience in the development, engineering and manufacturing of Telecom Equipments and has travelled widely during his career spanning 37 years. At present he is working with the company as Executive Director.

The shareholding of Er. A.K. Pathak as per Clause 49(VIII)(E) is NIL.

B) Brief Resume of Sh. V.P. Chandan, IRSSE

Sh. V. P. Chandan, IRSSE is M.Tech. and has served as an Additional Member (Telecom) and also as Executive Director (Signal & Telecom) in the Ministry of Railways, Railway Board. He has served for 37 years on Indian Railways Service of Signal Engineers (IRSSE). He also served for more than 4 years as President, Qualcomm (India) Inc - Multinational R&D Company. He has an expertise in General Management and Administration. He has also been working as Consultant to the World Bank for more than 6 years and is still continuing.

As on 31st March, 2015, he is the Chairman of the Audit Committee and Stakeholders Relationship Committee of Punjab Communications Limited. The shareholding of Sh. V.P. Chandan, IRSSE as per Clause 49(VIII)(E) is NIL.

August 12, 2015

Regd Office

B-91, Phase VIII, Industrial Area,

SAS Nagar (Chandigarh) – 160071

By order of the Board

Sd/-

(Madhur Bain Singh)

Company Secretary

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

PUNJAB COMMUNICATIONS LTD.
Registered Office : B-91, Phase VIII, Indl. Area, S.A.S. Nagar (Mohali) - 160 071

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

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

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

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

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

NAME AND ADDRESS OF THE SHAREHOLDER

No. of share(s) held :

I hereby record my presence at the 34th ANNUAL GENERAL MEETING of the Company held on Tuesday, 29th September, 2015 at 11:00 A.M. at B-93, Phase - VIII, Industrial Area, S.A.S. Nagar (Mohali) - 160 071 (Punjab)

Signature of the shareholder or proxy

* Application for investors holding shares in electronic form.



PUNJAB COMMUNICATIONS LIMITED

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

Form No. MGT-11

PROXY FORM

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

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

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

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

- Name : Address:
- Email ID: Signature:, or failing him
- Name : Address:
- Email ID: Signature:, or failing him
- Name : Address:
- Email ID: Signature:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 34th Annual General Meeting of the Company, to be held on Tuesday, 29th September, 2015 at 1100 HRS at B-93, Phase- VIII, Industrial Area, S.A.S Nagar, Chandigarh (next to the registered office of the company) 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 31 st March, 2015 and Balance Sheet as on that date together with Boards' Report, Secretarial Auditors' Report, Auditors' Report and CAG comments thereon.
2		To appoint Director in place of Er. A. K. Pathak, (DIN: 00474919) who retires by rotation and being eligible has offered himself for reappointment.
3		To appoint Director in place of Sh. V.P. Chandan, IRSSE (DIN: 00225793) who retires by rotation and being eligible has offered himself for reappointment.
4		To appoint the Statutory Auditors of the company for the financial year 2015-2016 and to fix their remuneration.
		Special Business
5		To appoint Sh. Vikas Pratap, IAS (DIN: 02363047) as Director in the capacity of Vice Chairman and Managing Director on the Board of Puncom.
6		To appoint Smt. Neena Singh (DIN: 00233352) as an Independent Director on the Board of Puncom.
7		To appoint Sh. Anirudh Tewari, IAS (DIN: 02682553) as Director in the Capacity of Chairman on the Board of Puncom.

Signed this 29th day of September, 2015

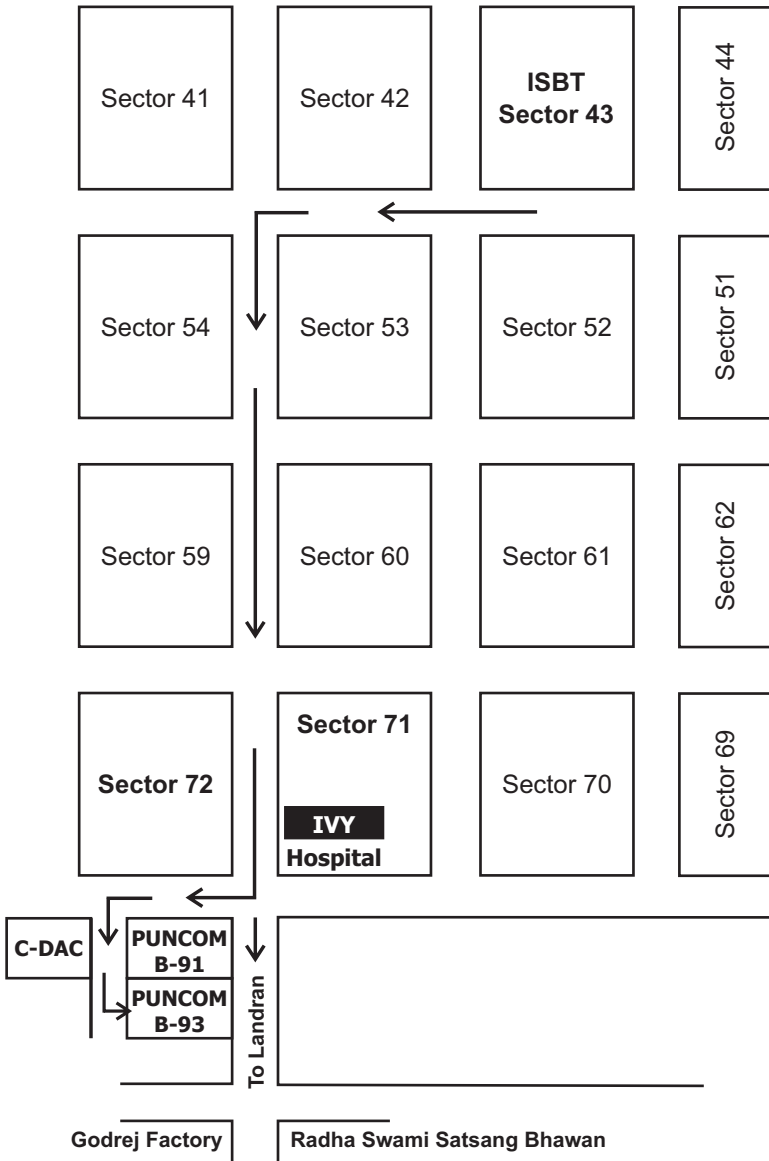
Signature of Shareholder:

Signature of Proxy Holder (s):

Affix
Re. 1/-
Revenue
Stamp

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

ROUTE MAP TO THE VENUE OF AGM



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 undelivered, please return to :
PUNJAB COMMUNICATIONS LIMITED
B-91, Phase VIII, Industrial Area,
S.A.S. Nagar, Mohali-160071 (INDIA)

