

**PUNCOM**

**28<sup>th</sup>**  
**Annual Report**  
**2008-2009**

**PUNJAB COMMUNICATIONS LIMITED**

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

**Financial Highlights 2002-2003 to 2008-2009**

(Rs. in Lacs)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Sales</b>	9810.97	4106.00	4124.39	6132.89	3911.52	846.38	12970.58
<b>Other Income</b>	1148.88	795.63	630.31	631.26	669.86	1019.90	1100.53
<b>Total Income</b>	10759.85	4901.63	4755.00	6764.15	4581.38	1866.28	14071.11
<b>Earning/Loss before Dep.</b>							
<b>Interest and Tax(EBDIT)</b>	-1428.85	431.00	-728.52	-422.19	-532.65	-148.11	313.63
<b>Depreciation</b>	459.03	213.00	186.58	158.42	138.90	121.76	104.23
<b>Profit/Loss after Tax</b>	-1864.70	192.00	-942.02	-617.35	-704.55	-281.25	239.53
<b>Equity Dividend(%)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Dividend Payout</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Equity Share Capital</b>	1605.58	1605.58	1202.35	1202.35	1202.35	1202.35	1202.35
<b>Reserves &amp; Surplus</b>	14787.89	15017.48	10854.37	10239.57	9513.52	9235.04	9524.96
<b>Tangible Net Worth</b>	15474.66	15862.22	11544.19	11175.22	10690.86	10424.88	10727.29
<b>Gross Fixed Assets</b>	7265.15	5311.83	5207.21	5213.93	5158.89	5200.98	5205.04
<b>Net Fixed Assets</b>	1609.10	1316.70	1141.06	1024.24	903.20	823.53	725.66
<b>Total Fixed Assets</b>	1654.10	1320.93	1146.00	1029.18	903.20	823.53	725.66

**Key Ratios 2002-03 to 2008-09**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Earning/Loss Per Share Rs.</b>	-12.00	1.20	-7.82	-5.12	-5.85	-2.34	1.99
<b>Cash Earning/Loss PerShare Rs</b>	1.21	4.52	-2.67	-0.80	-1.45	-0.45	4.78
<b>Book Value Per Share Rs.</b>	96.38	98.93	96.01	92.94	86.86	86.70	89.22
<b>Debt/Equity Ratio</b>	0.02	0.013	0.017	0.02	-	-	-
<b>Current Ratio</b>	5.66	3.81	2.09	2.12	1.83	1.34	1.06

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Twenty Eighth Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2009.

**Financial Results**

(Rs.in lacs)

Particulars	2008-2009	2007-2008
Gross Income	14071	1866
Total expenditure	13760	2158
Profit/Loss before tax (PBT)	184	(292)
Profit/Loss after tax (PAT)	240	(281)
Dividend	NIL	NIL
Paid up equity	1202	1202
Profits/Loss appropriated to General Reserves	290	(278)
Reserves (Including Capital reserves)	9525	9238
Net fixed assets	726	824
Capital employed	10868	10569
Earning/Loss per share (in Rs.)	1.99	(2.3)
Cash earning/Loss per share (in Rs.)	4.78	(0.086)
Book value per share (in Rs.)	89.22	86.70

**Review of Operations**

During the year due to aggressive efforts the company could improve sales of its own products i.e. Primary Drop/Insert Multiplexer as well as PLCC (Power Line Carrier Communication equipment).

In addition to this due to aggressive marketing tie-ups, the company achieved a healthy turnover of approx Rs. 130 Crores in financial year 2008-09 besides income from other activities.

The book value of share held by you is Rs.89/- per share and the Reserves stood at Rs. 95 Crores. The Company has invested an amount of Rs.6.41 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.

**Dividend**

Due to inappropriate profits in the current year, the Board of Directors of your Company has not recommended any dividend for the year 2008-09.

**Change in Directorship**

During the period 2008-09 there was no change in the constitution of Board of Directors.

**Directors' Responsibility Statement**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of accounts for the financial year ended 31st March, 2009, 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 judgement 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 provision of the Companies Act, 1956 for safeguarding the assets of the Company and for prevention and detecting fraud and other irregularity;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March 2009 on a going concern basis.

#### **Puncom's Subsidiaries**

Your 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 referred to BIFR as per the mandatory provisions of SICA in 2003. BIFR, however, has rejected the application as the company recovered due to sale of assets and thus was out of the purview of SICA. Subsequently as the company was not in operations and all its assets being sold, the same was decided to be wound-up by the company itself. 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 20<sup>th</sup> February 2009 has passed the order of its winding-up. Subsequent to that the Statement of Affairs is under process and the same would be filed with the Official Liquidator attached with the said Court in due course of time.

#### **Puncom's shares on the Bourses**

The Shares of your Company are listed with The Stock Exchange, Mumbai (BSE) only. Presently about 95% of the company's shares have been dematerialized and during the year under report, the share price of the company ranged between the low of Rs. 12/- to the high of Rs. 35/-.

#### **Corporate Plan/ Operations**

Various value-added services like repair and maintenance, software, turnkey projects have shown greater growth as compared to Telecom manufacturing in India.

After easing out production of products which were either technologically outdated or were causing losses to the company due to non viability of their prices aggressive marketing tie ups were successfully concluded to ensure that there is no sudden fall in the company top line.

For this Puncom approached various Indian and Multi-national companies for marketing tie-ups and a few of them matured successfully and resulted in a very respectable turnover of Rs. 130 Crores during the Financial Year 2008-09 & would continue to result in more orders in the coming Financial Year, i.e 2009-10.

Moreover, your company has focused on providing value added services like repair & maintenance, turnkey projects to Railways & Power Sector and training programs for undergraduates and professionals in telecom & IT Sector. Your company is also planning to continue with the legacy business and simultaneously broaden/diversify the focus by approaching MNCs for manufacturing tie-ups with or without equity participation, exploring telecom software and ITES opportunities as well as exploring opportunities in other products like V-MUX, PLCC and Power Plants etc.

Simultaneously your company has successfully signed a technology agreement for joint development /partnership in the field of software defined radios and other defence related radio products initially for projects in Indian Army & Navy and later on for other potential customers under full fledged/ limited TOT & indigenously manufacturing of such products at Puncom.

In view of the continuing trends of telecom market in India, Puncom is consolidating its position in the existing markets and also diversifying in the new areas for sustaining the overall growth. A brief idea of various activities to be undertaken by Puncom is as given below:

- a) Consolidating Puncom presence in Railways OFC Project market by aggressively marketing its new Primary MUX and Power Plant. Railways takes out OFC based tenders for turnkey execution of projects in which Puncom make Primary Mux as well as Power plants can be supplied along with other associated bought out products.
- b) Aggressively taking on turnkey projects for telecom infrastructure, an area that has shown a rapid growth.
- c) Need to infuse technologically advanced products in the company through TOT.
- d) Marketing of Puncom's existing range of equipment to the maximum extent possible within the constraints of limited demand.

- e) Exploring the defence market under DOFA scheme of Govt. of India.
- f) Commercializing the existing training activity of the company professionally & more aggressively.

**The Future**

- Inability of the company to keep abreast with changing technology has resulted in decreased business opportunities. As a consequence, the erstwhile core business is restricted to limited scale of supply, servicing and maintenance of installed PLCC, V MUX, Power Plant and other old products systems for the residual product life cycle.
- The slow down in the business primarily been due to inability of the company to infuse new products/technologies into the company. The company has been a victim of obsolescence of technology. Therefore steps for infusion of technology from potential partners needs to be undertaken either through in house R&D or receipt of technology from other sources, both indigenous and foreign. While development through in house R&D is a costly & long drawn process and does not see very feasible in view of the current constraints of the company. Transfer of technology (TOT) seems to be the most viable route in current business environment.
- TOT route will enable the company to either produce a customized product or undertake manufacture of sub-assemblies initially and subsequently graduate upwards in the value chain. The company can also obtain 'TOT for maintenance' to provide lifetime support to imported equipment, as mandated in the new defence procurement procedure. Such an arrangement will provide the company with enormous opportunities on continuous basis. The Government of India has laid down that all import contracts of over Rs. 300 Crores will necessarily carry offset obligations of not less than 30 percent of the indicative cost. It is estimated that the offset policy is likely to result in inflow of orders worth Rs. 10 billion dollars in the next five years. The company, with suitable strategy, will ideally equip to garner its fair share of orders.
- Taking full advantage of the huge orders in hand / turnover, recently The Company has grown from turnover of Rs.61 Crores to turnover of approximately Rs.130 Cr. Your company plans to leverage the improvement in its brand image to convince potential leading MNCs with cutting edge technologies to agree to partner with your company.

**Managements Reply to Auditors Remarks**

M/s N Kumar Chhabra & Company, Chartered Accountants, was appointed as Statutory Auditors of the Company for the year 2008-2009. Notes on Accounts forming part of Annual accounts are self-explanatory and exhaustive to the remarks of Auditors in their report dated 6th July 2009.

- i) As regards non-recognition of the accrued interest amounting to Rs. 968.43 lacs (upto 12.07.2005 is date of deposit of Rs.735.63 lacs by UP Government) from UP CSMFL as per decree awarded by the court, we are of the opinion that there being contingency in realisation of interest in near future and as the execution of the same is pending before the lower court the same has not been recognized. Matter being sub-judice will be decided as per the legal procedure. The same has been in accordance with AS-9 on Revenue Recognition. [Refer Audit Report Para 4(vi)(a)].
- ii) As regards observation made by the Auditors regarding recognition of revenue on sales amounting to Rs.32.37.lacs which has not been in accordance with Accounting Standard (AS-9) issued by Institute of Chartered Accountants of India (ICAI), the same have been accounted for as per past practice. [Refer Audit Report Para 4(vi)(b)].
- iii) Regarding accounting of certain income and expenditure on cash basis, the same has been accounted for as per disclosures of Accounting Policy given in Schedule 22 of the accounts. [(Refer Audit Report Para 4(vi)(c)].
- iv) As regards excise duty demand including penalty and interest aggregating to Rs. 258.04 lacs (net of pre-deposits which is disputed, we are to inform that company has filed an appeal and the same is pending before the Central Excise Tribunal. [Refer Annexure to Audit Report Para 9(b)(i)].
- v) As regards Sale Tax demand including interest aggregating to Rs.5.04 Lacs (net of pre deposit), which is disputed, we are to inform that company has filed an appeal and the same is pending in the office of Commissioner Appeal, Commercial Taxes. [(Refer Annexure to Audit Report Para 9(b)(i)].

**Explanation for variation in Published results vis-a-vis Audited results for the year ended 31st March, 2009**

The Board of Directors adopted the Un-audited Financial Results for the financial year 2008-09 on quarterly basis and later on (un-audited annual results) in its Board Meeting held on 29th April, 2009, which were subsequently published as well as sent to stock exchanges vide our letter dated 29th April, 2009, pursuant to clause 41 of the listing agreement. The sum total of the published Quarterly Un-audited results for the first, second, third and fourth quarter for the year ended 31st March, 2009 and the audited results as on that date along with variation is given hereunder:

Particulars	Sum total of Published Quarterly (Un-audited) Result for the Year ended 31st March 2009	Audited Results for the Year ended on 31st March 2009	Variation In %
Sales	12969.71	12970.57	0.01
Other Income	1119.35	1123.14	0.34
Total Expenditure			
a) Inc. (-) Dec.(+) in stock	26.47	27.83	4.89
b) Consumption of raw material	608.73	608.07	-0.11
c) Purchase of traded Goods	11515.13	11514.53	-0.01
d) Employees Cost	1008.16	1006.82	-0.13
e) Depreciation	104.50	104.22	-0.27
f) Other Expenditures (Inc. excise duty)	623.40	622.82	-0.09
Interest	25.59	25.50	-0.35
Exceptional Items	N.A.	N.A.	N.A.
Profit (+)/ Loss (-) before tax	177.08	183.92	3.72
Tax Expense	3.70	4.12	10.19
Net Profit (+)/ Loss (-)	173.38	179.80	3.57

There is variation of about 10.19% in Tax Expenses, which is due to Increase in expenses liable for Payment of FBT.

**Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988**

As required by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, the particulars in respect to Conservation of Energy, Research & Development & Foreign Exchange Earning and Outgo are as follows:

**A. CONSERVATION OF ENERGY**

a) Energy conservation measures 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.

b) Additional Investments and Proposals if any being implemented for reduction of consumption of energy:

No Investment and no proposals at present.

c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The consumption has reduced due to the above measures taken.

d) Total energy consumption and energy consumption per unit of production is annexed at Form A and forms part of this report.

**B. TECHNOLOGY ABSORPTION**

e) Efforts made in technology absorption are annexed herewith as Form B and forms part of this report.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans: The Company has tied-up with HUWAEI Group for supply of cutting edge technology products in the transmission like SDH, DWDM, Super WDM etc. to major customers in India like BSNL, MTNL.

g) Total Foreign Exchange Used and Earned is given as a part of Form B, which forms part of this report. Further the company is planning to enter defence market under tie-up with a MNC/Foreign Company.

**Companies (Particulars of Employees) Rules, 1975**

As per Section 217(2A) of the Companies Act, 1956 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.24,00,000/- or above and a monthly remuneration of Rs.2,00,000/- and above in case the employee worked for less than a year. Since there is no employee drawing salary exceeding the limit, hence the same is not applicable.

**Industrial Relations**

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

**Acknowledgement**

The Board places on record its gratitude to the BSNL, and Deptt. of Railways, Ministry of Defence, VSNL, MTNL, PGCIL, PSEB and other esteemed customers in India and abroad, State Bank of India, Union Bank of India, 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, 2009

(SARWAN SINGH CHANNY)  
CHAIRMAN

**FORM A  
(FORMING PART OF DIRECTORS' REPORT)  
PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	<b>Current Year (2008-09)</b>	<b>Previous year (2007-08)</b>		
<b>A. POWER &amp; FUEL CONSUMPTION</b>				
<b>1. ELECTRICITY</b>				
a) PURCHASED Unit (KWH)	714540	1069080		
Total Amount (Rs.)	3062410	4560260		
Rate/Unit (Rs.)	4.28	4.28		
b) OWN GENERATION				
i) Through Diesel generator	14616	41040		
Units per Ltr. of diesel oil (KW)	0.20	0.20		
Cost/Unit (Rs.)	5.40	5.13		
Total amount (Rs.)	79019	210540		
ii) Through steam turbine/ Generator	N.A.	N.A.		
Units (Ltr.)	N.A.	N.A.		
Units per Ltr. of Fuel Oil/Gas	N.A.	N.A.		
Cost/Unit (Rs.)	N.A.	N.A.		
<b>2. COAL (Specify quantity and where used)</b>				
Quantity (Tonnes)	N.A.	N.A.		
Total amount	N.A.	N.A.		
Average rate	N.A.	N.A.		
<b>3. FURNACE OIL</b>				
Quantity (Tonnes)	N.A.	N.A.		
Total amount	N.A.	N.A.		
Average Rate	N.A.	N.A.		
<b>4. OTHERS/INTERNAL GENERATION (Please give details)</b>				
Quantity (Tonnes)	N.A.	N.A.		
Total cost	N.A.	N.A.		
Rate/Unit	N.A.	N.A.		
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>				
<b>PRODUCT</b>	<b>UNIT</b>	<b>STANDARDS (IF ANY)</b>		
i) Electricity				
DTL	CHANNEL	NA	N.A.	N.A.
PCM	CHANNEL	NA	N.A.	N.A.
TMUX	TERMINALS	NA	N.A.	N.A.
FPABX/RAX/SBM	LINES	NA	N.A.	N.A.
RADIO	SYSTEMS	NA	N.A.	N.A.
ii) Furnace Oil			N.A.	N.A.
iii) Cost (Specify qty.)			N.A.	N.A.
iv) Others (specify)			N.A.	N.A.



**FORM B  
(FORMING PART OF DIRECTORS' REPORT)  
PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**

**A) RESEARCH & DEVELOPMENT (R&D)**

**1. SPECIFIC AREAS**

Up-gradation of 48V Power Plant and VMUX for different markets.

**2. BENEFITS DERIVED AS A RESULT OF ABOVE R&D**

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.

**3. FUTURE PLANS OF ACTION**

The Company has plans to develop low cost equipments based on new technologies.

**4. EXPENDITURE ON R&D**

	<i>(Rs. in lacs)</i>	
	<b>Current Year</b>	<b>Previous Year</b>
Capital	0.00	0.00
Recurring	NIL	NIL
Total R&D expenditure as a %age of total turnover.	0.00	0.00

- Product engineering is done by production staff and there is no separate R & D Deptt.

**B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts in brief made towards technology absorption, adoption and innovation.
2. The Company has derived benefits as a result of above efforts e.g. product improvement, cost reduction, substitution etc.
3. Technology imported during last 5 years: For SMR Power plants from RTP, Australia.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<i>Amount (Rs. in lacs)</i>	
	<b>Current Year</b>	<b>Previous Year</b>
i) EARNINGS		
F.O.B. value of export :	NIL	(NIL)
ii) OUTGO :		
CIF value of import of raw material & components. :	117.54	20.16
Capital goods :	NIL	NIL
Foreign travel & others :	NIL	NIL

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Punjab Communications Limited, for the year ended 31<sup>st</sup> March, 2009, 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.

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

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

For N Kumar Chhabra & Co.  
Chartered Accountants

Place : S.A.S. Nagar  
Date : August 3, 2009

(CA ASHISH CHHABRA)  
Partner

Membership No. 507083  
SCO 1094-95, Sector 22-B, Chandigarh

**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 endeavours 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, etc.

**2. Board of Directors**

The present strength of the Board is Seven directors; One executive director being Managing Director and six non-executive directors, of which three are independent directors, who are professional and/or have expertise in their respective functional areas. The Chairman of the company is non-executive. More than half of the Board is ex-officio nominated by the holding company PICTCL. The company is in the process of compiling with the SEBI notification No SEBI/CFD/DIL/CG/1/2008/08/04. The names and categories of present directors are given here below:

S. NO.	NAME	CATEGORY	POSITION ON BOARD
1.	Sh. S.S. Channy, IAS	Non-Executive	Chairman
2.	Sh. R K Verma, IAS	Non-Executive	Sr. Vice Chairman
3.	Sh. Anurag Verma, IAS	Executive	Managing Director
4.	CA. R K Nangia	Non-Executive	Director
5.	Maj. Gen. G S Bains, AVSM (Retd)	Non-Executive, Independent	Director
6.	Sh. V P Chandan, IRSSE (Retd)	Non-Executive, Independent	Director
7.	CA. Rajiv Dewan	Non-Executive, Independent	Director

During the year there was no changes in the directorship of the company.

**3. Board Procedure**

Five Board Meetings were held during the financial year as detailed below and 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.	DATE
150 <sup>th</sup>	April 29, 2008
151 <sup>st</sup>	July 30, 2008
152 <sup>nd</sup>	September 25, 2008
153 <sup>rd</sup>	October 27, 2008
154 <sup>th</sup>	January 30, 2009

The attendance of Directors at Board Meeting during 2008-09 and General Meetings along with the number of Directorship 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 is given here below:

Name	Attendance at Board Meetings	Attendance at AGM	Number of Directorships in other Companies	Number of Committee Chairmanship/Membership	
				Committee Chairmanship	Committee Membership
Sh. S.S Channy IAS, Chairman (appointed on 10.04.08)	5	No	5	N/A	N/A
Maj.Gen.G S Bains, Director	5	Yes	NIL	NIL	2
Sh.V P Chandan, Director	5	Yes	NIL	2	2
CA. R K Nangia Director	5	Yes	6	NIL	2
CA. Rajiv Dewan Director	5	No	8	NIL	5
Sh. R K Verma, IAS Sr. Vice Chairman	3	No	7	-	-
Sh Anurag Verma, IAS Managing Director	5	No	-	-	-

#### 4. Audit Committee

The Audit Committee of the company comprises of Sh. V. P. Chandan as Chairman, Maj. Gen. G S Bains, CA. R K Nangia & CA. Rajiv Dewan as Members. The constitution of Audit Committee meets the requirements as laid down under section 292A of the Companies Act, 1956.

The duly constituted committee met five times during the year 2008-09 on 29<sup>th</sup> April, 2008, 30<sup>th</sup> July, 2008, 25<sup>th</sup> September, 2008, 27<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009.

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	5
2.	Maj. Gen. G S Bains, Member	Independent/Non Executive	5
3.	CA. Rajiv Dewan, Member	Independent/Non Executive	5
4.	CA. R K Nangia, Member	Non-Independent/Non Exe.	5
5.	CS. Madhur Bain Singh, Convener	Compliance Officer	5

The terms of reference stipulated by the Board to Audit Committee are as contained in Clause 49 of the Listing Agreement & Section 292A of the Companies Act, 1956. 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

#### 5. Remuneration Committee

Company has not formed any Remuneration Committee as all the Directors except the MD are Non – Executive Directors, who are not drawing any remuneration from the company except sitting fees for attending Board /Committee Meetings. However, the company is open to the idea of having Remuneration Committee, once it has some Executive Director(s) on its Board, drawing remuneration, other than the sitting fees from the company.

#### 6. Shareholders/Investors Grievances Redressal Committee

The Shareholders/Investors Grievances Redressal Committee presently comprises of Sh. V. P. Chandan as Chairman, Maj. Gen. G.S. Bains, CA. R K Nangia, & CA. Rajiv Dewan, as Members. During the Financial Year 2008-09 the Committee met on 27<sup>th</sup> October 2008.

The terms of reference 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.

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, Chairman	Independent/Non Executive	1
2.	Maj. Gen. G S Bains, Member	Independent/Non Executive	1
3.	CA. Rajiv Dewan, Member	Independent/Non Executive	1
4.	CA. R K Nangia, Member	Non-Independent/Non Exe.	1
5.	CS. Madhur Bain Singh, Convener	Compliance Officer	1

The redressal status of complaints received from 1st April, 2008 to 31st March, 2009 is as under:

Number of complaints received	12
Number of complaints redressed	12
Number of complaints pending	NIL

## 7. 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.

## 8. General Meetings

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

Date	Particulars	Time	Location	Special Resolution Passed
30.12.08	27 <sup>th</sup> AGM in respect of the year 2007-2008	11.00 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali	No
28.12.07	26 <sup>th</sup> AGM in respect of the year 2006-2007	11.00 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Chd	No
28.09.06	25 <sup>th</sup> AGM in respect of the year 2005-2006	11.00 AM	B-93, Phase-VIII, Industrial Area, S.A.S. Nagar, Chd	No

## 9. Transfer of Unclaimed amounts to Investors Education & Protection Fund

During the year under review, the Company has credited a sum of Rs. 4,23,584.00 to the Investors Education & Protection Fund, pursuant to section 205C of the Companies Act, 1956 & the Investors Education & Protection Fund (Awareness & Protection of Investors) Rules, 2001, being the amount of unclaimed dividend for the year 2000-2001.

## 10. Disclosures

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. Also, there is no non-compliance by the company and no penalties and 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 Clause IV (A) - Related Party Disclosure* : There were no related party transactions entered into during the financial year under report.

*Under Clause IV (B) - Accounting Treatment* : The disclosure w.r.t. qualification of Auditors on accounts, the same is detailed in the Directors' Report or the same has been done as per past practice.

*Under Clause IV (C) - Risk Management Policy & Procedures* : The company have in place a Risk Management Policy and the same is reviewed periodically.

*Under Clause IV (D) - Proceeds from public issues, rights issues, preferential issues etc.* : The company has not raised any public money since its public issue in 1994.

*Under Clause IV (E) - Directors' Remuneration* : None of the directors are getting remuneration from the company except for the sitting fee and that too to the Independent Directors which is within the prescribed limits.

*Under Clause IV (F) - Management* : Management and Discussion Analysis is a part of this Annual Report. Senior Management Disclosure has also been obtained.

*Under Clause IV (G) - Shareholders* :

(i) Disclosure under this clause is part of the AGM Notice.

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

S. No.	Name of the Director	Designation	Relationship inter-se
1	Sh S.S Channy, IAS	Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
2	Sh R.K Verma, IAS	Sr. Vice Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
3	Sh Anurag Verma, IAS	Managing Director	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
4	CA R.K Nangia	Director	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
5	Sh V.P Chandan, IRSSE (Retd.)	Director	Independent Director
6	Maj. Gen. G. S. Bains, AVSM (Retd.)	Director	Independent Director
7	CA Rajiv Dewan	Director	Independent Director

- (ii) No quarterly results and presentations were made by the company to any analyst during the financial year under report.
- (iii) The company have a separate Shareholders Grievance Committee to look after the provisions of this Clause.
- (iv) To expedite the Share Transfer Procedure, there is a Committee in the name of "Share Transfer Committee" in place which is meeting fortnightly.

**11. Means of Communication**

**Notice of Board Meeting**

Meeting Date	Date of Publication/Information to Stock Exchange	Newspaper
30.07.08	24.07.08 24.07.08	Desh Sewak (Vernacular) Financial Express (English)
27.10.08	18.10.08 18.10.08	
30.01.09	22.01.09 22.01.09	
29.04.09	13.04.09 13.04.09	

**Notice of Book Closure & AGM**

Book Closure	Date of Publication	Newspaper
24.12.08	05.11.08 05.11.08	Desh Sewak (Vernacular) Financial Express (English)
AGM	Date of Publication	Newspaper
30.12.08	05.11.08 05.11.08	Desh Sewak (Vernacular) Financial Express (English)

**Publishing of Quarterly Results**

Quarter No.	Date of Publishing	Newspaper
1 <sup>st</sup>	31.07.08 31.07.08	Desh Sewak (Vernacular) Financial Express (English)
2 <sup>nd</sup>	28.10.08 28.10.08	
3 <sup>rd</sup>	31.01.09 31.01.09	
4 <sup>th</sup>	30.04.09 30.04.09	

The quarterly financial results are also made available on the company's web-site ([www.puncom.com](http://www.puncom.com)) and on SEBI's EDIFAR (Electronic Data Information Filing and Retrieval) web-site ([www.sebidifار.nic.in](http://www.sebidifار.nic.in))

**THE MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) FORMS A PART OF THIS ANNUAL REPORT.**

**12. Certifications/Declarations**

**(I) Declaration on compliance with Code of Conduct**

The Board of Directors  
Punjab Communications Ltd., Mohali.

**Date: 6<sup>th</sup> July, 2009**

This is to declare that all Board Members and Senior Management personnel as defined in the Code of Conduct adopted by the Board has affirmed compliance with the Clauses of said Code for the financial year 2008-09.

(Anurag Verma)  
Managing Director as CEO

**(II) CEO/CFO Certification under Clause 49(V)**

The Board of Directors  
Punjab Communications Ltd., Mohali.

**Date: 6<sup>th</sup> July, 2009**

Sirs,

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31<sup>st</sup> March, 2009 and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year under report which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year,
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

This certificate is given as required under Clause 49(V) of the Listing Agreement.

Sd/-  
(J S Bhatia)  
Head (Finance) – CFO

Sd/-  
(Anurag Verma)  
Managing Director – CEO

**13. 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 ID to Clause 49 of the Listing Agreement.

**General Shareholders Information**

- A. Annual General Meeting (Date, time and venue)** : Date : 30<sup>th</sup> day of September 2009  
Time: 11.30 A.M.  
Venue: B-93, Phase VIII, Indl. Area  
SAS Nagar, (Chandigarh)- 160 071
- B. Financial Calendar** : 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009
- C. Date of Book Closure/ Record Date** : 24<sup>th</sup> September, 09 to 30<sup>th</sup> September, 09  
(Both days inclusive)
- D. Listing on Stock Exchange** : The Stock Exchange, Mumbai (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001

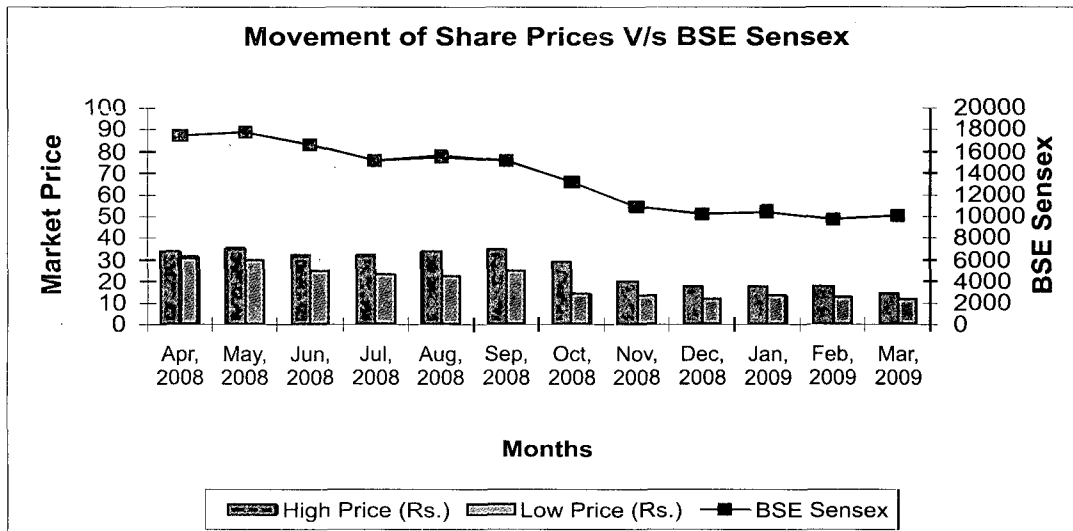
**Note:** Annual Listing Fee for the year 2009-10, has been paid to the Stock Exchange, Mumbai;

- E. Stock Code** : Bombay Stock Exchange  
Scrip Code 500346

**F. Market Price Data (BSE)**

Month	High Price (Rs.)	Low Price (Rs.)
April, 2008	34.00	31.10
May, 2008	<b>35.20</b>	30.00
June, 2008	32.00	25.00
July, 2008	31.90	22.25
August, 2008	33.80	22.25
September, 2008	35.00	25.00
October, 2008	29.20	14.25
November, 2008	20.00	13.25
December, 2008	17.84	12.10
January, 2009	17.80	13.20
February, 2009	17.35	12.40
March, 2009	14.35	<b>11.56</b>

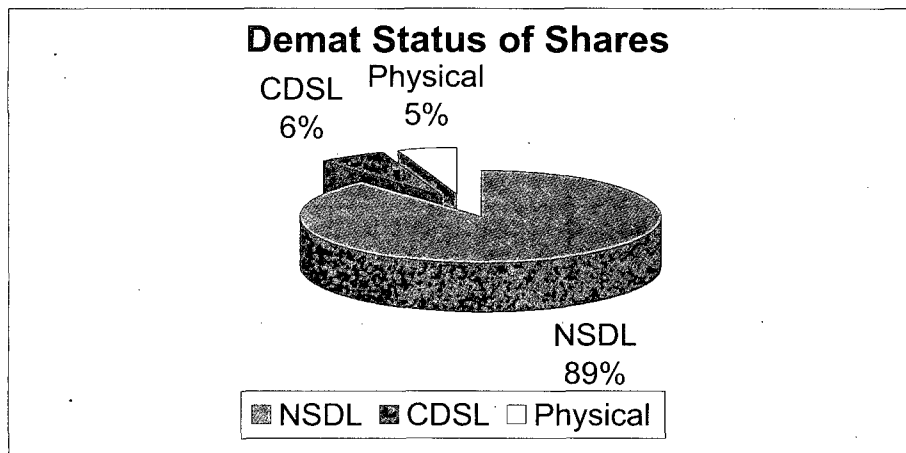
Graph showing Stock Performance of Puncom on BSE vis a vis BSE Sensex during the year 2008-09



**G. Dematerialization of Shares and Liquidity**

Details of paid up capital of the Company as on June 30, 2009 is as under:

Depository	No. of Shares	Percentage
NSDL	10654267	88.61
CDSL	750023	6.24
Physical	619275	5.15
<b>Total</b>	<b>12023565</b>	<b>100</b>





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

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

**I. 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.

**J. Details of Investors complaints received during 2008-09 are as follows:**

Sr. No.	Nature of complaint	Received	Disposed	Pending
1.	Non receipt of Dividend Warrant	3	3	Nil
2.	Non receipt of Share Certificates after transfer	6	6	Nil
3.	Others	3	3	Nil

It is Company's endeavour to redress all complaints 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 2008-09 are as follows:

Lodged for transfer	Transferred and returned	Pending
46 (4964 Shares)	46 (4964 Shares)	Nil (Nil)

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

**K. Distribution of Shareholding as on Quarter Ending 30<sup>th</sup> June, 2009**

**(I) (a) Statement showing Shareholding Pattern**

Category Code	Category of Shareholder	No of Shareholders	Total Number of Shares	Number of shares held in Dematerialised form	Total shareholding as A percentage of total number of shares		Shares pledged or Otherwise encumbered	
					As a % age of (A+B) <sup>1</sup> (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)				
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group <sup>2</sup></b>	-	-	-	-	-	-	-
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	02	8561701	8551501	71.208	71.208	0	0
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<b>Sub-Total(A)(1)</b>	<b>02</b>	<b>8561701</b>	<b>8551501</b>	<b>71.208</b>	<b>71.208</b>	<b>0.00</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>02</b>	<b>8561701</b>	<b>8551501</b>	<b>71.208</b>	<b>71.208</b>	<b>0.00</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding<sup>3</sup></b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds/UTI	07	3600	-	0.030	0.030	-	-
(b)	Financial Institutions/ Banks	09	68466	67666	0.569	0.569	-	-
(c)	Central Government/ State Government(s)	01	9475	9475	0.079	0.079	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	01	5800	5800	0.048	0.048	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-	-	-
	<b>Sub-Total (B) (1)</b>	<b>18</b>	<b>87341</b>	<b>82941</b>	<b>0.726</b>	<b>0.726</b>	<b>0.00</b>	<b>0.00</b>

<sup>1</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>2</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

<sup>3</sup> For definitions of "Public Shareholding", refer to Clause 40A.

(2)	<b>Non-Institutions</b>							
(a)	Bodies Corporate	423	459830	428997	3.824	3.824	-	-
(b)	Individuals –							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	15045	2728567	2154925	22.693	22.693	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	10	172093	172093	1.431	1.431	-	-
(c)	Any Other (specify)							
	i) NRIs/OCBs	30	13451	13251	0.112	0.112	-	-
	ii) Lying in Escrow A/c – Buy Back with Karvy Consultant Ltd	01	419	419	0.003	0.003	-	-
	iii) Trust	01	163	163	0.001	0.001	-	-
	<b>Sub-Total (B)(2)</b>	<b>15510</b>	<b>3374523</b>	<b>2769848</b>	<b>28.065</b>	<b>28.065</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>15528</b>	<b>3461864</b>	<b>2852789</b>	<b>28.791</b>	<b>28.791</b>	<b>0.00</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>15530</b>	<b>12023565</b>	<b>11404290</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>
(C)	<b>Shares held by Custodians and Against which Depository Receipts have been issued</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>15530</b>	<b>12023565</b>	<b>11404290</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

(I) (b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of shareholder(s)	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	As a % (VI)=(V)/(III)* 100	As a % of grand total (A)+(B)+(C) of Sub-clause (I) (a) (VII)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
1.	Punjab Information & Comm. Tech. Corp. Ltd.	8551501	71.123	0.00	0.00	0.00
2.	Punjab State Electronics Dev. & Pro. Corp. Ltd..	10200	0.085	0.00	0.00	0.00
	<b>TOTAL</b>	<b>8561701</b>	<b>71.208</b>			

(I) (c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares.

Sr. No.	Name of shareholder(s)	Number of shares	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
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

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

Sr. No.	Name of shareholder(s)	Number of locked-in shares	Locked-in shares as a %age of total number of shares (i.e Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above)
1.	NIL	NIL	NIL
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

**(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
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**(II) (b) Statement showing Holding of Depository Receipts (DRs), where underlying shares 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.)	Number of Shares Underlying Outstanding DRs	Shares underlying outstanding DR's 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
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**(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 securities

Class X : Equity Shares

Class Y : N.A.

Class Z : N.A.

Category	Category of Shareholder	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V)	Total Voting Rights i.e. (VI)	
		Class X	Class Y	Class Z		As a % age of (A+B) (VII)	As a % age of (A+B+C) (VIII)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
<b>(A)</b>	<b>Promoter and Promoter Group</b>	-	-	-	-	-	-
<b>(1)</b>	<b>Indian</b>						
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	8561701	0	0	8561701	71.21	71.21
(c)	Bodies Corporate	-	-	-	-	-	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub Total (A)(1)</b>	<b>8561701</b>	<b>0</b>	<b>0</b>	<b>8561701</b>	<b>71.21</b>	<b>71.21</b>
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals(Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>8561701</b>	<b>0</b>	<b>0</b>	<b>8561701</b>	<b>71.21</b>	<b>71.21</b>
<b>(B)</b>	<b>Public shareholding</b>						
<b>(1)</b>	<b>Institutions</b>						
(a)	Mutual Funds/UTI	3600	0	0	3600	0.030	0.030
(b)	Financial Institutions/Banks	68466	0	0	68466	0.569	0.569
(c)	Central Government/ State Government(s)	9475	0	0	9475	0.079	0.079

(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	5800	0	0	5800	0.048	0.048
(f)	Foreign Institutional Investors	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (B) (1)</b>	<b>87341</b>	<b>0</b>	<b>0</b>	<b>87341</b>	<b>0.726</b>	<b>0.726</b>
<b>(2)</b>	<b>Non-institutions</b>						
(a)	Bodies Corporate	459830	0	0	459830	3.824	3.824
(b)	Individuals –						
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	2728567	0	0	2728567	22.693	22.693
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	172093	0	0	172093	1.431	1.431
c)	Any Other (specify)						
	i) NRIs/OCBs	13451	0	0	13451	0.112	0.112
	ii) Lying in Escrow A/c – Buy Back with Karvy Consultant Ltd	419	0	0	419	0.003	0.003
	iii) Trust	163	0	0	163	0.001	0.001
	<b>Sub-Total (B)(2)</b>	<b>3374523</b>	<b>0</b>	<b>0</b>	<b>3374523</b>	<b>28.066</b>	<b>28.066</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3461864</b>	<b>0</b>	<b>0</b>	<b>3461864</b>	<b>28.792</b>	<b>28.792</b>
	<b>TOTAL (A)+(B)</b>	<b>12023565</b>	<b>0</b>	<b>0</b>	<b>12023565</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and Against which Depository Receipts have been issued</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>12023565</b>	<b>0</b>	<b>0</b>	<b>12023565</b>	<b>100.00</b>	<b>100.00</b>

**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,  
SAS 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  
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)

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**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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Punjab Communications Limited (Puncom), a premier Telecom and IT company was incorporated in the year 1981 by the Punjab Govt. for giving fillip to the Electronics and Telecommunication industry in the region. The company passed through a very good phase from 1981 to 1993, and came up with a public issue in October, 1994. Besides high premium, the issue was highly oversubscribed. The company achieved a record Turnover of Rs. 157.32 Cr during the year 2001-2002, when its networth was Rs. 181.77 Cr. Thereafter the turnover of the company continued to be adversely affected till 2003-04 due to BSNL's (the major customer of Puncom) policy to shift its focus from wireline to wireless technology. Realising this, the company made attempts to broaden its customer and product base through tie-ups with foreign companies and locating new markets for its core products; thereby arresting the downfall. As part of these efforts, Puncom tied up with Huawei Technologies, China for supply of DWDM equipment to BSNL/MTNL and has generated substantial business. Puncom achieved a healthy turnover of Rs 129.70 Crore for the year 2008-09 and is also on look out for additional partners for new products and services.

**INDUSTRIAL OUTLOOK**

The Indian Telecom industry has been on its growth trajectory with Telecom network growth rate exceeding 25-30% for past several years now. The subscriber population has already reached 500 million and is still growing at a healthy rate. With urban tele-densities already reaching 50-70%, rural and semi-urban are new growth segments. By 2011, Gartner expects 58 per cent of the rural population and 95 per cent of the urban population to be covered with mobile connections.

Progressive reforms such as the removal of restrictions on foreign investments allowing 74% FDI in Telecom sectors and industrial de-licensing are the driving force behind the growth registered by the industry. Liberalising the EXIM policy to promote exports and aligning the import duties to meet WTO commitments is further expected to contribute to the overall development. The opening up of Indian Economy has also enabled the MNC's to shift its manufacturing and operational bases to India.

The Indian telecommunication is today the third largest in the world and the second largest among the emerging economies of Asia. Presently, the Indian Telecom Industry is slated to an estimated contribution of more than 5% to India's GDP. India today is the fastest growing market in the world and represents unique opportunity for companies' worldwide in an otherwise stagnant global scenario.

BSNL, MTNL, Railways, PGCIL, Defence, SEBs are the major customers of Puncom. BSNL has fast expansion plans for increasing its network to 120 million lines by 2010. The shift in demand from voice to data and from wireline to wireless, has revolutionized the very nature of the network. BSNL has already set in place several measures that should enable it to evolve into a fully integrated multiservice-operator.

The future of the industry lies in the broadband and cellular segments and constant technological innovations such as 3G, Wimax, IPTV & NGN based services are changing the market place. Broadband base has reached two Million and is also expected to grow exponentially. Cut throat competition in BSNL market is however requiring indigenous manufacturers of telecom equipment to have a re-look at the niche segments of power sector, defence, railways etc. Services sector including IT is another growth segment relevant to the company.

Major national projects under development and whose demand is expected to grow include:

- National Transmission Backbones of BSNL and other operators.
- 3G and Video Capable Mobile Networks.
- Voice over IP and NGN
- Triple play Broad Band services and IPTV
- Wireless Broadband- Wi Fi, Wimax
- E-Commerce and e-governance

**BUSINESS OUTLOOK**

Puncom has diversified its customers. Though BSNL accounts for a major portion of our Sales, the Railways and SEBs have also contributed significantly towards bottom line. Company is continuously looking for diversification of its customers as well as products by exploring and wherever possible entering into newer business segments or by introducing new products or by acquiring updated technologies.

Your company have huge orders in hand amounting to approx Rs. 150 crore at the end of the financial year and is expecting to close the financial year with as expected turnover of approx Rs. 130 crore. The company is also exploring thrust area like defence etc and making efforts to generate higher revenue from these segments. Your company has been able to curtail cash loss due to change in product mix and taking further necessary steps in Administrative and Financial policies. Your company has discontinued non- profitable products and has slowed down on low/negligible value addition products thereby concentrating on high value addition products.

## **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, Radio, Switching, Multiplexing, Software etc. under one roof. The product base is quite 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's processes and procedures are ISO 9001:2008 certified. Further, the quality standards in Puncom are tuned to TEC/QA/CACT wings of BSNL and RDSO of Railways. Puncom has invested heavily in creating various testing facilities, which include Environmental Chambers, Vibration Test Facilities, Thermal Shock Chambers, Bump Test machines etc.

### **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. Because of this, the company is able to maintain absolute control over all the activities including making inventory available "just in time" 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.

### **Segment reporting**

Puncom is engaged in the business of manufacturing of telecom products and these activities are covered by same sets of risks 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 sale of Rs.13970 lacs, Rs 12891 lacs pertains to Sales Service and other Income Segment, Rs.926 lacs pertains to interest segment Rs 112 lacs pertains to Rental Segment and 41 lacs pertains to Training Fee Segment.

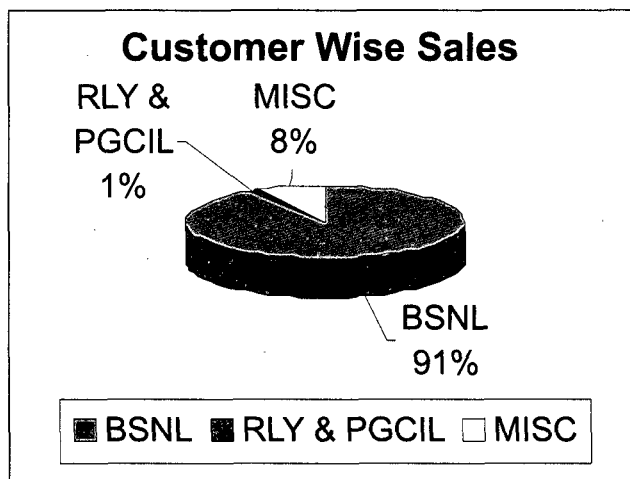
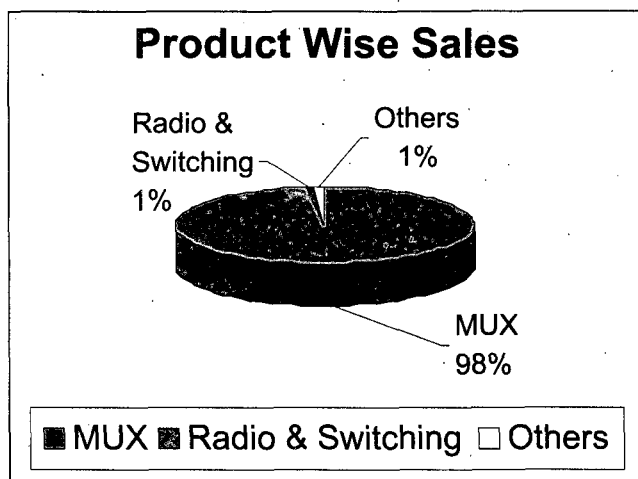
## **FINANCIAL REVIEW**

### **I) OPERATING RESULTS**

#### **• Sales**

During the financial year 2008-09, the Sales have substantially increased from Rs.8.46 Cr to Rs.129.70 Cr.

The Break up of the Sales on the basis of Product & Customer is as follows:



**Expenditure Analysis**

**a) Materials consumed**

Raw Material cost during the year under review was Rs.121.22 Cr as against Rs.4.58 Cr in the previous year.

**b) Manufacturing, Administrative & Selling Expenses**

Manufacturing expenses comprising of stores and spares, power and fuel, freight and installation expenses etc., increased from Rs.0.87 Cr to Rs.0.89 Cr in the current year. As a percentage of sales these were decreased at 0.69% in the current year as compared to 10.28% in the previous year.

Administrative expenses mainly comprising of travelling and conveyance, repair and maintenance, office electricity & water, rent and auditors expenses decreased from Rs.1.36 Cr to Rs.1.27 Cr. As a percentage of sales, these decreased from 16.03% in the previous year to 0.98% in the current year.

Selling & distribution expenses comprising of advertisement and publicity, sales promotion expenses, royalty and customers claims and recoveries have increased from Rs. 0.26 Cr to Rs. 0.31 Cr in the current year. As a percentage of Sales these were decreased from 3.07% in the previous year to 0.23% in the current year.

**c) Amount written off/Provisioning**

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

Provision for Excise Demand	Rs. 10.90 lacs
Know-how fees and others	Rs. 15.53 lacs
Amortisation of VRS expenses	NIL
Provision for obsolete & Slow Moving Stores	Rs. 218.91 lacs
Provision for Doubtful Debts and Advances	Rs. 8.27 lacs

Thus, the overall amount written off/provided for in the accounts during the financial year 2008-09 is to the tune of Rs. 253.6 lacs.

**d) Personnel cost**

The personnel cost increased from Rs.10.03 Cr to Rs.10.07 Cr.

**e) Interest & Depreciation**

The Financial Charges increased from Rs. 22.04Lacs in the previous year to Rs.25.49 Lacs in the current year.

Depreciation decreased to Rs. 1.04 Cr from Rs.1.22 Cr during 2008-09. The reduction in depreciation is on account of WDV method followed by the company. Further, no major addition in the capital expenditure was booked during the current year.



- **Net Profit**

During the current financial year, the Company has incurred a Net profit of Rs. 1.84 Cr as against Net Loss of Rs. 2.92 Cr during the last year.

- **Dividend**

Owing to Net Loss incurred during the Current year, the Directors of your Company do not recommend any dividend for the financial year 2008-09.

**I) FINANCIAL POSITION**

**a) Reserves & Surplus**

The Reserves of the Company stands at Rs.9524 Lacs as on March 31, 2009.

**b) Secured/Unsecured Loans**

Company 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.52.01 Cr to Rs.52.05 Cr in the current year.

**d) Investments**

The fixed deposits of the company increased from Rs.85.71 Cr to Rs.96.20 Cr.

**e) Inventories**

Total inventory has decreased from Rs.7.22 Cr as at 31.03.2008 to Rs.4.80 Cr as at 31.03.2009 due to effective Inventory management.

**f) Receivables**

Receivables were Rs.26.50 Cr as at 31.03.2009, as compared to Rs.17.61 Cr as at 31.03.2008. These debtors are considered to be good, while those that are considered as doubtful of recovery have been duly provided for.

**g) Loans and Advances**

These have increased from Rs.4.19 Cr as at 31.03.2008 to Rs.6.56 Cr as at 31.03.2009.

**h) Current Liabilities & Provisions**

Total current liabilities have been increased from Rs.23.47 Cr as on 31.03.08 to Rs.36.65 Cr as on 31.03.09.

**II) FOREIGN EXCHANGE EARNINGS AND OUTGO**

	Amount (Rs in lacs)
<b>a) EARNINGS:</b>	
F.O.B. value of export :	NIL
<b>b) OUTGO:</b>	
CIF value of import of raw material and components	117.54
Capital goods	NIL
Foreign travel & others :	NIL

**BUSINESS REVIEW**

**Opportunities**

- ❑ In view of large installed base and considering the annual growth rate of more than 30%, there is massive requirement of Telecom Equipment in India. Efforts are on to re-align the focus of the Company to meet new requirements of the emerging markets with respect to current requirements / technologies.
- ❑ The market is witnessing several M&A activities that are resulting in consolidations in the industry. This trend has assisted companies in expanding their reach in the Indian telecom market to offer better services to customers.
- ❑ The Indian government plans to auction the spectrum for 3G services by inviting bids from domestic as well as foreign players. The 3G spectrum is among the major investment opportunities and is expected to attract investments worth us\$ 8-10 billion during 2008-11.
- ❑ Exponential growth of Wireless and broadband business has opened up new vistas of growth for Telecom operations.

- ❑ Providing turnkey solutions to various customers and enterprises, right from network design to supply of equipment installation, commissioning, operations and Maintenance, is another area where Puncom needs to focus.
- ❑ Wimax has been one of the most significant developments in wireless communication in the recent past. since this mode of communication provides network access in inaccessible terrains at a speed of more than 4 Mbps, it is expected to be a major factor in driving telecom services in india, especially the wireless services. Thus, it will lead to the increased use of telecom services, internet, value added services and enterprise services.
- ❑ Puncom is also exploring the strategic tie-ups with MNCs for import of technologies or strategic partner for overseas market.

**Risks & Concerns**

- ❑ Shift in the focus of various customers to new technologies is putting some pressure on the working of the Company requiring it to venture into new businesses and absorbs new technologies.
- ❑ A need to infuse new technology into the company is there for long-term sustainability since short-term marketing tie-ups cannot give the margins required to overcome substantial fixed costs of the company.
- ❑ Major issue of concern for Puncom is that service provider and operators are given various benefits and incentives by MNCs for direct import of goods which Indian Telecom equipment manufacturers find different to match.
- ❑ The company has formulated and adopted a Risk Management Policy as required under Clause 49 of the Listing Agreement wherein various risks and concern have been covered and this is periodically reviewed by the Member of Audit Committee.

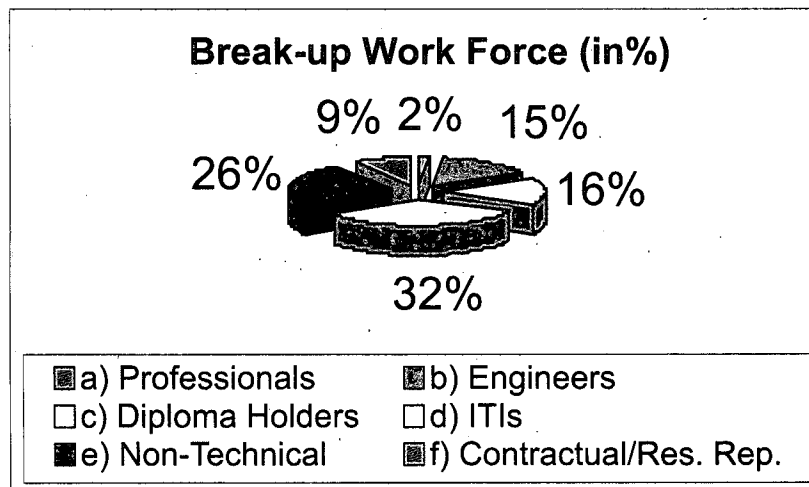
**HUMAN RESOURCE DEVELOPMENT**

The employees of Puncom are the backbone and this resource is very efficiently utilised. The company nurtures its employees through greater knowledge, opportunity, responsibility, accountability, reward, innovation, and discipline. The company provides ample opportunities to the employees to grow and to attain high standards of efficiency and productivity. 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 40 years.

**Break-up of work force**

**As on 31.03.09**

a) Professionals (MBA, CA, ICWA, CS, LLB)	:	06
b) Engineers (B.E/ B.Tech/M.Tech/AMIE/MSC/MCA)	:	43
c) Diploma Holders	:	46
d) ITIs	:	95
e) Non-Technical	:	76
f) Contractual/Res. Representatives	:	25
<b>Total</b>	:	<b>291</b>



Puncom is equipped with qualified and professional staff. The employees are groomed through effective system of assessment, performance appraisal, training, including sharing of lectures/ knowledge base through the local area network, training files and on line testing structured manner.

In addition to above, Puncom offers numerous facilities to its human resources in the form of in-house Library, Air-conditioned environment, Canteen facilities, Leased accommodation, Bill paying facility, ATM, Leave/Home travel concessions, Internet facility etc. Further, other benefits like housing subsidy, 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 leads to contentment of employees by providing them with equal opportunities to grow but also helps 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 2008-09 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 emits any air, water or noise pollutants yet the company is committed to make the environment healthy and pollution free.

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**AUDITORS' REPORT**


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To

The Shareholders,  
Punjab Communications Limited.

1. We have audited the attached Balance Sheet of Punjab Communications Limited, as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) Subject to our observation as in para vi below, we are of the opinion that the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956
  - (vi) a) **Attention is invited to Note No. 14 of schedule 23 in respect of realisation of investment of Rs. 700 lacs in UP Co-operative Spinning Mills Federation Ltd and interest of Rs. 968.43 lacs upto 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 the opinion of the management, there being contingency in realisation of interest in the near future, the interest accrued amounting to Rs. 968.43 lacs upto 12.07.2005 i.e. date of deposit of Rs. 735.63 lacs by the UP Government, has not been recognized as income.**
  - b) **Reference is invited to Note No. 12 of schedule 23 regarding revenue recognition of Rs. 32.37 lacs in respect of sales for which risk and ownership has remained with the company which is in contravention of Accounting Standard on revenue recognition AS-9 issued by The Institute of Chartered Accountants of India.**
  - c) **Accounting of certain income and expenditure on cash basis. Impact on revenue not ascertained (refer accounting policy 1(b) of Schedule 22).**

Subject to the above, we are of the opinion that to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

PLACE: S.A.S. NAGAR  
DATE: July 06, 2009

CA. ASHISH CHHABRA  
N.KUMAR CHHABRA & CO.  
CHARTERED ACCOUNTANTS

**ANNEXURE TO AUDITORS' REPORT**

(As referred to in paragraph 3 of our report of even date)

1. a) The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.  
b) These fixed assets have been physically verified by the management at the end of the year considering the size of the company and nature of assets. No material discrepancies have been noticed on such verification.  
c) No disposal of a substantial part of fixed assets of the company has taken place during the year and therefore do not effect the going concept.
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 information and explanation 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 explanation given to us, the company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
3. The company has neither granted nor taken unsecured loans, from any company listed in the register required to be maintained under section 301 of the Companies Act, 1956.
4. The company has adequate internal control procedures commensurate with the size and nature of its business with regard to purchase of stores, raw material including components, plant & machinery, equipment and other assets and for sale of goods. We have not come across any major weakness in internal control.
5. There are no transactions, which need to be entered into register maintained under section 301 of the Act.
6. The company has not accepted any deposits from the public.
7. In our opinion, the internal audit system is commensurate with the size of the company and the nature of its business.
8. We have been informed that the Central Government has not prescribed for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of any of the products of the company.
9. 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, custom duty, excise duty, cess and other statutory dues with appropriate authorities. According to the information and explanation given to us there are no undisputed amounts payable in respect of such statutory dues, which have remained outstanding as at 31st March 2009 for a period of more than six months from the day they became payable.  
b). According to the information and explanations given to us, there were no disputed amounts payable in respect of income tax, sales tax and custom duty which were outstanding as at 31st March 2009 except
  - (i) The excise duty demand including penalty and interest aggregating to Rs. 258.04 lacs (net of pre deposit) is disputed and we have been informed by the company that appeal is pending before the Central Excise Tribunal , and
  - (ii) The excise and custom duty demand of Rs. 32.82 lacs is disputed with excise and custom department as informed by the company.
  - (iii) The Sales Tax demand including interest aggregating to Rs. 5.04 lacs (net of pre deposit) is disputed and we have been informed by the Company that the appeal is pending in the office of Commissioner Appeals, Commercial Taxes.
10. The company has no accumulated losses; it has not incurred cash loss in the current financial year. However it has incurred cash loss in the immediately preceding Financial Year.
11. The company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provision of any special statute applicable to Chit fund, Nidhi or mutual benefit fund, society are not applicable to the company.

14. The company is not dealing or trading in shares, securities, debentures or other investments and hence, requirements of paragraph 4(XIV) are not applicable to the company.
15. According to information and explanation given to us, the company has not given any guarantee in respect of loan availed by its subsidiary company or others.
16. The company has not taken any term loan during the year.
17. According to the cash flow statement and other record examined by us and on the basis of information and explanation given to us, on overall basis, funds raised on short term basis have, prima facie, not being used during the year for long term investment and vice versa.
18. During the year, the company has not issued and allotted any shares.
19. The company has not issued any debentures during the year.
20. The company during the year has not raised any money through public issue of shares.
21. Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**PLACE: S.A.S. NAGAR**  
**DATE: July 06, 2009**

**CA. ASHISH CHHABRA**  
**N.KUMAR CHHABRA & CO.**  
**CHARTERED ACCOUNTANTS**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF PUNJAB COMMUNICATION LIMITED, MOHALI FOR THE YEAR ENDED 31ST MARCH, 2009.**

The preparation of financial statements of Punjab Communications Limited, Mohali for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 6 July 2009.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Punjab Communications Limited for the year ended 31 March 2009. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires of the statutory auditors and company personnel and selective examination of some of the accounting records. On the basis on my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under Section 619 (4) of the Companies Act, 1956.

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

**(S. Murugiah)  
Principal Accountant General (Audit)  
Punjab & U.T., Chandigarh**

**Place : Chandigarh  
Dated : August 26, 2009**

**BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	SCHEDULE	AS AT 31st MARCH, 2009 AMOUNT (RS.)	AS AT 31st MARCH, 2008 AMOUNT (RS.)
<b>I. SOURCES OF FUNDS</b>			
a) <b>Shareholder's Funds</b>			
Share Capital	1	120479788.00	120479788.00
Reserves and Surplus	2	<u>955197608.17</u>	<u>923504107.86</u>
		<b>1075677396.17</b>	<b>1043983895.86</b>
b) <b>Loan Funds</b>			
Secured Loans	3	<b>13852927.22</b>	<b>10266710.75</b>
c) <b>Deffered Tax Liability</b>		<b>0.00</b>	<b>2603730.00</b>
<b>TOTAL</b>		<b><u>1089530323.39</u></b>	<b><u>1056854336.61</u></b>
<b>II APPLICATION OF FUNDS</b>			
a) <b>Fixed Assets</b>	4		
i)Gross Block		<b>520504332.14</b>	<b>520098324.04</b>
ii)Less:Depreciation		<u><b>447937811.92</b></u>	<u><b>437745247.03</b></u>
iii)Net Block		<b>72566520.22</b>	<b>82353077.01</b>
		<b>72566520.22</b>	<b>82353077.01</b>
b) <b>Investments</b>	5	<b>11562850.00</b>	<b>11562850.00</b>
c) <b>Deffered Tax Assets</b>		<b>6070763.35</b>	<b>0.00</b>
d) <b>Current Assets,Loans&amp;Advances</b>			
Inventories	6	<b>48001429.19</b>	<b>72242882.60</b>
Sundry Debtors	7	<b>265044298.51</b>	<b>176169464.96</b>
Cash & Bank balances	8	<b>980660955.50</b>	<b>897758434.03</b>
Other Current Assets	9	<b>6315918.85</b>	<b>7987156.79</b>
Loans and Advances	10	<u><b>65601981.38</b></u>	<u><b>41944651.87</b></u>
		<b>1365624583.43</b>	<b>1196102590.25</b>
<b>Less:Current Liabilities&amp;Provisions</b>			
Liabilities	11	<b>366541274.82</b>	<b>234660023.86</b>
Net Current Assets		<b>999083308.61</b>	<b>961442566.39</b>
e) <b>Miscellaneous Expenditure</b>	12	<b>246881.21</b>	<b>1495843.21</b>
(to the extent not written off or adjusted)			
<b>TOTAL</b>		<b><u>1089530323.39</u></b>	<b><u>1056854336.61</u></b>
Significant Accounting Policies	22		
Notes on Accounts	23		

Schedule 1 to 12,22 and 23 referred to above form an integral part of the Balance Sheet.

In terms of our separate report of even date attached

CA. ASHISH CHHABRA  
M. No. 507083  
N. KUMAR CHHABRA & CO.  
CHARTERED ACCOUNTANTS

S. S. CHANNY  
Chairman  
  
J. S. BHATIA  
Head - Finance

ANURAG VERMA  
Managing Director  
  
R. K. VASHISHTHA  
DM. Finance

R. K. NANGIA  
Director  
  
MADHUR BAIN SINGH  
Company Secretary

Place : S.A.S. NAGAR (MOHALI)  
Date: July 06, 2009



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	SCHEDULE	YEAR ENDED	
		31st MARCH, 2009 AMOUNT (RS.)	YEAR ENDED 31st MARCH, 2008 AMOUNT (RS.)
<b>I. EARNED FROM</b>			
Turnover (Gross)		1297057777.91	84637667.64
Less:-Excise duty		12228203.42	9034076.00
Turnover (Net)		1284829574.49	75603591.64
Increase (+)/Decrease(-) in Stocks	13	-2783899.00	-7261689.00
Provision for Doubtful Debts and advances Written back(Subsidiary Co.)		2261491.29	4685516.97
Other Income	14	110053184.34	101990352.44
		<u>1394360351.12</u>	<u>175017772.05</u>
<b>II PAID AND PROVIDED FOR</b>			
Consumption of Raw Materials	15	1212260153.85	45831659.53
Manufacturing Expenses	16	8871151.50	8675244.68
Administration and Other Expenses	17	12733679.84	13570303.89
Personnel Costs	18	100682606.30	100295578.74
Selling and Distribution Costs	19	3086086.94	2690132.11
Financial Charges	20	2549420.04	2203527.56
Amount Written off	21	1553679.03	1261150.21
Provision for Obsolete & Slow Moving Stocks		21891258.00	14433743.00
Provision for Doubtful Debts and Advances		827531.16	1978165.00
Provision for Excise Demand		1089970.00	1092865.00
Depreciation	4	10422824.04	12176213.08
		<u>1375968360.70</u>	<u>204208582.80</u>
Profit/Loss from operations		18391990.42	-29190810.75
<b>III PROFIT/LOSS BEFORE TAX</b>		18391990.42	-29190810.75
Less: Fringe Benefit Tax		412423.00	500000.00
Add :Deffered Tax Adjustment (DTA)		8674493.35	1565359.00
		<u>26654060.77</u>	<u>- 28125451.75</u>
<b>IV. PROFIT AVAILABLE FOR APPROPRIATIONS</b>			
Opening Balance		0.00	0.00
Earned during the year		26654060.77	-28125451.75
Less(-)/Add Prior Period adjustment(Net)		5067098.54	309767.74
		<u>31721159.31</u>	<u>- 27815684.01</u>
<b>V. APPROPRIATIONS</b>			
Transferred to General Reserve		31721159.31	-27815684.01
Balance carried forward to Balance Sheet		0.00	0.00
		<u>31721159.31</u>	<u>- 27815684.01</u>
<b>VI Basic /Diluted Earning per share</b>		2.22	-2.33
( numerator and nominal value of shares as per Schedule 1 to the Balance Sheet )			
Significant Accounting Policies	22		
Notes on Accounts	23		
Schedule 4 and 13 to 23 referred to above form an integral part of Profit and Loss Account.			

In terms of our separate report of even date attached

CA. ASHISH CHHABRA  
M. No. 507083  
N. KUMAR CHHABRA & CO.  
CHARTERED ACCOUNTANTS

S. S. CHANNY  
Chairman

ANURAG VERMA  
Managing Director

R. K. NANGIA  
Director

J. S. BHATIA  
Head - Finance

R. K. VASHISHTHA  
DM. Finance

MADHUR BAIN SINGH  
Company Secretary

Place : S.A.S. NAGAR (MOHALI)  
Date : July 06, 2009

**SCHEDULES TO AND FORMING PART OF BALANCE SHEET AS AT AND  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	AS AT 31st MARCH, 2009 AMOUNT (RS.)	AS AT 31st MARCH, 2008 AMOUNT (RS.)
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,98,00,000(1,98,00,000) Equity Shares of Rs.10/- each	198000000.00	198000000.00
20,000(20,000) Redeemable Pref. Shares of Rs.100/- each	2000000.00	2000000.00
	<u>200000000.00</u>	<u>200000000.00</u>
<b>ISSUED AND SUBSCRIBED</b>		
12023565(12023565) Equity Shares of Rs.10/- each *\$	120235650.00	120235650.00
Share forfeiture account (Share Capital)	244138.00	244138.00
	<u>120479788.00</u>	<u>120479788.00</u>
* Includes 1,11,01,050(1,11,01,050) Equity Shares of Rs. 10/- each allotted as fully paid up Bonus Shares by utilisation of Rs.111010500 from General Reserve		
\$ Includes 85,51,501 (85,51,501) Equity Shares of Rs.10/-each fully paid up held by Holding Company (PICTCL) and its nominees.		
<b>SCHEDULE 2: RESERVES AND SURPLUS</b>		
Capital Redemption Reserve	40078550.00	40078550.00
Share premium	685043600.00	685043600.00
Add:-Share Forfeiture Account (Share Premium)	<u>5859312.00</u>	<u>5859312.00</u>
	690902912.00	690902912.00
General Reserve:		
Opening Balance	192264198.86	220079882.87
Add:(+)/Less(-)Transferred from / To Profit & Loss Account	<u>31721159.31</u>	<u>-27815684.01</u>
	223985358.17	192264198.86
Deferred Govt. Grants (Subsidy)		
As per last Balance Sheet	258447.00	290346.00
Less:Transfer to Profit & Loss Account	<u>27659.00</u>	<u>31899.00</u>
	230788.00	258447.00
	<u>955197608.17</u>	<u>923504107.86</u>
<b>SCHEDULE 3: SECURED LOANS</b>		
From Banks:-		
Cash Credit	3215790.22	986633.53
Loan against FDR.s	10637137.00	9280077.22
	<u>13852927.22</u>	<u>10266710.75</u>

**NOTES:**

- a) Cash Credit from banks are secured against hypothecation of book debts and stocks consisting of Raw Material, Work in process, semi finished goods and finished goods, and also secured by way of first charge over company's fixed assets. The charges rank pari passu interse.

**SCHEDULE 4 : FIXED ASSETS**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.2008	ADDITIONS	SALE/TRF.	AS AT 31.3.2009	UPTO 1.4.2008	FOR THE YEAR	ADJUSTMENTS/ WRITTEN BACK	UPTO 31.3.2009	AS AT 31.3.2009	AS AT 31.3.2008
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>CAPTIVE ASSETS</b>										
LAND (Freehold)	15240077.00	0.00	0.00	15240077.00	1030172.45	0.00	0.00	1030172.45	14209904.55	14209904.55
BUILDING	68640128.66	0.00	0.00	68640128.66	50823080.21	1781704.87	0.00	52604785.08	16035343.58	17817048.45
PLANT & MACHINERY	375525178.15	536254.00	194164.50	375867267.65	331439244.25	7134097.83	192404.90	338380937.18	37486330.47	44085933.90
TEMPORARY STRUCTURE	4068531.00	0.00	0.00	4068531.00	4068531.00	0.00	0.00	4068531.00	0.00	0.00
ELECTRICAL INSTALLATION	25304414.67	0.00	0.00	25304414.67	22857787.69	442839.50	0.00	23300627.19	2003787.48	2446626.98
OFFICE EQUIPMENT	14746306.59	102186.80	40818.20	14807675.19	13000842.49	556839.67	37854.25	13519827.91	1287847.28	1745464.10
FURNITURE & FIXTURE	10134598.14	0.00	0.00	10134598.14	9824691.26	56093.15	0.00	9880784.41	253813.73	309906.88
VEHICLES	6107948.21	2550.00	0.00	6110498.21	4388690.90	447821.84	0.00	4836512.74	1273985.47	1719257.31
OTHER ASSETS	331141.62	0.00	0.00	331141.62	312206.78	3427.18	0.00	315633.96	15507.66	18934.84
<b>TOTAL</b>	<b>520098324.04</b>	<b>640990.80</b>	<b>234982.70</b>	<b>520504332.14</b>	<b>437745247.03</b>	<b>10422824.04</b>	<b>230259.15</b>	<b>447937811.92</b>	<b>72566520.22</b>	<b>82353077.01</b>
PREVIOUS YEAR FIGURES	515889340.27	4208983.75	0.00	520098324.04	425569033.95	12176213.08	0.00	437745247.03	82353077.01	90320306.34

PARTICULARS	AS AT	
	31st MARCH, 2009 AMOUNT (RS.)	31st MARCH, 2008 AMOUNT (RS.)
<b>SCHEDULE 5: LONG TERM INVESTMENTS</b>		
(At cost adjusted for diminution in value)		
<b>UNQUOTED AND NON TRADE:-</b>		
Partial amount against		
U.P. CO-OPERATIVE SPINNING MILLS FEDERATION LTD., 14000 (14000) 14.90% (Taxable) Secured Redeemable UPCSMF Bonds fully guranteed by the Govt of U.P. of Rs. 5000/- each fully paid up. (Refer Note No. 14 of Schedule 23)	11562848.00	11562848.00
<b>WHOLLY OWNED SUBSIDIARY COMPANIES:-</b>		
A) PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD. 2,46,640 (2,46,640) Equity Shares of Rs.10/- each, fully paid up	2478744.00	2478744.00
Less:- Provision for diminution in value	2478743.00	1.00
B) PCL TELECOM LTD.	1.00	1.00
i) 196300(196300) Equity shares of Rs.10/- each fully paid up		
	<u>11562850.00</u>	<u>11562850.00</u>
<b>SCHEDULE 6: INVENTORIES</b>		
<b>INVENTORIES</b> (As taken, valued, and certified by the management)		
Stores & Spares	480906.00	525672.00
Raw material	118368846.00	117680576.00
Less: Provision for obsolete & slow moving	93877941.96	86534895.96
	24490904.04	31145680.04
Finished sub-assemblies	56299620.00	61282731.00
Less: Provision for obsolete & slow moving	36219152.00	21670940.00
	20080468.00	39611791.00
Work -in -process	2828654.00	629442.00
Goods -in -transit	120497.15	330297.56
	<u>48001429.19</u>	<u>72242882.60</u>
<b>SCHEDULE 7: SUNDRY DEBTORS</b>		
<b>SUNDRY DEBTORS</b> (Unsecured)		
Exceeding six months		
Considered good	236856526.63	137184526.67
Considered doubtful *	11217790.55	10390259.39
	248074317.18	147574786.06
Less: Provision for doubtful debts	11217790.55	10390259.39
	236856526.63	137184526.67
Other debts-considered good	28187771.88	38984938.29
	<u>265044298.51</u>	<u>176169464.96</u>
*Includes due from Subsidiary(PDISL) Rs. 455150.97, Prev. Year was considered good (Rs. 455150.97)		
<b>SCHEDULE 8: CASH &amp; BANK BALANCES</b>		
Cash in hand	82065.30	235861.50
Cheques in hand	390424.00	969773.00
Balance with scheduled banks:		
In Margin Money	11225186.14	23569142.83
In Fixed Deposits	961972433.34	857093509.08
In Cash Credit account	1309619.51	4745727.47
In Current Accounts /Saving Account*	5681227.21	11144420.15
	<u>980660955.50</u>	<u>897758434.03</u>
*Including Rs.600521.20 (Rs.1033365/-) towards unclaimed dividend.		

PARTICULARS	AS AT 31st MARCH, 2009 AMOUNT (RS.)	AS AT 31st MARCH, 2008 AMOUNT (RS.)
<b>SCHEDULE 9: OTHER CURRENT ASSETS</b>		
Intt. accrued but not due on FDR	6315918.85	7987156.79
	<u>6315918.85</u>	<u>7987156.79</u>
<b>SCHEDULE 10: LOANS &amp; ADVANCES</b>		
<b>(UNSECURED &amp; CONSIDERED GOOD UNLESS OTHERWISE STATED)</b>		
Advances recoverable in cash or in kind or for value to be received:-		
Secured	3524956.00	1829763.00
Due from Holding Company (PICTCL)	1380.00	1380.00
Due from Subsidiary companies (PDISL)	4035472.61	6283978.09
Less:- Provision for doubtful advances	<u>4035472.61</u>	<u>6283978.09</u>
Security deposits	3488371.00	2478653.00
Claims Recoverable	111252.98	121611.98
Balance with Excise Department	395640.98	171516.40
TDS recoverable for Previous years	41623473.74	10182910.02
TDS Recoverable current year & FBT Deposit	11476180.93	20876849.21
	<u>53099654.67</u>	<u>31059759.23</u>
Less:Provision for Fringe Benefit Tax	<u>412423.00</u>	<u>500000.00</u>
	52687231.67	30559759.23
Other Advances:-		
Considered good	5393148.75	6781968.26
Doubtful	234055.14	247040.95
	<u>5627203.89</u>	<u>7029009.21</u>
Less:Provision	<u>234055.14</u>	<u>247040.95</u>
	<u>5393148.75</u>	<u>6781968.26</u>
	<u>65601981.38</u>	<u>41944651.87</u>
<b>SCHEDULE 11: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>LIABILITIES</b>		
<b>SUNDRY CREDITORS FOR GOODS &amp; SERVICES</b>		
i. Dues of Small scale Industries	61884.89	59192.22
ii. Dues of other Creditors	270721747.01	103413899.25
Due to staff	1203799.61	1369464.77
Unclaimed dividend/Buy back (unreconciled)	600521.20	1033365.00
Advance from customers	0.00	57354.00
Other liabilities	<u>93953322.10</u>	<u>128726748.62</u>
	366541274.82	234660023.86
	<u>366541274.82</u>	<u>234660023.86</u>
<b>SCHEDULE 12: MISCELLANEOUS EXPENDITURE</b>		
Technical know how fees:-		
Opening Balance	1495843.21	2744805.21
Less:- Written off / Amortized	<u>1248962.00</u>	<u>1248962.00</u>
	246881.21	1495843.21
	<u>246881.21</u>	<u>1495843.21</u>

PARTICULARS	YEAR ENDED 31st MARCH, 2009 AMOUNT (RS.)	YEAR ENDED 31st MARCH, 2008 AMOUNT (RS.)
<b>SCHEDULE 13: INCREASE/DECREASE IN STOCKS</b>		
<b>a) OPENING STOCKS</b>		
i) Work in process	629442.00	9028297.00
ii) Finished sub-assemblies	<u>61282731.00</u>	<u>60145565.00</u>
	<b>61912173.00</b>	<b>69173862.00</b>
<b>b) CLOSING STOCKS</b>		
i) Work in process	2828654.00	629442.00
ii) Finished sub-assemblies	<u>56299620.00</u>	<u>61282731.00</u>
	<b>59128274.00</b>	<b>61912173.00</b>
Decrease(-) / Increase (+) in stock (b-a)	<u>-2783899.00</u>	<u>-7261689.00</u>
<b>SCHEDULE 14: OTHER INCOME*\$</b>		
Interest on Margin Money and Fixed Deposits	92631494.86	79364559.78
Interest on Staff loans	202719.00	156985.00
Training Fees	4094025.00	3095805.00
Miscellaneous Receipts	1914287.15	1704859.66
Interest on Income Tax refund	0.00	1883300.00
Profit on sale of Fixed Assets	2268.22	0.00
Rent Received	11180731.11	15752944.00
Capital Subsidy written back	27659.00	31899.00
	<u>110053184.34</u>	<u>101990352.44</u>
*Gross unless otherwise stated		
\$ Income tax deducted at source on FDS's Rs.8543702/- (Rs.16849037/-)		
<b>SCHEDULE 15: CONSUMPTION OF RAW MATERIALS</b>		
Opening Stock	117680576.00	137732385.00
Add Purchases*	<u>1219870840.85</u>	<u>28480328.60</u>
Less: CENVAT credit	6739629.00	2546930.88
Less: Input Tax credit (VAT)	182788.00	153547.19
	<u>1330628999.85</u>	<u>163512235.53</u>
Less: Closing Stock	118368846.00	117680576.00
Net consumption	<u>1212260153.85</u>	<u>45831659.53</u>
*Including boughtout purchase of Rs.1151453096/-		
<b>SCHEDULE 16: MANUFACTURING EXPENSES</b>		
Stores & Spares	1469739.20	825615.48
Power & Fuel	5021002.00	4773742.00
Freight	130459.00	83544.00
Installation charges	1166987.71	927608.42
Miscellaneous Production expenses	1082963.59	2064734.78
	<u>8871151.50</u>	<u>8675244.68</u>
<b>SCHEDULE 17: ADMINISTRATION AND OTHER EXPENSES</b>		
Travelling & conveyance (including for directors Rs.49238/- (Rs.67320/-)	2314333.22	3311358.50
Printing & Stationery	595460.14	798455.25
Rent	241000.00	263596.00
Office electricity & Water	155288.89	147641.77
Postage, Telephone & Telex	946327.29	1170886.46
Insurance (net)	657449.00	701527.00
Rates & Taxes	283631.50	220376.50

PARTICULARS	YEAR ENDED	
	31st MARCH, 2009 AMOUNT (RS.)	31st MARCH, 2008 AMOUNT (RS.)
Directors sitting fee	132000.00	140000.00
Meeting expenses	73701.46	37968.00
Staff recruitment/training expenses	3024.00	20242.00
<b>REPAIR &amp; MAINTENANCE :-</b>		
Building	27176.51	40453.08
Plant & Machinery	335453.30	463682.07
General maintenance	445543.58	310836.61
Vehicle running & maintenance	988812.71	928013.55
Membership fee and subscription	30616.00	91401.50
Internal audit fees & expenses	100000.00	75000.00
Auditors payments:-		
Audit fee	140000.00	140000.00
Tax audit fees	50000.00	50000.00
Out of pocket	32465.00	32225.00
Certification & other services	64279.00	100618.00
Legal & professional fees	675371.00	854021.20
Miscellaneous expenses*	4441747.24	3672001.40
	<u>12733679.84</u>	<u>13570303.89</u>
*Including shareholders related expenses Rs.192662.00 (Rs.225957.00)		
<b>SCHEDULE 18:PERSONNEL COSTS</b>		
Salary & Wages	77364172.60	79908758.90
Contribution towards provident and other funds	10938369.75	9086167.75
Bonus/ex-gratia	114844.80	292780.00
Gratuity	4636406.00	4134252.00
Staff Welfare expenses	7628813.15	6873620.09
	<u>100682606.30</u>	<u>100295578.74</u>
<b>SCHEDULE 19:SELLING AND DISTRIBUTION COSTS</b>		
Advertisement and publicity	206424.70	85820.88
Sales promotion expenses	536354.00	870712.40
Freight outwards (net)/States Taxes	97619.00	544367.00
Royalty	13899.00	18523.00
Packing & Forwarding expenses	2231790.24	1170708.83
	<u>3086086.94</u>	<u>2690132.11</u>
<b>SCHEDULE 20:FINANCIAL CHARGES</b>		
INTEREST :-		
on deposits and loan against FDR's	1371060.00	1033381.00
on cash credit	291199.35	67378.91
Bank charges & commission	887160.69	1102767.65
	<u>2549420.04</u>	<u>2203527.56</u>
<b>SCHEDULE 21:AMOUNT WRITTEN OFF</b>		
Loss on exchange fluctuations & Forward premia	303559.03	0.00
Shortage/short and excess recoveries(net)	1158.00	12188.21
Technical Know how fees/amortized	1248962.00	1248962.00
	<u>1553679.03</u>	<u>1261150.21</u>

## SCHEDULE 22 : SIGNIFICANT ACCOUNTING POLICIES

- I. Accounting conventions:**
- a) The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.
  - b) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis, except:-
    - i) Liability for taxes arising on completion of assessments are accounted for as and when raised.
    - 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.
    - vii) Interest on calls in arrears are accounted for as and when realised from shareholders.
- II. Fixed Assets and Depreciation:**
- i. **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.
  - ii. **Depreciation :**
    - a) Depreciation on fixed assets is provided for on Written Down Value (WDV) method as per Schedule XIV of the Companies Act, 1956 except for changes in historical cost of fixed assets on account of fluctuations in exchange rate of liabilities for acquisition of fixed assets which has been amortised over the residual useful life of respective assets.
    - b) Depreciation also includes amount written off in respect of leasehold properties and assets over 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.
- III. Technical know-how fee:**  
Technical know-how fees are amortised / depreciated in accordance with the provisions of the mandatory accounting standard- AS 26 (Intangible Assets) issued by the Institute of Chartered Accountants of India. w.e.f. 1st April 2003.
- IV. 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 over heads 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 of 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.
- V. Sales:**  
Sales are accounted for at the time of despatch and are inclusive of excise duty.
- VI. Investments:**  
Long term investments are carried at cost less provision for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value.
- VII. 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, if any, is charged to P&L account. Unrealised gains are not recognised.
- VIII. Share issue Expenses:**  
Share issue expenses are written off over a period of 10 years.
- IX. Retirement benefits:**  
Gratuity, Superannuation and Leave encashment benefits payable to employees are covered under the Policies of Life Insurance Corporation of India.
- X. Proposed Dividend:**  
Dividend proposed, if any, by the board of directors is provided for in the accounts, pending approval at the Annual General meeting.
- XI. Borrowing Costs:**  
Borrowing Costs are treated in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India.



**SCHEDULE 23 : NOTES FORMING PART OF THE ACCOUNTS**

(figures in brackets denote previous year figures)

A.	(Rs. In Lacs)	
1. Contingent liabilities not provided for in the accounts :-		
a) Bank guarantees and Letter of credits *	3230.41	(3146.1)
b) Claims against company, not acknowledged as debts,		
-by Sales Tax authorities	5.04	(36.98)
-by Excise & Custom authorities	32.82	(47.89)
-by other parties	39.36	(36.29)
c) Court cases	240.63	(262.83)
d) PSEB Demand **	27.96	(27.96)
e) Interest on Employees Security deposits payable after completion of 5 years of service	0.89	(0.65)

\*Includes expired guarantees for Rs. 171.02 (126.69) lacs against which neither any claims have been lodged nor reversed by issuing banks pending returning of original guarantee by beneficiary.

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

2. Estimated amount of contracts remaining to be executed on capital account Nil (Nil)
3. The company has transferred unpaid dividend amounting to Rs. 4.33 Lacs to Investor Education & Protection Fund during the year.
4. In the opinion of the Board the current assets, Loans and advances are at least of the value stated, if realized in the ordinary course of the business. Adequate provision has been made for all known liabilities and is not in excess of the amount considered reasonably necessary.
5. Loans and Advances includes amount due from Directors at the year end Rs. Nil (Nil) and officers (other than Directors) Rs Nil (Rs Nil). Maximum amounts outstanding at any time during the year from Directors and Officers were Rs. Nil lacs (Rs.0.43 lacs) and Rs. 0.13 lacs (Rs.0.20 lacs) respectively.
6. Disclosure on employee benefits as per the Accounting Standard 15 issued by the Institute of Chartered Accountants of India.

**Defined benefit plan for payment of gratuity :-**

	(Rs. In Lacs)	(Rs. In Lacs)
As per Life Insurance Corporation of India (The insurer), the position of fund as on 31.03.2009 is as under		
Opening balance as on 01.04.2008	40.51	(58.34)
Add credit towards funds during the year	85.05	(00.36)
Less claim paid during the year	19.19	(22.42)
Add Interest credited for the year	6.32	(4.23)
Closing Balance as on 31.03.2009	112.69	40.51
Present value of accrued gratuity liability.	253.02	240.77

**Assumptions:**

Salary Escalations - 7%  
Discounting Factor- 8%

7. The fully owned subsidiary, Punjab Digital Industrial Systems Ltd (PDISL) has discontinued its manufacturing activities. The company has taken control of its assets and liabilities since March 2003. However now the Company has been ordered to be wound up by the order of Hon'ble Punjab & Haryana High Court vide order dated 20/02/2009. The investment of Rs. 24.79 lacs in PDISL has already been provided for and against the recoverable amount of Rs 40.35 lacs( Rs. 62.84 lacs) against Advances & Rs. 4.55 Lacs against Sundry Debtors, the provision amounting to Rs. 40.35 lacs (Rs. 62.84 lacs) & Rs. 4.55 Lacs (Nil) respectively has been provided, which is considered adequate. The excess provision of earlier years amounting to Rs. 22.48 Lacs has been written back and charged to Profit And Loss Account
8. The Board of Directors of the company in their 81<sup>st</sup> meeting dated 29.01.1997 decided to bear all statutory expenditure in respect of its subsidiary company namely PCL Telecom Ltd, which presently is under winding up process. The Administration and Other Expenses include Rs. Nil (Nil) lacs towards the demand raised on PCL Telecom by Employees State Insurance Corporation and Rs. Nil (Nil) lacs for winding-up and other expenses.
9. The company had sent balance confirmations to all the parties requesting them to confirm the balance with in 15 days failing which the balance will be presumed to be correct. The company has no other means of confirming the rest of the balance for which no response has been received except from presuming them as correct as per terms of the letter.

10. Adjustments relating to previous year(s) includes the following :

PARTICULARS	AMOUNT (Rs. Lacs)
Prior Period Income	
Raw Material	53.06
Miscellaneous Income	5.19
	<u>58.25</u>
Less-Prior Period Expenses	
Installation & Other Expenses	7.58
Net (Income-)/Expenses[+]	<u>-50.67</u>

11. Previous year figures have been re-grouped and re-arranged wherever required.

12. Sales includes goods despatched amounting to Rs. 32.37 lacs (Rs.33.23 lacs) in respect of which the customer has taken delivery in the next accounting year and acknowledged accordingly.

13. The details of dues of small scale industries to whom the company owes any sum for more than 30 days are Rs. 1035/- to M/s Alfa Electronics, Pune, Rs. 14663/49 to M/s Fastners and industrial Corporation, Bangalore, Rs. 8287/01 to M/s Latha Plastronics, Bangalore, Rs. 2447/- to M/s Oswin Industries, Panchkula, Rs. 17599/- to M/s Techno Crafts Mohali, Rs. 5267.11 to M/s Goyal Enterprises, Chandigarh, Rs. 4558/55 to M/s New Age Metal, Mohali, Rs. 5586 to M/s Hindustan Enterprises, Allahabad and Rs. 2441.73 to M/s Paramount Electronics, Bangalore.

14. The company had invested Rs 700 lacs in the Bonds of UP Co-operative Spinning Mills Ltd (UPCSMFL) duly guaranteed by the UP State Govt. for a tenure of 18 months due for redemption on 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 company has recognised income to the extent of Rs. 156.45 lacs (@ 14.90% on Principal for a period of 18 months.) The suit has been decided ex-parte in favour of the company on 31.01.2004, U.P State Government (Guarantor) has deposited Rs. 735.63 lacs in the Civil Court, Lucknow in compliance of the orders of the Hon'ble Punjab and Haryana High Court, Chandigarh. The execution of the ex-parte decree is pending for execution before the lower Court. The Company has not recognized the accrued interest amounting to Rs. 968.43 lacs up to 12.07.2005 i.e. the date of deposit of Rs. 735.63 lacs by the U.P. Govt., keeping in view the contingency in the realization of interest in near future, which is in conformity with the Accounting Standard on Revenue recognition AS-9 issued by The Institute of Chartered Accountant of India.

Further an amount of Rs. 735.63 lacs deposited with the Executing Court has been released to the Company (decree holder) on 24.04.2006 against furnishing bank guarantee of the equivalent amount.

15. The Company is primarily engaged in the business of telecom products and its spares. As the basic nature of these activities are governed by same set of risk and returns, the sales have been grouped as single segment in the accounts as per Accounting Standard 17 dealing with "Segment Reporting" issued by ICAI . Interest segment has been considered as separate segments for reporting as under:-

PARTICULARS	AMOUNT (Rs. LACS)	
SEGMENT	SEGMENT REVENUE	SEGMENT RESULTS
a. Sales, Services & Other Income	12878	-854
b. Interest Income	926	926
c. Rental Income	112	111
<b>TOTAL REVENUE</b>	<b>13916</b>	<b>184</b>
	SEGMENT ASSETS	SEGMENT LIABILITIES
a. Sales, Services & Others	4772	3804
b. Interest Income	9732	Nil
c. Rental Income	54.44	Nil
<b>TOTAL</b>	<b>14558</b>	<b>3804</b>

(Depreciation on segment a - Rs. 101.29 lacs (Rs. 117.85 lacs), segment b - Rs. Nil (Rs. Nil), segment c- Rs. 2.94 lacs (Rs.3.91 lacs), total Rs. 104.23 lacs (Rs. 121.76 lacs). Segment assets acquired for expected use during more than one period- Rs.6.41 lacs (Rs. 42.09 lacs) in respect of segment a, others segments-Rs. Nil. Total amount of non-cash expense, other than depreciation , included in segment expense pertains to amounts written off and the same has been shown separately in profit and loss account of the year and belongs entirely to segment (a).

16. Outstandings/Payables to subsidiary have been separately disclosed in the respective schedules to the Balance Sheet.

17. The Company has determined Deferred Tax Asset considering the timing difference arising on account of Depreciation and provisions amounting to Rs. 86.74 Lacs (Rs. 15.65 Lacs). The Accumulated Balance of DTA is Rs. 60.71 Lacs (DTL 26.04).
18. The provision against excise demand Rs. 258.04 lacs (Rs. 247.14 lacs) consisting of excise duty Rs. 64.50 lacs (Rs. 64.50 lacs), penalty of Rs. 64.50 lacs (Rs. 64.50 lacs) and interest upto the year Rs. 139.04 lacs (Rs. 128.14 lacs) has been made consequent to the decision of Commissioner of Central Excise on withdrawal of the modvat credit relating to earlier years. The company is contesting the demand with the Central Excise Tribunal. Rs. 10 lacs have already been paid as duty under protest.
19. The company has provided for Rs. 73.43 lacs (Rs. 84.72 lacs) and Rs. 145.48 lacs (Rs. 59.61 lacs) after review of non-moving items in respect of obsolete and slow moving inventories of Raw material and Finished Sub Assemblies respectively after studying the future requirement. An amount of Rs. 8.28 lacs (Rs. 19.78 lacs) in respect of doubtful debts and advances has been provided for during the year. The provision made is considered adequate.
20. No provision for Minimum Alternate Tax has been made considering the losses and depreciation.
21. The estimated useful life of products in respect of Technical Know-how fee (TOT), was estimated at six years and accordingly amortized /written off on straight line basis. In respect of items transferred from fixed assets, the balance estimated life was taken as four years. The useful life has been reviewed at the year end and considered appropriate. The amount written off /Amortized as technical know-how fee during the year includes impairment losses recognised/reversed to the tune of Rs. Nil (Nil) lacs. TOT & Amortisation details are as below:-

**Technical know how fees:-**

**Amount in Rupees**

Opening Balance	16224442	(16224442)
Additions during the year	Nil	(Nil)
Gross amount	16224442	(16224442)
Less:- Written off / Amortized		
Upto Previous year	14728599	(13479637)
During the year	1248962	(1248962)
Retirement / Disposal	Nil	(Nil)

22. The company has been giving performance guarantees against the 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 the service engineers which is accounted for as normal expenditure. Keeping in view the past pattern no provision or disclosure is considered as required under AS 29 issued by the Institute of Chartered Accountants of India, except contingent liabilities already disclosed at note number 1.
23. The company has reviewed for impairment of the assets in terms of AS 28 issued by the Institute of Chartered Accountants of India. After review, the company has written off Rs. Nil Lacs (Rs. Nil lacs) from plant & machinery and Rs. Nil Lacs (Rs. Nil lacs) from office equipments and the total amount of Rs. Nil Lacs (Nil lacs).
24. There are some current liabilities which are outstanding from more than three years and for which the concerned parties have not filed the claims with the company for payment.

Additional information/quantitative details pursuant to paragraphs 3 and 4 of part II Schedule VI of the Companies Act 1956.

**B. REMUNERATION PAID TO DIRECTORS: (Rs.)**

	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
a) Salaries	0	0
b) Perks	0	60483
c) Contribution to funds & Provisions	0	0
d) Leave Encashment	0	0
e) Honorarium	0	5080

**C. QUANTITATIVE DATA**

Particulars of Installed and Utilised Capacity :-

		<b>CURRENT YEAR</b>		<b>PREVIOUS YEAR</b>	
		Installed* Capacity	Actual Production	Installed* Capacity	Actual Production
1*	(a) DTL (CHNL.)		0		0
	(b) PLCC (Systems)		263		172
	(c) VMUX (Systems)		483		234
	(d) SDH		0		0
2*	PBX/RAX/MAXL (Systems/Kits)		0		0
3*	UHF,MW, RADIO & VSAT/ AVD/POWER PLANT		36		52

(\* Installed capacity is not measurable as the resources, test instruments & machinery are common)

( Licensed capacity is not applicable)

		CURRENT YEAR		PREVIOUS YEAR	
		QTY.	VALUE(RS.)	QTY.	VALUE(RS.)
<b>OPENING STOCK OF RAW MATERIAL*</b>					
i)	Electronics Raw Material and Components	5408610	89321835	5761971	95179101
ii)	Mech. items	866938	8697382	896574	9097798
iii)	Misc. items		19661359		33455486
			<b>117680576</b>		<b>137732385</b>
<b>RAW MATERIAL PURCHASE*</b>					
i)	Electronics Raw Material and Components	1623165	38317090	652792	12832915
ii)	Assembly items	55990	102000	34263	71176
iii)	Mech. items	131388	7695933	53418	4383160
iv)	Misc. items \$		1166833401		8492599
			<b>1212948425</b>		<b>25779850</b>
<b>RAW MATERIAL CONSUMED*</b>					
i)	Electronics Raw Material and Components	1431905	34471836	1006153	18690181
ii)	Assembly items	34263	102000	34263	71176
iii)	Mech. items	132552	7412204	83054	4783576
iv)	Misc. items	0	1170274114	0	22286726
			<b>1212260155</b>		<b>45831659</b>
<b>CLOSING STOCK OF RAW MATERIAL*</b>					
i)	Electronics Raw Material and Components	5599870	93167089	5408610	89321835
ii)	Mech. items	865774	8981111	866938	8697382
iii)	Misc. items		16220646		19661359
			<b>118368846</b>		<b>117680576</b>
<b>OPENING STOCK OF FINISHED SUB ASSEMBLIES*</b>					
i)	Direct to Line (chls in Nos)	18	4319848	18	6532939
ii)	PCM (Chl in Nos)	1908	5280437	1908	4839741
iii)	Switching(Lines)	216	10046588	240	10961293
iv)	Others		41635858		37811592
			<b>61282731</b>		<b>60145565</b>
<b>CLOSING STOCK OF FINISHED SUB ASSEMBLIES*</b>					
i)	Direct to Line (chls in Nos)	18	4319848	18	4319848
ii)	PCM (Chl in Nos)	1908	5280150	1908	5280437
iii)	Switching(Lines)	176	8814548	216	10046588
iv)	Others		37885074		41635858
			<b>56299620</b>		<b>61282731</b>

\*Includes various items of different configuration.

\$ Includes SDH/STM bought out items amounting to Rs.1151390103/-

		CURRENT YEAR		PREVIOUS YEAR	
		QTY.	VALUE(RS.)	QTY.	VALUE(RS.)
<b>SUMMARY OF SALES QUANTITATIVE*</b>					
i)	(a) DTL (Chl. in Nos)	0	0	0	231455
	(b) PLCC (Systems)	263	49540592	172	29306002
ii)	(a) VMUX (Systems)	483	51693243	234	32894244
iii)	SDH,T.Mux(Sys) & Other Eqpts.**	0	1173096122	0	0
iv)	Switching				
	a) PABX (Sys)	0	933913	0	230216
	b) RAX /SBM RAX/ANRAX (Kits)	0	29309	0	56592
	c) MAX-L / XL(SYS/Kits)	0	637495	0	2162031
v)	UHF, MW & V SAT (Sys)AVD/POWER PLANT	36	12644175	52	4965820
vi)	Others		69454		5754629
vii)	Services Income		6980322		7526973
viii)	Software Services		1433153		1509707
			<u>1297057778</u>		<u>84637668</u>

\* Includes various items of different configuration and spares

\*\*Consists boughtout SDH/STM and associated equipments of different configuration .

**CIF VALUE OF IMPORTS DURING THE YEAR ENDED 31ST MARCH 2009**

(Rs. in lacs)

a)	Raw Materials	117.54	20.16
b)	Components & Spares	Nil	Nil
c)	Capital Goods	Nil	Nil

**D. CONSUMPTION OF RAW MATERIALS STORES AND SPARES**

Raw Materials\*

(Imported)	1.40%	17037146	35.99%	16792923
(Indigenous)	98.60%	1196692748	64.01%	29864352
	<u>100%</u>	<u>1213729894</u>	<u>100%</u>	<u>46657275</u>

**E. EXPENDITURE IN FOREIGN CURRENCY:**

a)	Travelling & Conveyance & Training Expenses	Nil	Nil
		Nil	Nil
b)	Business Promotion	Nil	Nil
		Nil	Nil

**F. EARNING IN FOREIGN EXCHANGE**

FOB Value of export during the year	Nil	Nil
In terms of our separate report of even date annexed		

In terms of our separate report of even date attached

CA. ASHISH CHHABRA  
M. No. 507083  
N. KUMAR CHHABRA & CO.  
CHARTERED ACCOUNTANTS

S. S. CHANNY  
Chairman

J. S. BHATIA  
Head - Finance

ANURAG VERMA  
Managing Director

R. K. VASHISHTHA  
DM. Finance

R. K. NANGIA  
Director

MADHUR BAIN SINGH  
Company Secretary

Place : S.A.S. NAGAR (MOHALI)  
Date : July 06, 2009

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956**

	I	II
a) Name of Subsidiary	<b>Punjab Digital Industrial System Ltd.</b>	<b>PCL Telecom Ltd.</b>
b) Financial year ending	20th Feb 2009	Under Winding up process
c) Holding Company's Interest in Equity Capital	100%	100%
d) The net aggregate amount of subsidiary's profits or losses which concerns the members of the holding company and not dealt in with holding Company's accounts:-		
i) Total profit for the period ending 31st March, 2009	Accounts not finalized	Nil
ii) Total loss for the previous financial years since this Company became subsidiary	Nil	Nil
e) (i) The holding company has taken a decision to take over the assets & liabilities of M/s Punjab Digital Industrial Systems Ltd (PDISL). 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. The Company has been ordered to be wound up by the order of Hon'ble Punjab & Haryana High Court vide order dated 20th Feb. 2009. Accordingly as per the directions of Hon'ble Court necessary formalities are in process with the official liquidator attached to the court.		
(ii) Complete investment in PCL Telecom Ltd. (Subsidiary) and accumulated losses amounting to Rs. 40.65 lacs have been completely written-off in the accounts of holding company . Further the company has been ordered to be wound up by the Hon'ble Punjab and Haryana High Court vide its order dated 20th October, 2005, Accordingly as per the direction of the Hon'ble Court all records has been handed over to the official Liquidator attached to the Court.		

S. S. CHANNY  
Chairman

ANURAG VERMA  
Managing Director

R. K. NANGIA  
Director

J. S. BHATIA  
Head - Finance

R. K. VASHISHTHA  
DM. Finance

MADHUR BAIN SINGH  
Company Secretary

Place : S.A.S. NAGAR (MOHALI)  
Date : July 06, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

(Rs. in Lacs)

	2008-2009	2007-2008
<b>A. CASH FLOW OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	<b>183.92</b>	<b>-291.91</b>
Adjustments for :-		
Depreciation	104.23	121.76
Other amount written off/amortisation	231.01	140.80
Investment income	-1040.45	-953.06
Interest and other financial expenses	25.49	22.04
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>-495.80</b>	<b>-960.37</b>
Adjustments for :-		
Trade and other receivables	-889.72	1382.59
Inventories	23.50	277.51
Trade payables	1304.88	-342.86
<b>CASH GENERATED FROM OPERATIONS</b>	<b>-57.14</b>	<b>356.87</b>
Direct Taxes Paid	-225.39	-53.76
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>-282.53</b>	<b>303.11</b>
Extraordinary items/Previous years	50.67	3.10
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-231.86</b>	<b>306.21</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:-</b>		
Sale of Investment	0.00	0.00
Purchase of Fixed Assets	-6.41	-42.09
Sale of Fixed Assets	0.07	0.00
Advances to Subsidiary Company	0.00	30.20
Interest / Rent Income	1056.86	943.88
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>1050.52</b>	<b>931.99</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	0.00	0.00
Short term borrowings (C.C. limits)	35.86	-73.96
Interest and Other financial expenses Paid	-25.49	-22.04
Dividend Paid	0.00	0.00
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>10.37</b>	<b>-96.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>829.03</b>	<b>1142.20</b>
Opening Balance of Cash and Cash equivalents	8977.58	7835.38
Closing Balance of Cash and Cash equivalents	9806.61	8977.58

for and on behalf of the Board

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

Date : July 06, 2009

**ANURAG VERMA**  
MANAGING DIRECTOR

**AUDITORS' CERTIFICATE ON CFS**

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,2009. 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 is 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.

Place : S.A.S. Nagar

Date : July 06, 2009

CA. ASHISH CHHABRA  
M. No. 507083  
N. KUMAR CHHABRA & CO.  
CHARTERED ACCOUNTANTS





# PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD. (IN LIQUIDATION) (PDISL)

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IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

ORIGINAL COMPANY JURISDICTION

COMPANY PETITION NO. 187 OF 2005

In the matter of the Companies Act, 1956

And

In the matter of Punjab Digital Industrial Systems Limited  
Regd. Office : A-39, Industrial Area,  
Phase-VIII, S.A.S. Nagar,  
Mohali (Punjab)

.....Petitioner

Petition under Sections 433(a) and 439 of the Companies Act, 1956 for winding-up of M/s Punjab Digital Industrial Systems Limited having its Registered Office at A-39, Industrial Area, Phase-VIII, SAS Nagar, Mohali (Punjab)

C.P. No.194 of 2005 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH

C.P. No.194 of 2005 (O&M)  
Date of decision: 20.02.2009

**In the matter of**

Punjab Digital Industrial Systems Limited, A-39, Industrial Area,  
Phase-VIII, SAS Nagar, Mohali (Punjab).

.....Petitioner

Present: Mr. Anil K. Aggarwal, Advocate.  
Mr. Meena Sharma, Advocate.  
Mr. O.P. Gupta, Advocate.

**CORAM: HON'BLE MR. JUSTICE K. KANNAN**

1. Whether Reporters of local papers may be allowed to see the judgment ?
2. To be referred to the Reporters or not ?
3. Whether the judgment should be reported in the Digest ?

**K. KANNAN, J.(ORAL)**

1. The petition is filed for voluntary winding up of the company on the ground that there are no assets available and they have ceased to do business. The company stopped production of the factory in August, 2003. Even the factory licence issued to the company by the Chief Inspector of Factories, Punjab issued under the Factories Act, 1948 had expired on 31.12.2003 and the company sought for renewal of the licence. All the workers had been laid off and relieved under Voluntary Retirement Scheme (VRS) in February, 2003, except six employees who were retained for compliance of statutory requirements.

2. Since the company is not doing any business more than two years prior to the presentation of the petition namely 23.11.2005, the shareholders in the Extraordinary General Meeting held on 31.10.2005 have resolved by a Special Resolution that the petitioner-

PUNJAB & HARYANA HIGH COURT

PUNJAB & HARYANA HIGH COURT

C.P. No.194 of 2005 (O&M)

company be wound up by orders of Court.

3. On notices being sent to the company, some workers have intervened and sought for settlement of their claims. A summary of amount payable as arrears on the basis of revised DA had been made and though the original claim was to the tune of Rs.4,66,956/-, the company has settled the claim to the tune of Rs.4,10,000/-. The Directors have filed an affidavit to the effect that the employees have been paid the said amount due to them and they have no objections. The surviving claimant is the CEO of the company, who states that he has not been paid the amount in the same way as the other employees have been paid. Particularly, he makes a reference to the fact that he had been unjustly prosecuted for some criminal case and when he was kept under suspension, salary has not been paid. His objection is that the salary should also be directed to be paid for three months when he was under suspension.

4. Mr. B.B. Khurana has appeared in person and states that all the amounts due to them had not been fully paid and he is one of the persons named in the "summary of amounts payable as arrears of revised DA" (Annexure-A1). Learned counsel for the petitioner states that although the petition has been filed in the year 2005 and the petition was also admitted, the proceedings cannot be stalled indefinitely at the instance of persons making claim over the company. According to him, the appropriate remedy would be available only after the company is wound up and when they could lodge the claims before the Official Liquidator. According to him, the right to carry on a business is a fundamental right and the right to closure itself is also

PUNJAB & HARYANA HIGH COURT

C.P. No.194 of 2005 (O&M)

recognized as a fundamental right. Winding up decision taken by a Special Resolution of the company cannot be thwarted at the instance of the persons who claimed arrears of salary. There is substance in the contention that the winding up process itself cannot be denied or prolonged by addressing the claims of workmen or officers prior to the order of winding up itself. The direction initially given has been substantially complied with, though not wholly so.

5. In the circumstances, I am of the considered opinion that the affairs of the company cannot be carried on and the company is required to be wound up.

6. I, therefore, order that the company shall be wound up and the assets of the company shall stand vested with the Official Liquidator attached to this Court. The advertisement of factum of winding up shall also be made in Form No.53 within 14 days from the making of order in "Indian Express (Chandigarh Edition)", "Dainik Bhaskar (Chandigarh Edition)" and in Official Gazette of Punjab Government.

Sd/-K.Kannan  
Judge

February 20, 2009  
Pankaj\*

True Copy  
Certified to be true Copy  
Examination Department  
High Court of Punjab & Haryana  
Chandigarh

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH.  
(ORIGINAL JURISDICTION)

Company Petition No.194 of 2005

In the matter of

Punjab Digital Industrial Systems Limited, A-29, Industrial Area, Phase-VIII, GGD Nagar, Mohali(Punjab), Petitioner.

Petition under Section 433(a), and 435 of the Companies Act, 1956 for winding up of Punjab Digital Industrial Systems Limited, A-29, Industrial Area, Phase VIII, GGD Nagar, Mohali(Punjab).

BEFORE HON'BLE MR. K.KANNAN  
DATED THE 20TH DAY OF FEBRUARY, 2009.

Upon the petition of Punjab Digital Industrial Systems Limited, Petitioner, presented on the 1st day of December, 2005, and having heard Mr. S. S. Agarwal, Advocate for the Petitioner, Mr. B.B. Khurana, Advocate and Mr. G. Prakash, Advocate for the Interveners; upon reading the said petition, affidavit of B.B. Khurana CEO of Punjab Digital Industrial Systems Limited, dated 15.11.2005, verifying the said petition; further affidavit of B.B. Khurana CEO of Punjab Digital Industrial Systems Limited, dated 18.01.2006; publication made in "The Indian Express (Chandigarh Edition)" & "Dainik Bhaskar (Chandigarh Edition)" dated 09.12.2005 and Official Gazette of Government of Punjab, dated 16.12.2005 each containing the advertisement of the said petition and producing all other materials placed on record this Court with me -

1. That the said company Punjab Digital Industrial Systems

Limited be wound up by this Court under the provisions of the Companies Act 1956; and

- That the Official Liquidator do, as liquidator of the company aforesaid, forthwith take charge of all the property and effects of the said Company;
- That the Petitioner do advertise within 14 days from this date a notice in the prescribed form of the making of this Order in one issue each of the "Indian Express (Chandigarh Edition)", "Dainik Bhaskar (Chandigarh Edition)" and Official Gazette of Government of Punjab.
- That the said petitioner do serve a certified copy of the order on the Registrar of Companies not later than one month from this date.
- That the costs of the said petition be taxed and paid out of the assets of the Company.

Dated this 20th day of February, 2009.  
(By the Court)

Asst. Registrar (CAJ),  
for Registrar (Judicial)  
2/23/09

Note: It will be the duty of such of the persons as are liable to make out or to concur in making out a statement of affairs under Section 435, to attend on the Official Liquidator at such time and place as he may appoint and to give him all information he may require.

Asst. Registrar (CAJ),  
for Registrar (Judicial)  
2/23/09

True Copy  
Certified to be true Copy  
Examination Department  
High Court of Punjab & Haryana  
Chandigarh  
Kannan

**IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH  
ORIGINAL COMPANY JURISDICTION**

**COMPANY PETITION NO. 194 OF 2005**

In the matter of the **Companies Act, 1956**

And

In the matter of Punjab Digital Industrial Systems Limited

Regd. Office : A-39, Industrial Area,  
Phase-VIII, S.A.S. Nagar,  
Mohali (Punjab)

..... Petitioner

**Petition under Sections 433(a) and 439 of the Companies Act, 1956 for winding-up of M/s Punjab Digital Industrial Systems Limited having its Registered Office at A-39, Industrial Area, Phase-VIII, SAS Nagar, Mohali (Punjab)**

**C.P. No. 194 of 2005 (O&M)**

**IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH**

**C.P. No. 194 of 2005 (O&M)  
Date of decision : 20.02.2009**

**In the matter of**

Punjab Digital Industrial Systems Limited, A-39, Industrial Area, Phase-VIII, SAS Nagar, Mohali (Punjab).

..... Petitioner

Present : Mr. Anil K. Aggarwal, Advocate.  
Ms. Meena Sharma, Advocate.  
Mr. O.P. Gupta, Advocate.

**CORAM : HON'BLE MR. JUSTICE K. KANNAN**

1. Whether Reporters of local papers may be allowed to see the judgment ?
2. To be referred to the Reporters or not ?
3. Whether the judgment should be reported in the Digest ?

**K. KANNAN, J. (ORAL)**

1. The petition is filed for voluntary winding up of the company on the ground that there are no assets available and they have ceased to do business. The company stopped production of the factory in August, 2003. Even the factory licence issued to the company by the Chief Inspector of Factories, Punjab issued under the Factories Act, 1948 had expired on 31.12.2003 and the company sought for renewal of the licence. All the workers had been laid off and relieved under Voluntary Retirement Scheme (VRS) in February, 2003, except six employees who were retained for compliance of statutory requirements.

2. Since the company is not doing any business more than two years prior to the presentation of the petition namely 23.11.2005, the shareholders in the Extraordinary General Meeting held on 31.10.2005 have resolved by a Special Resolution that the petitioner - company be wound up by orders of Court.

3. On notices being sent to the company, some workers have intervened and sought for settlement of their claims. A summary of amount payable as arrears on the basis of revised DA had been made and though the original claim was to the tune of Rs.4,66,956/-, the company has settled the claim to the tune of Rs. 4,10,000/-. The Directors have filed an affidavit to the effect that the employees have been paid the said amount due to them and they have no objections. The surviving claimant is the CEO of the company, who states that he has not been paid the amount in the same way as the other employees have been paid. Particularly, he makes a reference to the fact that he had been unjustly prosecuted for some criminal case and when he was kept under suspension, salary has not been paid. His objection is that the salary should also be directed to be paid for three months when he was under suspension.

4. Mr. B.B. Khurana has appeared in person and states that all the amounts due to them had not been fully paid and he is one of the person named in the "summary of amounts payable as arrears of revised DA" (Annexure-A1). Learned counsel for the petitioner states that although the petition has been filed in the year 2005 and the petition was also admitted, the proceedings cannot be stalled indefinitely at the instance of persons making claim over the company. According to him, the appropriate remedy would be available only after the company is wound up and when they could lodge the claims before the Official Liquidator. According to him, the right to carry on a business is a fundamental right and the right to closure itself is also recognized as a fundamental right. Winding up decision taken by a Special Resolution of the company cannot be thwarted at the

instance of the persons who claimed arrears of salary. There is substance in the contention that the winding up process itself cannot be denied or prolonged by addressing the claims of workmen or officers prior to the order of winding up itself. The direction initially given has been substantially complied with, though not wholly so.

5. In the circumstances, I am of the considered opinion that the affairs of the company cannot be carried on and the company is required to be wound up.

6. I, therefore, order that the company shall be wound up and the assets of the company shall stand vested with the Official Liquidator attached to this Court. The advertisement of factum of winding up shall also be made in Form No. 53 within 14 days from the making of order in "Indian Express (Chandigarh Edition)", "Dainik Bhaskar (Chandigarh Edition)" and in Official Gazette of Punjab Government.

February 20, 2009  
Pankaj\*

Sd/-  
K. Kannan  
Judge

**IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH  
(ORIGINAL JURISDICTION)**

**Company Petition No. 194 Of 2005**

In the matter of

Punjab Digital Industrial Systems Limited, A-39, Industrial Area, Phase-VIII, S.A.S. Nagar, Mohali (Punjab)

..... Petitioner

Petition under Sections 433(a) and 439 of the Companies Act, 1956 for winding-up of M/s Punjab Digital Industrial Systems Limited, A-39, Industrial Area, Phase-VIII, SAS Nagar, Mohali (Punjab)

BEFORE HON'BLE MR. KANNAN  
DATED THE 20TH DAY OF FEBRUARY, 2009.

Upon the petition of Punjab Digital Industrial Systems Limited, Petitioners, presented on the 1st day of December, 2005; upon hearing Mr. Anil Kumar Aggarwar, Advocate for the Petitioner, Ms. Meena Sharma, Advocate and Mr. G.P. Gupta, Advocate for the Interveners; upon reading the said petition, affidavit of B.B. Khurana S/o Sh. K.K. Khurana, Director/Officer-in-charge of M/s Punjab Digital Industrial Systems Limited, dated 23.11.2005, verifying the said petition; further affidavit of B.B. Khurana S/o Sh. K.K. Khurana, Director/Officer-in-charge of M/s Punjab Digital Industrial Systems Limited, dated 18.01.2006; publication made in "The Indian Express (Chandigarh Edition)" & "Dainik Tribune (Chandigarh Edition)" dated 09.12.2005 and official Gazette of Government of Punjab, dated 16.12.2005 each containing the advertisement of the said petition and perusing all other materials placed on record this court both order.

1. That the said company Punjab Digital Industrial Systems Limited be wound up by this Court under the provision of the Companies Act 1956; and
2. That the Official Liquidator do, as liquidator of the company aforesaid, forthwith take charge of all the property and effects of the said Company;
3. That the Petitioner do advertise within 14 days from this date a notice in the prescribed form of the making of this Order in one issue each of the "Indian Express (Chandigarh Edition)", "Dainik Bhaskar (Chandigarh Edition)" and official Gazette of Government of Punjab.
4. That the said petitioner do serve a certified copy of the order on the Registrar of Companies not later than one month from this date.
5. That the costs of the said petition be taxed and paid out of the assets of the Company.

Dated this 20th day of February, 2009.  
(By the Court)

Sd/-  
Asst. Registrar (C&J)  
for Registrar (Judicial)

Note : It will be the duty of such of the persons as are liable to make out or to concur in making out a statement of affairs under section 454, to attend on the Official Liquidator at such time and place as he may appoint and to give him all information he may require.

Sd/-  
Asst. Registrar (C&J)  
for Registrar (Judicial)

As the company has already been wound up as on 31<sup>st</sup> March, 2009, the Consolidated Results of the company alongwith the subsidiary has not been published and accordingly the audited/certified accounts of the subsidiary as on 31<sup>st</sup> March, 2009 has not been attached. The voting rights as well as the holding subsidiary relationship has ceased w.e.f. 20<sup>th</sup> February, 2009 being the date of winding-up order.

# **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 writinig.

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.

**ANNUAL GENERAL MEETING NOTICE****ANNUAL GENERAL MEETING NOTICE**

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Punjab Communications Limited will be held on Wednesday, the 30<sup>th</sup> Day of September, 2009 at 11.30 A.M. at B-93, Industrial Area, Phase VIII, Mohali (Punjab), to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as on that date, together with Directors' Report, Auditors' Report and CAG Comments thereon.
2. To appoint a Director in place of CAR.K Nangia who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sh. R.K Verma, IAS who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Statutory Auditors of the company for the Year 2009-2010 and to fix their remuneration.

By order of the Board

August 24, 2009  
Regd. Office:  
B-91, Phase-VIII, Industrial Area,  
S.A.S. Nagar, Mohali - 160 071

(Madhur Bain Singh)  
Company Secretary

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the company. A blank Proxy form is enclosed. The proxy form appointing therein a proxy, duly stamped compiled and signed should however be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of members and Transfer Books of the company will remain closed from the 24<sup>th</sup> Day of September, 2009 to 30<sup>th</sup> day of September, 2009 (both days inclusive).
3. Pursuant to the provisions of Section of 205A of the Companies (Amendment) Act, 1999, the amount of dividend which remains unclaimed for a period of 7 years from the day when amount is transferred to Unpaid Dividend Account would be transferred to the "Investor Education and Protection Fund" and the shareholders would not be able to make any claims as to the amount of dividend so transferred to the fund. The Company has already transferred unclaimed dividend for the year 1995-1996 to 2000-2001 to the Investor Education & Protection Fund.
4. Information pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement requires disclosures on the reappointment of the Directors, which is annexed as **Annexure** to this notice.
5. Members/Proxies are requested to fill the Attendance Slip for attending the meeting and are requested to bring the same.
6. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. Members are requested to notify change in address, if any, to the company's registered share transfer agents, quoting their Folio Number/ DP IDs / Client IDs and relevant particulars.
8. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.

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**ANNEXURE TO THE NOTICE**

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**INFORMATION PURSUANT TO CLAUSE 49 (IV) (G) OF THE LISTING AGREEMENT**

A brief resume of the Directors who are being re-appointed alongwith the name of the companies in which they hold directorship of the Board is given below.

**A) Brief Resume of CA. R. K. Nangia**

CA Rakesh Kumar Nangia is highly qualified professional possessing Chartered Accountant and Company Secretary Fellowship. He is also qualified ERP using oracle application and financial accounting from ICFAI Business School in September, 1998 and Oracle 7.1 with Developer 2001 from Software Technology Group, New Delhi in May, 1998. CA Nangia has more than 27-years experience in a middle & senior management position.

As on 26<sup>th</sup> March, 2009, he is holding directorship of Punjab Venture Capital Ltd., Consumer Electronics (Punjab) Ltd., Punjab Recorders Limited, SM Law Digest Com Ltd. Smart Data Enterprises (India) Ltd., SME Business Services Ltd. He is member of the Audit Committee and Shareholders Grievances Committee of Punjab Communications Limited. The shareholding of CA R. K. Nangia as per Clause 49 (IV) (E) (v) is NIL.

**B) Brief Resume of Sh R.K. Verma, IAS**

Sh Rajesh Kumar Verma is a 1993 Batch IAS Officer and is at present he is serving as Secretary, Local Government as well as Managing Director of Punjab Information and Communication Technology Corporation Limited. He is a Bachelor of Technology (Computer Science). He has also served as Director, Local Bodies, Punjab and Director, IT, Punjab.

As on 26<sup>th</sup> March, 2009, he is holding directorship of Punjab Venture Capital Ltd., Consumer Electronics (Punjab) Ltd., Punjab Recorders Limited, SME Business Services Ltd, Punjab Venture Investors Trust Ltd, Orient Craft Fashion Technologies Ltd, Punjab Information and Communication Technology Corporation Ltd. He is on the Board of Punjab Communications Limited only. The shareholding of Sh R.K Verma as per Clause 49 (IV) (E) (v) is NIL.

By order of the Board

August 24, 2009  
Regd. Office:  
B-91, Phase-VIII, Industrial Area,  
S.A.S. Nagar, Mohali - 160 071

(Madhur Bain Singh)  
Company Secretary

**PUNJAB COMMUNICATIONS LTD.**  
Registered Office : B-91, Phase VIII, Indl. Area, S.A.S. Nagar (Mohali) - 160 071  
**ATTENDANCES 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 28<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Wednesday, the 30<sup>th</sup> September, 2009 at 11.30 A.M. at B-93, Phase - VIII, Industrial Area, S.A.S. Nagar (Mohali) - 160071 (Punjab)

Signature of the shareholder or proxy

\* Application for investors holding shares in electronic form.

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

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

DP. Id\*

Regd. Folio No.

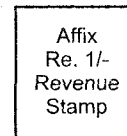
Client Id\*

I/We ..... of  
..... of failing him  
..... of .....

as my / our proxy to vote for me / us and on my / our behalf at the 28<sup>th</sup> ANNUAL GENERAL MEETING to be held on Wednesday, the 30<sup>th</sup> September, 2009 at 11.30 A.M. or at any adjournment thereof.

Signed this ..... day of ..... 2009

\* Applicable for investors holding shares in electronic form.



\_\_\_\_\_  
Signature

- Notes : 1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.  
2. The proxy need not be a member of the Company.





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

# BOOK POST

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

