

PCL/CS/15518

28<sup>th</sup> August, 2019

The Secretary  
The Bombay Stock Exchange Limited  
25th Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

**Sub: Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Annual Report for the Financial Year 2018-19**

Dear Sir,

In terms of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Annual Report of Punjab Communications Limited for the Financial Year 2018-19 containing the copy of Notice calling 38<sup>th</sup> Annual General Meeting of the Company as to be send to Shareholders of the Company.

The Company shall commence dispatch of the Annual Report for FY 2018-19 containing the Notice of 38<sup>th</sup> AGM, to the shareholders from Wednesday, 28<sup>th</sup> August, 2019 i.e. today.

The Annual Report for FY 2018-19 containing the Notice of 38<sup>th</sup> AGM is also uploaded on the Company's Website Link at <http://www.puncom.com/financials/financial-report>

Kindly take the same on your records.

Thanking you,

Yours Faithfully,

For Punjab Communications Limited

  
(Company Secretary)

**38<sup>TH</sup>**

**ANNUAL REPORT**

**2018-2019**



**PUNCOM**

**PUNJAB COMMUNICATIONS LIMITED**

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

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## FOR YOUR INFORMATION

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

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

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

Company's Registered Office

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

- Annual General Meeting of the company is scheduled to be held on 25<sup>th</sup> day of September 2019, (Wednesday) at 3.00 P.M at B-91, Phase-VIII, Industrial Area, S.A.S. Nagar, Mohali-160071 (Punjab) (Notice Enclosed).
- Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
- The Trading of Puncom's scrip has come under compulsory Demat for all investors w.e.f. August 28, 2000 (ISIN INE609A01010).
- The Annual Report also covers reports on "Management Discussion & Analysis" and "Corporate Governance".
- The shares of your company are listed with The Bombay Stock Exchange Ltd., Mumbai (BSE) only.
- As per Amendments to clause 32 of Equity Listing Agreement and Modification of SEBI Circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated 26.4.2011 towards Green Initiatives in the Corporate Governance, Listed Companies are required to send Balance Sheet etc. by electronic mail to its members. Thus, Shareholders having Shares in Electronic Form are requested to **register their e-mail address with concerned Depository Participant (DP)** and Shareholders having Shares in Physical Form are requested to register their e-mail address through letter duly signed with our Share Transfer Agent i.e. **Alankit Assignments Ltd., New Delhi**.

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### Annual General Meeting

*Date & Time* : 25th September, 2019, Wednesday, at 1500 HRS

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

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**PUNJAB COMMUNICATIONS LIMITED**

Web : [www.puncom.com](http://www.puncom.com) CIN No: L32202PB1981SGC004616

**Corporate Information**

as on 09.08.2019

<b>Board of Directors</b>	<b>Designation</b>	<b>DIN No.</b>
Smt. Vini Mahajan, IAS	Chairperson	06943948
Sh. Vikas Pratap, IAS	Sr. Vice Chairman & MD	01129385
Sh. Rajat Agarwal, IAS	Sr. Vice Chairman	07973901
Sh. S.P. Singh, IAS (Retd.)	Independent Director	00297745
Sh. V.P. Chandan, IRSSE (Retd.)	Independent Director	00225793
Smt. Neena Singh	Independent Director	00233352
Sh. Moti Ram Sharma	Independent Director	08250388
Sh. J. S. Bhatia	Whole Time Director	02554023

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**HOD (HR & Admin.) -cum-Company Secretary**

CS Madhur Bain Singh

**Chief Financial Officer**

CMA J.S. Bhatia

**Statutory Auditors**

M/s Grewal & Singh  
Chartered Accountants

**Bankers**

IndusInd Bank Limited  
Allahabad Bank

**Registered Office**

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

**Committee of Directors**

**Audit Committee**

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

**Stakeholders' Relationship Committee**

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

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

## Financial Highlights 2014–2015 to 2018–2019

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Sales	2251.77	2182.74	3047.92	3903.39	4466.05
Other Income	1003.92	929.70	905.94	880.39	945.93
Total Income	3255.69	3112.44	3953.86	4783.78	5411.98
Earning/Loss before Dep. Interest and Tax(EBDIT)	-978.61	-1008.40	-573.27	-418.41	-189.04
Depreciation	38.85	22.30	52.65	60.88	54.62
Profit/Loss after Tax	-1026.16	-1047.58	-628.67	-483.14	-270.19
Other Comprehensive Income			-28.95	101.93	-24.43
Total Comprehensive Income			-657.62	-381.21	-294.62
Equity Dividend (%)	—	—	—	—	—
Dividend Payout	—	—	—	—	—
Equity Share Capital	1202.36	1202.36	1202.36	1202.36	1202.36
Reserves & Surplus	8206.66	7192.71	6535.01	6153.03	5858.40
Tangible Net Worth	9411.46	8363.80	7739.81	7357.83	7063.19
Gross Property, Plant and Equipment & Investment Property	5440.02	5621.16	5608.33	5647.83	5669.35
Net Property, Plant and Equipment & Investment Property	418.85	566.23	566.39	564.94	531.84

### Key Ratios 2014-2015 to 2018-2019

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Earning /Loss Per Share (in ₹)	-8.53	-8.71	-5.23	-4.03	-2.25
Cash Earning/Loss Per Share (in ₹)	-7.02	-8.10	-4.55	-3.51	-1.67
Book Value Per Share ( in ₹)	78.28	69.56	64.37	61.19	58.74
Debt/Equity Ratio	0.00	0.00	0.00	0.00	0.00
Current Ratio	3.80	2.32	2.16	2.16	1.96

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

**PUNJAB COMMUNICATIONS LIMITED**

CIN No: L32202PB1981SGC004616

**BALANCE SHEET AS ON 31<sup>st</sup> MARCH 2019**

Amount (₹ In Lacs)

Particulars	Note	Amount (₹ In Lacs)	
		As on 31 <sup>st</sup> March 2019	As on 31 <sup>st</sup> March 2018
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Property Plant & Equipment	2	453.98	485.99
b) Investment Property	2A	77.86	78.94
c) Financial Assets			
Investments	3	698.74	698.74
Loans and advances	4	161.28	128.20
Other Financial Assets	5	32.11	1,117.72
d) Deferred tax assets (net)	6	—	—
e) Other non-current assets	7	391.61	253.81
<b>(2) Current Assets</b>			
a) Inventories	8	1,287.39	1,172.23
b) Financial Assets			
Trade receivables	9	2,776.61	1,894.62
Cash and cash equivalents	10	102.63	416.03
Other Bank Balances	11	6,517.89	4,950.30
Loans and advances	12	85.94	120.84
Other Financial Assets	13	723.70	549.87
d) Other Current Assets	14	78.04	73.66
<b>TOTAL</b>		<b>13,387.78</b>	<b>11,940.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Share Capital	15	1,204.80	1,204.80
b) Other Equity	16	5,858.40	6,153.03
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial liabilities	17	32.41	29.10
b) Provisions	18	384.21	287.75
c) Other Non Current Liabilities	19	16.96	20.29
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	0.22	189.04
(ii) Trade Payables	21	1,969.98	1,693.47
(iii) Other Financial liabilities	22	3,598.68	2,020.38
b) Other Current Liabilities	23	255.22	281.88
c) Provisions	24	66.90	61.22
<b>TOTAL</b>		<b>13,387.78</b>	<b>11,940.96</b>
Significant accounting policies.	1		
Notes to accounts	35-45		
The notes referred to above form an integral part of Balance Sheet			

In terms of our separate report of even date.

For and on behalf of the Board of Directors

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

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

**NEENA SINGH**  
DIRECTOR  
DIN:00233352

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

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

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
AM- FINANCE

PLACE: S.A.S. Nagar (Mohali)  
DATE: May 16, 2019

**PUNJAB COMMUNICATIONS LIMITED**

CIN No: L32202PB1981SGC004616

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

Particulars	Note	Amount (₹ In Lacs)	
		For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
I. Revenue from operations	25	4,466.05	3,903.39
II. Other Income	26	945.93	880.39
<b>III. Total Revenue</b>		<b>5,411.98</b>	<b>4,783.78</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	27	1,219.12	1,234.04
Purchases of Stock-in-Trade	28	1,165.39	608.00
Changes in inventories of Finished Goods/Work-in-process and Stock-in-trade	29	30.54	108.89
Excise Duty		—	111.93
Employee benefits expenses	30	2,486.29	2,595.05
Finance costs	31	31.69	9.91
Depreciation and amortization expenses	2, 2A	54.62	60.88
Other expenses	32	694.52	538.22
<b>Total expenses</b>		<b>5,682.17</b>	<b>5,266.92</b>
<b>V. Profit before tax (III-IV)</b>		<b>-270.19</b>	<b>-483.14</b>
VI. Exceptional Items		—	—
<b>VII Profit before tax (V-VI)</b>		<b>-270.19</b>	<b>-483.14</b>
VIII Tax expenses:			
(1) Current tax		—	—
(2) Deferred tax		—	—
<b>IX Profit (Loss) for the year (VII-VIII)</b>		<b>-270.19</b>	<b>-483.14</b>
<b>X Other Comprehensive Income/(losses)</b>	33	—	—
Items that will not be reclassified subsequently to P&L			
Re-measurement of defined benefit plan		-24.43	101.93
<b>XI Total Comprehensive Income/(losses) for the year</b>		<b>-294.62</b>	<b>-381.21</b>
Earnings per share from continuing and discontinued operations attributable to the equity holders of the Company during the year	34		
(1) Basic		-2.25	-4.03
(2) Diluted		-2.25	-4.03
Significant Accounting Policies	1		
Notes to accounts	35-45		

In terms of our separate report of even date.

For and on behalf of the Board of Directors

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

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

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**(CA. HARCHARAN SINGH GREWAL)**  
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**J.S. BHATIA**  
CHIEF FINANCIAL OFFICER

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
AM- FINANCE

PLACE: S.A.S. Nagar (Mohali)  
DATE: May 16, 2019

**PUNJAB COMMUNICATIONS LIMITED**

NOTE 2 : PROPERTY, PLANT & EQUIPMENT							Amount (₹ In Lacs)		
DESCRIPTION OF FIXED ASSETS							NET BLOCK		
	GROSS BLOCK			DEPRECIATION			As At	As At	
	As At 01.04.2018	Additions	Sale/ Trf	As At 31.03.2019	Upto 01.04.2018	For The Period	Sale/Trf Adjustments Written Back	Upto 31.3.2019	As At 31.03.2019
<b>I</b>									
<b>TANGIBLE ASSETS</b>									
LAND (Freehold)*	92.67	—	—	92.67	6.68	—	—	6.68	85.99
BUILDING	397.60	—	—	397.60	347.37	4.27	—	351.63	45.97
PLANT & MACHINERY	3,963.89	19.52	—	3,983.40	3,651.33	38.66	—	3,689.99	293.41
TEMPORARY STRUCTURE	44.19	—	—	44.19	44.01	—	—	44.01	0.18
ELECTRICAL INSTALLATION	261.05	—	—	261.05	252.34	0.48	—	252.82	8.23
OFFICE EQUIPMENT	191.70	1.87	—	193.57	181.41	5.52	—	186.93	6.63
FURNITURE & FIXTURE	101.44	0.14	—	101.58	100.56	0.03	—	100.59	0.98
VEHICLES	84.52	—	—	84.52	67.34	4.57	—	71.92	12.60
<b>SUB TOTAL (A)</b>	<b>5,137.05</b>	<b>21.52</b>	—	<b>5,158.57</b>	<b>4,651.05</b>	<b>53.53</b>	—	<b>4,704.58</b>	<b>453.98</b>
<b>II</b>									
<b>INTANGIBLE ASSETS</b>									
TECHNICAL KNOW HOW	162.24	—	—	162.24	162.24	—	—	162.24	—
<b>SUB TOTAL (B)</b>	<b>162.24</b>	—	—	<b>162.24</b>	<b>162.24</b>	—	—	<b>162.24</b>	—
<b>III</b>									
<b>CAPITAL WORK-IN-PROCESS</b>	—	—	—	—	0.00	—	—	—	—
<b>SUB TOTAL (C)</b>	—	—	—	—	0.00	—	—	—	—
<b>IV</b>									
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	—	—	—	—	—	—	—	—	—
<b>SUB TOTAL (D)</b>	—	—	—	—	—	—	—	—	—
<b>TOTAL (A+B+C+D) CURRENT YEAR</b>	<b>5,299.29</b>	<b>21.52</b>	—	<b>5,320.81</b>	<b>4,813.30</b>	<b>53.53</b>	—	<b>4,866.83</b>	<b>453.98</b>
PREVIOUS YEAR FIGURES	5,259.79	59.63	20.13	5,299.29	4,773.52	59.70	19.93	4,813.30	486.00

**NOTE 2 (A) : Investment Property**

GROSS BLOCK							DEPRECIATION		NET BLOCK	
DESCRIPTION OF INVESTMENT PROPERTY \$							For The Period		As At	As At
	GROSS BLOCK			DEPRECIATION			As At	Upto	As At	As At
	As At 01.04.2018	Additions	Sale/ Trf	As At 31.03.2019	Upto 01.04.2018	For The Period	Sale/Trf Adjustments Written Back	31.3.2019	31.03.2019	31.03.2018
<b>I</b>										
<b>LAND (Freehold)*</b>	59.73	—	—	59.73	3.62	—	—	3.62	56.11	56.11
<b>BUILDING</b>	288.80	—	—	288.80	265.97	1.09	—	267.06	21.75	22.83
<b>TOTAL</b>	<b>348.54</b>	—	—	<b>348.54</b>	<b>269.59</b>	<b>1.09</b>	—	<b>270.68</b>	<b>77.86</b>	<b>78.94</b>
PREVIOUS YEAR FIGURES	348.54	—	—	348.54	268.72	1.18	—	269.59	78.94	80.12

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

\$ Refer Note no 43

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

Annual Report 2018-19



Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 3: INVESTMENTS</b>		
(NON CURRENT FINANCIAL ASSETS)		
(At cost adjusted for diminution in value)		
<b>UNQUOTED AND NON TRADE:-</b>		
U.P. CO-OPERATIVE SPINNING MILLS FEDERATION LTD., 14000 (14000) 14.90% (Taxable) Secured Redeemable UPCSMF Bonds fully guaranteed by the Govt of U.P. of Rs. 5000/- each fully paid up*	698.74	698.74
<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	24.79	24.79
Less:- Provision for diminution in value	24.79	—
B) PCL TELECOM LTD. #	—	—
196300 (196300) Equity shares of Rs.10/- each fully paid up	—	—
	<b>698.74</b>	<b>698.74</b>

\* The Company had invested a sum of Rs. 698.74 Lacs (Face Value Rs. 700 Lacs) net of commission amounting to Rs.1.26 lacs in the Bonds of UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) for a tenure of 18 months, which was duly guaranteed by the UP State Government. The Company approached UPCSML for redemption of bonds on due date i.e 20th Dec, 1999. Upon failure of UPCSML to redeem the bonds on due date, the Company invoked the aforesaid Government Guarantee through petition filed on 28th Nov, 2001 at Lower Court, Chandigarh against UPCSML & UP State Govt. for recovery of the aforesaid amount and the Hon'ble Lower Court passed decree in favour of the Company vide its order dated 30th January, 2004. In the meantime, UP State Govt, filed the Revision Petition against the order of lower court at Hon'ble Punjab & Haryana High Court, Chandigarh, which ordered UP State Govt to deposit a sum of Rs.735.63 lacs (50% of the decretal amount). The aforesaid sum of Rs.735.63 lacs was released to the Company against furnishing of Bank Guarantee of equivalent amount on 22nd April, 2006.

In the meantime, UP State Govt filed appeal against the aforesaid order of the Hon'ble Punjab & Haryana High Court with the Hon'ble Supreme Court through SLP. The Hon'ble Supreme Court vide its order dated 19th January, 2015 directed the company to refund the aforesaid sum of Rs 735.63 Lacs to the UP State Government. In compliance with the aforesaid orders of the Hon'ble Supreme Court, the company refunded Rs. 735.63 Lacs by allowing the Hon'ble Court to invoke the Bank Guarantee of the equivalent amount submitted to the court.

UPCSMFL, is presently under liquidation and the company has filed its claim with the official liquidator on 23rd May, 2016 at Kanpur.

In view of the decree passed by the Hon'ble lower Court Chandigarh in favor of the company and subsequent application for the execution of the decree dated 30th January, 2004 filed before the Hon'ble Lucknow Court, on 30th January, 2016, the company has reflected the value of investment in bonds at cost. Further, the principle amount of bond is fully guaranteed by the UP State Government, but due to the protracted litigation the time of recovery is indeterminable. (Also Refer note 5 and 42(a)).

\*\* Refer Note 36

# PCL Telecom Ltd, another subsidiary company, which was ordered to be wound up by the Hon'ble Punjab and Haryana High Court vide its order dated 20th October 2005, has been dissolved and accordingly written off in books of accounts.

**Note 4: LOANS AND ADVANCES**

**(NON CURRENT FINANCIAL ASSETS)**

Festival Advance *	13.29	33.43
Loans and Advance to Employees**	41.23	51.48
Security Deposits**	106.76	43.30
Due from Subsidiary companies (PDISL)	40.35	40.35
Less:- Provision for doubtful advances	40.35	—
	<b>161.28</b>	<b>128.20</b>

\* Festival Advance (Interest -free) recoverable has been valued at present value @10% and differential amount has been charged to St of P&L as per IND AS -109. Also Refer Note 42(e)

\*\* Refer Note 42 (b)

SR. VC & M.D.

DIRECTOR

CFO

C.S

AM-FINANCE

Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 5: OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Fixed Deposits with banks (having maturity period of more than 12 months from BS date)	24.30	1,002.51
Interest accrued on fixed deposits (having maturity period of more than 12 months from BS date)	7.81	115.21
Interest Accrued on U.P. Co-operative Spinning Mills Federation Ltd.,14000 (14000) 14.90% (Taxable)		
Secured Redeemable UPCSMFL Bonds fully guaranteed by the Govt of U.P. of Rs. 5000/- each fully paid up*	152.52	152.52
Less:- Provision against Interest accrued	152.52	—
	<b>32.11</b>	<b>1,117.72</b>

Refer Note 42(c)

\* Refer Note-3 The company had recognized and received interest income to the extent of Rs. 156.45 lacs (@ 14.90% on Principal) for a tenure of 18 months. In view of the protracted litigation and uncertainty of the amount realizable, pending settlement of the case, the company has provisioned the already recognized interest income of Rs. 152.52 lacs up to 31st March 2001 of which Rs. 115.63 Lacs was provisioned in FY 2014-15 and remaining Rs. 36.89 Lacs in FY 2015-16.

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

**Note 6: DEFERRED TAX ASSET (NET)**

**Deferred Tax Asset:**

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

-2.98 42.89

**Deferred Tax Liability:**

Relating to Fixed assets

2.98 -42.89

**Deferred Tax Asset/Liability\***

— —

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

**Note 7: OTHER NON CURRENT ASSETS**

Income Tax Recoverable for Previous years	268.85	147.23
Income Tax Recoverable for current year	122.37	104.45
	<b>391.22</b>	<b>251.68</b>
Less: Provision for Income Tax/MAT	—	—
Prepaid Expenses*	0.39	2.12
	<b>391.61</b>	<b>253.81</b>

\*Prepaid expenses, the period of which extend beyond 12 months from Balance Sheet date have been treated as

Non current in accordance with Company's Accounting policy Note-1 (Point XVI).

**Note 8: INVENTORIES**

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

Stores, Spares & Packing Material	30.34	40.10
<b>Raw material</b>	<b>1,609.04</b>	<b>1,648.78</b>
Less: Provision for Obsolete/slow moving items	993.75	981.63
<b>Work in Process:</b>	<b>74.77</b>	<b>144.05</b>
Work-in-process		
Finished Sub-assemblies	678.55	661.17
Less: Provision for Obsolete/slow moving items	413.98	414.85
Goods -in-transit	273.16	66.72
Stock-in-Trade	29.26	7.89
	<b>1,287.39</b>	<b>1,172.23</b>

As per the provisions of IND AS-2 "Inventories" the stock are valued at Cost or NRV whichever is less on FIFO basis.

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Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 9: TRADE RECEIVABLES</b>		
<b>Unsecured Sundry Debtors</b>		
<b>Outstanding for more than six months</b>		
Considered good	1,267.56	1,018.77
Considered doubtful	178.48	175.41
Total	1,446.04	1,194.18
Less: Provision for doubtful debts	178.48	175.41
	1,267.56	1,018.77
<b>Others</b>		
Unsecured Considered good	1,509.05	875.85
	2,776.61	1,894.62

The company had sent balance confirmation letters to all parties requesting them to confirm the balance within 15 days, failing which the balance will be presumed to be correct. The company has no other means of confirming the balances for which no response has been received except presuming them to be correct as per the terms of the letter. Also Refer Note 42(d).

**Note 10: CASH & CASH EQUIVALENTS**

**Cash and Cash equivalents**

Balance with banks:

In Cash Credit account	10.32	177.69
In Current Accounts	91.63	237.65
Cash in hand	0.68	0.69
	102.63	416.03

Refer Note 42(d).

**Note 11: OTHER BANK BALANCES**

In Fixed Deposits (having original maturity period of more than three months)\*

	6,541.91	5,952.53
In earmarked accounts (Unclaimed Buyback Amount)**	0.28	0.28
	6,542.19	5,952.81

Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)

	-24.30	-1,002.51
	6,517.89	4,950.30

\* FDRs worth Rs. 3409.54 Lacs (Rs.4034.04 Lacs) are pledged with banks against Bank guarantees and overdrafts limits. FDRs further include an amount of Rs.3010.21 Lacs (Rs.872.41 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd. Also Refer Note 42(d).

\*\* Despite Company's best efforts, 5 shareholders could not be traced, against which an amount of Rs. 0.28 Lacs is still lying in unclaimed buy-back account. Also refer Note-22.

**Note 12: LOANS & ADVANCES**

(CURRENT & FINANCIAL ASSETS)

**(UNSECURED & CONSIDERED GOOD UNLESS OTHERWISE STATED)**

Loan and Advance to Employees*	22.83	29.32
Security deposits	67.60	96.05
Less: Provision for Doubtful Amounts	4.78	4.78
Claims Recoverable	0.29	0.25
	85.94	120.84

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

Also Refer Note 42(d).

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

	Balance As on 31/03/2019	Balance As on 31/03/2018	Maximum amount due at any time during the year ended 31/03/2019	Maximum amount due at any time during the year ended 31/03/2018
*Loan to employees include loan to KMPs given in the ordinary course of business and as per the service rules of the Company.				
- No repayment schedule or repayment beyond seven years.	—	—	—	0.33
- No interest or at an interest rate below which is specified in Section 186 (7) of Companies Act 2013	—	—	—	—

Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 13: OTHER CURRENT FINANCIAL ASSETS</b>		
<b>Accruals</b>		
Interest accrued but not due on Fixed deposits (having maturity < 12 months from BS Date)	401.58	227.75
<b>Others:</b>		
In Escrow account (Money held on behalf of VMC & its Associated Companies)*	322.12	322.12
	<b>723.70</b>	<b>549.87</b>

\* Refer Note 21.

Refer Note 42(d).

**Note 14: OTHER CURRENT ASSETS**

**Balance with Government Departments**

Income Tax Recoverable for Previous years	8.37	8.37
Short term loans & advances		

**Other Advances:-**

Considered good	69.67	65.29
Doubtful Advances	2.34	2.34
	<b>72.01</b>	<b>67.63</b>
Less: Provision for Doubtful Advances	2.34	2.34
	<b>69.67</b>	<b>65.29</b>
	<b>78.04</b>	<b>73.66</b>

**Note 15 : SHARE CAPITAL**

**AUTHORISED**

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

**ISSUED AND SUBSCRIBED & FULLY PAID UP**

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

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

**15.1 The detail of shareholders holding more than 5% shares:**

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

**15.2 The reconciliation of number of shares outstanding is set out below:**

Particulars	No of shares	No of shares
Shares outstanding at the beginning of the year	1,20,23,565	1,20,23,565
Shares Issued during the year	—	—
Shares bought back during the year	—	—
Shares outstanding at the end of the year	1,20,23,565	1,20,23,565

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

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Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 16: OTHER EQUITY</b>		
<b>RESERVES &amp; SURPLUS</b>		
(a) <b>Securities premium</b>	6,850.44	6,850.44
Add:-Shares Forfeited (Amount paid-up)	58.59	58.59
(b) <b>Other Reserves</b>		
(i) Capital Redemption Reserve	400.79	400.79
(ii) General Reserve:	895.93	895.93
(c) <b>Retained Earnings</b>		
Opening Balance	-2,052.72	-1,671.51
Add/(Less): Transfer from Statement of Profit & Loss	-270.19	-483.14
Add/(Less): Remeasurement of Defined employee benefit plans	-24.43	101.93
	<b>5,858.40</b>	<b>6,153.03</b>

**1)NON-CURRENT LIABILITIES**

**Note 17: OTHER FINANCIAL LIABILITIES**

Security Received	32.41	29.10
	<b>32.41</b>	<b>29.10</b>

Carrying amount of Security deposits have been reinstated as per IND AS-109, Refer Note 19,23 & 42 (f).

**Note 18: NON CURRENT PROVISIONS**

**Provision for Employee benefits**

Gratuity	330.76	243.79
Leave Encashment	29.29	19.92
Long term service award	24.16	24.04
	<b>384.21</b>	<b>287.75</b>

Liabilities towards Gratuity & Leave encashment of employees has been valued in accordance with provisions of IND AS 19- "Employee Benefits". Also Refer Note-30.

**Note 19: OTHER NON CURRENT LIABILITIES**

Deferred Income	16.96	20.29
	<b>16.96</b>	<b>20.29</b>

Deferred Income pertains to Security deposits which have been reinstated as per IND AS-109. Refer note-17, note-23 & note 42(f).

**2) CURRENT LIABILITIES**

**Note 20: SHORT TERM BORROWINGS (Secured)**

Loans Repayable on demand from Banks	0.22	189.04
	<b>0.22</b>	<b>189.04</b>

Loan was taken from SBI @6.75%. These loans are secured against FDRs and repayable on demand. Also refer Note -42(d).

**Note 21: TRADE PAYABLES**

i. Dues of Micro, Small & Medium Enterprises	3.53	—
	<b>1,966.45</b>	<b>1,693.47</b>
	<b>1,969.98</b>	<b>1,693.47</b>

\*Includes Rs.486.45 Lacs (Rs.489.15 Lacs) due to VMC Systems Ltd (earlier Vuppalamritha Magnetic Components Pvt Ltd) against which Rs.322.12 Lacs (Rs.322.12 Lacs) lies in the Escrow Account (Refer Note 13).

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The company had sent balance confirmation letters to all parties requesting them to confirm the balance within 15 days of the receipt of the letter, failing which the balance will be presumed to be correct. The company has no other means of confirming the balances for which no response has been received except presuming them to be correct as per the terms of the letter. Also refer note 42 (d).

The disclosure as required by section 22 of The Micro, Small and medium Enterprises Development Act, 2006 are given below:

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

**Amount (₹ In Lacs)**

PARTICULARS	31.03.2019	31.03.2018
<b>Note 22: OTHER FINANCIAL LIABILITIES</b>		
Unclaimed Buy back amount*	0.28	0.28
Trade / Security Deposits received**	3,099.30	902.26
Others#	499.10	1,117.85
	<b>3,598.68</b>	<b>2,020.38</b>

\*Refer Note-11

\*\*Includes an amount of Rs.3010.21 Lacs (Rs.872.41 Lacs) received by Company through encashment of Bank Guarantee submitted by VMC Systems Ltd. Further it also includes an amount of Rs 11.57 Lacs (Rs.8.35 Lacs) other than securities on rental properties & from VMC Systems Ltd., outstanding for more than three years.

# Includes amount of Rs. NIL (Rs. 735.63 Lacs) related to UPCFML, Refer Note-3 and Note-5.

Also refer note 42 (d).

**Note 23: OTHER CURRENT LIABILITIES**

Advance from customers	72.47	100.85
Income received in advance	0.68	5.07
Statutory remittances	178.75	172.63
Deferred Income*	3.32	3.32
	<b>255.22</b>	<b>281.88</b>

\*Deferred Income pertains to Security deposits which have been reinstated as per IND AS-109.

Refer note-17, note-19 & note 42(f).

**Note 24: SHORT TERM PROVISIONS**

**Provision for Employee benefits**

Gratuity	28.67	26.61
Leave Encashment	32.77	29.03
Service award	5.45	5.58
	<b>66.90</b>	<b>61.22</b>

Liabilities towards Gratuity & Leave encashment of employees has been restated in accordance with provisions of IND AS 19- "Employee Benefits". Also refer Note-30.

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Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 25: REVENUE FROM OPERATIONS</b>		
(a) Sale of manufactured products	2,651.14	2,590.32
(b) Sale of services	390.88	233.14
(c) Sale of traded items	1,413.39	1,052.48
(d) Other Operating revenues (Training Fees & Scrap Sale)	10.64	27.45
<b>Net revenue from operations</b>	<b>4,466.05</b>	<b>3,903.39</b>
<b>Particulars of Sale of products*</b>		
(i) PLCC (Systems/Spares)	1,254.77	1,465.01
(ii) VMUX (Systems/ Spares)	1,035.43	771.71
(iii) POWER PLANT & OTHERS	360.93	353.59
(iv) Income from traded items	1,413.39	1,052.49
(v) Services Income	390.88	233.14
(vi) Training Fee & Scrap Sales	10.64	27.45
	<b>4,466.05</b>	<b>3,903.39</b>

\* Includes various items of different configuration and spares.

**Customer Wise Sales**

Customer	Amount (₹ In Lacs)	% of Total Turnover	Amount (₹ In Lacs)	% of Total Turnover
(a) Power Sector	1,652.50	37.00%	1,898.51	48.64%
(b) Railways	2,306.26	51.64%	1,549.45	39.70%
(c) Others	507.29	11.36%	455.43	11.67%
<b>Total</b>	<b>4,466.05</b>	<b>100.00%</b>	<b>3,903.39</b>	<b>100.00%</b>

**Note 26: OTHER INCOME**

<b>(a) Interest from banks on deposits</b>			
Interest on Fixed Deposits		542.94	485.85
<b>(b) Interest on Income Tax refund</b>			
		—	2.99
<b>(c) Other Interest</b>			
Interest on Staff loans		4.97	5.73
<b>(d) Other Income</b>			
Miscellaneous Income		7.03	7.59
Profit on sale of Fixed Assets		—	2.09
Rent Income		390.12	372.16
Capital Subsidy written back		—	0.77
Provision for slow moving FSA written back		0.87	2.41
Gain on exchange fluctuations		—	0.80
		<b>945.93</b>	<b>880.39</b>

**Note 27 : COST OF MATERIALS CONSUMED**

Opening Stock	1,648.78		1,582.46	
Add Purchases	1,179.38	2,828.16	1,338.92	2,921.38
Less: CENVAT credit		—		32.39
Less: Input Tax credit (VAT)		—		6.17
		<b>2,828.16</b>		<b>2,882.82</b>
Less: Closing Stock		<b>1,609.04</b>		<b>1,648.78</b>
Net consumption		<b>1,219.12</b>		<b>1,234.04</b>

**Note 28: PURCHASES OF STOCK-IN-TRADE**

Purchases of Stock-in-Trade *	1,165.39		608.00	
	<b>1,165.39</b>		<b>608.00</b>	

\*Includes various items of different configuration.

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Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 29: CHANGES IN INVENTORIES</b>		
<b>(I) OPENING STOCKS</b>		
<b>(a) Work in process:</b>		
Work in process	144.05	188.24
Finished sub-assemblies	661.18	646.54
<b>(b) Stock-in-Trade</b>	<b>7.89</b>	<b>92.78</b>
<b>(II) CLOSING STOCKS</b>		
<b>(a) Work in process:</b>		
Work in process	74.77	144.05
Finished sub-assemblies	678.55	661.18
<b>(b) Stock-in-Trade</b>	<b>29.26</b>	<b>7.89</b>
<b>(III) Increase/(Decrease) in Excise Duty on Stocks</b>	<b>—</b>	<b>-5.57</b>
Decrease(+) / Increase (-) in stock (I-II+III)	<b>30.54</b>	<b>108.89</b>

**Note 30 : EMPLOYEE BENEFITS EXPENSES**

Salary, Wages, Other Allowances & Benefits	2,201.24	2,193.57
Contribution towards provident and other funds	282.14	398.87
Bonus	2.91	2.61
	<b>2,486.29</b>	<b>2,595.05</b>

Disclosure on employee benefits with regard to Gratuity and Leave Encashment, funded defined benefit plans, as per IND AS 19 is as below:

	Defined benefit plans	Gratuity		Leave Encashment	
		As on 31/03/2019	As on 31/03/2018	As on 31/03/2019	As on 31/03/2018
<b>1</b>	<b>Assumptions</b>				
	Discount Rate	7.70%	7.85%	7.70%	7.85%
	Salary Escalation	4.00%	4.00%	4.00%	4.00%
	Rate of return on Plan assets (estimated)	7.85%	7.50%	7.85%	7.50%
	Rate of return on Plan assets (actual)	7.80%	7.65%	7.80%	7.65%
<b>2</b>	<b>Table showing changes in present value of obligations</b>				
	Present value of obligations as at beginning of year	1,233.78	978.46	600.38	717.21
	Interest cost	96.85	73.38	47.13	53.79
	Past Service Cost	0.00	*284.06	—	—
	Current Service Cost	43.43	42.53	49.33	47.24
	Benefits Paid	53.44	42.82	21.17	22.17
	Actuarial (gain)/Loss on obligations	21.67	-101.84	-41.00	-195.70
	Present value of obligations as at end of year	1,342.30	1,233.78	634.67	600.38
<b>3</b>	<b>Table showing changes in the fair value of plan assets</b>				
	Fair value of plan assets at beginning of year	963.41	935.92	551.45	533.51
	Expected return on plan assets	75.63	70.19	43.29	40.01
	Contributions	0.02	0.03	0.00	0.00
	Benefits paid	53.44	42.82	21.17	22.17
	Actuarial Gain / (Loss) on Plan assets	-2.76	0.08	-0.95	0.09
	Fair value of plan assets at the end of year	982.87	963.41	572.62	551.45
<b>4</b>	<b>Table showing fair value of plan assets</b>				
	Fair value of plan assets at beginning of year	963.41	935.92	551.45	533.51
	Actual return on plan assets	72.87	70.28	42.34	40.10
	Contributions	0.02	0.03	0.00	0.00
	Benefits Paid	53.44	42.82	21.17	22.17
	Fair value of plan assets at the end of year	982.87	963.41	572.62	551.45
	Funded status	-359.43	-270.37	-62.05	-48.94
	Excess of Actual over estimated return on plan assets	-2.76	0.08	-0.95	0.09



<b>5</b>	<b>Actuarial Gain/Loss recognized</b>				
	Actuarial gain/(Loss) for the year -Obligation	21.67	-101.84	-41.00	-195.70
	Actuarial (gain)/Loss for the year - plan assets	2.76	-0.08	0.95	-0.09
	Total (gain)/Loss for the year	24.43	-101.93	-40.06	-195.79
	Actuarial (gain)/Loss recognized in the year	24.43	-101.93	-40.06	-195.79
<b>6</b>	<b>The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss</b>				
	Present value of obligations as at the end of year	1,342.30	1,233.78	634.67	600.38
	Fair value of plan assets as at the end of the year	982.87	963.41	572.62	551.45
	Funded status	-359.43	-270.37	-62.05	-48.94
	Net Asset/(liability) recognized in balance sheet	<b>-359.43</b>	<b>-270.37</b>	<b>-62.05</b>	<b>-48.94</b>
<b>7</b>	<b>Expenses recognized in statement of Profit &amp; loss</b>				
	Service cost	43.43	326.59	49.33	47.24
	Interest Cost	96.85	73.38	47.13	53.79
	Expected return on plan assets	75.63	70.19	43.29	40.01
	Net Actuarial (gain)/Loss recognized in P&L			-40.06	-195.79
	<b>Expenses/ (Income) recognized in statement of Profit &amp; loss</b>	<b>64.65</b>	<b>329.78</b>	<b>13.11</b>	<b>-134.77</b>
	<b>Net Actuarial (gain)/Loss recognized in Other Comprehensive Income</b>	<b>24.43</b>	<b>-101.93</b>	<b>—</b>	<b>—</b>
	<b>Sensitivity analysis</b>	Impact on Present value of obligations		Impact on Present value of obligations	
	Increase in Discount rate by 0.50%	-53.04	-51.56	-26.91	-26.54
	Decrease in Discount rate by 0.50%	56.16	54.75	28.62	28.29
	Increase in salary inflation by 1%	93.79	95.25	58.09	57.71
	Decrease in salary inflation by 1%	-96.56	-95.35	-52.32	-51.72

\* During FY 17-18, Past service cost was due to change in Gratuity ceiling from Rs. 10 lakhs to Rs.20 lakhs as per amended provisions of Gratuity Act 1972.  
Also Refer Note -18 & 24

Amount (₹ In Lacs)

PARTICULARS	31.03.2019	31.03.2018
<b>Note 31: FINANCE COSTS</b>		
Interest on loan against FDR's for working capital	26.54	3.85
Finance Charges	4.25	6.06
Loss on exchange fluctuations	0.90	—
	<b>31.69</b>	<b>9.91</b>
<b>Note 32: OTHER EXPENSES</b>		
<b>(A): MANUFACTURING &amp; INSTALLATION EXPENSES</b>		
Stores & Spares	32.99	26.59
Power & Fuel	79.68	70.48
Freight	2.30	2.56
Installation charges/ AMC Services Expenses	156.05	50.49
Miscellaneous Production expenses	21.73	14.84
	<b>292.76</b>	<b>164.96</b>
<b>(B): ADMINISTRATION AND OTHER EXPENSES</b>		
Travelling & conveyance (including for directors Rs.0.26 Lakh (Rs.0.93 Lakh))	57.38	46.83
Printing & Stationery	6.51	7.48
Rent	0.05	0.52
Office electricity & Water	2.46	2.18
Postage, Telephone & Telex	7.27	7.25
Property Tax	28.95	27.69
Insurance (net)	8.33	3.88
Rates & Taxes	15.54	9.24
Directors sitting fee	1.98	2.18
Meeting expenses	1.01	1.06
Staff recruitment/training expenses	0.18	1.49
REPAIR & MAINTENANCE :-		
Building	1.92	1.24

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Amount (₹ In Lacs)

<b>PARTICULARS</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Plant & Machinery	5.29	4.70
General maintenance	1.71	2.24
Vehicle running & maintenance	13.73	17.33
Membership fee and subscription	0.06	0.37
Internal audit fees & expenses	1.00	1.00
Auditors payments:-		
Audit fee	1.60	1.60
Tax audit fees	0.40	0.40
Out of pocket	0.31	0.28
Certification & other services	0.85	0.85
Legal & professional fees	4.06	5.50
Office Expenses	136.51	134.21
Miscellaneous expenses	5.46	8.32
Secretarial Audit Fee	0.70	0.70
Forward Premium	0.00	0.43
Bank charges	2.42	0.77
	<b>305.66</b>	<b>289.74</b>
<b>Provisions</b>		
Provision for slow moving stocks	12.12	4.66
Provision for Doubtful Debts	3.08	0.96
Amount written off	0.01	0.00
	<b>15.20</b>	<b>5.62</b>
Total Administration & Other Expenses	<b>320.86</b>	<b>295.36</b>
<b>(C):SELLING AND DISTRIBUTION COSTS</b>		
Advertisement and publicity	1.49	3.07
Sales promotion expenses	10.17	8.34
Freight outwards (net)/State taxes	1.08	12.84
Packing & Forwarding expenses	49.31	54.45
Service Expenses	0.00	0.07
	<b>62.04</b>	<b>78.77</b>
<b>(D):NET (GAIN)/LOSSES ON FAIR VALUE CHANGES</b>		
(a) Other Financial Assets classified as FVTPL (Festival advance)	19.51	—
(b) (Income)/expense on Fair valuation of Financial liabilities (Security deposits)	-0.65	-0.87
	<b>18.86</b>	<b>-0.87</b>
<b>TOTAL OTHER EXPENSES (A+B+C+D)</b>	<b>694.52</b>	<b>538.22</b>
<b>Note 33: OTHER COMPREHENSIVE INCOME / (LOSSES)</b>		
Items that will not be reclassified subsequently to P&L		
Re-measurement of defined benefit plan	-24.43	101.93
	<b>-24.43</b>	<b>101.93</b>
<b>Note 34 : EARNINGS PER SHARE</b>		
<b>From continuing and discontinued operations attributable to the equity holders of the Company during the year</b>		
(a) Profit / (Loss)after Tax (Rs. In Lakhs)	-270.19	-484.01
(b) Weighted average no. of ordinary shares	120.24	120.24
(c) Weighted average no. of diluted shares	120.24	120.24
(d) Nominal Value of ordinary share (Rs.)	10.00	10.00
(e) Basic Earning/(-Loss) Per Share (Rs)	-2.25	-4.03
(f) Diluted Earning/ (-Loss) Per Share (Rs)	-2.25	-4.03
<b>Note 35 :</b>		
Contingent liabilities not provided for in the accounts :-	<b>31.03.2019</b>	<b>31.03.2018</b>
a) Claims against company, not acknowledged as debts,	46.29	46.29
-by Sales Tax authorities*	30.20	30.20
b) Court cases #	2948.79	2714.26
c) PSPCL Demand **	27.96	27.96
* The Company has filed appeals which have been admitted by the competent authority		
# Includes C-Dot Case. Refer Note-38.		
** Company received a Demand Notice from PSPCL Mohali which is being contested through a Lessee as per Lease Agreement.		

SR. VC & M.D.

DIRECTOR

CFO

C.S

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(Figures in brackets denote previous year figures)

**Note 36 :** Punjab Digital Industrial Systems Ltd (PDISL), the fully-owned subsidiary, has been ordered to be wound up by the Hon'ble Punjab & Haryana High Court vide their order dated 20/02/2009. The Company has filed its statement of affairs with the Official Liquidator appointed by the said court and all books of accounts/records and store items have been handed over to him. The loss on account of permanent diminution in investment in equity shares of Rs.24.79 lacs in PDISL has been provided for. Full provision amounting to Rs 40.35 lacs against amount recoverable of Rs 40.35 lacs (Rs.40.35 lacs) and Rs. 4.55 Lacs against balance appearing in Sundry Debtors at Rs 4.55 lacs (Rs 4.55 lacs) has also been made. Also Refer Note-3

**Note 37 :** The company has reviewed the inventories at the year end and consequently provided for Rs.12.12 Lacs (Rs.4.66 Lacs) and written back Rs.0.87 Lacs (Rs. 2.41 lacs) in current financial year for non moving items of obsolete and slow moving inventories of Raw material and finished sub-assemblies respectively. An amount of Rs. 3.08 lacs (Rs. 0.96 lacs) in respect of doubtful debts and advances has been provided for during the year. The provision as on 31st March 2019 is considered adequate. Refer Note 8 & 9.

**Note 38 :** C-DOT had filed claim of Rs.197.20 Lacs against the company under the agreement for transfer of Max- XL technology with Indian Council of Arbitration, New Delhi (ICA). The award was passed by ICA for an amount of Rs. 226.17 Lacs (Claim of Rs.182.15 Lacs plus Interest of Rs.29.54 Lacs till date of award and Arbitration fee of Rs. 14.47 Lacs) in favour of C-Dot. The said award passed by ICA is being contested by the company before the Hon'ble High Court- Delhi. The application for setting aside the award has already been admitted by Delhi High Court and accordingly Interest & Arbitration cost liability of Rs.133.83 Lacs (Rs. 108.43 Lacs) on account of non payment of award amount has been shown as contingent liability, pending appeal in the Hon'ble High Court, Delhi. Refer Note -35.

C-DOT has also filed another claim of Rs. 24.88 Lacs against the Company under the agreement for transfer of AN-RAX technology which is dismissed by sole arbitrator appointed by Hon'ble Delhi High Court thru its award dated 7.12.18 as not maintainable.

**Note 39 :** The company has been giving performance guarantees against equipments supplied to various customers and has not incurred any material expenditure on replacement of any part or equipment except for expenditure on travelling of service engineers which is accounted for as and when incurred. Keeping in view the past pattern and the concept of materiality, no provision has been created or disclosure has been made. This is in accordance with the requirements of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

**Note 40 :** Related Party Disclosure

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

Details of related party transactions during the year FY 2018-19 and balances outstanding as at 31st March, 2019:

Nature of transaction	Holding Company	Amount(₹ In Lacs)		
		CEO	CFO	CS
Salary	—	—	31.16	19.71
Balances outstanding as on 31.03.19*	—	—	—	—
Previous year figures:				
Salary		—	30.40	15.69
Balances outstanding as on 31.03.18	—	—	—	—

**Note 41 :** **Financial Risk Management** The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Risk Management Committee of the Company.

SR. VC & M.D.

DIRECTOR

CFO

C.S

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**(a) Liquidity risk:** Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. The Company's principal sources of liquidity are cash flow generated from operations and other income generated from rented properties and interest on fixed deposits. The company is subject to liquidity risk to pay trade payables, short term borrowings and other financial liabilities & statutory remittances total amounting to Rs.5747.63 lacs (Rs.4075.52 lacs) respectively in current year and previous financial year.

**(b) Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

**(i) Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has invested in fixed deposits which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

**(ii) Foreign currency risk:** Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has very limited foreign currency exposure which are mainly due to imports of raw material and property, plant and equipment. The Company manages material currency exposures through use of forward exchange contracts which leave the Company with no material residual risk.

**(iii) Price Risk:** The Company has not invested in any financial instruments which are subject to price risk.

**(C) Credit risk:** Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its investing activities, including deposits with banks.

**(i) Trade receivables:** Trade receivables are non-interest bearing and outstanding customer receivables and these are regularly monitored. Major portion of customer base of the company is Government Organizations thereby reducing the risk of not meeting contractual obligations by the customer. Total trade receivables as on 31st Mar,19 and on 31st Mar, 18 are Rs.2776.61 Lacs and Rs.1894.62 Lacs respectively.

**(ii) Other financial assets:** Credit risk from balances with banks is managed by Company's in accordance with the board approved policy. Investment of surplus funds are made only with approved financial institutions who meet the minimum threshold requirements under the counterparty risk assessment process in which certain criteria are evaluated at the time of making investments.

**Note : 42 Fair value of Financial Assets and Financial Liabilities**

Categories wise disclosure of carrying value of each financial assets/liabilities vis-a vis fair value and Fair value hierarchy used for measuring different financial assets and liabilities along with detail of valuation techniques and key inputs.

Particulars	Refer Note No	Refer pt. below	Carrying Amount	Fair value	Carrying Amount	Fair value
			FY 2018-19		FY 2017-18	
<b><u>Financial Assets at Amortised Cost</u></b>						
<b>Non current</b>						
Investments	Note-3	(a)	698.74	698.74	698.74	698.74
Loans and advances	Note-4	(b)	147.99	147.99	94.78	94.78
Other Financial assets	Note-5	(c)	32.11	32.11	1117.72	1117.72
<b>Current</b>						
Trade receivables	Note-9	(d)	2776.61	2776.61	1894.62	1894.62
Cash & Cash equivalents	Note-10	(d)	102.63	102.63	416.03	416.03
Other Bank Balances	Note-11	(d)	6517.89	6517.89	4950.30	4950.30
Loans and advances	Note-12	(d)	85.94	85.94	120.84	120.84
Other Financial assets	Note-13	(d)	723.70	723.70	549.87	549.87
<b><u>Financial Assets at FVTPL</u></b>						
Loans and advances (Non Current)	Note-4	(e)	13.29	13.29	33.43	33.43
<b><u>Financial Liabilities at FVTPL</u></b>						
Other Financial Liabilities (Non Current)	Note-17	(f)	32.41	32.41	29.10	29.10

**Financial Liabilities at Amortised Cost**

**Current**

Borrowings	Note-20	(d)	0.22	0.22	189.04	189.04
Trade Payables	Note-21	(d)	1969.98	1969.98	1693.47	1693.47
Other Financial Liabilities	Note-22	(d)	3598.68	3598.68	2020.38	2020.38

**The following methods / assumptions were used to estimate the fair values:**

- The Company has reflected the value of the investment in Bonds at Cost as the same has been decreed in favour of the company and fully guaranteed by the UP State Government but due to protracted litigation the time of recovery is indeterminable.
- Loans and advances include loans to employees on which the Company charges interest at the rate 10 percent p.a, therefore their carrying values are not expected to be significantly different from their fair values. Further, Security deposits (interest-free) lying with government departments agencies and other parties have been shown at its carrying value due to non determination of any fixed period with regard to receipts against such security deposits.
- The fair values of other financial assets are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by using Present value techniques.
- The carrying value of these financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities (i.e within 1 year) of these instruments.
- The Company has used Level-3 inputs from Fair value hierarchy (key input: interest rate applicable to loans and advances to employees i.e 10 percent p.a) for measurement of Loans & advances to employees (Festival advance) at Fair value through Profit & loss using Present value technique (effective interest rate method)
- The Company has used Level-3 of fair value hierarchy and used Present Value Technique to measure the fair value of security deposits wherein part of deposits recognized in the future cash flows are classified under deferred income which has been further divided into Current & Non-Current. The discount rate used by the company is 9 percent per annum.

**Note: 43 Information regarding income and expenditure of Investment property**

Particulars	2018-19	2017-18
Rental income derived from investment properties	390.12	372.16
Direct expenses generating rental income (Property tax)	27.43	26.31
Profit arising from investment properties	362.70	345.85

The investment properties consist of industrial properties. Fair Values of the properties are Rs.6537.33 lacs and Rs.6537.33 lacs as at 31st March, 2019 and 31st March, 2018 respectively. These market valuations are performed by an accredited independent valuer. The fair value is categorised in Level 2 fair value hierarchy.

**Note : 44Capital Management**

Equity includes all capital and reserves of the Company that are managed as capital. The primary objective of the Company's Capital Management is to maximize the shareholder value by maintaining an efficient capital structure and safeguard Company's ability to continue as a going concern.The Company maintains the optimal capital structure so as to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**Note : 45**

The previous Year figures have been regrouped/re-classified & re-arranged wherever necessary to conform with the current presentation as per Schedule III of the Companies Act, 2013 (and amendments thereon) and applicable IND AS. The amounts shown under Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, etc. have been rounded off to rupees in lakhs (unless otherwise stated).

In terms of our separate report of even date.

For and on behalf of the Board of Directors

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

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

**NEENA SINGH**  
DIRECTOR  
DIN:00233352

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

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

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
AM- FINANCE

PLACE: S.A.S. Nagar (Mohali)  
DATE: May 16, 2019

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

**Note 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**I Basis of preparation of Financial Statements**

- a) The Company has adopted Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, with effect from 1st April 2017 with 1st April 2016 as the date of transition as per MCA notification dated 16<sup>th</sup> Feb, 2015 . Accordingly the financial statements have been prepared in accordance with the said Ind AS & Rules and other recognized accounting practices & policies to the extent applicable. The company has applied IND AS to items which are material and made specific disclosure required by an Ind AS if the information is material or when required by law in accordance with said notification. Accounting policies unless referred to otherwise are consistent with generally accepted accounting principles. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- b) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis, However certain items of income and expenditure are recognized as and when they are incurred, ascertained or settled, i.e.
- i) Additional demand for taxes arising on completion of assessments are accounted for as and when determined as payable.
  - ii) Refunds on account of excise duty, custom duty, income tax, VAT and insurance claims are accounted for on settlement.
  - iii) Customer claims, recoveries, liquidated damages and penal interest for delay in execution of the contracts are provided for as and when settled.
  - iv) Ex-Gratia payments to employees are accounted for as and when incurred.
  - v) The claims for price escalation on sales are accounted for on settlement.
  - vi) Expenditure on warranty and guarantee of satisfactory performance of equipments is accounted for when incurred.

**II Use of estimates**

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

**III Property, Plant and Equipment (PPE) & Investment property**

Investment properties are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the cost of the Property, Plant and Equipment.

**Depreciation**

- a) The depreciation on property, plant and equipment and Investment property is provided on written down value (WDV) method at the rates determined after taking into account the prescribed useful life for respective class of assets which is in line with Schedule II of the Companies Act, 2013. The property, plant and equipment amounting to Rs. 5000/- or less individually purchased during the year are depreciated at the rate of 100%. Residual value has been taken as 5% of original cost of said assets or WDV as on 31.3.2014 whichever is lower except those valued at Rs. 5,000/- or less individually. The estimated useful lives of assets are as mentioned below:

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

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

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

**Impairment:**

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

**IV**

**Intangible Assets**

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

**V**

**Borrowing Costs:**

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

**VI**

**Cash and Cash Equivalents**

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

**VII**

**Valuation of Inventories:**

- a) Inventories are valued at the lower of cost or estimated net realizable value. Inventories are valued according to FIFO method of valuation.  
 b) Cost of Work in process includes cost of material plus direct labour.  
 c) Cost of Finished sub assemblies includes cost of material plus overheads apportioned on the basis of actual stage of completion as at year end.  
 d) Finished goods are valued at lower of cost or net realizable value.  
 e) Goods received after the cut off date (for physical verification as at the year end) and goods for which the documents are retired are included in goods in transit.  
 f) Any Shortage/excess in Raw Material detected at the time of physical verification is included in consumption of goods.  
 g) Purchases and inventories are valued at cost excluding eligible GST.  
 h) Provision for obsolete inventories is reviewed periodically and provided for as per the assessment of management.

**VIII**
**Revenue Recognition**

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

**Sale of Goods**

Revenue from sale of goods is recognized when the company has transferred to the buyer the significant risks and rewards of ownership of the goods and the company retains neither ownership nor effective control over the goods sold;

**Services**

Revenue from services are recognized as and when they are rendered based on agreements/arrangements with the respective parties and recognized excluding eligible GST (ITC).

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. For AMC contracts, revenue is recognized on completion of specific periods or as specified as per terms of the contract with the customers.

Interest Income on Bonds will be recognised when it becomes reasonably certain that consideration amount will be realised.

**IX**
**Government Grants**

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

**X**
**Transactions in Foreign currency**

Foreign currency transactions are recorded at the exchange rate prevailing at the time of transaction. At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are converted at exchange rate prevailing at the year end. Resultant loss/gain is charged to Statement of Profit and Loss. When the transaction is settled within the same accounting period as that in which it occurred, all the exchange difference is recognized in that period as per IND AS 21.

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

**XI**
**Employee Benefits**
**a)**

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

**b)**
**Post Employment Benefits**
**i)**

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

**ii)**

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

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

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

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



**XII Income Tax**

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. In accordance with IND AS 12 "Income Taxes" the company reviews the carrying amount of a deferred tax asset at the end of each reporting period and reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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

**XIV Earnings per share**

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

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

**XV Provision, Contingent Liabilities and Contingent Assets**

- a) A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- c) A Contingent Asset is not recognised, however it is disclosed where an inflow of economic benefit is probable as per IND AS 37

**XVI Classification of Current / Non Current Assets**

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

**XVII Financial Instruments**

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

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

**Measurement:** Financial assets and financial liabilities which are material are measured at Fair value/Amortised cost (using the effective interest rate method) based on their nature and contractual arrangements entered into, in accordance with Ind AS 109, unless specified otherwise.

SR. VC & M.D.

DIRECTOR

CFO

C.S

AM-FINANCE

**PUNJAB COMMUNICATIONS LIMITED**

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

		I	II
a)	Name of the Subsidiary	<b>Punjab Digital IndustrialSystem Ltd.</b>	<b>PCL Telecom Ltd.</b>
b)	Reporting period	Under Winding up process	Dissolved
c)	Reporting Currency and Exchange rate as on last date of relevant Financial year in case of foreign subsidiaries.	NA	Refer Note 2 below
d)	Share Capital	Refer Note 1 below	
e)	Reserves & Surplus	Refer Note 1 below	
f)	Total Assets	Refer Note 1 below	
g)	Total Liabilities	Refer Note 1 below	
h)	Investments	Refer Note 1 below	
l)	Turnover	NIL	
j)	Profit before taxation	NIL	
k)	Provision for taxation	NIL	
l)	Profit after taxation	NIL	
m)	Proposed Dividend	NIL	
n)	% of Shareholding	100	

**Notes:**

- 1 M/s Punjab Digital Industrial Systems Ltd (PDISL), the fully owned subsidiary, has been ordered to be wound up by the order of Hon'ble Punjab & Haryana High Court vide order dated 20/02/2009. The company has filed its statement of affairs with the Official Liquidator appointed by the said court and all books of accounts/records and store items have been handed over to him. A provision of Rs. 40.35 lacs towards expenses incurred by the company on their behalf, Rs. 4.55 Lacs in Sundry Debtor's and Rs.24.79 lacs being investment in PDISL has been kept in the accounts of holding company.
- 2 PCL Telecom Ltd, another subsidiary company, which was ordered to be wound up by the Hon'ble Punjab and Haryana High Court vide its order dated 20th October 2005, has been dissolved and accordingly written off in books of accounts

In terms of our separate report of even date.

For and on behalf of the Board of Directors

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

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

**NEENA SINGH**  
DIRECTOR  
DIN:00233352

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

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

**MADHUR BAIN SINGH**  
COMPANY SECRETARY

**NEHA KAUSHIK**  
AM- FINANCE

PLACE: S.A.S. Nagar (Mohali)  
DATE: May 16, 2019

**PUNJAB COMMUNICATIONS LIMITED**

CIN No: L32202PB1981SGC004616

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

	(Amount ₹ In Lacs)	
	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March 2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	-294.62	-381.21
Adjustment for :-		
Depreciation & Amortization	54.62	60.88
Long term Provision for Employee Benefits	96.46	84.97
Short term Provision for Employee Benefits	5.68	6.13
Amounts written back	—	-0.77
Interest & other financial expenses	31.69	9.91
Profit on sale of fixed assets	—	-2.09
Interest/Rental Income	-933.06	-858.01
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	-1,039.24	-1,080.19
Adjustment for :-		
Trade and Other Receivables	-881.99	-353.29
Inventories	-115.16	85.91
Trade and Other Payables	276.52	-126.72
Other current financial liabilities	1,578.30	-19.20
Other Non current liabilities	-3.32	-3.32
Other current liabilities	-26.66	31.40
Short Term Loans and Advances	34.90	-23.22
Other Financial assets	-173.83	117.40
Other Non Current Assets	-137.80	-66.52
Other Current assets	-4.38	8.92
<b>CASH FROM/(USED IN) OPERATIONS</b>	-492.67	-1,428.83
Income Tax Refund (Paid)	—	46.05
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	-492.67	-1,382.78
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-21.52	-59.63
Sale of Fixed Assets	—	2.30
Movement in Non- Current Financial Assets	1,085.61	423.29
Movement in Non Current financial Liabilities	3.30	-0.18
Long Term Loans and Advances	-33.07	-10.10
Interest/Rental Income	933.06	858.01
Other Bank Balances	-1,567.59	361.36
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	399.80	1,575.05
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-31.69	-9.91
Movement in Working Capital Borrowings	-188.82	138.99
<b>NET CASH FROM/ (USED) IN FINANCING ACTIVITIES</b>	-220.51	129.08
Net Change in Cash & Cash Equivalents (A+B+C)	-313.40	321.35
Cash & Cash Equivalents at the beginning of the year	416.03	94.68
Cash & Cash Equivalents at the end of the year	102.63	416.03

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

Date: May 16, 2019

SR. VC & M.D.

DIRECTOR

CFO

C.S.

AM-FINANCE

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

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

We have examined the attached Cash Flow Statement of Punjab Communications Limited for the period ended 31st March, 2019. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss account and Balance Sheet of the Company covered by our report to the members of the Company.

FOR GREWAL & SINGH  
CHARTERED ACCOUNTANTS  
FRN: 012322N

PLACE : S.A.S. Nagar (MOHALI)  
DATE : May 16, 2019

CA. HARCHARAN SINGH GREWAL  
PARTNER  
M No: 083692

**PUNJAB COMMUNICATIONS LIMITED**

CIN No: L32202PB1981SGC004616

**STATEMENT OF CHANGES IN EQUITY**

For the period ended 31<sup>st</sup> March, 2019

**A. EQUITY SHARE CAPITAL**

				Amount (₹ In Lacs)
As at 1st April, 2017	Movement during the year	As at 31st March, 2018	Movement during the year	As At 31st March, 2019
1204.80	—	1204.80	—	1204.80

**B. OTHER EQUITY**

S. No.	PARTICULARS	Reserves & Surplus					
		Security Premium Account	Capital Redemption Reserve	General Reserve	Deferred Govt. Grants	Retained Earnings	Total
(i)	Balance at the beginning of the reporting period (i.e.01/04/2017)	6909.03	400.79	895.93	0.77	-1671.51	6535.01
(ii)	Total Comprehensive Income for the Year	—					
	Remeasurement of Employee Benefits (Gratuity)	—				101.93	101.93
(iii)	Dividends	—					
(iv)	Transfer to Retained Earnings	—			-0.77	-483.14	-483.91
(v)	Any other change (to be specified)						
	<b>Balance at the end of the reporting period (i.e. 31/03/2018)</b>	<b>6909.03</b>	<b>400.79</b>	<b>895.93</b>	<b>—</b>	<b>-2052.72</b>	<b>6153.03</b>
(i)	Balance at the beginning of the reporting period (i.e. 01/04/2018)	6909.03	400.79	895.93		-2052.72	6153.03
(ii)	Total Comprehensive Income for the Year	—					
	Remeasurement of Employee Benefits (Gratuity)	—				-24.43	-24.43
(iii)	Dividends	—					
(iv)	Transfer to Retained Earnings	—			—	-270.19	-270.19
(v)	Any other change (to be specified)	—					
	<b>Balance at the end of the reporting period (i.e. 31/03/2019)</b>	<b>6909.03</b>	<b>400.79</b>	<b>895.93</b>	<b>—</b>	<b>-2347.34</b>	<b>5858.40</b>

SR. VC & M.D.

DIRECTOR

CFO

C.S.

AM-FINANCE

## INDEPENDENT AUDITORS' REPORT

To  
**The Members,**  
**Punjab Communications Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of **Punjab Communications Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2019**, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

We would like to draw the attention on the following matters :

- (i) Note 3 and 42(a) :Consequent upon the refusal of UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) to redeem the Bonds amounting to Rs. 698.74 Lacs (Face Value Rs. 700 Lacs) after completion of tenure of 18 months, the Company invoked the Government Guarantee through petition filed on 28<sup>th</sup> Nov, 2001 in the Hon'ble Lower Court, Chandigarh against UPCSMLF & UP State Government for the recovery of the aforesaid amount and the Hon'ble Lower Court passed decree in favour of the Company vide its order dated 30th January, 2004. UP State Govt, however, filed the Revision Petition against the Order of the Hon'ble Lower Court before the Hon'ble Punjab & Haryana High Court, Chandigarh, which ordered UP State Govt to deposit a sum of Rs.735.63 lacs (50% of the decretal amount). The aforesaid sum of Rs.735.63 lacs was released to the Company against furnishing of Bank Guarantee of equivalent amount on 22nd April, 2006.
- In pursuance to the Orders of the Hon'ble Supreme Court dated 19th January, 2015, the Company refunded the aforesaid sum of Rs 735.63 Lacs to the UP State Government on 26<sup>th</sup> July, 2018.
- UPCSMFL, is presently under liquidation and the Company has filed its claim with the Official Liquidator on 23<sup>rd</sup> May, 2016 at Kanpur.
- In view of the decree passed by the Hon'ble Lower Court, Chandigarh in favor of the Company and subsequent application for the execution of the decree (dated 30th January, 2004) filed before the Hon'ble Lucknow Court, on 30th January, 2016, the Company has reflected the value of investment in bonds at cost.
- (ii) Note 9 and 21: Balances are subject to confirmation.
- (iii) Accounting Policy 1(b) : Regarding certain items of income and expenditure which have been accounted for as and when these are incurred, ascertained or settled. The consequential Impact of deviations from the accrual basis of accounting in this regard, could not be ascertained.
- (iv) As per the information and explanations given to us, the company has been selected for Disinvestment by the cabinet committee on Disinvestment , Government of Punjab , but no final decision in this respect has been made during the financial year 2018-2019.

Our opinion is not modified on the matters mentioned at item (i) to (iv) hereinabove.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Other Matters**

In our opinion and to do the best of our knowledge, there is nothing to report hereunder.

#### **Report on Other Legal and Regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations in its financial position and its financial statements - Refer Notes 3, 35 and 38 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*For Grewal & Singh*  
Chartered Accountants

FRN: 012322N

**CA Harcharan Singh Grewal**

Partner

M. No. - 083692

Place: Chandigarh

Dated: May 16, 2019

**ANNEXURE – A TO THE INDEPENDENT AUDITORS’ REPORT**

**“ANNEXURE – A” TO THE INDEPENDENT AUDITORS’ REPORT FINANCIAL YEAR 2018-19**

1. (a) As per the information and explanations provided to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The company has a regular system of verification of fixed assets at the end of each year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Fixed assets were verified by the company and no discrepancy was noticed.
- (c) As per the information and explanations provided to us, the title deeds of immovable properties of the company are held in the name of company.
2. The company has a regular system of verification of the inventory at the end of each year which, in our opinion, is reasonable having regard to the size of the company. The inventory was verified and the discrepancies noticed on physical verification between physical stock and book records were not material and have been adequately dealt in the books of account.
3. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, we are of opinion that the company has not accepted any deposit in pursuance of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. We have broadly reviewed the books and account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 and is of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, during the current year, the company was not required to maintain cost records as per the provisions of Section 148(1).
7. (a) According to the information and explanations given to us and books and records as produced and examined by us are in accordance with generally accepted auditing practices in India and also based on management representation, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. Further, we report that no undisputed amount payable in respect to such statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, employees state insurance, income-tax, sales tax, service tax duty of customs, duty of excise, value added tax, cess, and any other statutory dues which have not been deposited on account of any dispute. However, the following demands have been raised in respect of disputed dues pending before various statutory authorities:

S. No.	Particulars	Tentative amount involved	Matter / Cases pending since	Forum where dispute is pending	Current Status / Reason for pendency
1	Excise and Custom Duty Demand	Rs.30.20 Lacs	FY 2002-03	Deputy Commissioner of Customs, New Delhi	Reply was submitted in 2002-03. Thereafter, no further communication(s) has been received.
2	Sales Tax Demand	Rs.14.85 Lacs	FY 2011-12	Sales Tax Appellate Tribunal, Andhra Pradesh	Appeal against the Sales Tax Demand for FY 2004-05 was admitted. Matter not listed for hearing yet.
3	Sales Tax Demand	Rs.16.77 Lacs	FY 2014-15	Ld. Senior Joint Commissioner, Salt Lake, Taxation Appellate Office, west Bengal	Appeal filed by the Company against the Sales Tax Demand for FY 2011-12, admitted by the Department.
4	Sales Tax Demand	Rs.14.67 lacs	FY 2015-16	Ld. Senior Joint Commissioner, Salt Lake, Taxation Appellate Office, west Bengal	Appeal filed by the Company against the Sales Tax Demand for FY 2012-13, admitted by the Department.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions or banks. We further report that the company

- has no debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit.
  10. According to the information and explanations given to us, no fraud by or on the company by its officers/employees has been noticed or reported during the course of our audit.
  11. The Section 197 read with Schedule V to the Companies Act, in relation to the managerial remuneration is not applicable to Government companies as per Notification No GSR 463E dated 5 June 2015.
  12. The company is a manufacturing company and not a chit fund or a Nidhi Company. Therefore, this clause is not applicable to the Company.
  13. The company transactions with the related parties are in compliance with section 188 and 177 of Companies Act, 2013 and the details have been disclosed in the financial statement as required by the Indian Accounting Standards and Companies Act, 2013 and amendments thereon.
  14. The company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.
  15. As per information and explanation provided to us, no such non cash transactions were entered into by the Company with Directors or persons connected with it.
  16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*For Grewal & Singh*  
Chartered Accountants  
FRN: 012322N  
**CA Harcharan Singh Grewal**  
Partner  
M. No. - 083692

Place: Chandigarh  
Dated: May 16, 2019



## ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

## "ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT FY 2018–19

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

We have audited the internal financial controls over financial reporting of Punjab Communications Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Grewal & Singh**  
Chartered Accountants  
FRN: 012322N  
**CA Harcharan Singh Grewal**  
Partner  
M. No. - 083692

Place: Chandigarh  
Dated: May 16, 2019

**PUNJAB COMMUNICATIONS LIMITED : FINANCIAL YEAR 2018- 19****REPORT ON DIRECTIONS u/s 143(5) of the Companies Act 2013**

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

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

*For Grewal & Singh*

Chartered Accountants

FRN: 012322N

**CA Harcharan Singh Grewal**

Partner

M. No. - 083692

Place: Chandigarh

Dated: May 16, 2019

**COMPLIANCE CERTIFICATE**

We have conducted the audit of accounts of **PUNJAB COMMUNICATIONS LIMITED** for the year ended **31.03.2019** in accordance with the directions/sub-directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

*For Grewal & Singh*

Chartered Accountants

FRN: 012322N

**CA Harcharan Singh Grewal**

Partner

M. No. - 083692

Place: Chandigarh

Dated: May 16, 2019

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PUNJAB COMMUNICATIONS LIMITED FOR THE YEAR ENDED 31 MARCH 2019.**

The preparation of financial statements of **Punjab Communications Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **16 May 2019**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Punjab Communications Limited** for the year ended **31 March 2019** under Section 143 (6)(a) of the Act.

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

Sd/-

(Punam Pandey)

Principal Accountant General  
(Audit) Punjab, Chandigarh

Place: Chandigarh  
Date: May 29, 2019

**BOARDS' REPORT**

Your Board have pleasure in presenting the Thirty Eighth Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2019 along with Independent Auditors' Report thereon and Secretarial Audit Report for the financial year under report.

Financial Results	Amount (₹ In lacs)	
	2018-19	2017-18
<b>Particulars</b>		
Gross Income	5411.98	4783.78
Total expenditure	5682.17	5266.92
Profit before tax	-270.19	-483.14
Profit/Loss after tax	-270.19	-483.14
Other comprehensive Income	-24.43	101.93
Total Comprehensive Income	-294.62	-381.21
Dividend	Nil	Nil
Paid up equity	1202.36	1202.36
Profit/Loss appropriated to General Reserve	0.00	0.00
Profit/ Loss Account	-2347.34	-2052.72
Reserves (Including Capital Reserves)	5858.40	6153.03
Net Property Plant and Equipment & Investment Property	531.84	564.94
Capital employed	7496.77	7694.97
Earning/Loss per share (in Rs.)	-2.25	-4.03
Cash earning/loss per share (in Rs.)	-1.67	-3.50
Book value per share (in Rs.)	58.74	61.19

**Web-link of Annual Return**

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

[www.puncom.com/?id=113](http://www.puncom.com/?id=113)

**Meetings**

During the year, four Board meetings were duly convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period as prescribed under the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulations") and SS-1 on Meetings of Board of Directors.

**Directors Responsibility Statement**

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility statement, it is hereby confirmed:

- That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019; the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, on a going concern basis; and
- That the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Frauds reported by Auditors u/s 143(12)**

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

**Declaration by Independent Director(s)**

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

**Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties:** Pursuant to MCA notification G.S.R. 463 (e) dated 05<sup>th</sup> June, 2015, our company, being a government company is exempted from the given requirement. However, the company has in place a nomination & remuneration policy covering the aspects as provided under Section 178(3) of the Companies Act, 2013.

**Explanations or comments by the Board on qualification(s), reservation(s) or adverse remark(s) or Matter of Emphasis are as follows:**

**Management Reply to Auditors' Remarks**

M/s Grewal & Singh, Chartered Accountants, was appointed as Statutory Auditors of the Company for the financial year 2018-19. Notes to accounts forming part of Annual Accounts are self- explanatory and exhaustive to the remarks of Auditors in their report dated 16<sup>th</sup> May, 2019.

1. The Company had invested a sum of Rs. 698.74 Lacs (Face Value Rs. 700 Lacs) net of commission amounting to Rs.1.26 lacs in the Bonds of UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) for a tenure of 18 months, which was duly guaranteed by the UP State Government. The Company approached UPCS MFL for redemption of bonds on due date i.e 20<sup>th</sup> Dec, 1999. Upon failure of UPCS MFL to redeem the bonds on due date, the Company invoked the aforesaid Government Guarantee through petition filed on 28<sup>th</sup> Nov, 2001 at Lower Court, Chandigarh against UPCS MFL & UP State Govt. for recovery of the aforesaid amount and the Hon'ble Lower Court passed decree in favour of the Company vide its order dated 30<sup>th</sup> January, 2004. In the meantime, UP State Govt, filed the Revision Petition against the order of lower court at Hon'ble Punjab & Haryana High Court, Chandigarh, which ordered UP State Govt to deposit a sum of Rs.735.63 lacs (50% of the decretal amount). The aforesaid sum of Rs.735.63 lacs was released to the Company against furnishing of Bank Guarantee of equivalent amount on 22<sup>nd</sup> April, 2006.

In the meantime, UP State Govt filed appeal against the aforesaid order of the Hon'ble Punjab & Haryana High Court with the Hon'ble Supreme Court through SLP. The Hon'ble Supreme Court vide it's order dated 19<sup>th</sup> January, 2015 directed the company to refund the aforesaid sum of Rs 735.63 Lacs to the UP State Government. In compliance with the aforesaid orders of the Hon'ble Supreme Court, the company refunded Rs. 735.63 Lacs by allowing the Hon'ble Court to invoke the Bank Guarantee of the equivalent amount submitted to the court.

UPCSMFL, is presently under liquidation and the company has filed it's claim with the official liquidator on 23<sup>rd</sup> May, 2016 at Kanpur.

In view of the decree passed by the Hon'ble lower Court Chandigarh in favor of the company and subsequent application for the execution of the decree dated 30<sup>th</sup> January, 2004 filed before the Hon'ble Lucknow Court, on 30<sup>th</sup> January, 2016, the company has reflected the value of investment in bonds at cost. Further, the principle amount of bond is fully guaranteed by the UP State Government, but due to the protracted litigation the time of recovery is indeterminable.

The Company has not recognized accrued interest, keeping in view uncertainty involved in the matter of realization of interest due to litigation. The same is in conformity with applicable IND AS, which allows recognition of revenue only when it is probable that the economic benefits associated with the transaction will flow to the entity. Also, refer note: 3 and 5 of financial statements. [Refer Key Audit Matters Para (i) of Independent Auditor's Report]

2. Regarding the matter of balance confirmations w.r.t to Note 9 & 21 of financial statements, the company has sent balance confirmation letter to all parties requesting them to confirm the balances within 15 days of the receipt of the letter, falling which the balance will be presumed to be correct. The company has no other means of confirming the balances for which no response has been received except presuming them to be correct as per terms of letter. [Refer Key Audit Matters Para (ii) of Independent Auditor's Report].
3. Regarding accounting of certain items of income and expenditure as and when they have been incurred, ascertained or settled, the same have been accounted for as per disclosures made in Note 1 Significant Accounting Policies Point 1(b) being followed consistently. Refer Key Audit Matters Para (iii) of Independent Auditor's Report]
4. Regarding selection of Company for disinvestment by Cabinet Committee on Disinvestment, Government of Punjab in 2003, we are to inform that till date the company has not received any final decision in respect of Disinvestment during FY 2018-19. However the selection of company for disinvestment is the sole discretion of Punjab Information and Communication Technology Corporation Limited (a Punjab State Govt. Corporation). Recently, the Directorate of Public Enterprises and Disinvestment, Government of Punjab has through advertisement invited the applications for post of Global/Transaction Advisor for Puncom Disinvestment. [Refer Key Audit Matters Para (iv) of Independent Auditor's Report]

**Management's reply to Secretarial Auditors' Remarks**

There is a qualification/reservation made by the Secretarial Auditor, M/s S.K. Sikka & Associates, Company Secretaries in his report regarding the disturbance in the composition of audit committee of the company due to resignation of one independent director causing intermittent vacancy which was filled up after three months, thus

resulting into disturbance in the composition of Board of the company too.

In this regard, the Management of the company has approached the various professionals and experts and offered to join the Board as Independent Directors. Consequently, Independent directors were duly appointed as on 26.09.2018 in compliance with the provisions of Companies Act, 2013 & Listing Regulations, 2015.

However, the company was complying with all the provisions as at the end of the year under report. Further, the Management ensures to comply with all the rules & regulations as applicable, in future with the true spirit of corporate governance.

**Particulars of Loans and Guarantees under Section 186 of the Companies Act, 2013**

The particulars with respect to Loans and Guarantees under section 186 of the Companies Act, 2013: **NIL**

**Particulars of Related Party Transactions**

**Under Companies Act, 2013:** Puncom has not entered into any Related Party Transaction as per the provisions of section 188(1) of the Companies Act, 2013 during the financial year under report. The required form AOC-2 has been appended as **Annexure 1** to this report.

Further, the disclosures related to Related Party Transactions are also detailed in Note-12 and Note-40 of Notes to Accounts of Financial Statements for the year ended 31<sup>st</sup> March, 2019. There are no materially significant related party transactions which have potential conflict with the interest of the Company.

**Under Regulation 34(3) of Listing Regulations, 2015:** Puncom has not entered into any Related Party Transaction as per the Listing regulations and the disclosures as per Schedule V of the said regulations are as follows:

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

There are no transactions of the company with any person or entity belonging to promoter/promoter group holding 10% or more shareholding in company during the financial year under review.

**State of the company's affairs**

The Company is consistently showing a growth in its sales turnover from last two years. This year too the company has shown an increase in its business for V-Mux and Power Plant which are required by Railways for its OFC Projects. The Company has executed big projects during the year thereby showing an increase in its business through execution of turnkey projects for Indian Railways, Power utilities etc. Keeping in view the slight decline in requirement of PLCC equipment by power utilities this year, Puncom has done fairly well to maintain its share in the market. Despite being intense competition from various companies in the field including MNC's, Puncom has been able to show a good increase in its business. This could be achieved by working out strategies on case to case basis against the tenders. Puncom products and services have been very well appreciated by the customers over the years mainly because of maintaining high quality standards and providing prompt and efficient after sales service.

With the overall well co-ordinated efforts, the company has shown an increase of 15% in its sales turnover in FY 2018-19 over the previous year. Puncom is placed at a turnover of Rs. 4466.05 Lacs in the Financial Year 2018-19.

**Corporate Plan/ Market Scenario of our products**

Puncom has made substantial efforts to increase market share of its PLCC products during last year. Puncom made efforts to bid for SDH & PDH tenders from power sector through tie-up with established SDH manufacturers as well as to increase market share of V-Mux in Railways.

Puncom is executing OFC and PLCC turnkey projects for railways and power sector. Puncom has extensive strengths to execute indoor OFC works. However, since most of the railway tenders now are being floated after clubbing both indoor and outdoor OFC works, Puncom is making efforts to strengthen its resources for executing such works as well. This would help Puncom in improving its market share in Railways besides the sales turnover. In last year Puncom received good orders from railways for power plants also.

To further increase the market share of its products in railway and power sector networks, Puncom is offering its products to other equipment installers for executing their turnkey projects. This helps in improving sales turnover and also increases the presence of Puncom make equipment in these networks.

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

Puncom is making continuous efforts to add new products to increase its product mix by way of tie-ups with other companies and through in-house re-engineering of existing products and new developments. In this direction Puncom got the RDSO type approval for in-house developed new product called Telephone Integrated Power Supply System for station (TIPSS). In the coming years it will contribute in improving sales turnover. Puncom is also looking for opportunities to provide services through tie-up with other companies involving installation, erection and commissioning work.

### Telecom Scenario in India and Puncom approach

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

Large scale upgrade of main telecom network and IT in general is also changing the work environment and catalysing other segments like power, railways, defence, government, agriculture, security, education etc to upgrade their networks and work processes and are generating new business opportunities. New areas of network and information security, renewable energy, green and clean technologies, information access and automation etc are becoming increasingly important and are emerging as new growth segments. The government plans for setting up digital villages by making huge investment. The main objective of digital villages is to transform rural villages of India into smart villages through use of ICT applications. This will create employment opportunities for rural people by way of promoting the IT/ITeS industry. It will generate new business opportunities for telecom equipment manufacturers.

Historically, Puncom has been deriving its revenue mainly from Power, Railway and BSNL segments. Unfolding telecom and industrial scenario however foresees increased role of new revenue streams from emerging growth segments. Puncom is monitoring these emerging trends and is on look out for appropriate opportunities for sustenance and growth and preparing itself to meet the emerging challenges in the changing environment

### Reserves

Due to losses in the current year, no amount was carried over to Reserves and Surplus. Instead, the reserves have been utilized to the extent of Rs. 294.63 lacs.

### Dividend

Due to losses in the current year, the Board of Directors of your Company have not recommended any dividend for the Financial Year 2018-19.

### Material changes and Commitments after the close of the financial year

The particulars with respect to Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year i.e. 31<sup>st</sup> March, 2019 till the date of this report i.e. 9<sup>th</sup> August, 2019 under Section 134(3)(l) of the Companies Act, 2013 are: **NIL**.

### Conservation of energy, technology absorption and Foreign Exchange Earnings and Outgo:

#### a) Conservation of Energy

- i) Steps taken & impact on conservation of energy:

##### Steps taken:

We have continued with the practice of switching off the supply to the areas where the normal lights are not required or where the production work is not taking place. There are approximately 3000 tube lights in our building-B-91, which we are slowly and steadily changing to LED tubes.

##### Impact:

The consumption has reduced due to the above measures taken.

- ii) Steps taken for utilizing alternate sources of energy:  
The system is in place for alternate sources of energy.
- iii) Capital investment on energy conservation equipments : **NIL**

#### b) Technology Absorption

- i) Efforts made towards technology absorption:  
Efforts are made from time to time towards technology absorption, adoption and innovation.
- ii) Benefits derived:  
Company is able to achieve significant cost reduction and improvement in the products and generate new markets; and as a result is able to strengthen its position in its market segments.
- iii) Technology imported (during the last three years) : **NIL**  
 Details of technology imported : **N/A**  
 Year of Import : **N/A**  
 Whether the technology has been fully absorbed : **N/A**  
 If not absorbed, areas where absorption has not taken place and reasons thereof : **N/A**
- iv) Expenditure incurred on Research and Development

(₹ In Lacs)

Particulars	2018-19 Current Year	2017-18 Previous Year
Capital	NIL	NIL
Recurring	NIL	NIL
Total R&D expenditure as a percentage of total turnover	NIL	NIL

**c) Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo during the financial year 2018-19 in terms of actual inflows and actual outflows is given as follows:

Particulars	2018-19 Current Year	2017-18 Previous Year
<b>EARNINGS</b>		
F.O.B Value of Exports	NIL	NIL
<b>OUTGO</b>		
i) CIF Value of Import of Raw Materials	278.35	280.11
ii) Components & Spares	0.00	0.00
iii) Capital Goods	0.00	45.53
iv) Repair & Maintenance (P&M) imports	2.80	1.48
v) Foreign travel & others	NIL	NIL

**Risk Management Policy**

The Risk Management structure conforms to the requirements of Regulation 21 of Listing Regulations. An integrated risk management system identifies, monitors and manages Puncom's risks. The Audit Committee of the Board provides the overall policy guidelines. The requirement of establishing Risk Management Committee is not applicable to our company. However, the Risk Management Policy is still in place and was amended to incorporate the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (LODR).

**Corporate Social Responsibility**

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

**Composition of Committees of the Board**

Composition of Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee is mentioned in the Corporate Governance report annexed herewith.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations and subsequent government notification G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015, the Board evaluation procedure is not applicable on us (exempted to Govt. Cos.), however there is a system in place for evaluation of performance of the Board, its committees and individual directors.

The Nomination and Remuneration Committee considered the exemption provided to the Government companies and decided to take the benefit of the exemption. As a result, Committee decided to not to evaluate the performance of the KMP's and senior management/HODs during Financial Year 2018-2019 except w.r.t. appointment of senior management and other employees. The performance of Independent Directors was evaluated by the entire Board (except by the Director being evaluated) in their 198<sup>th</sup> Meeting held on 16<sup>th</sup> May, 2019.

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

**Change in the nature of business**

During the year 2018-2019, there was no significant change in the nature of Business of the Company. The company only expanded its operations as per the amended Objects Clause of the Memorandum of Association of the Company.

**Directors and Key Managerial Personnel**

Following changes in the constitution of Board of Directors took place during the year under review upto 9<sup>th</sup> August, 2019;

CA Rajat Agarwal, IAS (DIN:07973901) has been appointed as Additional Director on the board w.e.f. 25<sup>th</sup> April, 2018. Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICT/SECTL/447 dated 25<sup>th</sup> April, 2018 nominated CA Rajat Agarwal, IAS as Sr. Vice-Chairman. Further, Puncom vide Resolution by Circulation dated 27<sup>th</sup> April, 2018 formalized the above said appointment as Sr. Vice Chairman of Puncom. Subsequent to that, CMA J.S. Bhatia (DIN: 02554023) has been appointed as Additional Director of our company w.e.f. 24<sup>th</sup> May, 2018.

Further, Smt. Vini Mahajan, IAS (DIN: 06943948) has been appointed as Additional Director on the board w.e.f.10<sup>th</sup> August, 2018. Punjab Information and Communication Technology Corporation Ltd. vide their letter No. PICT/SECTL/2031 dated 24<sup>th</sup> August, 2018 nominated Smt. Vini Mahajan, IAS as Chairperson w.e.f 10<sup>th</sup> August, 2018. Further, Puncom vide Resolution by Circulation dated 16<sup>th</sup> August, 2018 formalized the above said appointment as Chairperson of Puncom.



Thereafter, the appointment of CA Rajat Agarwal, IAS as Sr. Vice Chairman, Smt. Vini Mahajan, IAS as Chairperson and CMA J.S. Bhatia as Director of the Company was regularized in the 37<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September, 2018.

Sh. S. P. Singh, IAS (Retd) (DIN: 00297745) and Sh. Moti Ram Sharma (DIN: 08250388) have been appointed as Additional Director in the category of Independent Director on the Board vide Resolution by Circulation dated 26<sup>th</sup> September, 2018.

**Details of Puncom’s Subsidiaries**

**Companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the financial year:** The immaterial subsidiary of the company namely M/s PCL Telecom Limited was ordered by the Hon’ble Punjab and Haryana High Court to be wound up on 20<sup>th</sup> October, 2005, the jurisdiction of which was later on transferred from respective high court’s to respective NCLT/ NCLAT as per new provisions of Company Act, 2013. Subsequent to this, the companies were dissolved after compiling with certain procedure. Accordingly, PCL telecom Ltd. who stands “dissolved” as per the status available on MCA portal.

**Details of present subsidiary-** Puncom has other immaterial subsidiary, namely M/s Punjab Digital Industrial Systems Limited which also has been ordered by the Hon’ble Punjab and Haryana High Court to be wound up on 20<sup>th</sup> February 2009. All the formalities in this regard for the company has been completed. However, it is pertinent to point out that with the existence of National Company Law Tribunal (NCLT) / National Company Law Appellate Tribunal (NCLAT), the winding up case has been transferred from Hon’ble Punjab & Haryana High Court to NCLT / NCLAT. The National Company Law Tribunal (NCLT) is yet to issue the dissolution order in respect of subsidiary company namely M/s Punjab Digital Industrial Systems Limited.

**Deposits**

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

**Details of significant and material orders passed**

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

**Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. A report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, as given by the Statutory Auditors of the Company, forms part of the Independent Auditor’s Report as Annexure B.

**Non-maintenance of Cost Records**

The disclosure with respect to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly no such accounts and records are made and maintained.

**Disclosure relating to Remuneration of Directors and KMP:**

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

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

S. No.	Name of the Director	Median Remuneration of employees (Rs. In lacs)	Ratio
1.	Sh. Vikas Pratap Singh (IAS)	9.47	NIL
2.	Sh. Jagdeep Singh Bhatia	9.47	3:10

- b) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year : There are only two KMP covered under this and they are Sh. Jagdeep Singh Bhatia, CFO and Sh. Madhur Bain Singh, CS having increase of 2.50% and 8.22% respectively.
- c) Percentage increase in the median remuneration of employees in the financial year 2018-19 : **4.07%**
- d) Number of permanent (regular) employees on rolls of the Company as on 31/03/2019 : **214**
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is equivalent to the rate of inflation declared by state for the purpose of D.A. The Company, being Public Sector Undertaking (PSU) of Punjab follows applicable pay-scales uniformly for all its employees as per the respective designation and tenure of employee with the company.
- f) Affirmation that the remuneration is as per the remuneration policy of the company : Yes

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

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

Sr. No	Name	Designation	Remuneration received (in ₹)	Nature of employment (whether contractual or otherwise)	Qualifications and Experience	Date of commencement of employment	Completed Age (in yrs)	Last employment held	Percentage of equity shares held	Whether relative of any director or manager if so, name of such director/manager)
1	Sh. Jagdeep Singh Bhatia	DVP	31,16,184	Regular	BCOM, ICWAI; Over 31 yrs	01.07.88	54	CDIL	Nil	No
2	Sh. Rupinder S Mainee	AVP	27,26,104	Regular	BSc & MBA; Over 33 yrs	09.03.89	53	Delta Hamlin Ltd.	Nil	No
3	Mrs. Namita Sharma	GM	22,12,435	Regular	BE; Over 25 yrs	17.11.93	47	Nil	Nil	No
4	Mrs. Raminder Kaur	Adtl. GM	19,76,788	Regular	BE(Electronics) and PGDOM Over 26 yrs	08.07.93	46	Nil	Nil	No
5	Mrs. Amardeep Kaur	DGM	18,27,598	Regular	BE (Electronics); Over 25 yrs	05.10.93	50	Nil	Nil	No
6	Sh. Sanjay Garg	DGM	17,43,496	Regular	MSc (Physics); Over 27 yrs	23.09.91	53	The Oriental Apparatus Workshops	Nil	No
7	Sh. Raman Kumar Sharma	AGM	17,39,483	Regular	BE(CS) & MBA (Marketing); Over 22 yrs	02.09.96	45	Nil	Nil	No
8	Sh. Kapil Kumar	AGM	16,06,662	Regular	MCA Over 22 yrs	10.02.97	46	Nil	Nil	No
9	Sh. Madhur Bain Singh	Sr. Manager	16,97,707	Regular	MA (Geography) PGDCA, CS; Over 21 yrs	01.10.04	48	Global Knitfab Ltd.	Nil	No
10	Sh. Sudhir Dhand	Sr. Manager	16,09,934	Regular	B Tech. (ECE); Over 27 yrs	03.09.91	50	Nil	Nil	No

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

**Management Discussion and Analysis Report**

The Management Discussion and Analysis Report for the year under review as stipulated under the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Regulation 34(2)(e) of Listing Regulations is appended as **Annexure 2** and is an integral part of this report.

**Corporate Governance Report**

The Corporate Governance Report for the year under review as stipulated under the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended as **Annexure 3** and is an integral part of this report.

**Secretarial Audit Report**

The Board pursuant to the provision of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s S.K. Sikka & Associates, Company Secretaries, having Membership No. FCS 4241 to conduct Secretarial Audit for the Financial Year 2018-19. M/s S.K. Sikka & Associates, Company Secretaries has carried out the Secretarial Audit for the financial year ended March 31, 2019 and the Secretarial Audit Report in Form No. MR-3 is annexed herewith this report as **Annexure 4** and forms part of the report.

**Compliance with applicable Secretarial Standards**

The Company has duly complied with all applicable secretarial standards as issued by ICSI during the year under review.

**Sexual Harassment of Women at Workplace: Internal Committee**

In compliance with the provisions of Section 21 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, the Company has constituted Internal Complaints Committees (ICC). During the year, No complaint with allegations of sexual harassment has filed with the Company.

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

**Cautionary Statement**

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

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

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

**Acknowledgement**

The Board places on record its gratitude to various State Transmission Corporations, Department of Railways, PGCIL and other esteemed customers in India and abroad. The Board also places on record its gratitude to various banks associated with the company especially IndusInd Bank & Allahabad Bank for their keen interest in the affairs of the company, continuous help and co-operation for successful working of the Company. The Board also places on record its gratitude to the Punjab Information Communications and Technology Corporation Limited (PICTCL), the Holding Company, for its guidance and support.

The Board also places on record its appreciation for continuous support and amicable relations with various government authorities' viz. Income Tax Department, Goods and Services Tax Department, Excise and Customs Department, PF & Labour Department and MCA (ROC, Chandigarh), etc.

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

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

For and on behalf of the Board of Directors

Place: S.A.S. Nagar

Date: : August 9, 2019

**(VINI MAHAJAN), IAS**  
CHAIRPERSON

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

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

**Form No. AOC-2**

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

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

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

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

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

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

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

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**MANAGEMENT DISCUSSION & ANALYSIS REPORT**


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**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Punjab Communications Limited (Puncom), a premier Telecom and IT company was incorporated in the year 1981 by the Punjab Govt. for giving fillip to the Electronics and Telecommunication industry in the region. The company came up with a public issue in October, 1994. Despite high premium, the issue was heavily oversubscribed. The company achieved a record Turnover of Rs.157cr. during the year 2001-2002, when its net worth was Rs.181 cr.

Thereafter the turnover of the company was adversely affected due to industry wide shift from landline based narrowband communication to wireless and broadband. Realising this, the company made attempts to broaden its customer and product base through tie-ups with foreign companies including Huawei Technologies of China for supply of DWDM equipment. Simultaneously, for improving bottom line, the company went about developing its core markets of railways and power sector with own products. The company is developing a new system for railways for communication between control offices and way stations. The company is on look out for additional partners for new products and services for new markets

**OPPORTUNITIES AND THREATS****Opportunities**

- Continuing growth rate in mobile and broadband networks and its deeper penetration into rural and other tertiary areas continues to provide business opportunities in telecom segment.
- Growth of telecom and IT is prompting related growth in niche markets of power, railways, defence, government etc for telecom and IT equipments.
- Newer areas of security, New & Renewable energy, Digital India, Digital villages, Smart cities, Green and clean technologies, etc, provide new business opportunities to penetrate/invest into new segments.
- India, with its vast and vibrant economy and deeper integration with global markets, is moving up the value chain and is in the process throwing up large requirements of cost optimized high tech products in telecom and IT domains. This is providing new opportunities and markets for domestic industry.
- Puncom being a PSU, Government can give preferential benefits to Puncom.

**Threats**

- Continuously evolving market place increases product churn and reduces timelines. This increases business risks and puts pressure on companies to continuously innovate and explore investments into new markets and products.
- Policy framework and a perceived purchaser biasness in India results into skewed playing field in favour of MNCs which Indian telecom manufacturers find difficult to match.
- Continuing uncertainty of disinvestment and other issues is affecting morale and operational difficulties in the functioning of the company.

**Segment Reporting**

Puncom is engaged in the business of manufacturing of telecom products and these activities are covered by same set of risk and returns. Sales have been grouped as single segment in the accounts as per Ind AS 108- Operating Segments as issued by Ministry of Corporate Affairs.

**FINANCIAL POSITION****a) Reserves and Surplus**

The Reserves of the company stands at Rs. 5858.40 Lacs as on March 31, 2019.

**b) Secured / Unsecured Loans**

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

**c) Property Plant and Equipment & Investment Property**

The gross block of fixed assets of the company increased from Rs. 5647.83 Lacs to Rs. 5669.35 Lacs in the current year.

**d) Investments**

Non Current Investments stand to the tune of Rs. 698.74 Lacs as on 31<sup>st</sup> March, 2019, being investment in bonds of UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL) in year 1998. Principal amount of Fixed deposits of the company have increased to Rs. 6541.91 Lacs against Rs. 5952.53 Lacs in the previous year. Fixed deposits include an amount of Rs. 3010.21 Lacs received by Company through encashment of Bank Guarantee on non-renewal submitted by VMC Systems Ltd. Fixed deposits having

maturity period of more than one year from Balance Sheet date are classified as Non-Current Financial Assets.

**e) Inventories**

Total inventory has increased from Rs. 1172.23 Lacs as at 31.03.2018 to Rs. 1287.39 Lacs as at 31.03.2019.

**f) Receivables**

Receivables are Rs. 2776.61 Lacs as at 31.03.2019 as compared to Rs. 1894.62 Lacs as at 31.03.2018, resulting an increase of Rs. 881.99 Lacs on account of increased turnover. The debtors are considered to be good but there being some doubtful debts, provision to the tune of Rs. 3.08 Lacs has been made this year.

**g) Loans and Advances**

These consists of both long term and short term loans and advances and have decreased from Rs. 249.04 Lacs (re-grouped) as at 31.03.2018 to Rs. 247.22 Lacs as at 31.03.2019.

**h) Current Liabilities and Provisions**

Total current liabilities have been increased from Rs. 4245.99 Lacs as at 31.03.2018 to Rs. 5891.00 Lacs as at 31.03.2019. It includes an amount of Rs. 3010.21 Lacs received by company through encashment of Bank Guarantee submitted by VMC Systems Ltd.

**i) Other Current Financial Assets**

Other current financial assets mainly consist of accrued interest on fixed deposits having maturity of less than one year and money held in escrow account on behalf of VMC and its associate companies. These have increased from Rs. 549.87 Lacs as at 31.03.2018 to Rs. 723.70 Lacs as at 31.03.2019.

**OUTLOOK**

**Industrial Outlook**

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

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

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

The future of the industry lies in using broadband and mobile to find yet newer applications and constant technological innovations in most sectors of Industry and society.

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

- Make in India programs for all business segments especially railways, defence, power, telecom, networking, health, security, automation
- Digital India, Digi Gaons and related services
- Renewable and clean energy technologies.
- E-Commerce and e-governance.
- Smart cities, smart grid and smart metering
- Wireless broadband and cloud
- Network and Information Security.
- Water management and agriculture
- Automation using IoT
- EV and EV charging infrastructure

**Business Outlook**

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

## RISKS AND CONCERNS

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

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

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

## FINANCIAL REVIEW

### Operating Results

#### a) Sales

During the Financial Year 2018-19, the sales have increased from Rs. 3903.39 Lacs to Rs. 4466.05 Lacs which is approximately 15% jump over the sales for the previous year. The break-up of the sales on the basis of product and customer is as follows:

#### Product wise sales

Particulars	Amount (₹ in Lacs)	
	Sale Amount	Percentage Sale
PLCC	1254.77	28.10%
MUX	1035.43	23.18%
Power Plant & EPABX & Others	360.93	8.08%
Traded items	1413.39	31.65%
Services	390.88	8.75%
Training Income & Scrap Sale	10.64	0.24%
<b>TOTAL</b>	<b>4466.05</b>	

#### Customer wise sales

Particulars	Amount (₹ in Lacs)	
	Sale Amount	Percentage Sale
Power sector	1652.50	37.00%
Railways	2306.26	51.64%
Other customers	507.29	11.36%
<b>TOTAL</b>	<b>4466.05</b>	

#### b) Expenditure Analysis

##### i) Material Consumed

Material consumed during the year under review is Rs. 2363.14 Lacs as against Rs 1926.93 Lacs in the previous year due to increased production in current year. Material consumption consists of consumption of traded goods also.

##### ii) Manufacturing, Administrative & Selling expenses

Manufacturing expenses comprising of stores and spares, power and fuel, freight and installation expenses etc. increased from Rs. 164.96 Lacs to Rs. 292.76 Lacs in the current year. As a percentage of sales, these increased from 4.23% in the previous year to 6.56% in the current year. The Manufacturing expenses are increased incidentally due to increase in production.

Administrative expenses mainly comprising of traveling & conveyance, repair & maintenance, office electricity & water, rent, auditors expenses etc. increased from Rs. 295.36 Lacs to Rs. 320.86 Lacs. However as a percentage of sales these decreased from 7.57% in the previous year to 7.18% in the current year.

Selling and Distribution expenses comprising of advertisement and publicity, sales promotion expenses, packing & forwarding expenses and customer claims and recoveries have decreased from Rs. 78.77 Lacs to Rs. 62.04 Lacs in the current year. As a percentage of sales these decreased from 2.02% in the previous year to 1.39% in the current year.

Administrative, Selling & Distribution Expenses have decreased gradually due to economies of scale on account of enhanced turnover.

**iii) Amount written off / Provisioning**

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

	Amount (₹ in Lacs)
Provision for Slow Moving Stocks	12.12
Provision for Doubtful debts and advances	3.08
Amount written off	0.01

Thus the overall amount provided for in the accounts during the financial year 2018-19 is to the tune of Rs. 15.21 Lacs.

**iv) Personnel Cost**

The personnel cost decreased from Rs. 2595.05 Lacs to Rs. 2486.29 Lacs. During the FY 2017-18, past service cost was increased on account of change in gratuity ceiling from Rs. 10 Lacs to Rs. 20 Lacs as per amended provisions of Gratuity Act, 1972.

**v) Finance costs and Depreciation**

The financial charges increased from Rs. 9.91 Lacs in the previous year to Rs. 31.69 Lacs in the current year due to increase in financial cost on availment of loan against FDRs.

Depreciation decreased from Rs 60.88 Lacs to Rs. 54.62 Lacs during FY 2018-19. Further additions in the capital expenditure was booked to the extent of Rs. 21.52 Lacs during the current year.

**vi) Net Profit/Loss and Total Comprehensive Income**

During the current financial year, the company has incurred Net Loss before tax of Rs. 270.19 Lacs as against Net Loss before tax of Rs. 483.14 Lacs during the last year.

Total Comprehensive Income(+)/Loss(-) for the current financial year is Rs. - 294.62 Lacs in comparison to Rs. - 381.21 Lacs after considering impact of Other Comprehensive Income to the tune of Rs. -24.43 Lacs and Rs. 101.93 Lacs in current and previous year respectively.

**vii) Dividend**

Owing to inadequate profit, during the previous year, the Directors of the company do not recommend any dividend for the financial year 2018-19.

**ISO- 9001:2015 CERTIFICATION**

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

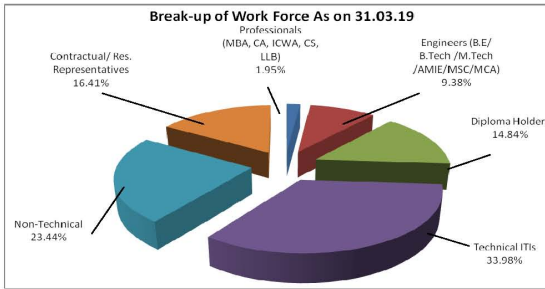
**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

**Human Resource Development**

The employees of Puncom are the backbone and this resource is very efficiently utilised. The company nurtures its employees through greater knowledge, opportunity, responsibility, accountability and discipline. All the policies concerning the employees are made with an objective of motivating the manpower and considering it as a significant resource for the company. Puncom is relatively renowned company with highly experienced and hardworking employees with an average age of 47 years.

Break- up of work force	As on 31.03.19
Professionals (MBA, CA, ICWA, CS, LLB)	05
Engineers (B.E/ B.Tech /M.Tech /AMIE/MSC/MCA)	24
Diploma Holders	38
Technical ITIs	87
Non-Technical	60
Contractual/ Res. Representatives	42
<b>Total</b>	<b>256</b>





Puncom is equipped with qualified and professional staff. The employees are groomed through effective system of assessment, performance appraisal, training, including sharing of knowledge through 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 in Engineer Campus, ATM, Leave/Home travel concessions, Internet facility, recreational activities, natural environment in the premises, parking facilities etc. Further, other benefits like medical allowance, conveyance loan etc. are also available to employees. Puncom frames its HR policies keeping in mind that human resource is core strength of the company. Good HR policies not only lead to contentment of employees by providing them with equal opportunities to grow but also help in achieving the laid down objectives effectively.

Safety and security of the personnel, assets, and the environmental protection are on top of the agenda at Puncom. The safety procedure of Puncom includes electrical safety, inherent process safety, control of substances hazardous to health, vehicle integrity check and loading and unloading operations. Puncom is consistently reviewing its safety measures and taking steps to improve them.

Puncom is conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment. Strict adherence to all regulatory requirements and guidelines is maintained at all times. The company has adopted approach to create pollution free environment by adopting required measures. The Company has also formed the various committees for effective disposal of scrap and waste. Disposal of scrap when handled in an imaginative manner can result in handsome returns to the company. Therefore, the puncom ensures the involvement of employees of the company in this process as they are naturally the best people to suggest improvements in materials, processes and new end users for scrap. Puncom believes that it is they who can minimize the accumulation of scrap through coordination. Being in telecom sector, Puncom is motivated towards E-waste management through co-ordinated efforts with various authorized agencies.

The company has also taken tasks of planting trees and maintaining lawns to make the factory dust free. Being an electronic industry, though it does not emit any air, water or noise pollutants yet the company is committed to make the environment healthy and pollution free. Even steps have been taken to control noise pollution by putting canopy on power generator.

**Industrial Relations**

Puncom firmly believes in the power of esprit de corpse and thus, provides its employees with congenial atmosphere to work as a cohesive team. The efforts of all the employees are synchronized and coordinated towards achieving common objectives. Further all employees are encouraged to participate in the decision making process. During the year 2018-19, the employee management relations remained cordial and positive.

**Significant changes in Key Ratios**

There are no significant changes i.e. change of 25% or more as compared to immediately previous financial year in Key Financial Ratios of the company during the Financial Year 2018-19. There is only an increase of 32.45% in Net Profit Margin as the losses for the financial year has gradually decreased by 44 % in current year.

**Change in Net Worth**

During the year, there is an increase of 19.49% in return on net worth for the financial year 2018-19 due to increase of 32.45% in Net Profit Margin of the Company for FY 2018-19.

**Disclosure of Accounting Treatment:**

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

**REPORT ON CORPORATE GOVERNANCE**

**1. Company's philosophy on Code of Governance**

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

**2. Board of Directors**

The present strength of the Board is eight directors; one executive director, Sh. Vikas Pratap, IAS, being Sr. Vice Chairman-cum-Managing Director, one whole-time director, CMA J.S. Bhatia, being employee of the Company and six non-executive directors, of which four are independent directors, who are professionals and/or have expertise in their respective functional areas. The Chairperson of the company is non-executive. The names and categories of present directors (as on 09<sup>th</sup> August, 2019) are given here below:

S. No.	Name	Directors' Identification Number	Category	Position in Board
1.	Smt. Vini Mahajan, IAS	06943948	Non-Executive, Nominee*	Chairperson
2.	Sh. Vikas Pratap, IAS	01129385	Executive, Nominee*	Sr.VC & M.D
3.	CA Rajat Agarwal, IAS	07973901	Non-Executive, Nominee*	Sr.Vice Chairman
4.	Sh. S. P. Singh, IAS (Retd)	00297745	Non-Executive,Independent	Director
5.	Sh. V. P. Chandan, IRSSE (Retd.)	00225793	Non-Executive,Independent	Director
6.	Smt. Neena Singh	00233352	Non-Executive,Independent	Director
7.	Sh. Moti Ram Sharma	08250388	Non-Executive,Independent	Director
8.	CMA Jagdeep Singh Bhatia	02554023	Executive (Wholetime)	Director

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

Following changes, in the constitution of Board of Directors, took place during the period under review upto 9<sup>th</sup> August, 2019;

CA Rajat Agarwal, IAS was appointed as Director in the capacity of Sr. Vice Chairman w.e.f. 25<sup>th</sup> April, 2018 by way of nomination by Punjab Infotech and Sh. CMA Jagdeep Singh Bhatia, CFO of the company was appointed as director of the Company w.e.f. 24<sup>th</sup> May, 2018.

The name/nomination of Sh. Rakesh Kumar Verma, IAS, was withdrawn by Punjab Infotech and accordingly he ceased to be the Chairman/Director on the Board of Puncom w.e.f. 10<sup>th</sup> August, 2018. In his place, Smt. Vini Mahajan, IAS was appointed as Director in the capacity of Chairperson by Punjab Infotech w.e.f. 10<sup>th</sup> August, 2018.

Sh. S. P. Singh, IAS (Retd) and Sh. Moti Ram Sharma have been appointed as Additional Director in the category of Independent Director on the Board w.e.f. 26<sup>th</sup> September, 2018.

**Board Procedure**

Four Board Meetings were held during the financial year under report as detailed below. The gap between two meetings did not exceed four months i.e., the schedule of Board Meetings held during the year was in consonance with the requirements of Listing Regulations and the meetings were conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1).

Board Meeting No.	Day	Date
194 <sup>th</sup>	Thursday	24 <sup>th</sup> May, 2018
195 <sup>th</sup>	Thursday	02 <sup>nd</sup> August, 2018
196 <sup>th</sup>	Monday	12 <sup>th</sup> November, 2018
197 <sup>th</sup>	Tuesday	12 <sup>th</sup> February, 2019

The attendance of Directors at Board Meeting(s) and General Meeting during the Financial Year 2018-2019 along with the number of Directorships held by them in other companies and number of Board Committees in which they are Chairman/Member at the end of financial year or as per the last disclosure given by them,

as the case may be, is given here below. This is being disclosed as per provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) and Listing Regulations.

Name	Attendance at Board Meeting(s)		Attendance at AGM (21-09-2018)	Number of Directorships in other Companies (as per last disclosure given to Company)**	Number of Committee Chairpersonship/ Membership	
	Entitled to Attend	Attended			Chair-person	Member
Sh. Rakesh Kumar Verma, IAS*	2	1	No	5	-	-
Smt. Vini Mahajan, IAS Chairperson	2	1	No	5	-	-
Sh. Vikas Pratap, IAS, Sr.VC & MD	4	4	No	5	-	-
CA Rajat Agarwal, IAS, Sr. VC	4	1	No	2	-	-
Sh. S. P. Singh, IAS (Retd), Director	2	2	No	1	-	-
Sh. V. P. Chandan, IRSSE, (Retd), Director	4	3	Yes	-	2	-
Smt. Neena Singh, Director	4	4	Yes	1	-	4
Sh. Moti Ram Sharma, Director	2	2	No	-	-	-
CMA Jagdeep Singh Bhatia, Director	3	3	Yes	1	-	2

\* Sh. Rakesh Kumar Verma, IAS, ceased to be the Chairman/Director on the Board of Puncom w.e.f. 10<sup>th</sup> August, 2018.

\*\*Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the names of other listed entities out of total no. of directorships along with category of directorship held by Directors of company is disclosed as below:

Name	Name of Other Listed Entities in which Directorships exists (as per last disclosure given to Company)	Category of Directorship
Smt. Vini Mahajan, IAS Chairperson	Punjab Alkalies and Chemicals Limited	Chairperson
Smt. Neena Singh, Director	Winsome Textiles Limited	Independent Director

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

Name of the Director	Designation	Relationship inter-se
Smt. Vini Mahajan, IAS	Chairperson	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
Sh. Vikas Pratap, IAS	Sr.Vice Chairman & Managing Director	Director nominated and appointed by holding company is related to other directors appointed by Holding company.
CA Rajat Agarwal, IAS	Sr. Vice Chairman	Director nominated and appointed by holding company is related to other directors appointed by Holding company
Sh. S. P. Singh, IAS (Retd)	Director	Independent Director
Sh. V.P. Chandan, IRSSE, (Retd)	Director	Independent Director
Smt. Neena Singh	Director	Independent Director
Sh. Moti Ram Sharma	Director	Independent Director
CMA Jagdeep Singh Bhatia	Director	being CFO of company, shares a professional relationship with the Sr. V.C & M.D of Punjab Communications Limited.

No shares or convertible instruments are held by non-executive directors.

**Independent Directors' Meeting:** In accordance with the provisions of Regulation 25(3) of the Listing Regulations, the meeting of Independent Directors during financial year 2018-2019 was conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors

(SS-1) on 13<sup>th</sup> March, 2019. Sh. V.P. Chandan, IRSSE (Retd.), Smt. Neena Singh, Sh. S. P. Singh, IAS (Retd) and Sh. Moti Ram Sharma attended the said meeting. The meeting was conducted for familiarization programme and training of Independent Directors, Review of performance of non-Independent directors and Board as a whole, Review of performance of the Chairman of the company and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The familiarization programme of independent directors is available at [www.puncom.com](http://www.puncom.com) and the web link for the same is as follows: <http://www.puncom.com/?id=105>

**A Chart or Matrix setting out the core skills/expertise/competence of the Board of Directors:**

The Board has identified the following skills/expertise/competencies fundamental for effective functioning of the company and which are currently available with the Board, thereby highlighting the area of expertise of Individual Board Members.

Particulars of skills/expertise / competencies	Areas of Expertise*								
	Smt. Vini Mahajan IAS	Sh. Vikas Pratap, IAS	CA Rajat Agarwal, IAS	Sh. S.P. Singh, IAS (Retd)	Sh. V.P. Chandan IRSSE (Retd.)	Smt. Neena Singh	Sh. M.R. Sharma	CMA J.S. Bhatia	
Corporate Governance Practices	✓	✓	✓	✓	✓	✓	✓	✓	
Corporate Planning & Strategy	✓	✓	✓	✓	✓	✓	✓	✓	
Administrative Skills	✓	✓	✓	✓	-	-	-	-	
Legal Expertise	-	-	-	-	-	-	✓	-	
Financial Expertise/ Banking	-	-	✓	-	-	✓	-	✓	
Technical Expertise/ Technology & Development	-	-	-	-	✓	-	-	-	
Leadership Skills	✓	✓	✓	✓	-	-	-	-	
Commercial Skills	-	-	-	-	✓	-	-	-	
Telecom Sector Domain	-	-	-	-	✓	-	-	-	

\*However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skill or qualification.

**Board's Confirmation on Independency of Directors:** The Board of Directors of the Company in their meeting held on 16<sup>th</sup> May, 2019 took note of declaration of independence by Independent Directors and is of opinion that the Independent Directors of the company fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

**3. Audit Committee**

The Audit Committee of the company presently comprises of Sh. V. P. Chandan, IRSSE (Retd.) as Chairman & Smt. Neena Singh and CMA Jagdeep Singh Bhatia as Members. The Constitution of Audit Committee meets the requirements as laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The duly constituted committee met four times during the Financial Year 2018-19 as per details given below:

Audit Committee Meeting No.	Day	Date
67 <sup>th</sup>	Thursday	24 <sup>th</sup> May, 2018
68 <sup>th</sup>	Thursday	02 <sup>nd</sup> August, 2018
69 <sup>th</sup>	Monday	12 <sup>th</sup> November, 2018
70 <sup>th</sup>	Tuesday	12 <sup>th</sup> February, 2019

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

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

S.No	Name	Category	Number of meetings entitled to attend	Number of Meetings attended
1.	Sh. V. P. Chandan, IR SSE(Retd.) Chairman	Independent/ Non Executive	4	3
2.	*CMA Jagdeep Singh Bhatia, Member	Executive (Whole time)	3	3
3.	Smt. Neena Singh, Member	Independent/ Non Executive	4	4
4.	CS Madhur Bain Singh, Convener	Compliance Officer	4	4

\* CMA Jagdeep Singh Bhatia, Director has been appointed as Member of the Audit Committee of Board of PUNCOM w.e.f. 02<sup>nd</sup> August, 2018.

**The terms of reference stipulated by the Board to Audit Committee are as contained in Listing Regulations & Section 177 of the Companies Act, 2013 as on 31.03.2019. The terms of reference stipulated are as follows:**

- Internal Control Systems
- Corporate Plans & Project-wise Analysis
- Delegation of Powers to VC & MD
- Status of Income Tax & Sales Tax Assessments
- Discussion on Internal Audit Report
- Income Tax Matters such as TDS, Returns, Disputed liability etc.
- Discussion on Personnel Policy
- Pending Audit Paras
- Appointment of Tax Auditor/Internal Auditors
- Review of Financial Results
- Financial Powers of MD
- Reports>Returns submitted to various bodies like Banks, Stock Exchanges, RBI etc.
- Discussion on Audit paras of AG Auditors in respect of Proprietary Audit
- Limited Review Report
- Post VRS manpower details
- Scrutiny of inter-corporate loans & investments
- Valuation of undertakings or assets of the company wherever necessary
- Recommendation for appointment, remuneration & terms of appointment of auditors of the company
- Approval or any subsequent modification of transactions of the company with related parties
- Review and monitor the auditor's independence and performance/and effectiveness of audit process
- Monitoring the end use of funds raised through public offers and related matters
- Other terms of reference/scope of Audit Committee shall be as notified by the appropriate authority from time to time or as directed by the Board of Directors of the Company from time to time.

#### **4. Nomination & Remuneration Committee**

The Nomination and Remuneration Committee (NRC) was reconstituted in the 186<sup>th</sup> Meeting of the Board held on 27<sup>th</sup> May, 2016 to comply with the provisions of the Listing Regulations. Presently, the committee comprises of Sh. V.P. Chandan, IR SSE (Retd.) as Chairman and Smt. Neena Singh & Sh. Moti Ram Sharma as member, all are Independent Directors. The composition of NRC is in consonance with Section 178(1) of Companies Act, 2013 and Regulation 19 of Listing Regulations, which require all members of NRC to be non-executive and atleast half of them to be Independent with the Chairman being an Independent Director. The committee met for the fourth time on 13<sup>th</sup> March, 2019 and the meeting was attended by Sh. V.P. Chandan, Smt. Neena Singh and Sh. Moti Ram Sharma. The Meeting was conducted in compliance with the procedural provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1).

**The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained under sub-section (2) & (3) of section 178 of the Companies Act, 2013 and Part D of Schedule II of Listing Regulations.**

The terms of reference stipulated are as follows:

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

**Performance Evaluation criteria for Independent Directors :** The performance of Independent directors is evaluated by the entire Board of Directors other than the director being evaluated, as per the criteria contained in Nomination, Remuneration & Evaluation policy of Puncom. The said policy is available at [www.puncom.com](http://www.puncom.com).

The Company have Nomination, Remuneration and Evaluation Policy in place. However, vide notification G.S.R 463(E) dated 5<sup>th</sup> June, 2015, our Company being a Govt. Company is exempt from the provisions of Section 178 regarding formal annual evaluation of performance of the Directors, Committees and the Board as a whole except w.r.t. appointment of senior management and other employees. Also, the NRC Policy is not required to be disclosed in the Annual Report.

#### 5. Details of Remuneration of Directors

The remuneration package and compensation for Directors (except for Sitting Fee), KMPs and Senior Officials shall be determined as per the service rules/pay scales/ terms and conditions of the appointment letter issued by/of the Company and the limits and statutory requirements as prescribed under the Listing Regulations, 2015 and Companies Act, 2013 and its Schedule from time to time.

- (a) **All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:**  
None of the non-executive directors are getting remuneration from the company except for the sitting fee which is within the prescribed limits.
- (b) **Criteria of making payment to non-executive directors:** Not applicable
- (c) **Disclosures with respect to Remuneration to Directors Under Schedule V (Part II)(Section II)(B)(iv)(IV) of the Companies Act, 2013 read with Schedule V (C)(5)(c) of Listing regulations:**
  - (i) **All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension, etc.:** Basic, DA, HRA, Medical Reimbursement, LTA, Conveyance, Driver Allowance, Retention allowance, Leave Encashment, PF and Gratuity
  - (ii) **Details of fixed component and performance linked incentives, along with the performance criteria:** Only Fixed Component is there and that is as per the terms and conditions of letter of appointment.
  - (iii) **Service contracts, notice period, severance fees:** as per Service Rules of the company and terms and conditions of the respective appointment letters.
  - (iv) **Stock option details, if any- and whether issued at a discount as well as the period over which accrued and over which exercisable:** NIL.

#### 6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in accordance with sub section (5) of section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations and the Committee is presently comprises of Sh. V.P. Chandan, IRSEE (Retd.), Non Executive Director as Chairman and Smt. Neena Singh & CMA Jagdeep Singh Bhatia as Members. During the Financial Year 2018-19, the Committee met on 24<sup>th</sup> May, 2018.

**The terms of reference as on 31.03.2019 mandated by your Board to this committee, which are also in line with the statutory and regulatory requirements as mentioned under Part D of Schedule II are:**

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

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

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

S.No	Name	Category	Number of Meetings entitled to attend	Number of Meetings attended
1.	Sh. V. P. Chandan, IRSSE, (Retd.), Chairman	Independent/Non Executive	1	1
2.	Smt. Neena Singh, Member	Independent/Non Executive	1	1
3.	CS Madhur Bain Singh, Convener	Compliance Officer	1	1

The status of redressal of complaints received from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 is as under:

Number of complaints pending as on 1 <sup>st</sup> April, 2018	Nil
Number of complaints received during the year	04
Number of complaints redressed during the year	04
Number of complaints not solved to the satisfaction of Shareholders	Nil
Number of complaints pending as on 31 <sup>st</sup> March, 2019	Nil

#### 7. General Body Meetings

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

Date	Particulars	Time	Location	Special Resolution Passed
21.09.18	37 <sup>th</sup> AGM in respect of the financial year 2017- 2018	11.00 AM	B-91, Phase-VIII, Industrial Area S.A.S. Nagar, Mohali	Yes
25.09.17	36 <sup>th</sup> AGM in respect of the financial year 2016- 2017	11.00 AM	B-91, Phase-VIII, Industrial Area S.A.S. Nagar, Mohali	No
21.09.16	35 <sup>th</sup> AGM in respect of the financial year 2015- 2016	12 Noon	B-91, Phase-VIII, Industrial Area S.A.S. Nagar, Mohali	No

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

#### 8. Means of Communication

**Quarterly results and presentations:** The quarterly financial results are made available on the company’s web-site ([www.puncom.com](http://www.puncom.com)) and simultaneously submitted to BSE through its portal of BSE Listing Centre within the time limit specified. Also, all periodical compliance filings are filed electronically on the Listing Centre and Shareholding Pattern and Corporate Governance Report, Financial Results, Reconciliation of Share Capital Audit, Voting Results are filed through XBRL. The website also includes official news releases.

#### Publishing of Quarterly Results

Quarter No.	Date of Publishing	Newspaper
1 <sup>st</sup>	03.08.18	Desh Sewak (Vernacular) Financial Express (English)
	03.08.18	
2 <sup>nd</sup>	13.11.18	
	13.11.18	
3 <sup>rd</sup>	13.02.19	
	13.02.19	
4 <sup>th</sup>	17.05.19	
	17.05.19	

#### Notice of Board Meeting

Meeting Date	Date of Publication/Information to Stock Exchange	Newspaper
02.08.18	21.07.18 21.07.18	

12.11.18	31.10.18 31.10.18	Desh Sewak (Vernacular) Financial Express (English)
12.02.19	29.01.19 29.01.19	
16.05.19	07.05.19 07.05.19	

**Notice of Book Closure & AGM**

Book Closure	Date of Publication	Newspaper
15.09.18	29.08.18	Desh Sewak (Vernacular)
21.09.18	29.08.18	Financial Express (English)
AGM	Date of Publication	Newspaper
21.09.18	29.08.18	Desh Sewak (Vernacular)
	29.08.18	Financial Express (English)

**9. General Shareholder Information**

**General Shareholders Information**

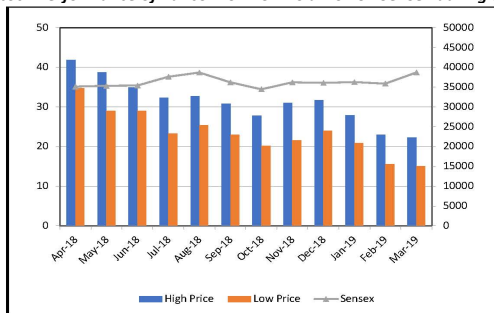
- A. Annual General Meeting (Date, time and venue)** : Date : 25<sup>th</sup> September, 2019  
Time : 03.00 P.M  
Venue : B-91, Phase VIII, Indl. Area  
SAS Nagar, (Chandigarh) - 160 071
- B. Financial Calendar** : 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019
- C. Date of Book Closure/ Record Date** : 19<sup>th</sup> September, 2019 to 25<sup>th</sup> September, 2019  
(Both days inclusive)
- D. Dividend Payment Date** : N.A.
- E. Listing on Stock Exchange** : The Stock Exchange, Mumbai (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

**Note:** Annual Listing Fee for the Financial Year 2019-20 have been paid to the Stock Exchange, Mumbai;  
**F. Stock Code** : 500346

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

Month	High Price (₹)	Low Price (₹)
April, 2018	41.90	34.70
May, 2018	38.75	29.05
June, 2018	34.95	29.05
July, 2018	32.35	23.30
August, 2018	32.75	25.40
September, 2018	30.80	23.00
October, 2018	27.85	20.20
November, 2018	31.00	21.55
December, 2018	31.70	24.00
January, 2019	27.90	20.90
February, 2019	22.95	15.55
March, 2019	22.30	15.10

**H. Graph showing Stock Performance of Puncom on BSE vis a vis BSE SENSEX during the year 2018-19**



**I. Securities suspended from trading: N.A.**



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

Alankit Assignments Limited  
DP & RTA, Alankit House  
4E/2, Jhandewalan Extension,  
New Delhi - 110055.

**K. Share Transfer System**

For expeditious processing of share transfers, the Board of Directors of the Company has delegated the power of share transfer/splitting/consolidation/issue of fresh certificate/issue of duplicate certificate to Share Transfer Committee. However, the newly amended Regulation 40 of SEBI (LODR) Regulations, 2015 provides that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 01<sup>st</sup> April, 2019. Thus, the shares for transmission or transposition of securities received in physical mode by the company are considered/ approved by the committee at required intervals and transferred promptly and ratified by the Board in the subsequent Board Meeting.

**L. Distribution of Shareholding as on 30<sup>th</sup> June, 2019**

Category (Amount)	30-06-2019				30-06-2018			
	No. of shareholders	% of shareholders	Amount in Rs.	% of total equity	No. of shareholders	% of shareholders	Amount in Rs.	% of total equity
0001-5000	9955	95.318	11262840	9.367	10095	95.290	11401830	9.483
5001-10000	234	2.241	1827910	1.520	247	2.332	1949750	1.622
10001-20000	136	1.302	2040100	1.697	134	1.265	2005240	1.668
20001-30000	38	0.364	930620	0.774	33	0.331	808460	0.672
30001-40000	13	0.124	459250	0.382	15	0.142	526040	0.438
40001-50000	13	0.124	596510	0.496	13	0.123	599410	0.499
50001-100000	34	0.326	2518260	2.094	34	0.321	2416600	2.010
100001& Above	21	0.201	100600160	83.669	23	0.217	100528320	83.609
<b>Total</b>	<b>10444</b>	<b>100</b>	<b>120235650</b>	<b>100</b>	<b>10594</b>	<b>100</b>	<b>120235650</b>	<b>100</b>

Category Code	Category of shareholder	30-06-2019			30-06-2018		
		No of shareholders	Total number of shares	Share-holding as a % of total no of shares	No of shareholders	Total number of shares	Share -holding as a % of total no of shares
<b>(A)</b>	<b>Promoter &amp; Promoter group</b>						
	: Indian Promoter						
	1 Central Govt./ State Govt.	3	8570676	71.283	3	8570776	71.283
	<b>TOTAL</b>	<b>3</b>	<b>8570676</b>	<b>71.283</b>	<b>3</b>	<b>8570776</b>	<b>71.283</b>
<b>(B)</b>	<b>Public Shareholding</b>						
	:Institutions						
	: Mutual Fund						
	1 Mutual Fund(MF)	5	1100	0.009	6	3400	0.028
	2 UTI	1	100	0.001	1	100	0.001
	<b>TOTAL</b>	<b>6</b>	<b>1200</b>	<b>0.010</b>	<b>7</b>	<b>3500</b>	<b>0.029</b>
	:Banks						
	1 Bank Cooperative	1	600	0.005	1	600	0.005
	2 Bank Nationalised	7	28034	0.233	7	28034	0.233
	<b>TOTAL</b>	<b>8</b>	<b>28634</b>	<b>0.238</b>	<b>8</b>	<b>28634</b>	<b>0.238</b>
	:Insurance Companies						
	1Insurance Companies	1	5800	0.048	1	5800	0.048
	<b>TOTAL</b>	<b>1</b>	<b>5800</b>	<b>0.048</b>	<b>1</b>	<b>5800</b>	<b>0.048</b>
	:Central Govt/State Govt						
	1 Corporate Body (State Govt)	0	0	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	: Foreign Portfolio Investor (Corporate)						
	1 Foreign Portfolio Investor (Corp) Category II	1	575000	4.782	1	575000	4.782
	<b>TOTAL</b>	<b>1</b>	<b>575000</b>	<b>4.782</b>	<b>1</b>	<b>575000</b>	<b>4.782</b>
	<b>TOTAL</b>	<b>16</b>	<b>610634</b>	<b>5.079</b>	<b>17</b>	<b>612934</b>	<b>5.098</b>

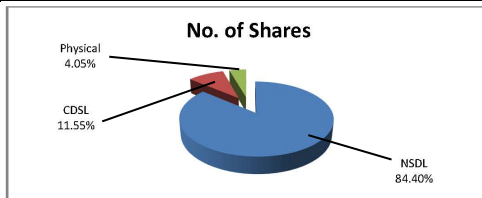
<b>:NON INSTITUTIONS</b>							
<b>:Corporate Body</b>							
1 Body Corporate Limited Liability Partnership	1	1600	0.013	1	1600	0.013	
2 Corporate Body Domestic	196	490226	4.077	196	512786	4.265	
3 Corporate Body Margin Account	17	11387	0.095	19	18914	0.157	
4 Corporate Body (Broker)	6	3346	0.028	7	3896	0.032	
5 Corporate body (Others)	9	2750	0.023	11	3334	0.028	
6 Clearing Member	1	76	0.001	11	1607	0.013	
7 Corporate CM/TM Proprietary Account	2	649	0.005	2	649	0.005	
8 Corporate CM/TM Collateral Account	1	266	0.002	-	-	-	
9 Corporate body (Stock Broker)	4	902	0.008	4	902	0.008	
<b>TOTAL</b>	<b>237</b>	<b>511202</b>	<b>4.252</b>	<b>251</b>	<b>543688</b>	<b>4.522</b>	
<b>: Individual Shareholders</b>							
1 Resident Ordinary	10009	2230695	18.553	10147	2199351	18.292	
2 Resident (HUF)	70	45439	0.378	150	90473	0.752	
<b>TOTAL</b>	<b>10079</b>	<b>2276134</b>	<b>18.931</b>	<b>10297</b>	<b>2289824</b>	<b>19.044</b>	
<b>:HUF</b>							
1. HUF	79	48384	0.402	-	-	-	
<b>TOTAL</b>	<b>79</b>	<b>48384</b>	<b>0.402</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>: Non Resident Indian</b>							
1 NRI-Repatriable	15	4732	0.039	15	5082	0.042	
2 NRI(NonRepatriable)	15	1803	0.015	11	1261	0.010	
<b>TOTAL</b>	<b>30</b>	<b>6535</b>	<b>0.054</b>	<b>26</b>	<b>6343</b>	<b>0.053</b>	
<b>TOTAL</b>	<b>10425</b>	<b>2842255</b>	<b>23.639</b>	<b>10574</b>	<b>2839855</b>	<b>23.619</b>	
<b>TOTAL</b>	<b>10441</b>	<b>3452889</b>	<b>28.718</b>	<b>10591</b>	<b>3452789</b>	<b>28.716</b>	
<b>GRAND TOTAL (A+B)</b>	<b>10444</b>	<b>12023565</b>	<b>100.00</b>	<b>10594</b>	<b>12023565</b>	<b>100.00</b>	

- Notes:** 1. The shareholding of PSIDC, being another corporation of Govt. of Punjab, has been consolidated with the shareholding of "Promoter & Promoter Group".  
2. None of the shareholding of Promoters' has been pledged or otherwise encumbered.

**M. Dematerialization of Shares and Liquidity**

Details of paid up capital of the Company as on June 30, 2019 is as under:

Depository	No. of Shares	Percentage
NSDL	10148423	84.40
CDSL	1388662	11.55
Physical	486480	4.05
<b>Total</b>	<b>12023565</b>	<b>100.00</b>



**N. Details of Investors complaints received during 2018-19 are as follows:**

There was only one investor complaint received with respect to loss of share certificate/duplicate share certificate and only three investor complaints with respect to others (transmission procedure) during the year under report. However, all complaints/correspondence are usually dealt within 10 days and are completely resolved except in cases where litigation is involved. No Investor complaint was pending as on date of this report.

**O. Details of share transfers in physical form lodged for transfer during 2018-19 are as follows:**

Lodged for transfer	Transferred and returned	Rejected & Returned	Pending
82	60	22	Nil
(8620 Shares)	(6624 Shares)	(1996 Shares)	(Nil)

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

**P. Outstanding GDRs/ADRs or any Convertible instruments**

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

**Q. Disclosure of Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: Nil**

**R. Puncom's Building Locations**

B-91 & A-39.

B-93, C-134 & C-135 (Given on Lease)

Phase-VIII, Industrial Area,

SAS NAGAR (Chandigarh)

160 071 – PUNJAB

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

Madhur Bain Singh

Company Secretary

B-91, Phase VIII,

Industrial Area, S.A.S. Nagar,

Chandigarh 160071

Phone : +91-0172-2237142

Fax : +91-0172-2237125

Email : cosecy@puncom.com

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

**T. List of all Credit Rating obtained by the Company:** Nil as our Company has not issued any debt instruments or any Fixed deposit programme or any scheme involving mobilization of funds either in India or abroad.

**U. Proceeds from public issues, rights issues, preferential issues etc.:** The Company has not raised any public money since its public issue in 1994.

**V. Transfer of Unclaimed amounts to Investor Education & Protection Fund**

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

**10. Other Disclosures**

**a) Related Party Disclosure**

The Company have a "Policy on Related Party Transactions and Materiality of Related Party Transactions" in place. The policy takes into account various provisions on related party transactions mentioned in Regulation 23 of Listing Regulations and also in the Companies Act, 2013.

There is no Related Party Transaction, as required to be disclosed u/s 188(2), read with notification no G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015 and Regulation 23 of Listing Regulations.

There is no material transaction entered into by the company with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large

**(b) Compliance by Listed Entity**

All compliances have been made by the company and no penalties/strictures have been imposed on the company by the Stock Exchange or SEBI or any other statutory authority, on any matter pertaining to Capital Markets, during the last 3 years.

**(c) Vigil Mechanism/Whistle Blower Policy**

The Company have its "Vigil Mechanism/Whistle Blower Policy" in place. In accordance with the requirements of Regulation 4(2)(d)(iv) and Regulation 22 of Listing Regulations and under Section 177 of the Companies Act, 2013, Sh. J.S. Bhatia, Dy. Vice President/CFO heading the Finance Division, has been appointed as Vigilance and Ethics Officer.

No personnel were denied access to the audit committee during the Financial Year 2018-2019.

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

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

**(e) Material Subsidiary**

The company has no material subsidiary as defined in Regulation 16(1)(c) and thus no policy has been formulated to determine 'material' subsidiaries.

**(f) Web link on dealing with Related Party Transactions**

The web link for the policy on dealing with related party transactions is

<http://www.puncom.com/downloads/2017/POLICY%20ON%20RELATED%20PARTY%20TRANSACTION%20AND%20MATERIALITY.pdf>

**(g) Disclosures of commodity price risks and commodity hedging activities**

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

- (h) **Details of Utilisation of funds raised through preferential allotment or qualified institutional placement:** The Company has not raised any public money through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).
- (i) **Certificate from Practicing Company Secretary on debarment or disqualification of Board Members:** A Certificate has been issued by M/s S.K. Sikka & Associates, Company Secretaries dated 11<sup>th</sup> July, 2019 certifying that none of the Directors on the Board of Company have been debarred or disqualified from being appointing or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- (j) **Recommendations of committee not accepted by Board which is mandatorily required to be accepted by the Board:** The Board has considered and accepted the recommendations given by the various committees of the company, as and when submitted to the Board for approval during the year under review.
- (k) **Total Fees paid for all services paid by the listed entity on consolidated basis to the statutory auditor and all entities in the network firm/ network entity of which statutory auditor is a part:** M/s Grewal & Singh, Chartered Accountants (Firm Registration No. 012322N) have been appointed as statutory auditors of the company during the year under consideration and the total fees of Rs. 2.85 Lakhs has been paid to Statutory Auditor for all services such as statutory audit, tax audit, quarterly results, cash flow statement, sales tax and other certification charges.
- (l) **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
- Number of complaints filed during the Financial Year 2018-19: NIL
  - Number of complaints disposed of during the Financial Year 2018-19: NIL
  - Number of complaints pending as on end of the Financial Year 2018-19: NIL

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

The Company has adopted revised Code of Conduct for Prevention of Insider Trading which is effective since 01<sup>st</sup> April, 2019 in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The said code is available at [www.puncom.com](http://www.puncom.com).

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

**13. Compliance with Discretionary requirements:**

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

- The Company is moving towards a regime of financial statements with unmodified audit opinion.
- The Internal Auditor submits the Internal Audit Report directly to the Audit Committee.

**14. The Company is complying with all the provisions of corporate governance as specified in regulation(s) 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.**

**Declaration signed by Chief Executive Officer stating that the members of Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and senior management has been obtained.**

**Auditors' Certificate on Corporate Governance**

M/s S.K. Sikka & Associates, Company Secretaries conducted the Corporate Government Audit and Compliance Certificate as obtained from auditors regarding compliance of conditions of corporate governance are annexed with the Board's report at Annexure-5.

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

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

**Disclosures with respect to demat suspense account/unclaimed suspense account under Regulation 39(4) read with Schedule VI of Listing Regulations**

Following information is being provided with respect to the provisions of Listing Regulations. The information asked for in the said regulation is for shares issued pursuant to Public Issues or any other issue which remains unclaimed & is lying in the escrow account. However, the company came up with a Buy-Back offer in 2003 and as on date there are 419 shares lying in the escrow account, as required in the Buy-back guidelines, with M/s Karvy Computershare Pvt. Ltd., Hyderabad. As a good Corporate Governance practice the company is providing the information on the same pattern.

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

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

**SECRETARIAL AUDIT REPORT****FORM No. MR-3****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,****The Members,****Punjab Communications Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Punjab Communications Limited (hereinafter called as the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Punjab Communications Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (1) The Companies Act, 2013(the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA')and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (6) Apprentices Act, 1961
- (7) The Minimum Wages Act, 1948
- (8) Payment of Bonus Act, 1965
- (9) Payment of Wages Act, 1936
- (10) The Water (Prevention & Control of Pollution) Act, 1974, Read with water (Prevention & Control of Pollution) Rules,1975
- (11) Employees' State Insurance Act, 1948
- (12) Employees' Provident Fund & Misc. Provisions Act, 1952
- (13) Payment of Gratuity Act, 1972
- (14) Factories Act, 1948
- (15) Trade Marks Act, 1999
- (16) Indian Contract Act, 1872
- (17) Punjab Municipal Act, 1911

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

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

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

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

**I further report that**

- (i) *As per SEBI (LODR) Regulation No. 18 (1), every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:*
  - (a) *The audit committee shall have minimum three directors as members.*
  - (b) *Two-thirds of the members of audit committee shall be independent directors.*

*Whereas composition of the audit committee was not in compliance with regulation 18(1) as the composition of the committee fell below the minimum number of members required by the mentioned regulation from the period beginning from 1<sup>st</sup> April, 2018 to 2<sup>nd</sup> August, 2018 during the relevant financial year.*
- (ii) *As per 2<sup>nd</sup> proviso of Rule 4 of Cos.(Appointment & Qualification of Directors) Rules, 2014, any intermittent vacancy of an independent director shall be filled up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later, whereas the vacancy of independent director created on the Board of the company due to resignation of one of the independent directors on 14<sup>th</sup> February, 2018 was filled by the company on 26<sup>th</sup> September, 2018 which clearly exceeded the timeline as provided by Rule 4 of Cos.(Appointment & Qualification of Directors) Rules, 2014 thereby also resulting in disruption of composition of Board of Directors as mentioned under proviso to clause (b) of Regulation 17(1) of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.*

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**I further report that** during the audit period, there were no instances of:

- (i) Resolutions under Section 180 of the Companies Act, 2013.
- (ii) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (iii) Redemption / buy-back of securities.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

**For S. K. SIKKA & ASSOCIATES**  
Company Secretaries

(SUSHIL K. SIKKA)  
Prop. FCS 4241  
CP 3582

Place: Chandigarh  
Date: July 11, 2019

To,

The Members

**Punjab Communications Limited**

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

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

(SUSHIL K. SIKKA)  
Prop. FCS 4241  
CP 3582

Place: Chandigarh

Date: July 11, 2019

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The members  
Punjab Communications Limited,  
Mohali

I have examined the compliance of the conditions of Corporate Governance by Punjab Communications Limited for the year ended 31<sup>st</sup> March, 2019, as stipulated in Schedule V of Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable, subject to the following:-

- i) Proviso to clause (b) of Regulation 17(1) was not complied with as the number of independent directors on the Board fell below than the minimum number required by the mentioned regulation from the period beginning from 1<sup>st</sup> April, 2018 to 26<sup>th</sup> September, 2018 during the relevant Financial Year.
- ii) The composition of the Audit Committee was not in compliance with regulation 18(1) as the composition of the committee fell below the minimum number of members required by the mentioned Regulation from the period beginning from 1<sup>st</sup> April, 2018 to 2<sup>nd</sup> August, 2018 during the relevant Financial Year.

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

**For S. K. SIKKA & ASSOCIATES**  
Company Secretaries

(SUSHIL K. SIKKA)  
Prop. FCS 4241  
CP 3582

Place: Chandigarh  
Date: July 11, 2019



**PCL TELECOM LTD.****STATUS OF WINDING UP PROCEEDINGS****COMPANY PETITION NO: 1202 OF 2005**

The Company has been ordered to be wound-up by the Hon'ble Punjab & Haryana High court at Chandigarh vide its order dated October 20, 2005. Subsequent to that the company has filed the Statement of Affairs with the Official Liquidator attached to the Hon'ble Court. Thereafter, all the queries have been replied on summon as well as in writing.

Earlier, it was informed that the matter was 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.

Further, pursuant to provisions of Companies Act, 2013, the National Company Law Tribunal (NCLT) was established in 2016 and all proceedings including winding up proceedings has been transferred from respective Hon'ble High Court's to jurisdiction of NCLT's. Subsequent to this, the companies were dissolved after complying with certain procedures. Accordingly, PCL Telecom Ltd. who stands "dissolved" as per the status available on MCA portal.

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**PUNJAB DIGITAL INDUSTRIAL SYSTEMS LTD. (UNDER LIQUIDATION)****STATUS OF WINDING UP PROCEEDINGS****COMPANY PETITION NO: 194 OF 2005**

The Company has been ordered to be wound-up by the Hon'ble Punjab & Haryana High court at Chandigarh vide its order dated February 20, 2009. Subsequent to that the company has filed the Statement of Affairs with the Official Liquidator attached to the Hon'ble Court.

Further, all books of accounts / records and store items have been handed over to the liquidator. After which Official Liquidator will submit its report and based on the report of the Official Liquidator, the Hon'ble Punjab & Haryana High Court may proceed to dissolve the Company.

ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that Thirty Eighth (38<sup>th</sup>) Annual General Meeting of Punjab Communications Limited will be held on Wednesday, 25<sup>th</sup> September, 2019 at 1500 Hrs at B-91, Phase VIII, Industrial Area, SAS Nagar, Chandigarh, at the registered office of the Company to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended on 31<sup>st</sup> March, 2019 and Balance Sheet as on that date together with Boards' Report, Auditors' Report, CAG comments thereon and Secretarial Auditors' Report thereto.
2. To appoint Director in place of CA Rajat Agarwal, IAS (DIN: 07973901) who retires by rotation and being eligible, has offered himself for reappointment.
3. To appoint Statutory Auditors of the company for the financial year 2019-2020 (from the conclusion of this AGM till the conclusion of next AGM) and to fix their remuneration and to pass the following resolution as Ordinary Resolution thereof:

"Resolved that pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the members of the company be and is hereby accorded to appoint Statutory Auditors of the Company for the financial year 2019-2020, from the conclusion of this AGM till the conclusion of next AGM at the remuneration as fixed by the Board of Directors and at such terms and conditions as provided in the CAG letter to be issued in this regard."

(The Company has not received the letter from CAG w.r.t appointment of Statutory Auditors till date, Statutory Auditors will be appointed on the basis of the letter issued in this regard)

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 2(54), 196 and 203 of the Companies Act 2013 (Act) and other applicable provisions, if any, Sh. Vikas Pratap, IAS (DIN 01129385) be and is hereby re-appointed as Sr. Vice Chairman & Managing Director of the Company for a period of 5 (five) years with effect from 20<sup>th</sup> November, 2019 upon the terms and conditions as set out in explanatory statement annexed hereto".

"RESOLVED FURTHER THAT Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution".

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Sh. V. P. Chandan, IRSE (Retd.)** (DIN: 00225793), who was appointed as an Independent Director and who holds office of Independent Director up to date of 11<sup>th</sup> January, 2020, and being eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, who has attained the age of 75 years, not liable to retire by rotation and to hold office for a second term as provided in the appointment letter."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Sh. Satinder Pal Singh, IAS (Retd.)** (DIN : 00297745), who was appointed as an Independent Director and who holds office of Independent Director up to date of 25<sup>th</sup> September, 2019, and being eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder, and in respect of whom

the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term as provided in the appointment letter."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Sh, Moti Ram Sharma** (DIN : 08250388), who was appointed as an Independent Director and who holds office of Independent Director up to date of 25<sup>th</sup> September, 2019, and being eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term as provided in the appointment letter."

Date : August 21, 2019  
Place : Registered Office  
B-91, Phase VIII, Industrial Area,  
SAS Nagar (Chandigarh) - 160071  
CIN: L32202PB1981SGC004616

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

**NOTES:**

- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto at **Annexure to the Notice** and forms integral part of this notice.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT B-91, INDUSTRIAL AREA, PHASE VIII, MOHALI, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED WITH THE ANNUAL REPORT. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMEBERS NOT EXCEEDING FIFTY(50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.  
A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- Register of Directors' Shareholding is open for inspection, during the business hours, at the Registered Office of the Company upto and including the date of Annual General Meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e. from 19<sup>th</sup> September, 2019 to 25<sup>th</sup> September, 2019 both days inclusive.
- The Members holding shares in the same name or same order of names under different folios are requested to send the share certificates for consolidation of such shares to the Company.
- All unclaimed/unpaid dividend upto the financial year ended on March 31, 2002 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 124 of Companies Act, 2013. No dividend has been recommended and declared since Feb 2002-2003.
- The Members desirous of obtaining any information/clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
- Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed there under, the company may send notice of general meeting, Board's report, auditors' report, audited financial statements and other documents through electronic mode. Further, pursuant to the proviso to the Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, **Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.**

10. Electronic copy of the Notice of the 38<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode. The notice is also uploaded on the Company's Website i.e. [www.puncom.com](http://www.puncom.com).
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Agreement with Stock Exchanges, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 38<sup>th</sup> Annual General Meeting ("AGM") to be held on Wednesday, 25<sup>th</sup> September, 2019 at 1500 HRS. The Company has engaged the services of CDSL to provide the e-voting facility. The e-voting will be available for the following voting period:

Resolution	Commencement of e-voting	End of e-voting
AGM Resolution(s)	20 <sup>th</sup> September, 2019 (9.00 am)	24 <sup>th</sup> September, 2019 (5.00 pm)

12. The Notice of the 38<sup>th</sup> Annual General Meeting (AGM) of the Company inter-alia indicating the process and manner of e-voting is being sent to all the members as on the cut-off (record date) i.e. 21<sup>st</sup> August, 2019.
13. The Instructions to members for E-Voting (AGM resolution) are as under :
- Open the internet browser and type the following URL :[www.evotingindia.com](http://www.evotingindia.com)
  - Click on Shareholder tab.
  - Now enter your User ID
    - For CDSL: 16 digits beneficiary ID.
    - For NSDL: 8 character DP ID followed by 8 digits Client ID.
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and click on login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

FOR MEMBERS WHOSE PAN IS REGISTERED WITH THE COMPANY	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department, as registered with the Company.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).</li> </ul>

FOR MEMBERS WHOSE PAN IS NOT REGISTERED WITH THE COMPANY	
Sequence Number	Enter the first two digits of your name as registered with the Company, followed by your 8 digit Sequence Number as mentioned in your Address Sticker pasted on the Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RAO000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member_id/folio number in the Dividend Bank details field as mentioned in instruction (c).</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu. Herein, they are required to mandatorily create a new password in the "new password" field. Kindly note that this password is to be used by the demat shareholders for voting on the resolutions of any other company on which they are eligible to vote, provided, that company, opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- i) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
  - j) Select “**EVSN : 190814014**” for voting on AGM Resolution(s) of Punjab Communications Limited.
  - k) EVSN for AGM Resolution(s) can be viewed from 20th September, 2019 to 24th September, 2019 i.e. during the voting period.
  - l) Once you enter, the “Cast Vote Page” will open. Now you are ready for e-voting.
  - m) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
  - n) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - o) After selecting your option, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - p) Once you “CONFIRM” your vote on the resolution, you will NOT be allowed to modify your vote.
  - q) You can also take out a print of the voting done by you by clicking on “Click here to Print” option on the voting page.
  - r) If Demat Account Holder has forgotten the password, then Enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
  - s) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
  - t) **Note for Institutional shareholders**
    - i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - iii) After receiving the login details, create Compliance User using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - iv) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - v) A scanned copy of the Board Resolution & Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF Format in the system for the scrutinizer to verify the same.
  - u) **General Instructions:**
    - i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Help section of [www.evotingindia.com](http://www.evotingindia.com). You may also contact CDSL via email at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or on 18002005533.
    - ii) During the voting period, once a vote on a resolution is cast by the shareholder, the shareholder would not be allowed to change it subsequently. Also, he would not be allowed to vote at AGM, even if present.
    - iii) The voting rights shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off (Record Date) i.e. 18<sup>th</sup> September, 2019 for AGM Resolution(s).
    - iv) Since, the Company is required to provide members, facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical or dematerialized form as on the cut-off dates, and not casting their vote electronically, may only cast their vote at the 38<sup>th</sup> Annual General Meeting.
    - v) **Mr. Vishal Arora, Company Secretary in practice, has been appointed as the Scrutinizer to scrutinize the E-voting as well as Postal Ballot event in a fair & transparent manner.**
    - vi) The Scrutinizer shall within a period of not exceeding 3 working days from the conclusion of the e-voting period unlock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman or any other Director authorized by him.
    - vii) The results shall be declared on or after the 38<sup>th</sup> Annual General Meeting of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website at [www.puncom.com](http://www.puncom.com) and on the website of CDSL within 3 days of passing of the resolutions at the 38<sup>th</sup> Annual General Meeting of the Company i.e. on 28<sup>th</sup> September, 2019 and communicated to BSE.
- 14 THE COMPANY WHOLE-HEARTEDLY WELCOMES MEMBERS/PROXIES AT THE ANNUAL GENERAL MEETING OF THE COMPANY. THE MEMBERS/PROXIES MAY PLEASE NOTE THAT NO GIFTS/GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.
- 15 Information pursuant to Regulation 36(3) of the Listing Regulations requires disclosure on the appointment/reappointment of the Directors, which is annexed as part of Annexure to this notice.
- 16 Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 17 **Members are requested to notify their PAN** to the Company’s registered share transfer agents, quoting their Folio Number/DP IDs/ Client IDs and relevant particulars.
- 18 The persons who have acquired shares and become members after the dispatch of notice and before cut-off

date shall have same "Login ID and Password" as mentioned at Sr. No. 13 of Notes to AGM Notice. The Notice of AGM is displayed on our website [www.puncom.com](http://www.puncom.com), for your reference please.

- 19 If you have received this Annual Report, but you are not a member as on the cut-off date, this document is for information purpose only.
- 20 The shareholders may contact Mr. Naresh Kumar Mehandru (Assistant Manager-Secretarial) at B-91, Phase-VIII, Industrial Area, SAS Nagar, Chandigarh-160071. The concerned person may also be contacted at [shareholders@puncom.com](mailto:shareholders@puncom.com) or at +911722237142.

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**ANNEXURE TO THE NOTICE**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****(For Item No. 3 to 7)****Item No. 3**

The Company, being a Government Company, its Statutory Auditor are appointed by the Comptroller and Auditor-General of India (CAG) by the virtue of section 139(5) of Companies Act, 2013. The Board of Directors of the Company on the recommendation of the Audit Committee, proposed to pay to the CAG recommended Statutory Auditor, an annual fees of Rs. 1,60,000/- plus (OPE and GST) or the fees as proposed by the CAG in its letter, whichever is higher.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 3 for approval of the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3

**Item No. 4**

Pursuant to Article 171 of the Articles of Association of the Company, the holding Company has a right to appoint Vice-Chairman cum Managing Director or Managing Director of the Company. The Government of Punjab vide its order bearing No. 6/1/2014-IAS(3)/4037 dated 19<sup>th</sup> November, 2014 has appointed Sh. Vikas Pratap, IAS (DIN 01129385) as Managing Director of the Company. Further in exercise of its power, vide Article 171 & Article 128 of the Articles of Association of the Company, Punjab Information & Communication Technology Corporation Ltd. (our holding company) vide their letter No. PICT:SECTL: 5452 dated 2<sup>nd</sup> December, 2014 has appointed Sh. Vikas Pratap, IAS as director in the capacity of Sr. Vice Chairman & Managing Director of the Company. The appointment of Sh. Vikas Pratap, IAS as director in the capacity of Sr. Vice Chairman & Managing Director was further approved by the members of the Company by way of passing ordinary resolution at the 34<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2015.

Further, Section 196 of the Companies Act, 2013 provides that no company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time.

As the term of Sh. Vikas Pratap, IAS as Sr. Vice Chairman & Managing Director of the company completes its five years of term as on 19<sup>th</sup> November, 2019, the Board of Directors of the Company in its meeting held on 09<sup>th</sup> August, 2019 had approved and recommended the re-appointment of Sh. Vikas Pratap, IAS as Sr. Vice Chairman & Managing Director for another term as per the provisions of Companies Act, to the Members of the Company for their approval by way of Ordinary Resolution.

The Company has received a notice in writing from a member of the company along with requisite deposit as required under Section 160 of Companies Act, 2013 proposing the candidature of Sh. Vikas Pratap, IAS as Sr. Vice Chairman & Managing Director of the Company.

The terms and conditions of his re-appointment provides that all or any of the powers delegated by the Articles of Association of the Company and/or by shareholders of the company in general meeting and/or by Board of Directors jointly or severally to him or any of the previous MD, since the inception of the company is delegated mutatis-mutandis to Sh. Vikas Pratap, IAS on his re-appointment as Sr. VC & Managing Director in the letter & spirit of the delegation along with the powers delegated in the 78<sup>th</sup> BOD Meeting held on May 29, 1996, 106<sup>th</sup> BOD Meeting held on June 13, 2001, 138<sup>th</sup> BOD meeting held on January 30, 2006, powers for operation of bank accounts delegated in 85<sup>th</sup> BOD Meeting held on November 28, 1997 with any subsequent amendment(s) thereof and such other powers delegated to the previous MD from time to time. It also provides for his authority to sub-delegate these powers to any other director or officer/employee of the Company.

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership / Chairmanship of Committees held in other Listed Companies of Sh. Vikas Pratap, IAS is enclosed along with explanatory statement.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 4 for approval of the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

Except Sh. Vikas Pratap, IAS, being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 4

#### Item No. 5

In view of newly amended Listing Regulations and to comply with the provisions of the Companies Act, 2013, Sh. V. P. Chandan, IRSSE (Retd.) (DIN: 00225793) was appointed as Independent Director of the Company vide a formal letter of appointment by the management of the company, for a term of five consecutive years with effect from 12<sup>th</sup> January, 2015. Now, the term of appointment of Sh. V. P. Chandan, IRSSE (Retd.) as Independent Director expires on 11<sup>th</sup> January, 2020.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company.

Sh. V. P. Chandan, (DIN:00225793) a qualified Engineer, has been associated with the company since 1997 and has a rich experience in the field of Telecom, Administration and Consultancy. He is an advisor to the World Bank and an asset to the company. The company has benefited a lot from his wide experience and knowledge.

Considering the rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Independent Director- Sh. V. P. Chandan, IRSSE (Retd.), the Board of Directors of the Company in its meeting held on 09<sup>th</sup> August, 2019 had approved and recommended the re-appointment of Sh. V. P. Chandan, IRSSE (Retd.), as Independent Director for a second term as provided in its appointment letter, to the Members of the Company for their approval.

Sh. V. P. Chandan, IRSSE (Retd.) aged about 79 years, has already given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. Further, the approval of members for continuation of Sh. V. P. Chandan, IRSSE (Retd.) as director on the board of company even after attaining the age of 75 years has already been taken in 37<sup>th</sup> Annual General Meeting of the company held on 21<sup>st</sup> September, 2018. Hence, in the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Director.

The Company has received a notice in writing from a member proposing the candidature of Sh. V. P. Chandan, IRSSE (Retd.) to be re-appointed as Independent Director of the Company in accordance with the provisions of the Companies Act, 2013.

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership / Chairmanship of Committees held in other Listed Companies of Sh. V. P. Chandan, IRSSE (Retd.) is enclosed along with explanatory statement.

The Board of Directors recommends the Special Resolution as set out at Item No. 5 for approval of the Members. Accordingly, your approval is solicited.

#### Memorandum of Interest:

Except Sh. V. P. Chandan, IRSSE (Retd.), being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 5

#### Item No. 6

Pursuant to provisions of the Companies Act, 2013 and Listing Regulations, Sh. Satinder Pal Singh, IAS (Retd.) (DIN: 00297745) was appointed as Additional Director in the category of Independent Director of the company with effect from 26<sup>th</sup> September, 2018 by passing a resolution by circulation for a period of one year. Now, the term of appointment of Sh. Satinder Pal Singh, IAS (Retd.) as Additional Director in the category of Independent Director expires on 25<sup>th</sup> September, 2019.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company.

Sh. Satinder Pal Singh, a Retired IAS Officer, has held many prestigious positions in government organizations and has served as nominee director in commercial organizations viz. served as Managing Director in Punjab Alkalies and Chemicals Limited for 3 years, CITCO for 4 years and also PRTC, Patiala for one year. Sh. Satinder Pal Singh has an expertise in General Management & Administration.

Considering the rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Independent Director- Sh. Satinder Pal Singh, IAS (Retd.) the Board of Directors of the Company in its meeting held on 09<sup>th</sup> August, 2019 had approved and recommended the re-appointment of Sh. Satinder Pal Singh, IAS (Retd.) as Independent Director for a second term as provided in its appointment letter, to the Members of the Company for their approval.

Sh. Satinder Pal Singh, IAS (Retd.) has already given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Director.

The Company has received a notice in writing from a member proposing the candidature Sh. Satinder Pal Singh, IAS (Retd.) to be re-appointed as Independent Director of the Company in accordance with the provisions of the Companies Act, 2013.

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership / Chairmanship of Committees held in other Listed Companies of Sh. Satinder Pal Singh, IAS (Retd.) is enclosed along with explanatory statement.

The Board of Directors recommends the Special Resolution as set out at Item No. 6 for approval of the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

Except Sh. Satinder Pal Singh, IAS (Retd.) being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 6

**Item No. 7**

Pursuant to provisions of the Companies Act, 2013 and Listing Regulations, Sh. Moti Ram Sharma (DIN: 08250388) was appointed as Additional Director in the category of Independent Director of the company with effect from 26<sup>th</sup> September, 2018 by passing a resolution by circulation for a period of one year. Now, the term of appointment of Sh. Moti Ram Sharma as Additional Director in the category of Independent Director expires on 25<sup>th</sup> September, 2019.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company.

Sh. Moti Ram Sharma is an advocate who has been practicing since 1978. He is a member of Supreme Court of India Bar Association, Punjab & Haryana High Court Bar Association, Income Tax Tribunal Bar Association and many other prestigious associations. He is also an advisor to various Corporate Organisations.

Considering the rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Independent Director- Sh. Moti Ram Sharma, the Board of Directors of the Company in its meeting held on 09<sup>th</sup> August, 2019 had approved and recommended the re-appointment of Sh. Moti Ram Sharma as Independent Director for a second term as provided in its appointment letter, to the Members of the Company for their approval.

Sh. Moti Ram Sharma has already given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Director.

The Company has received a notice in writing from a member proposing the candidature Sh. Moti Ram Sharma to be re-appointed as Independent Director of the Company in accordance with the provisions of the Companies Act, 2013.

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership / Chairmanship of Committees held in other Listed Companies of Sh. Moti Ram Sharma is enclosed along with explanatory statement.

The Board of Directors recommends the Special Resolution as set out at Item No. 7 for approval of the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

Except Sh. Moti Ram Sharma being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 7

**Information Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting.**

Name of the Director	CA Rajat Agarwal, IAS	Sh. Vikas Pratap, IAS	Sh. V. P. Chandan, IRSSE (Retd.)	Sh. Satinder Pal Singh, IAS (Retd.)	Sh. Moti Ram Sharma
Designation	Vice Chairman	Sr V.C & Managing Director	Independent Director	Independent Director	Independent Director
Date of Birth	27.03.1978	15.02.1969	09.10.1940	01.08.1950	03.10.1951
Date of Appointment	25.04.2018	20.11.2014	27.11.2003	26.09.2018	26.09.2018
Qualification	B.Com (Hons.), C.A.	B.Tech (Electronics Communication)	Masters in Engineering	Masters in English	Law Graduate
Expertise in specific functional area	Indian Administrative Service Officer-General Management and Administration	Indian Administrative Service Officer-General Management and Administration	Rich experience in the field of Telecom, Administration and Consultancy	Indian Administrative Service Officer-General Management and Administration	Rich Experience in field of Law
Directorships in Other Listed Companies as on 31 <sup>st</sup> March, 2019	Nil	Nil	Nil	Nil	Nil



Chairman/Member of Committees of Other Listed Companies as on 31 <sup>st</sup> March, 2019	Nil	Nil	Nil	Nil	Nil
No. of Shares held	Nil	Nil	Nil	Nil	Nil
Relationship with other Director(s)	Related to other directors appointed by holding company	Related to other directors appointed by holding company	Not related to any director	Not related to any director, by virtue of Section 149(6)(e)(i)	Not related to any director

Date : August 21, 2019  
 Place : Registered Office  
 B-91, Phase VIII, Industrial Area,  
 SAS Nagar (Chandigarh) - 160071  
 CIN: L32202PB1981SGC004616

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

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

**PUNJAB COMMUNICATIONS LTD.**

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

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL  
 Joint shareholders may obtain additional Attendance Slip at the Venue of the meeting

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

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

Client Id*	
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NAME AND ADDRESS OF THE SHARE HOLDER

No. of share(s) held :

I hereby record my presence at the 38<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Wednesday, 25<sup>th</sup> September, 2019 at 1500 HRS at B-91, Phase - VIII, Industrial Area, S.A.S. Nagar (Mohali) - 160 071 (Punjab).

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

\* Application for investors holding shares in electronic form.

**PUNJAB COMMUNICATIONS LIMITED**

Form no. MGT-11

**PROXY FORM**

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

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

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 38<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 25<sup>th</sup> September, 2019 at 1500 HRS at B-91, Phase- VIII, Industrial Area, S.A.S Nagar, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution(s)	
Ordinary Business	
Item No.	Particulars
1	To receive, consider and adopt the audited Profit and Loss Account for the year ended on 31 <sup>st</sup> March, 2019 and Balance Sheet as on that date together with Boards' Report, Auditors' Report, CAG comments thereon and Secretarial Auditors' Report thereto.
2	To appoint Director in place of CA Rajat Agarwal, IAS (DIN: 07973901) who retires by rotation and being eligible, has offered himself for reappointment.
3	To appoint the Statutory Auditors of the Company for the Financial Year 2019-2020.
Special Business – Ordinary Resolution	
4	To Reappoint Sh. Vikas Pratap, IAS, (DIN: 01129385) as Director in the capacity of Sr. Vice-Chairman & Managing Director on the Board of Puncom.
Special Business - Special Resolution	
5	To Reappoint Sh. Ved Prakash Chandan, IRSSE (Retd.) (DIN : 00225793) as Independent Director.
6	To Reappoint Sh. Satinder Pal Singh, IAS (Retd.) (DIN : 00297745) as Independent Director.
7	To Reappoint Sh. Moti Ram Sharma, (DIN : 08250388) as Independent Director.

Signed this 25<sup>th</sup> day of September, 2019

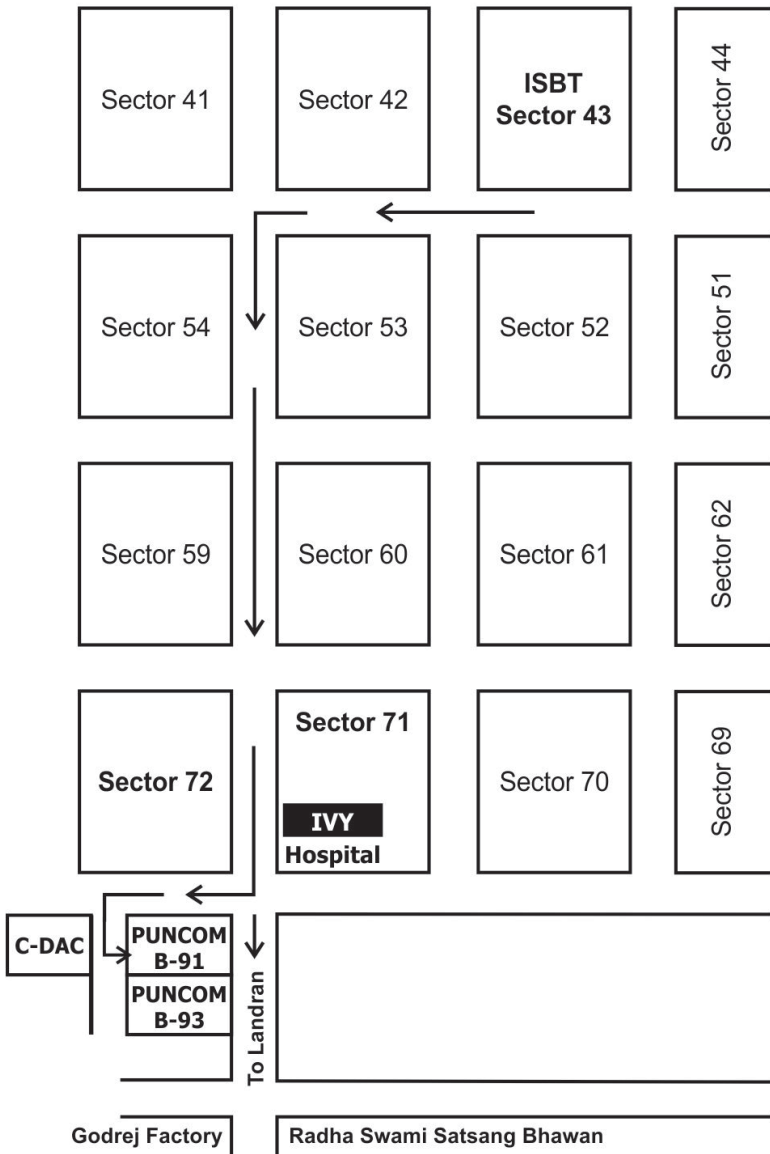
Signature of Shareholder:

Signature of Proxy Holder (s):

Affix  
Re. 1/-  
Revenue  
Stamp

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

**ROUTE MAP TO THE VENUE OF AGM**



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

**FOR THE KIND ATTENTION OF SHAREHOLDERS**

- In case of Demat shares, shareholders are requested to provide their PAN to their respective DPs. In case of physical shares, shareholders are requested to provide their PAN to the company's RTA i.e. M/s Alankit Assignments Ltd or to the Company.
- As a step towards the Government's initiative towards greener and paperless India, the shareholders are requested to send their updated e-mail ids to the Company.
- Kindly register your mobile numbers with the Company for easy correspondence.
- In case of any grievances, shareholders may contact the Company at [shareholders@puncom.com](mailto:shareholders@puncom.com)
- Shareholders having shares in Physical Form are requested to get their shares converted in Demat Form.

**COURIER / REGISTERED**

*If undelivered, please return to :*

**PUNJAB COMMUNICATIONS LIMITED**

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