

The Board of Directors  
Punjab Communications Limited,  
Mohali.

**Report on limited review of Unaudited Financial Results of Punjab Communications Limited for the period ended 30.09.2013**

We have reviewed the accompanying statement of Unaudited Financial Results of Punjab Communications Limited for the period ended 30.09.2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/committee of board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. As per its accounting policy the company is accounting certain items of income and expenditure on cash basis i.e. Additional liability/refunds of taxes arising on completion of assessments, Refund on account of excise duty, custom duty and insurance claims, customer claims and recoveries, liquidated damages and penal interest, ex-gratia payments to the employees, claims for price escalation on sales, expenditure on warranty and guarantee of satisfactory performance of equipment and interest on calls in arrears. The impact of these items on the results for the quarter cannot be readily ascertained.

The suit for recovery of investment of Rs. 700 lacs and interest of Rs. 293.44 lacs due thereon in the case of investment in UP Co-operative Spinning Mills Federation Ltd (UPSMFL), along with future interest has been decided exparte in favour of the company. On 12.07.2005, U.P. State Government (Guarantor) has deposited Rs. 735.63 lacs in the Civil Court, Lucknow in compliance of the orders of the Hon'ble Punjab & Haryana High Court, Chandigarh. The appeal of UP Govt., to set aside the exparte decree in favour of PUNCOM, has been dismissed by the Additional District Judge at Chandigarh. UP State filed a Revision Petition at Punjab and Haryana High court against the judgment of Additional District Judge Chandigarh which was primarily dismissed by the Hon'ble Judge on 20-9-2013. The company has not recognized the accrued interest amounting to Rs. 880.81 lacs upto 31.3.2005 and Rs.87.62 lacs accruing from 01.04.2005 to 12.07.2005 i.e. the date of deposit of Rs.735.63 lacs by the U.P. Govt. This has been done in view of the contingency in realization of interest in near future. This is in conformity with the Accounting Standard on Revenue recognition AS-9 issued by The Institute of Chartered Accountants of India. The amount of Rs. 735.63 lacs deposited with the Executing Court has been released to the Company (decree holder) on 24.04.2006 against furnishing bank guarantee of the equivalent amount with the said Court. UP Co-operative Spinning Mills Federation Ltd has since been ordered to be liquidated by the Bombay High Court on 27 June 2006. The liquidation proceedings were started by Registrar of Handloom and Spinning Mills thereafter.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards, except where ever stated otherwise and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B. Rattan & Associates  
CHARTERED ACCOUNTANTS  
FRN: 011798N

(CA Bharat Rattan)  
PARTNER  
Membership No 090682  
Place : S.A.S Nagar  
Dated: November 13, 2013