

The Board of Directors  
Punjab Communications Limited,  
Mohali.

**Report on limited review of Unaudited Financial Results of Punjab Communications Limited for the period ended 30.06.2014**

We have reviewed the accompanying statement of Unaudited Financial Results of Punjab Communications Limited for the period ended 30.06.2014, 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.

As already mentioned in Audited Financial Statement for the year 2013-14. The Company is not booking any Interest Income in respect of investment of Rs. 700 lacs in UP Co-operative Spinning Mills Federation Ltd (UPSMFL) as the same is in Conformity with Accounting Standard -9 "Revenue Recognition " issued by Institute of Chartered Accountants of India which tells that *if there is a significant uncertainty as to the ultimate collectability of the interest accrued thereon or any part thereof then recognition of such interest income should be postponed.*

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 are not 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: 12.08, 2014

