



(Rs in Lacs)

PART I						
S. No.	Particulars	3 months ended on 31.03.2015 (Audited)	Preceding 3 months ended on 31.12.2014 (Unaudited)	Corresponding 3 months in the previous year ended on 31.03.2014 (Audited)	Year to date figures for current period ended on 31.03.2015 (Audited)	Previous year ended on 31.03.2014 (Audited)
1	<b>Income from operations</b>					
	(a) Gross Sales / Income from operations	828.63	555.64	1,155.82	2,227.16	2,035.81
	Less: Excise Duty	48.92	34.84	81.96	150.67	131.66
	Net Sales / Income from operations (Net of excise duty)	779.71	520.80	1,073.86	2,076.49	1,904.15
	(b) Other Operating Income	7.07	1.05	12.66	24.61	53.58
	<b>Total income from operations (net)</b>	<b>786.78</b>	<b>521.85</b>	<b>1,086.52</b>	<b>2,101.10</b>	<b>1,957.73</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	271.26	85.48	316.08	848.83	775.46
	b) Purchases of stock-in-trade	244.47	91.90	111.56	372.50	315.89
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade ; (Inc(-), Dec(+))	(128.76)	79.13	121.37	(90.72)	(77.44)
	d) Employee benefits expense	430.08	633.80	681.90	2,218.06	2,110.15
	e) Depreciation and amortisation expense	23.30	6.80	13.21	38.85	52.19
	f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	190.74	132.86	212.14	562.17	537.03
	<b>Total expenses</b>	<b>1,031.09</b>	<b>1,029.97</b>	<b>1,456.26</b>	<b>3,949.69</b>	<b>3,713.28</b>
3	Profit/(Loss) from Operations before Other Income, finance costs & exceptional Items (1-2)	(244.31)	(508.12)	(369.74)	(1,848.59)	(1,755.55)
4	Other Income	242.75	259.92	307.69	1,005.22	1,137.37
5	Profit/(Loss) from ordinary activities before finance cost & exceptional items (3 ± 4)	(1.56)	(248.20)	(62.05)	(843.37)	(618.18)
6	Finance costs	5.92	3.80	7.45	14.81	12.60
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	(7.48)	(252.00)	(69.50)	(858.18)	(630.78)
8	Exceptional Items	167.98	-	-	167.98	-
9	Profit/(Loss) from ordinary activities before tax (7 ± 8)	(175.46)	(252.00)	(69.50)	(1,026.16)	(630.78)
10	Tax Expense: (a) Tax Provision (MAT) (b) Deferred Tax Asset written off / Created	-	-	53.86	-	53.86
11	<b>Net Profit/(Loss) from ordinary activities after tax (9 ± 10)</b>	<b>(175.46)</b>	<b>(252.00)</b>	<b>(123.36)</b>	<b>(1,026.16)</b>	<b>(684.64)</b>
12	Extraordinary items (net of tax expense Rs. Lakhs)	N.A.	N.A.	N.A.	N.A.	N.A.
13	<b>Net Profit/(Loss) for the period (11 ± 12)</b>	<b>(175.46)</b>	<b>(252.00)</b>	<b>(123.36)</b>	<b>(1,026.16)</b>	<b>(684.64)</b>
14	Share of profit/(loss) of associates *	N.A.	N.A.	N.A.	N.A.	N.A.
15	Minority interest *	N.A.	N.A.	N.A.	N.A.	N.A.
16	<b>Net Profit/(Loss) after taxes, minority interest &amp; share of profit/(loss) of associates (13 ± 14 ± 15) *</b>	<b>(175.46)</b>	<b>(252.00)</b>	<b>(123.36)</b>	<b>(1,026.16)</b>	<b>(684.64)</b>
17	Paid up Equity Share Capital (Face value of the share is Rs 10/-)	1,202.36	1,202.36	1,202.36	1,202.36	1,202.36
18	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	8,206.66	9,233.28
19.i	<b>Earnings per share (before extraordinary items) (of Rs.10/- each) (not annualised):</b>					
	(a) Basic	(1.46)	(2.10)	(1.03)	(8.53)	(5.69)
	(b) Diluted	(1.46)	(2.10)	(1.03)	(8.53)	(5.69)
19.ii	<b>Earnings per share (after extraordinary items) (of Rs.10/- each) (not annualised):</b>					
	(a) Basic	(1.46)	(2.10)	(1.03)	(8.53)	(5.69)
	(b) Diluted	(1.46)	(2.10)	(1.03)	(8.53)	(5.69)

PART II						
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	- Number of shares	3462264	3462264	3462164	3462264	3462164
	- Percentage of shareholding	28.80	28.80	28.79	28.80	28.79
2	Promoters and Promoter Group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	0	0	0	0	0
	- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	N.A.	N.A.	N.A.	N.A.	N.A.
	- Percentage of shares (as a% of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Non-encumbered					
	- Number of Shares	8561301	8561301	8561401	8561301	8561401
	- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a% of the total share capital of the company)	71.20	71.20	71.21	71.20	71.21

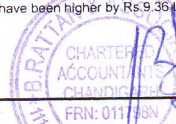
B	Particulars	3 months ended 31/03/2015
	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

\* Applicable in the case of consolidated results.

**Notes :**

- The aforesaid Audited Financial Results for the Quarter and Year ended 31st March, 2015 have been taken on record by the Board of Directors in their meeting held on 28th May, 2015.
- The company is Primarily engaged in the business of Telecom and its spares. As the basic nature of these activities are governed by same set of risks and returns, the sales have been grouped as single segment in the accounts as per accounting standard 17 dealing with "Segment Reporting" issued by ICAI. Other income for the year includes a sum of Rs.819.96 lacs being interest income on the Investments made by the company.
- The figures for the current quarter ending 31st March, 2015 are the balancing figures between audited figures in respect of the full financial year and the published figures for the 9 months ending 31st December, 2014.
- The figures for the previous period have been regrouped and restated wherever necessary, to make them comparable.
- To comply with newly introduced provisions of Companies Act, 2013, the Company has revised depreciation on fixed assets as per the useful life specified in the Schedule II of the Companies Act, 2013 during the year ended 31st March, 2015. Based on the prescribed method, depreciation of Rs.16.48 Lacs on account of assets whose useful life is already exhausted as on 01.04.2014 have been adjusted to Statement of Profit and Loss. Had there not been any change in useful life of assets, depreciation for the year would have been higher by Rs.9.36 Lacs.

Place : S A S Nagar  
 Dated : May 28, 2015



and on behalf of the Board  
 (Vikas Pratap, IAS) (R. K. Mangla) (J. S. Bhatia)  
 Vice Chairman & MD Director Head Finance/CFO

**INDEPENDENT AUDITOR'S REPORT**

To

The Members of

Punjab Communications Limited

**Report on the Financial Statements**

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

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

(a) Attention is invited to Note 13 in financial statements regarding realization of investment of Rs. 700 lacs in the Bonds of UP Co-operative Spinning Mills Federation Ltd and interest of Rs. 968.43 lacs accruing up to 12.07.2005 consequent to the ex-parte decree awarded by Court against the UP State Government, which is pending for execution before the lower court. In view of the uncertainty involved in the realization of interest, the interest accrued amounting to Rs. 968.43 lacs up to 12.07.2005 i.e. date of deposit of the decreed amount by the UP Government, and for the period subsequent thereto, has not been recognized as income.

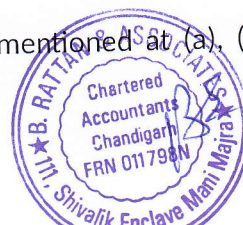
On 19.01.2015, the Hon'ble Supreme Court had decided against the ex-parte decree earlier made in favour of the company. Accordingly, in view of the protracted litigation and uncertainty of the amount realizable, pending settlement of the case, the accrued interest standing at the beginning of the year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

(b) Attention is invited to Significant Accounting Policy I(b), certain items of income and expenditure have been accounted for on cash basis. Impact of such treatment on profits of the year has not been ascertained.

c) Attention is invited to Note No 26 of the financial statements. Hon'ble Supreme Court has passed an order dated 24.03.2015 in case of Sh. A.S Gill Vs Punjab Communications Limited in which it has directed to pay 30% back wages for the period 11.3.2003 to 30.04.2006. The company has adequately provided for the provisional amount of Rs. 52.35 Lacs in its books of accounts as on 31.03.2015.

d) As per the explanation and information provided to us, the Company has been selected for Disinvestment by Cabinet Committee on Disinvestment, Government of Punjab but no final Decision in respect of disinvestment mode has been taken place during the year under review. Also refer Para 1 of our report on Directions issued u/s 143(5) of the Companies Act, 2013.

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



## Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26, 28 and 34 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Also Refer Note 35)

iii. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Place: Chandigarh  
Dated: 28th May 2015

Bharat Rattan  
(Partner)  
M. No. - 090682

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

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

- I. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, fixed assets have been physically verified by the management at the end of the year. We have also obtained physical verification report and no material discrepancies were noticed in the verification report.
- II. a) As explained to us, the inventories were physically verified by the management at the end of the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. We have also obtained physical verification report and the discrepancies noticed on physical verification between physical stock and book records were not material and have been adequately dealt in the books of account.
- III. As explained to us, the Company has neither granted any secured/unsecured loans to, nor taken secured/unsecured loans from, any Company, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013
- IV. The Company has adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of stores, raw material including components, plant and machinery, equipment and other assets and for sale of goods and services. We have not come across any major weakness in internal control system.
- V. The Company has not accepted any deposits from public during the year.
- VI. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013. However, during the current year, the company was not required to maintain cost records as per provision of Section 148(1).
- VII. a) According to the records of the Company, it is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31<sup>st</sup> March 2015 for a period of more than six months from the date when they became payable.



b) According to the information and explanations given to us, there were no disputed amounts in respect of income tax, sales tax, custom duty, excise duty, etc which were outstanding in the books -of accounts as at 31<sup>st</sup> March 2015. However, the following demands have been raised in respect of disputed dues pending before various statutory authorities:

(i) The excise and custom duty demand of Rs. 30.20 lacs is disputed with Deputy Commissioner of Customs, New Delhi.

(ii) The Sales Tax demand including interest aggregating to Rs. 14.85 lacs (net of pre-deposit) is disputed and the appeal is pending at the office of Sales Tax Appellate Tribunal, Andhra Pradesh.

(iii) The Sales Tax demand including interest aggregating to Rs. 16.77 lacs is disputed and the appeal is pending at the office of Ld. Senior Joint commissioner, Salt Lake Taxation appellate office (South 24 Parganas), Kolkata, West Bengal.

c) As informed to us, no such amount was required to be transferred to investor education and protection fund during the year.

VIII. The Company does not have any accumulated losses. The Company has incurred cash loss amounting to Rs. 769.71 Lacs in the current financial year and Rs. 592.04 Lacs in the immediately preceding financial year.

IX. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.

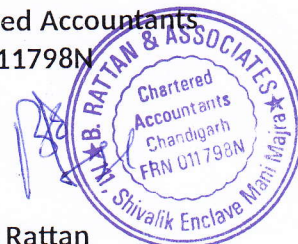
X. According to information and explanations given to us, the Company has not given any guarantee in respect of loans taken by others from banks or financial institutions.

XI. The Company has not obtained any term loans during the year.

XII. Based upon the audit procedures performed and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

Place: Chandigarh  
Dated: 28th May 2015

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



Bharat Rattan  
(Partner)  
M. No. - 090682

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

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

1. As per the explanation and information provided to us, the Company has been selected for Disinvestment by Cabinet Committee on Disinvestment, Government of Punjab. In accordance to that, following major actions have been taken place:

a) Appointment of IDBI Capitals Markets Ltd, as Global advisor for the purpose of Disinvestment in April 2013 by PICTCL (Holding company).

b) Appointment of M/s RB Shah & Co. as Asset valuers of the company in October 2013 by the Department of Public Enterprises and Disinvestment, Government of Punjab.

c) Appointment of M/s Khaitan & Co. as Legal advisor in October 2013 by the Department of Public Enterprises and Disinvestment, Government of Punjab.

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

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

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

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

Valuation of liabilities has not yet been done.

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

3. As informed to us, no such inventories are lying with third parties and no assets have been received by the company as gifts from Government or other authorities during the year under review.



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

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





7.	P.K Joshi Vs Puncom	Rs.34.59 Lacs	FY 1999-00	Hon'ble Punjab & Haryana High Court	Claim is being contested by the company.
8	Baljit Singh Vs Puncom	Rs.11.92 Lacs	FY 1997-98	Labour Court Ludhiana	Claim is being contested by the company.
9	Mr. Naseeb Singh & Others Vs Puncom	Rs.1945.59 Lacs	FY 2003-04	Hon'ble Punjab & Haryana High Court	Claims is being contested by the company.

Place: Chandigarh  
Dated: 28th May 2015

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



Bharat Rattan  
(Partner)

M. No. - 090682