

PCL/CS/14725

8th November, 2016

The Secretary
The Bombay Stock Exchange Ltd.,
Pheroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001.
Fax :022-22723121

SUB: QUARTERLY UNAUDITED FINANCIAL RESULTS & LIMITED REVIEW REPORT

Dear Sir,

Pursuant to provisions of Regulation 33(3)(c)(i) of SEBI (LODR) Regulations 2015, please find enclosed herewith **“Unaudited (Provisional) Financial Results for the quarter ended 30th September, 2016”** alongwith **‘Limited Review Report’** on the Quarterly Unaudited (Provisional) Financial Results for the quarter ending 30th September, 2016 provided by our Auditors M/s Grewal & Singh, Chartered Accountants.

This is for your information & records please.

Thanking you.

Yours faithfully
For Punjab Communications Limited


(Madhur Bain Singh)
Company Secretary

PUNJAB COMMUNICATIONS LIMITED

Regd Office : B-91, Phase VIII, Industrial Area, S A S Nagar (Chandigarh)-160071

(CIN:L32202PB1981SGC004616) (Web: www.puncom.com)

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2016



(Rs in Lacs)

| PART I | | | | | | | |
|--------|---|------------------------------|--|---|---|--|-----------------------------------|
| S. No. | Particulars | 3 months ended 30.09.2016 | Preceding 3 months ended 30.06.2016 | Corresponding 3 months ended in the previous year 30.09.2015 | Year to date figures for current period ended 30.09.2016 | Year to date figures for the previous year ended 30.09.2015 | Previous year ended 31.03.2016 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income from operations | | | | | | |
| | (a) Net Sales / Income from operations (Net of excise duty) | 868.54 | 333.43 | 444.74 | 1201.97 | 850.31 | 1998.10 |
| | (b) Other Operating Income | 0.89 | 10.36 | 2.67 | 11.25 | 9.38 | 17.90 |
| | Total income from operations (net) | 869.43 | 343.79 | 447.41 | 1213.22 | 859.69 | 2016.00 |
| 2 | Expenses | | | | | | |
| | a) Cost of materials consumed | 288.17 | 157.22 | 180.88 | 445.39 | 437.35 | 863.76 |
| | b) Purchases of stock-in-trade | 62.76 | 24.67 | 42.79 | 87.43 | 64.82 | 287.55 |
| | c) Change in inventories of finished goods, work-in-progress and stock-in-trade ; (Inc(-), Dec(+)) | 83.04 | (33.67) | 68.38 | 49.37 | 39.30 | (11.19) |
| | d) Employee benefits expense | 608.12 | 570.17 | 577.93 | 1178.29 | 1146.09 | 2287.27 |
| | e) Depreciation and amortisation expense | 11.94 | 11.93 | 3.98 | 23.87 | 7.89 | 22.30 |
| | f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately) | 138.22 | 106.48 | 117.36 | 244.70 | 214.68 | 499.22 |
| | Total expenses | 1,192.25 | 836.80 | 991.32 | 2,029.05 | 1,910.13 | 3,948.91 |
| 3 | Profit/(Loss) from Operations before Other Income, finance costs & exceptional Items (1-2) | (322.82) | (493.01) | (543.91) | (815.83) | (1,050.44) | (1,932.91) |
| 4 | Other Income | 219.50 | 216.72 | 239.59 | 436.22 | 479.75 | 929.70 |
| 5 | Profit/(Loss) from ordinary activities before finance cost & exceptional items (3 ± 4) | (103.32) | (276.29) | (304.32) | (379.61) | (570.69) | (1,003.21) |
| 6 | Finance costs | 1.95 | 0.41 | 1.96 | 2.36 | 4.33 | 7.48 |
| 7 | Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6) | (105.27) | (276.70) | (306.28) | (381.97) | (575.02) | (1,010.69) |
| 8 | Exceptional Items | - | - | - | - | - | 36.89 |
| 9 | Profit/(Loss) from ordinary activities before tax (7 ± 8) | (105.27) | (276.70) | (306.28) | (381.97) | (575.02) | (1,047.58) |
| 10 | Tax Expense (a) Tax Provision (MAT) (b) Deferred Tax Asset written off | - | - | - | - | - | - |
| 11 | Net Profit/(Loss) from ordinary activities after tax (9 ± 10) | (105.27) | (276.70) | (306.28) | (381.97) | (575.02) | (1,047.58) |
| 12 | Extraordinary items (net of tax expense Rs. Lakhs) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 13 | Net Profit/(Loss) for the period (11 ± 12) | (105.27) | (276.70) | (306.28) | (381.97) | (575.02) | (1,047.58) |
| 14 | Share of profit/(loss) of associates * | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 15 | Minority interest * | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 16 | Net Profit/(Loss) after taxes, minority interest & share of profit/(loss) of associates (13 ± 14 ± 15) * | (105.27) | (276.70) | (306.28) | (381.97) | (575.02) | (1,047.58) |
| 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 | 1,202.36 |
| 18 | Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year | - | - | - | - | - | 7,159.01 |
| 19.i | Earnings per share (before extraordinary items) (of Rs.10/- each) (not annualised): | | | | | | |
| | (a) Basic | (0.88) | (2.30) | (2.55) | (3.18) | (4.78) | (8.71) |
| | (b) Diluted | (0.88) | (2.30) | (2.55) | (3.18) | (4.78) | (8.71) |
| 19.ii | Earnings per share (after extraordinary items) (of Rs.10/- each) (not annualised): | | | | | | |
| | (a) Basic | (0.88) | (2.30) | (2.55) | (3.18) | (4.78) | (8.71) |
| | (b) Diluted | (0.88) | (2.30) | (2.55) | (3.18) | (4.78) | (8.71) |

* Applicable in the case of consolidated results.

Notes :

- The aforesaid Unaudited Quarterly Financial Results (Provisional) for the Quarter/Half Year ended 30th September, 2016 have been taken on record by the Board of Directors in their meeting held on 8th November, 2016.
- 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 half year includes a sum of Rs.301.26 lacs being interest income on the Investments made by the company.
- In respect of Accounting Standard 22 on "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India(ICAI), the adjustments for deferred tax assets/liabilities shall be reviewed and considered in the audited annual accounts for the year ending 31st March, 2017.
- The figures for the previous period have been regrouped and restated wherever necessary, to make them comparable.
- There is no qualification by the Statutory Auditors on the Annual Accounts of the Company for the financial year ended on 31.03.16, however the observations worth mentioning & having impact on the Profit & Loss statement of the company are as follows:
 - i) The company has not made any provision for permanent diminution in the value of investment of Rs.698.74 lacs (Face Value Rs.700 lacs) in the Bonds of UP Co-operative Spinning Mills Federation Ltd (UPCSMFL) as they are fully guaranteed by the U.P State Government. The company has not recognized accrued interest, keeping in view uncertainty involved in the matter of realization of interest due to litigation. All the courts below the Hon'ble Supreme Court had decided in favour of Puncom but unfortunately the Hon'ble Supreme Court on 19.01.2015 had decided against the ex-parte decree earlier made in favour of the Company and directed the Civil Court, Lucknow to refund the amount to UP State Government. The execution of the said order is pending at District Court, Lucknow. In view of Hon'ble Supreme Court decision the company has accounted for the liability of Rs.735.63 lacs. The company has filed the execution of earlier decree issued in favour of Puncom against the UPCSML on 30.01.2016 and has also filed fresh suit against the State of UP through Special Secretary, Industrial Development on 11.03.2016. The company had earlier 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 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 upto 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. This is also in conformity with AS-9 issued by ICAI. [Refer Emphasis of Matter Para (a) of Independent Auditor's Report].

Place : S. A. S. Nagar
Dated : November 8, 2016



for and on behalf of the Board

(Vikas Pratap, IAS)
Sr. Vice Chairperson & MD

(J. S. Bhatia)
CFO

GREWAL & SINGH

CHARTERED ACCOUNTANTS

699, Sector 43-A, Chandigarh - 160 043
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**The Board of Directors
Punjab Communications Limited,
Mohali.**

Report on limited review of Unaudited Financial Results of Punjab Communications Limited for the period ended 30.09.2016

We have reviewed the accompanying statement of Unaudited Financial Results of Punjab Communications Limited for the period ended 30.09.2016 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, certain items of income and expenditure **are recognized as and when they are incurred, ascertained or settled 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. However, provision or contingent liability is recognized/disclosed for the above as per AS-29. based on the available evidences and management's best estimates at the reporting date.

As already mentioned in Audited Financial Statement for the year 2014-15, 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 states 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 **GREWAL & SINGH**
Chartered Accountants
FRN: 012322N

(CA Harcharan Singh Grewal)

Partner

Membership No 083692

Place: S.A.S Nagar

Dated: Nov.08. 2016



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