

Paramount Communications Limited



यद्यदाचरति श्रेष्ठस्तत्तरेदेवेतरो जनः ।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ॥



LATE SHRI SHYAM SUNDER AGGARWAL

Founder - Paramount Communications Limited
(6.10.1936 - 6.12.1999)

// What a great man does,
is followed by others.
People go by the example he sets.//

- Bhagwad Gita, 3.21

IMPORTANT COMMUNICATION TO MEMBERS

As part of your Company's endeavour to participate in the "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs (MCA) vide its Circular No. 17/2011 dated 21.04.2011, allowing paperless compliances by service of documents like notices, Company's Annual Reports etc. through electronic mode (e-mail), the members are once again requested to register/update their email addresses if holding shares in Electronic form with your Depository Participant (DP) or you can email us at investors@paramountcables.com, if holding in physical form or you can write to us directly.

In the good cause of protection of environment and in the interest of public at large, we are sure that you would welcome and support this "Green Initiative".

Save Paper, Save Trees, Go Green!

Corporate Information

BOARD OF DIRECTORS

Mr. Sanjay Aggarwal, Chairman & CEO
Mr. Sandeep Aggarwal, Managing Director
Mr. Satya Pal, Director
Mr. S.P.S. Dangi, Director
Mr. Vijay Bhushan, Director
Mr. Ram Kumar Sharma, Nominee Director

REGISTERED OFFICE

C-125, Naraina Industrial Area, Phase-1,
Naraina, New Delhi-110028, India
Phone(s): +91-11-45618800/900,+91-11-25897421-25
Fax: +91-11-25893719/20
E-Mail: pcl@paramountcables.com
Website: www.paramountcables.com

WORKS

Unit 1: SP-30A, SP-30B, E-31,
Khushkhera Industrial Area,
Distt. Alwar, Rajasthan, India

Unit 2 : Plot No. 37, Industrial Estate,
Dharuhera, District Rewari, Haryana, India

AUDITORS

Jagdish Chand & Co.
Chartered Accountants,
New Delhi, India

COST AUDITORS

Jain Sharma & Associates,
Cost Accountants,
New Delhi, India

BANKERS

State Bank of India | State Bank of Patiala |
Dena Bank | Standard Chartered Bank |
ICICI Bank Limited | IDBI Bank Limited |

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime India Private Limited
A-40, IInd Floor, Naraina Industrial Area, Phase-I, New Delhi - 110028, India
Phone No: +91-11-41410592, 93, 94 Fax No: +91-11-41410591

CHIEF COMPLIANCE OFFICER

Mr. Rattan Aggarwal

KEY MANAGEMENT PERSONNEL

1. Mr. Manmeet Singh Anand	- Head-Business Development
2. Mr. Rattan Aggarwal	- CFO & Company Secretary
3. Mr. D. S. Muchhal	- President-Operations (Dharuhera unit)
4. Mr. G. D. Singh	- President-Operations (Khushkhera unit)
5. Mr. R. K. Marwah	- Vice president-Technical
6. Tushar Aggarwal	- Vice President (Business Development)
7. Dhruv Aggarwal	- Vice President (Business Development)
8. Mr. N. K. Gupta	- General Manager-Accounts & Finance
9. Mr. Rajeev Gupta	- General Manager-Marketing

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NOTICE

Notice is hereby given that the **20th Annual General Meeting** of the Members of Paramount Communications Limited will be held at **SHAH AUDITORIUM, SHREE DELHI GUJARATI SAMAJ MARG, NEAR INTERSTATE BUS TERMINAL, DELHI-110054** on **Friday, the 26th day of September, 2014** at **2:30 P.M.** to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 2014 and the Balance Sheet as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sandeep Aggarwal (DIN 00002646), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Jagdish Chand & Co., Chartered Accountants (Firm Registration No. 000129N) as Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as the Board may decide, based on the recommendations of Audit Committee.

SPECIAL BUSINESSES:

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Mr. S.P.S Dangi (DIN 00236827) in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office up to 5 (five) consecutive years i.e. up to 31st March, 2019".
5. 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Mr. Satya Pal (DIN 00287845) in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office up to 5 (five) consecutive years i.e. up to 31st March, 2019".
6. 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Mr. Vijay Bhushan (DIN 00002421) in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office up to 5 (five) consecutive years i.e. up to 31st March, 2019".
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:
"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the following new Article 105A be added in the Articles of Association of the Company:-
"105 A: An individual can be the Chairman of the Company as well as the Chief Executive Officer of the Company at the same time."

By Order of the Board
Paramount Communications Limited

Place : New Delhi
Dated : 13.08.2014

(Rattan Aggarwal)
CFO & Company Secretary

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. PROXY FORM IS ATTACHED HEREWITH.
- 2 The Register of Members and Share Transfer Book of the Company shall remain closed from Monday, the 22nd September, 2014 to Friday, the 26th September, 2014 (both days inclusive).
- 3 Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- 4 Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendee at the meeting.
- 5 The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.
- 6 Members are requested to note that all correspondence related to share transfer should be addressed to the Company's Registrars and Share Transfer Agents, M/s Link Intime India Pvt. Ltd., 44, IInd Floor, Community Centre, Naraina Industrial Area, Phase-I, New Delhi-110028.
- 7 The members of the Company who holds shares in physical form are intimated that SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfer of shares held in physical form.
- 8 Shareholders are requested to bring their copy of the Annual Report to the meeting.
- 9 Pursuant to Section 205A of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, all unclaimed/ unpaid dividend up to the financial year ended 31st March, 2006 has been transferred to the Investor Education and Protection Fund set up by the Central Government and no claim can be admitted in respect of dividend upto the said financial year. The unclaimed dividend declared in the year 2006-07 is due to be transferred in the Investor Education and Protection Fund in current financial year. Members are therefore requested to en-cash their dividend warrants immediately for subsequent financial years. Members are requested to write to the Company and/or share transfer agents, if any dividend warrant is pending to be paid so that fresh warrants could be issued by the Company.
- 10 At the ensuing Annual General Meeting, Mr. Sandeep Aggarwal, retire by rotation and being eligible, offer himself for reappointment. The information/ details pertaining to Mr. Sandeep Aggarwal in terms of Clause 49 of the Listings Agreement with the Stock Exchanges are annexed herewith.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF
THE COMPANIES ACT, 2013****ITEM No. 4**

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. S.P.S Dangi as an Independent Director of the Company for 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing the appointment of aforesaid Independent Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S.P.S Dangi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. S.P.S Dangi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. S.P.S Dangi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

ITEM No. 5

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Satya Pal as an Independent Director of the Company for 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing the appointment of aforesaid Independent Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Satya Pal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Satya Pal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Satya Pal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

ITEM No. 6

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Vijay Bhushan as an Independent Director of the Company for 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing the appointment of aforesaid Independent Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vijay Bhushan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vijay Bhushan as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vijay Bhushan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

ITEM No.7

The proviso to sub clause (1) of Clause 203 of the Companies Act, 2013 provides as under -

"Provided that unless the Articles of such a Company provide otherwise, an individual shall not be the chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time."

The Articles of Association of the Company, at present, do not contain any provision on the above lines. Since the Chairperson also holds office as Chief Executive Officer (CEO) of the Company under the Companies Act, 1956, it is proposed to amend the Articles, in order to continue with the same structure on passage of the Companies Act, 2013.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, amendment to the Articles of Association of the Company requires approval of the shareholders by way of Special Resolution.

None of the Directors, except Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, who are related to each other, are in any way, concerned or interested in the passing of this resolution.

The resolution mentioned in Item no. 7 of the Notice is recommended for your approval as a Special Resolution.

Name of the Director alongwith DIN	Mr. Sandeep Aggarwal (DIN: 00002646)	Mr. SPS Dangi (DIN: 00236827)	Mr. Satya Pal (DIN:00287845)	Mr. Vijay Bhushan (DIN: 00002421)
Relationship with other Directors inter-se	Brother of Mr. Sanjay Aggarwal	None	None	None
Date of Appointment	01/11/1994	08/11/1994	08/11/1994	22/07/2000
Expertise in specific functional areas	Eminent Businessman with vast knowledge in cable and telecom industry	Vast experience in cable & telecom industry	Vast Knowledge in telecom and cable industry.	Eminent Businessman with vast knowledge in stock market
Qualification	B.A. Hons. (Economics) from Shri Ram College of Commerce, University of Delhi.	B.Com, M.A, FCMA	B.Sc (Hons), DIISc (ECE), DIISc (ET), F.I.E.T.E.	M.B.A. from University of Delhi
No. of Equity Shares held in the Company	5,732,300 Equity Shares	NIL	NIL	NIL
List of other companies in which Directorships are held	NIL	NIL	NIL	<ul style="list-style-type: none"> ➤ Bharat Bhushan Equity Traders Ltd. ➤ Bharat Bhushan Finance & Commodity Brokers Ltd. ➤ Bharat Nidhi Ltd. ➤ KEI Industries Ltd.
List of Committees of the Board of Directors (across all companies) in which Chairmanship/ Membership	NIL	NIL	NIL	<p>Chairman</p> <ul style="list-style-type: none"> ➤ Audit Committee of Bharat Nidhi Ltd. ➤ Shareholder's Grievance Committee of KEI Industries Limited <p>Member</p> <ul style="list-style-type: none"> ➤ Audit committee of Bharat Bhushan Share & Commodity Brokers Ltd.

Note:

1. Directorships and Committee memberships in Paramount Communications Limited and its Committees are not included in the aforesaid disclosure.
2. Alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded.
3. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

E-Voting

E-Voting for the Twentieth Annual General Meeting of Paramount Communications Limited

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 new provisions have been introduced whereby every listed company or a company having not less than one thousand shareholder is required to provide to its members facility to exercise their right to vote at general meetings by electronic means. The Company shall provide facility of e-Voting, through CDSL, to the shareholders for the Twentieth Annual General Meeting, in terms of Companies (Management and Administration) Rules, 2014.

The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- 1) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password are to be used.
- 2) Log on to the e-voting website www.evotingindia.com
- 3) Click on "Shareholders" tab.
- 4) Now, select the Electronic Voting Sequence Number (EVSN) along with "Paramount Communications Limited" from the drop down menu and click on "SUBMIT".
- 5) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
USER ID	a) For account holders in CDSL :- Your 16 Digit Beneficiary ID b) For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digit Client ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Company Details#	Enter the Dividend Company Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

Please enter the DOB or Dividend Company Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Company details field.

- 6) After entering these details appropriately, click on "SUBMIT" tab.
- 7) Members holding shares in physical form will then reach directly the Company selection screen.
However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- 8) Click on the EVSN on which you choose to vote.
- 9) 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.

- 10) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 11) After selecting the resolution you have decided to vote on, 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.
- 12) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (2) to sl. no. (12) above, to cast vote.

Other Instructions:

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- The electronic voting period commences on 20th September, 2014 (9:00 am) and ends on 22nd September, 2014 (6:00 pm). The electronic voting facility will be disabled by CDSL for voting thereafter. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th August, 2014, may cast their vote electronically.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8th August, 2014;
- Members may cast their votes separately for each business to be transacted in the Annual General Meeting. For example, a member may cast his vote in favour of some resolution and may cast not in favour/ against some resolution. A member may also elect not to vote on some resolution.
- Once the vote on a resolution is casted by the member, he shall not be allowed to change or modify it subsequently;
- Member can log in any number of times till he has voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of e-votes), whichever is earlier.
- Members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If member opts for e-voting, then he does not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be ignored.
- Mr. Deepak Kukreja of M/s DMK Associates, Practicing Company Secretary (Membership No: 4140; CP No. 8265) has been appointed as the scrutinizer to the electronic voting process, who shall prepare and submit his report of the votes cast in favour or not in favour/ against, to the Chairman of the Annual General Meeting within 3 business days from the date of conclusion of the electronic voting period;
- The results declared along with the scrutinizer's report shall be placed on the website of the Company and on the website of CDSL within 2 business days of the decision on the resolution at the AGM;
- Subject to receipt of the sufficient votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting;
- Notice of the meeting is also displayed at www.paramountcables.com

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call CDSL Toll Free No. 022-30249561 or to the Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. at 011-41410592, 41410593 or write an email to delhi@linkintime.co.in.

DIRECTORS' REPORT

Your directors hereby present the 20th Annual Report along with audited statement of accounts of the Company for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2014 is summarised below:

(₹ in Lacs)

	Year ended 31.03.2014	Year ended 31.03.2013
Gross Turnover including Other Income	45,397.83	51,755.11
Profit/(Loss) before Interest, Depreciation and Tax	(2,269.39)	502.62
Interest	3,592.49	3,998.96
Depreciation & Amortisation of FCMITDA	1,092.73	1,163.28
Profit/(Loss) before Tax	(6,954.61)	(4,659.62)
Exceptional Items	(3,391.28)	4,200.85
Provision for Taxation	—	—
Profit/(Loss) after Tax and Exceptional Items	(10,345.89)	(458.77)
Taxation for earlier years	2.55	(5.54)
Net Profit/(Loss) for the year	(10,343.34)	(464.31)

The Company achieved gross turnover including other income of ₹45,397.83 Lac and incurred net loss of ₹10,343.34 Lac for the financial year 2013-2014 as against gross turnover including other income of ₹ 51,755.11 Lac and net loss of ₹464.31 Lac in financial year 2012-2013. Losses before exceptional items have been ₹ 6,954.61 Lac as against net loss of ₹4,659.62 Lac during previous year 2012-2013. The Company's turnover declined by 13.25% in FY 2013-2014. During the year under review, the banks reduced their exposure and your Company faced tight funds position. There were delays in release of bulk orders for Optical Fibre Cables due to which performance of the Company has been affected badly in the financial year 2013-2014.

2. DIVIDEND

In view of losses incurred by the Company during the current financial year, your directors do not recommend declaration of any dividend for the year 2013-2014.

3. 0% NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES (NCRPS)

During the previous year, Company has issued 7,65,000 0% Non-Convertible Redeemable Preference Shares of ₹100 each to the promoters and promoter group companies on 30.03.2013. During the year, a provision for redemption premium on prorata basis has been duly made in the books of accounts as on 31st March, 2014, amounting to ₹ 22,96,07,788/-.

4. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

Outstanding FCCBs amounting to US\$ 7.5 million were due for redemption on 23rd November, 2011 at a premium equal to 145.54% of the outstanding principal amount i.e. @ US\$ 7,277. Pending redemption, a winding up petition has been filed against the Company by the trustees on behalf of FCCB holders. Your Company is contesting the case. The matter is presently subjudice.

The Bonds are listed at Luxembourg Stock Exchange.

5. GLOBAL DEPOSITORY RECEIPTS (GDRs)

The Global Depository Receipts issued by the Company during the financial year 2006-2007 are listed at Luxembourg Stock Exchange. There are GDRs outstanding which represents 301,750 equity shares of ₹2/- each on at 31st March, 2014.

6. FUTURE OUTLOOK

The pace of anticipated investment in infrastructure, power, telecom, railways and industrial sector was affected in the past due to the loss in growth momentum resulting from global meltdown, financial crises reported world over during the last few financial years. The cable industry was also affected due to stiff competition among industry players. However, the growth seems to be regaining its momentum, the demand for the Company's products is improving.

The Company is focusing upon business segments which may give better price realization. The Government of India with an objective to connect 2.5 Lac villages across the country with Optical Fibre Cable (OFC) for offering broadband services came up with National Optical Fibre Project. Being an eminent player in the Optical Fibre telecom cables segment, your Company is privileged to become instrumental to serve the nation by being part of National Optical Fibre Project.

7. BOARD OF DIRECTORS

In accordance with the provisions of the Section 152 of the Companies Act, 2013 (Erstwhile Section 256 of Companies Act, 1956) read with Articles of Association of the Company, Mr. Sandeep Aggarwal, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

In terms of Section 149, 152, Schedule IV and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors of the Company will have to be appointed by the members for a term upto five consecutive years, and no independent director shall be liable to retire by rotation. Mr. S. P. S. Dangi, Mr. Satya Pal and Mr. Vijay Bhushan have given declaration to the Company under Section 149(6) of the Companies Act, 2013 that they qualify the criteria of independence. Accordingly, it is proposed to appoint them as Independent Directors not liable to retire by rotation for a term of five years upto 31st March, 2019.

Mr. Ram Kumar Sharma had been appointed by State Bank of India as Nominee Director. The Board of Directors at their meeting held on 14th September, 2013, appointed him as Non-Rotational Nominee Director under Section 161(3) of the Companies Act, 2013. However, the State Bank of India vide their letter dated 31.07.2014 have informed the Company that Mr. Ram Kumar Sharma has resigned from the Board of the Company. The Board placed on record its sincere appreciation for the contributions made by him during his tenure as Director of the Company.

In compliance with Clause 49 of the Listing Agreement, brief resume(s) of the directors proposed to be reappointed, the nature of their expertise in specific functional areas, names of the companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se, are forming part of the Notice of Annual General Meeting.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed except as disclosed and explained in this report.
- ii) They had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- iii) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They had prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

9. AUDITORS

M/s Jagdish Chand and Co., Chartered Accountants, New Delhi, (Firm Registration No. 000129N) the statutory auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Audit Committee had recommended their re-appointment. The certificate from the Auditors have been received to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 (Erstwhile Section 224(1)(B) of the Companies Act, 1956).

10. AUDITORS REPORT-CLARIFICATIONS AND EXPLANATIONS

Auditors Report point No. 7 (a): Preparation of financial statements on going concern basis.

The accompanying financial statements have been prepared on going concern basis despite negative net worth, defaults in repayment of loan installments and interest to banks and other working capital facilities from banks, default in redemption of Foreign Currency Convertible Bonds (FCCBs) and filing of winding up petition against the Company on behalf of FCCB holders.

Your Company is confident that it will be able to generate profits in future years and dispose-off non-core assets to meet its financial obligations as may arise. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of the following mitigating factors:

- ◆ Company has not defaulted in payment of statutory dues or its trade creditors etc.
- ◆ Company has again proposed banks to reschedule term loans repayments.
- ◆ Company and promoters have undertaken to raise and have raised adequate finances by way of disposal of assets and induction of fresh funds by promoters and/or promoter group companies.
- ◆ Company is contesting the winding up petition filed against it. The matter is presently subjudice.
- ◆ Company has good order book position.

Auditors Report point No. 7 (b): Payment of managerial remuneration.

Managerial Remuneration of ₹90,32,489/- and ₹8,53,720/- to the Chairman & CEO and Managing Director of the Company for the year ended 31st March, 2014 and for March, 2013 respectively, is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government. Any change in terms of their appointments as directed by the Central Government at the time of giving approval shall be carried out accordingly.

11. COST AUDITORS

The Board of Directors of the Company has appointed M/s. Jain Sharma & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2014-2015 on recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditor, would be ₹45,000/- (Rupees Forty Five Thousand only) plus taxes.

The Cost Audit involves audit of the cost records relating to 'Electric Cables and Conductors' maintained by the Company at its units situated at Khushkhera and Dharuhera.

During the year, the Cost Audit Report for both the units was filed with the Ministry of Corporate Affairs, Government of India in XBRL on 26.09.2013.

12. SUBSIDIARIES

The Company does not have any Indian subsidiary Company. However, the Company has the following direct/indirect wholly owned foreign subsidiaries:

1. Paramount Holdings Limited, Cyprus;
2. AEI Power Cables Limited, United Kingdom and
3. "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom *

Consolidated financials include audited financials of Paramount Holdings Limited, Cyprus and AEI Power Cables Ltd., United Kingdom for the year ended 31st March, 2014.

* "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom, a step down subsidiary of the Company, is under Administration w.e.f. 28th February, 2014.

Particulars relating to subsidiary companies, as required under Section 212 of the Companies Act, 1956 are annexed herewith.

13. EXEMPTION U/S 212 FOR SUBSIDIARIES

The Company has availed exemption from attaching Balance Sheet, Profit & Loss Account, Directors' Report, Auditors Report and such other documents of the subsidiary Companies as prescribed under Section 212(1) of the Companies Act, 1956 with its annual report. The exemption is being availed in terms of General Circular No. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs granting general exemption under Section 212(8) of the Companies Act 1956.

Accordingly, the consolidated financials and gist of financial performance of subsidiaries are forming part of the present annual report. Further the annual accounts of the subsidiary Companies are kept open for inspection by any member/investor during business working hours at the registered office of the Company and a copy of the same along with detailed information will be made available on demand of any member of the Company or any of its subsidiaries to that effect.

14. REPORTING TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION {BIFR}

Your Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 vide order dated 31st October, 2013. BIFR has restrained Company from disposing of or alienating in any manner any fixed assets of the Company without consent of BIFR.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as per the requirements of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and forms an integral part of the report.

16. ISO CERTIFICATION

The Company holds ISO 9001:2008 and ISO 14001:2004 certifications for both of its plants at Khushkhera, Rajasthan and Dharuhera, Haryana.

17. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, names and other particulars of employees are required to be attached to the Directors' Report. There are no employees whose particulars are required to be disclosed in this report under Section 217(2A) of the said Act.

18. INSURANCE

All insurable assets of the Company including inventories, buildings and plant & machinery are adequately insured.

19. PUBLIC DEPOSITS

There are no deposits from public outstanding as on 31st March, 2014.

20. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has transferred ₹2,54,961/- to the Investor Education and Protection Fund. This amount was lying unclaimed/unpaid with the Company for a period of seven years after declaration of Dividend for the financial year ended 2005-2006.

21. LISTING OF SHARES

The equity shares of the Company are listed at The Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The BSE & NSE have nation-wide trading terminals and therefore provide full liquidity to the investors. The Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) issued by the Company in the international market are listed at Luxembourg Stock Exchange. Equity shares of the Company had also been listed with the Calcutta Stock Exchange Ltd. However, the Company has applied for delisting on 03.03.2004 and the application is still pending for disposal at the exchange.

22. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

In compliance with Clause 49 of the Listing Agreement, a separate section on Corporate Governance along with the Auditors Certificate on its compliance form an integral part of this report. Further, Management Discussion and Analysis which includes detailed review of operations, performance and future outlook of the Company and its businesses forms a part of this report.

23. ACKNOWLEDGEMENT AND APPRECIATION

Your Directors convey their sincere appreciation to customers, vendors, Banks, Financial Institutions, Business Associates, Regulatory and Government Authorities and all other stakeholders for their continued co-operation and support to the Company.

The Directors appreciate and value the trust reposed and faith shown by every shareholder of the Company.

Last but not the least the Board wishes to convey its deep gratitude and place on record their appreciation to all its employees for their enthusiasm, team efforts, devotion and sense of belongingness.

For and on behalf of the Board

Place : New Delhi

Dated : 13.08.2014

(Sanjay Aggarwal)

Chairman & CEO

ANNEXURE I TO THE DIRECTORS' REPORT

Disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 217(1)(e) of the Companies Act, 1956 and the rules made there under are forming part of the Directors' Report for the year ended 31st March, 2014.

A. CONSERVATION OF ENERGY:

(a) Energy conservation measures taken

In view of the measures already taken in earlier years no fresh measure were required to be taken during the year under review; however the power consumption is continuously being monitored and controlled.

(b) Additional investments and proposal, if any, being implemented for conservation of energy

No major additional investment is required.

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Not Applicable.

(d) Total energy consumption & energy consumption per unit of production as per Form A of the Annexure

Not Applicable.

B. TECHNOLOGY ABSORPTION:

I. Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company

A team of Engineers, Industry Experts with very wide & vast experience ranging from 15 years to 50 years has been dedicated to provide a cost effective and high performance cable solutions.

2. Benefits derived as a result of the above R & D

- a) Products meeting international quality, application and acceptance.
- b) Opportunity to compete in domestic and international markets.

3. Future plan of action

Continue to develop products based on industry needs and become globally competitive in terms of design, quality and cost through operational efficiency and technological betterment.

4. Expenditure on R&D

R & D expenditure has not been accounted for separately.

II. Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

The Company, with its long experience in the cable industry, has been a leader in cable technology. Innovation in process control, product development, cost reduction and quality improvement are being made on continuous basis as per the requirements of domestic and international markets. The technology being used for the manufacture of cables is developed by in-house efforts and is at par with industry norms. The Company had also been employing the technical expertise of its erstwhile British subsidiary which is a pioneer in manufacturing specialised wires and cables and developed its know how over 170 years.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

Upliftment of facilities, proper resource utilization, lesser scrap/wastage generation, better preventive maintenance lesser break down & enhancement of the productivity & morale of work force improved Plant housekeeping and tidiness.

3. In case of imported technology imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished

- (a) Technology imported: The Company has not imported any technology in the last five financial years.
- (b) Year of Import: Not Applicable
- (c) Has technology been absorbed? : Not Applicable
- (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: Not Applicable

III. Foreign Exchange Earnings and Outgo

(a) Activities relating to export initiatives taken to increase exports, developments of new export markets for products and export plans

With the sound reputation that is gradually being built in international markets, the Company hopes to improve export business performance regularly in the coming years. Products as per the requirements of the international markets have been developed; the Company has also obtained various international accreditations and approvals to this end.

(b) Total Foreign exchange used and earned

Earnings	:	₹ 2,515.07 Lac.
Outgo	:	₹ 7,104.36 Lac.

For and on behalf of the Board

Place : New Delhi
Dated : 13.08.2014

(Sanjay Aggarwal)
Chairman & CEO

STATEMENT UNDER SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

- | | | | | |
|----|---|--|--------------------------------|--|
| 1. | Name of the Subsidiary Company | : | M/s Paramount Holdings Limited | |
| 2. | Date of becoming Subsidiary | : | 03.08.2007 | |
| 3. | a) | Number of shares held by M/s Paramount Communications Ltd. in the subsidiary Company at the end of the financial year of the subsidiary Company. | : | 3,675 ordinary shares of ₹1.71 each at a premium (Equivalent to ₹ 255,469,782/-) |
| | b) | Extent of interest of holding Company at the end of the financial year of the subsidiary Company. | : | 100% |
| 4. | The net aggregate amount of the subsidiary Company's Profit/loss so far as it concerns the members of the holding Company | | | |
| | a) | Not dealt with in the holding Company's accounts: | | |
| | i) | For the financial year ended 31.03.2014 | : | Loss of ₹ 256,948,788/- |
| | ii) | For the previous financial years of the Subsidiary Company since it became the holding Company's subsidiary. | : | Loss of ₹ 4,506,282/- |
| | b) | Dealt with in holding Company's accounts: | | |
| | i) | For the financial year ended 31.03.2014 | : | NIL |
| | ii) | For the previous financial years of the Subsidiary Company since it became the holding Company's subsidiary. | : | NIL |

For and on behalf of the Board

Place : New Delhi
Dated : 13.08.2014

(Sanjay Aggarwal)
Chairman & CEO

STATEMENT UNDER SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1. Name of the Subsidiary Company : M/s 06196375 Cables Limited
(Formerly AEI Cables Limited)*
2. Date of becoming Subsidiary : 30.08.2007
3. a) Number of shares held by : 20,000 ordinary shares of £ 1 each
M/s. Paramount Holdings Ltd., Cyprus : 2,995,000 Preference Shares of £ 1 each
in the subsidiary Company at the end : (Equivalent to ₹ 248,582,198/-)
of the financial year of the subsidiary
Company.
- b) Extent of interest of holding Company : 100%
at the end of the financial year of the
subsidiary Company.
4. The net aggregate amount of the subsidiary
Company's Profit/loss so far as it concerns
the members of the holding Company
- a) Not dealt with in the holding Company's accounts:
- i) For the financial year ended 31.03.2014* : —
- ii) For the previous financial years of the : Loss of ₹ 245,366,356/-
Subsidiary Company since it became
the holding Company's subsidiary.
- b) Dealt with in holding Company's accounts:
- i) For the financial year ended 31.03.2014 : NIL
- ii) For the previous financial years of the : NIL
Subsidiary Company since it became
the holding Company's subsidiary.

* This Company is in Administration (as per UK Laws) w.e.f. 28th February, 2014. The name of the Company has been changed from AEI Cables Limited to 06196375 Cables Limited.

For and on behalf of the Board

Place : New Delhi
Dated : 13.08.2014

(Sanjay Aggarwal)
Chairman & CEO

STATEMENT UNDER SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1. Name of the Subsidiary Company : M/s AEI Power Cables Limited
2. Date of becoming Subsidiary : 23.04.2010
3. a) Number of shares held by M/s Paramount Holdings Ltd., Cyprus in the subsidiary Company at the end of the financial year of the subsidiary Company. : 1,000 ordinary shares of £ 1 each
100,000 Preference Shares of £ 1 each
(Equivalent to ₹ 7,260,826/-)
- b) Extent of interest of holding Company at the end of the financial year of the subsidiary Company. : 100%
4. The net aggregate amount of the subsidiary Company's Profit/loss so far as it concerns the members of the holding Company
 - a) Not dealt with in the holding Company's accounts:
 - i) For the financial year ended 31.03.2014 : Loss of ₹66,763,049/-
 - ii) For the previous financial years of the Subsidiary Company since it became the holding Company's subsidiary. : Profit of ₹27,898,735/-
 - b) Dealt with in holding Company's accounts:
 - i) For the financial year ended 31.03.2014 : NIL
 - ii) For the previous financial years of the Subsidiary Company since it became the holding Company's subsidiary. : NIL

For and on behalf of the Board

Place : New Delhi

Dated : 13.08.2014

(Sanjay Aggarwal)

Chairman & CEO

MANAGEMENT DISCUSSION AND ANALYSIS

Paramount Communications Limited (PCL) is one of India's leading cable manufacturing Companies, having valuable experience of over half a century. Over the years the Company has widened its portfolio and has attained a reputable name in the cable industry. The Company caters to a wide span of industries including Power, Railways, Telecom & IT, Petrochemicals, Construction, Defence and Space Research projects etc. Paramount has a prestigious clientele that includes government, institutional and private sector organisations, both domestic and international.

Paramount is emerging as a 'One Stop Provider' for all cable products by providing complete cabling solutions to its customers. The wide product base which includes Low Tension & High Tension Power Cables, Aerial Bunch Cables (ABC), Control & Instrumentation Cables, Thermocouple Extension & Compensating Cables, Fire Performance Cables, Signalling Cables, Axle Counter Cables, Jelly Filled Telephone Cables (JFTC), Optical Fibre Cables (OFC), Installation Cables for Electronic Exchanges, Hook-up/Jumper/Drop wire, House wiring and Cables for Submersible Pumps, amongst others.

PCL is an eminent player in the Indian Cable Industry and is renowned for its quality products and strong business ethics, always laying a great emphasis on manufacturing excellence, technological advancement and customer satisfaction.

ECONOMIC OVERVIEW

Global Economic Overview & Prospects

Global Economic activity remains subdued amidst signs of diverging growth paths across major economies. Economic growth was tepid in many advanced economies but far more robust in most emerging and developing economies. Growth prospects for the world economy may exhibit a modest strengthening bias in the medium-term, but conditions will remain quite challenging in the short-term as reflected by the 2.8% growth in the first quarter of 2013.

The Global economy activity further strengthened in the second half of 2013, primarily as a result of improved performances by the world's advanced economies. Consequently, several emerging and developing economies benefited from relatively stronger demand for their export products in the latter half of the year. World output expanded by 3% in 2013 as a whole. China's economy expanded by 7.7%, substantially slower than the double-digit rates of expansion recorded and unchanged relative to 2012. India managed to raise its growth to 4.4% in 2013.

Looking ahead, Global economic activity has broadly strengthened and is expected to improve further in 2014-2015, with much of impetus coming from advanced economies. Global growth is projected to strengthen from 3% in 2013 to 3.6% in 2014 and 3.9% in 2015. Whereas in advanced economies, growth is expected to increase to about 2.25% in 2014-2015, an improvement of about 1 percentage point compared with 2013. From 2014 onwards, global growth prospects are projected to improve over the medium term at a gradual pace.

Growth is projected to be positive but varied in the Euro Zone: stronger in the core, but weaker in countries with high debt (both private and public) and financial fragmentation, which will weigh on domestic demand. In emerging market and developing economies, growth is projected to pick up gradually from 4.7% in 2013 to 5% in 2014 and 5.25% in 2015. In China, growth is projected to remain at about 7.50% in 2014 as the authorities seek to rein in credit and advance reforms while ensuring a gradual transition to a more balanced and sustainable growth path.

The Indian Perspective

The Indian Economy has overcome varied challenges in its resolve to sustain its economic success. The major challenges faced by Indian Economy are unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressure. The Economy has recorded a slowdown manifested in the decline in the growth of GDP from 8.9% in 2010-2011 to 6.7% in 2011-2012 and 4.5% in 2012-2013.

According to Central Statistics Office (CSO), the Indian economy registered a growth rate of 4.7% in 2013-2014, the declining trend in growth seems to have reversed, albeit minimally. This growth is significantly lower in comparison to the decadal average of 7.6% during 2004-2005 to 2013-2014. It is primarily the result of continued slowdown in the industrial sector contracted by 0.7% in 2013-2014 and lower growth in the trade, hotels, transport, storage and communications segment of the service sector. On the brighter side, sectors, viz. agriculture, electricity, gas & water supply, real estate and construction grew at faster rates in 2013-2014 vis-a-vis 2012-2013.

The cumulative effect of above conditions has resulted in slackness of investments in corporate sector and infrastructure, as a result of investment bottlenecks and a tighter monetary policy that are further dampening industrial growth in India. Indian Economy is also being adversely affected by the global slowdown, since 43% of GDP is presently accounted for by exports and imports. Additionally, two way external sector transactions have also risen considerably, increasing India's vulnerability to the global economic landscape.

Besides factors including the slack in investment, exacerbated by delays in projects, signaled the emergence of bottlenecks that made new reforms an imperative to ease the structural constraints hampering growth. The Government's remedy for the present growth slowdown has been in the form of structural reforms aimed at reducing entry-barriers and boosting competition and productivity in various sectors; fiscal consolidation and reforms in administered prices; measures to restart the investment cycle through support to infrastructure financing and encouragement to micro, small and medium enterprises (MSMEs); steps to revive growth in manufacturing and reforms in energy pricing.

However, for the Indian Economy, the outlook for the growth and price stability at this juncture looks more promising. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent. With the recent change in Government, there is widespread optimism with regards to economic revival, with forecast for a discernible impact being felt only by 2015-2016.

Industry Development & Trends

The Industrial Sector, consisting of manufacturing, mining, electricity and construction, showed remarkable recovery and steady growth for three years post 2008-2009 but lost momentum thereafter owing to a combination of supply-side and demand-side constraints. Industrial performance in 2013-2014 remained lacklustre for the second successive year. The GDP estimates show that industry grew by just 1% in 2012-2013 and slowed further in 2013-2014, with a modest increase of 0.4%.

The Index of Industrial Production (IIP) which is the leading indicator of industrial performance has recorded industrial output growth rate at (-)0.2% during April-November 2013 as compared to 0.9% during the corresponding period of the previous year. The fiscal ended with IIP growth of 0.5% in March 2014.

The moderation in industrial growth, particularly in the manufacturing sector, is largely attributed to sluggish growth of investment, squeezed margins of the corporate sector, deceleration in the rate of growth of credit flows and the fragile global economic recovery.

Whilst sluggish growth in power sector and escalating imports of electrical equipment may impact the commercial viability of a part of domestic electrical equipment industry, the business environment for cable industry is showing signs of industrial and infrastructure growth. The future outlook in terms of investment in the infrastructure sector also seems good. This indicates that demand for the cable business ought to improve further.

Government's recent steps to uplift overall business sentiment and boost investment, several specific initiatives have been initiated to strengthen industry and in particular the manufacturing sector in the Country. The 12th Five Year Plan (2012-2017) document lays down broad strategies for spurring industrial growth. Some of major initiatives that can change the manufacturing landscape of the Country are introduction of National Manufacturing Policy (NMP), implementation of the Delhi Mumbai Industrial Corridor (DMIC) Project, an e-Biz projects etc.

Growth in India is contingent on infrastructure investment and cables, being used for transmission and distribution are the veins of any infrastructure. The wire and cable industry is an integral part of a large number of infrastructure sectors namely power, railways, telecom, commercial and residential construction, etc. It is said to have a positive correlation with the investments in these sectors. A higher investment in these sectors is bound to have a positive impact in the growth of wires and cables industry.

OPPORTUNITIES & THREATS

Opportunities

Paramount is concentrating in the core sectors of infrastructure, optical fibre networks, power generation and distribution projects railways sectors which are witnessing brisk traction, growth and investment. The Company has ample opportunities to enlarge its operations due to its long presence and excellent track record with various prestigious customers, a clear testament of its product quality and service excellence.

The broad vision and aspirations which the 12th Plan seeks to fulfil are reflected in the subtitle: "Faster, Sustainable and More Inclusive Growth". The total investment in infrastructure sectors in the 12th Plan is estimated to be ₹55.7 Lac Crore, which is roughly USD 1 trillion. The share of private investment in the total investment in infrastructure rose from 22% in the 10th Plan to 36.61% in the 11th Plan. It will have to increase to about 48% during 12th Plan if planned infrastructure target is to be met. The 11th Plan succeeded in raising investment in infrastructure from 5.04% of GDP in the 10th Plan to 7.2% of GDP in the 11th Plan. The 12th Plan aims to raise it further to 9% of GDP by 2016-2017.

Investment in Railways and Optical Fibre Broadband networks are being seen as the major drivers for growth of the Company.

Threats

Slow Down and Macro Economic Scenario

A slowdown of the World Economy, mainly due to the European economy, is quite possible for the short term due to current global developments. Due to the strong linkage of the manufacturing industry to the economy, such an event would adversely impact growth in the short term of the Company. Despite the macro economic challenges, the Company has been striving to perform as best as possible, bagging large, prestigious orders.

Foreign Exchange Fluctuation

The business is exposed to foreign currency risk due to import of raw material and export of finished goods involving exchange fluctuations. Significant fluctuation in the currencies could impact Company's financial performance.

Competition

Paramount takes Competition, whether domestic or international, as a challenge, considering the potential of the industry. Transforming challenges into opportunities has been a practice at Paramount and the Company only undertakes orders where quality is not compromised due to short term gains.

Paramount is largely focused on the following sectors for demand of its products. The future prospects of the respective sectors are as follows:

Power Sector

The Indian power sector is one of the most diversified in the world for the cable and wire industry. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. With the production of 1,006 terawatt hours (TWh), India is the 3rd largest producer and consumer of electricity in the world after US and China. The Indian power sector has made substantial progress both in terms of enhancing power generation and in making power available across widely distributed geographical areas. On a global scale, it is estimated that by 2040, 39.0 trillion kilowatt hours of electricity is expected to be generated worldwide.

(Source: International Energy Outlook)

In India, the power sector is currently at a crucial juncture of its evolution from a dominantly public sector environment to a more competitive power sector, with many private producers. The scope in electricity generation alone is huge, with only approximately 75% of India's population having access to electricity according to the World Bank estimates of 2011. The performance of the power sector shows many positive signs, especially relating to the pace of addition to power generation.

Power Generation

Power generation is not only the fundamental base of an infrastructure but also a continuous requirement and basic need of any nation. With immense dependence on technology and machinery, today a world without power is unimaginable, thus growth in power generation is inevitable.

The Mid Term Appraisal during the 11th Plan was fixed at 62,374 MW corresponding to which there was a requirement of generation capacity addition during the 12th and 13th Plan which has been worked out at 75,785 MW and 93,400 MW respectively. As per the reports of Planning Commission even in the moderate level of 1,403 Billion Units as 12th five year plan, the projected growth rate in the power generation will be 9.8% whereas it is projected that there is a energy requirement of 1,993 Billion Units during 13th five year plan period to meet the peak load of 2,89,667 MW.

The share of renewable energy in electricity generation is expected to rise from 6% in 2012 to 9% in 2013 and 16% in 2017 in order to bridge the gap between peak demand and peak deficit, and provide for faster retirement of the old energy-inefficient plants.

(Source: Planning Commission Report)

With direct correlation between growth in power segment and power Cables, this increase would bring about similar growth in transmission lines. Further, with offshore wind power projects set to play an important role in the Indian renewable energy sector, submarine cable technology could become an area of focus.

Power Transmission

The transmission segment is one of the most important segments for transmitting power across the country. The larger expansion in production and consumption of electricity has to be supported by a significant expansion and strengthening of the transmission network.

Transmission lines to the order of about 1,09,000 ckm and 13,000 MW of HDVC systems are proposed to be added during the 12th Plan. However, inter-regional transmission links of 38,000 MW and inter-regional transmission capacity to the order of 63,000 MW is expected during the 12th Plan.

The total fund requirement for the development of transmission system is estimated to be of the order of ₹1,80,000 Crore during the 12th Plan.

(Source: Planning Commission Working Group Report)

Power Distribution

Power distribution is the final and most crucial link in the supply of electricity, reaching end consumers such as residential, commercial, agricultural and industrial segments and completing the activity. Recognising need to fill gap of requirement and availability, various plans by Government are being introduced to strengthen power distribution throughout the Country.

The Government has announced a Smart Grid Power Network which involves underground cabling of 132 kV power lines of 54 KM, 33 KV and 11 KV power lines of 300 KM. The capacity of transfer of power under the regional grids is about 27,750 MW at the end of 11st Plan and which is expected to be increased by 136% to 65,550 MW by the end of 12th Plan. Three HVDC systems and a number of 765 KV lines and substations shall be implemented during 12th Plan.

The distribution system planned for the 12th Plan includes setting up of new lines (13,05,000 ckm), installation of new substations (88,000 MVA), augmentation of substation etc. with a total fund requirement of ₹3,06,235 Crore .

(Source: Planning Commission Report)

Thus power projects are expected to give rise to substantial demand for power cables.

Railways

The Transport sector plays a vital role in the growth of Power Sector. The development of different transport sectors like Railways is key to achieve capacity addition targets of the 12th Five Year Plan. Indian Railway is the backbone of the socio-economic growth in India. It is the World's fourth largest rail network and the second largest in Asia. The railways plan to invest ₹5 Lac Crore in capacity addition during the 12th Five Year Plan (2012-2017). The government has taken initiative for the construction of two Dedicated Freight Corridors (DFC) on the eastern and western routes whereas the Eastern DFC (1,839 route kilometres [RKM]) shall extend from Dankuni near Kolkata to Ludhiana in Punjab, while the Western DFC (1,499 RKM) will extend from the Jawahar Lal Nehru Port (JNPT) in Mumbai to Dadri /Rewari near Delhi and also planning for other DFCs-North-South, East-South, East-West and South-West during the 12th Plan period.

Further, some future freight corridors viz. East-West Corridor (Kolkata-Mumbai), North-South Corridor (Delhi-Chennai), East Coast Corridor (Kharagpur-Vijayawada) and Southern Corridor (Goa-Chennai) are also under consideration. Apart from the above, the government has selected six corridors for development of High Speed Rail Corridors.

Some ongoing metro/mono-rail projects include East-West Metro Corridor of 14.67 km length in Kolkata by Kolkata Metro Rail Corporation Ltd. (KMRCL), which is targeted for completion by 31st January 2015, the Chennai Metro Rail Project of 46.5 km length by Chennai Metro Rail Ltd. (CMRL) at a total estimated cost of ₹14,600 Crore, targeted for completion by 31st March 2015 and the 103.5 km Phase III of Delhi Metro at a total cost of ₹35,242 Crore, targeted for completion by 2016. Other upcoming metro projects include Kochi Metro Rail Project, Mumbai Metro Rail Project and Rajasthan Metro Rail Project.

In view of above operational and upcoming railways and metro projects, good business is expected from this sector as demand of signalling cables and axle counter cables shall rise significantly.

Telecommunications

The telecom sector have been recognised the world over as an important tool for socio-economic development of a nation. India is currently the world's second-largest telecommunications market with 904.56 million subscribers, while the overall teledensity has increased to 73.32% as of 31st October, 2013. The total number of mobile phone subscribers have reached 875.48 million and there is increase in mobile tele-density to 70.96% as on 31st October, 2013. In the wireless segment, 4.90 million subscribers were added by October 2013, whereas the number of wire line segment subscribers stood at 29.08 million. The reasons for growth of the telecom sector in India are reform measures by the Government of India, active participation of the private sector, and wireless technology.

The National Telecom Policy (NTP) 2012 has targeted 100% tele-density and 600 million broadband connections by the year 2020.

The Government of India with an objective to connect 2.5 Lac villages across the country with Optical Fibre Cable (OFC) for offering broadband services came up with National Optical Fibre Project. The total cost of the project is around ₹20,000 Crore. Paramount Communications Limited is privileged to become instrumental to serve the Nation by being part of National Optical Fibre Project. The Company has received orders to the tune of ₹207 Crore, which are to be executed within a 6 months timeframe.

In view of above, the demand of Optical Fibre Cables (OFC) business is expected to be at its highest levels with the help of government projects.

Building, Construction and Real Estate

The building and construction sector plays a major role in the economic growth of the nation and occupies a pivotal position in the nation's development plans. Cables and wires demand in this sector is directly related to growth in construction capex. It is projected that during the period of the 12th Five Year Plan, the size of the construction industry is likely to increase from ₹7.67 Lac Crore in 2012-2013 to ₹13.59 Lac Crore in 2016-2017.

Growth in construction industry is linked to the growth in the infrastructure sector and the building industry. The thrust on capacity expansion in the infrastructure sector will continue in the 12th Plan.

With the government's continued focus on urban development, the real estate industry is also poised for tremendous growth. Total infrastructure expenditure during the 12th Five Year Plan (2012-2017) nearly doubled to USD 1,025 Billion from USD 514 Billion in 11th Five Year Plan (2007-2012); this augurs well for the construction industry.

The expected growth in housing projects shall increase demand of building wires.

PRODUCT WISE BUSINESS ANALYSIS AND PERFORMANCE

Power & Railway Cables

The Company supplied various kinds of electric cables such as LT/HT Power Cables, Control Cables, Instrumentation Cables, Thermocouple Cables, Railway Signalling Cables, Copper Flexible & Industrial Wires. During the year the Company sold power cables amounting to ₹369.33 Crore as compared to ₹449.52 Crore in the previous year.

Power and railway cables constitute approximately 81.79% of gross turnover of the Company for the financial year 2013-2014.

Jelly Filled Telephone Cables (JFTC)

The Company sold Jelly Filled Telephone Cables amounting to ₹64.24 Crore against ₹35.36 Crore in the previous year.

Jelly Filled Telephone Cables segment comprises of 14.22% of gross turnover of the Company for the financial year 2013-2014.

Optical Fibre Cables (OFC)

The growth in this segment has been long foreseen, the turnover of the Company in OFC has dropped in the fiscal 2013-2014. The Company sold Optical Fibre Cables amounting to ₹11.67 Crore as compared to ₹18.65 Crore in the previous year.

Optical Fibre Cables comprises of 2.58% of gross turnover of the Company for the financial year 2013-2014. However, the NOFN project will increase the turnover contribution of segment in the next fiscal.

COMPETITIVE BUSINESS STRATEGY & OUTLOOK

Paramount is known for quality of its cables and the Company's research team is fully committed to develop tailor made and innovative cables in order to suit the requirements of the customers. The Company continuously strive to lower the cost of production through operational efficiency and innovation, without compromising on the quality and performance capability of its products. The Company is also aggressively strengthening its nationwide marketing network. Paramount is sure to continually improve its performance with its following key strengths:

1. The Company stands amongst a few with the widest spectrum of cables and wires serving virtually all industrial sectors of the Indian economy and with an unrivalled presence in three of the five core infrastructure sectors.
2. Its diversified and de-risked business model enhances its revenue enhancing ability from multiple sectors.
3. Paramount is known for the quality of its cables and Company's research team is fully committed to develop custom-made, innovative cables to the satisfaction of its customers. The Company's capabilities in manufacturing specialised cables helps it meet discerning needs of customers and sectors.
4. The Company serves the core and prime infrastructure sectors including power, telecom, real estate, railways and domestic building wires. The Company is an approved supplier of cables to Government and public sector enterprises along with major players in the private sector and derives its major revenues from government and institutional sales.
5. The Company's products meet the technological parameters and specifications of national and international agencies and holds major accreditations and approvals from its clients. Its long track record and ability to service client needs efficiently have placed it in the category of preferred vendor for its prestigious customers.
6. Swing capability (ability to use the same manufacturing infrastructure to manufacture different varieties of cables) has made your Company capable of offering the widest product basket. The Company has a well-diversified presence, which helps the Company to insulate itself from slowdown in any one sector.

Exports

Despite the global economic meltdown, recession and poor economic conditions in the UK market, the Company's export business increased from ₹19.28 Crore during previous year to ₹25.15 Crore during the year under review, thereby resulting in growth of 30.44%.

Financial Performance

The gross turnover (standalone) of the Company is ₹451.53 Crore for the year ended 31st March, 2014 as compared to ₹516.20 Crore during the previous year. The Company has incurred a net loss of ₹103.43 Crore as against net loss of ₹4.64 Crore during previous year. The losses are not comparable to the previous year as it also includes provisioning of investment in the Company's wholly owned subsidiary AEI Cables Ltd. to the extent of ₹33.91 Crore. These investments were classified as impaired due to appointment of Administrator. This was primarily done to have more transparency in accounting policies and systems adopted by the Company.

Besides the aforesaid, the Company incurred losses on account of adverse market conditions resulted in significant reduction in demand for cables. The Company has been facing challenging business environment, heavy debt and interest burden and intense volatility in prices of basic inputs affecting its financial position adversely. However, the Company is optimistic about a change in the country's economic scenario in the coming fiscal.

Total financial costs during the year have reduced to ₹41.55 Crore as against ₹44.47 Crore during previous year.

The consolidated gross turnover of the Company is ₹456.12 Crore and incurred net loss of ₹100.76 Crore for the year ended 31st March, 2014 as compared to ₹729.18 Crore and net loss of ₹24.51 Crore respectively during the previous year.

Borrowing position

Borrowings excluding working capital facilities as at 31st March, 2014 are ₹193.76 Crore as compared to ₹232.44 Crore during the previous year. These borrowings include term loans from banks of ₹190.00 Crore, loans from financial institutions of ₹3.74 Crore and hire purchase finance of ₹0.02 Crore.

The liability against FCCBs amounting to ₹65.81 Crore as against ₹40.96 Crore in the previous year has not been included in Borrowings as already accrued and due for payment and has been classified as Current Liabilities. However, the Company has not issued fresh FCCBs during the period under review but the Company has provided premium and interest on these bonds amounting to ₹20.59 Crore and ₹1.39 Crore respectively.

Fixed Assets

Gross Fixed Assets as at 31st March, 2014 are ₹180.49 Crore as compared to ₹177.45 Crore as at 31st March, 2013.

Inventories

Level of Inventories as at 31st March, 2014 is ₹148.86 Crore as compared to ₹169.88 Crore as at 31st March, 2013.

Sundry Debtors

Sundry Debtors as at 31st March, 2014 are ₹138.97 Crore as compared to ₹182.04 Crore as at 31st March, 2013. These are considered good and realizable.

Earnings per Share

Basic Earnings per Share for the year ended 31st March, 2014 is ₹(8.26) as compared to ₹(0.50) for the year ended 31st March, 2013 and Diluted Earnings per Share for the year ended 31st March, 2014 is ₹(8.26) as compared to ₹(0.50) for the year ended 31st March, 2013.

Internal Control System

The Company has adequate internal control procedures commensurate with the nature and size of its business. The Company's internal control system primarily covers the aspects such as:

1. Control over operating parameters and various factors relating to production.
2. Efficient use and protection of resources.
3. Accuracy and promptness of financial reporting.
4. Compliance with laws and regulations.

The Company has a well-defined organizational structure, well documented policies, guidelines and clearly defined authority levels.

Risk Management

Business Risk

The state of the Indian economy and the development in infrastructure, power and industrial projects and expansion have a direct bearing on the performance of the cable industry and therefore the Company. These sectors are expected to grow and drive the demand for the Company's products; however adverse developments or a slowdown in these sectors can have a negative impact on the Company's performance and its financials. The instability in key raw material prices especially of metals such as Copper and Aluminium used for manufacturing cables can also have an adverse impact on the performance of the Company.

Technology Risk

There is no significant change in the basic technology for the manufacture of cables. Ongoing improvements aim to improve performance of products and carve a niche in an otherwise commoditised sector. The Company closely monitors the latest global trends in the cable industry. The Company has an in-built quality assurance system wherein products pass through testing at every stage for quality and technical accuracy. The Management of the Company places the highest priority on quality assurance and research. Continuous improvements in existing products and enhancement of the product offering will enable the Company to emerge as a reliable, cost competitive and quality provider of complete cabling solutions.

Financial Risk

The Company makes investments from time to time after due analysis and study. The Company has an adequate system to control financial risks. The Company also has an adequate system to control and monitor optimal inventory levels, to reduce the cost of capital and the adverse effects of unpredicted price fluctuations.

A portion of the Company's revenue comes from exports and it also imports raw materials for the manufacture of cables, both of which need currency exchange. Hence, excessive volatility in currency rates can significantly affect profitability.

Human Resources

Human Resource Capital is the most valuable asset of the Company as it holds the key to the success of the organization. The Company places the utmost importance on maintaining cordial employer-employee relations and on promoting a sense of ownership amongst employees. Training & development and motivational & social programmes are given thrust at Paramount. The Company is committed to foster a high performance environment, which is characteristic of an organizational climate that is geared towards delivering the said business targets through innovative and well-formulated strategies. The Company has low labour turnover and has an adequate system to reward and recognize employee contribution towards the growth of the Company.

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax, corporate and other laws together with the other incidental factors.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PERSPECTIVE ON CORPORATE GOVERNANCE

At Paramount Communications Limited, our commitment to Corporate Governance is reflected in dealings with shareholders, members of the staff, customers and all other stakeholders, including the society at large. Corporate Governance in the Company rests on the pillars of Trusteeship and Accountability. These all-important values, underline our business initiatives and processes.

An implicit sense of ethical business conduct has been the cornerstone of Paramount's way on corporate governance. We commit ourselves to align our business practices to meet stakeholders' aspirations and also societal expectations. The Company feels that the code of corporate governance is an excellent tool to secure corporate excellence. The governance processes and systems in the Company are continuously reviewed to ensure highest ethical and responsible standards being practiced by the Company. Corporate Governance as practiced by the Company works on the following principles:

- ◆ being fair and civic-minded;
- ◆ fulfilling duties to the entire spectrum of stakeholders;
- ◆ making integrity an article of faith across all operations.

The Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement. This report, along with the Management Discussion and Analysis, constitutes Paramount's compliance with Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

➤ Composition of the Board

In accordance with the requirements of Clause 49 of the Listing Agreement of Stock Exchanges (Clause 49), more than one-half of the Board of Directors comprises of Non-Executive Directors. Our Company also complies with the requirement of one-half of the Board to comprise of Independent Directors. The independent and non-executive directors do not have any material pecuniary relationship or transactions with the Company or its executive directors, promoters, or management which may affect their judgments in any manner. Mr. Sanjay Aggarwal, Chairman & CEO and Mr. Sandeep Aggarwal, Managing Director of the Company, being brothers, are related to each other.

The Board consists of eminent persons with considerable professional expertise and experience in the Cable Industry, Finance, Capital Market and allied fields. Brief resume and the profile of director retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting of the Company is annexed with the Notice for the Annual General Meeting.

The composition of the Board of Directors is as follows -

EXECUTIVE PROMOTER DIRECTORS

Name of the Director and Designation	Date of appointment	Relationship with other Directors	Director Identification Number (DIN)
Mr. Sanjay Aggarwal (Chairman & CEO)	01/11/1994	Brother of Mr. Sandeep Aggarwal	00001788
Mr. Sandeep Aggarwal (Managing Director)	01/11/1994	Brother of Mr. Sanjay Aggarwal	00002646

NON-EXECUTIVE INDEPENDENT DIRECTORS

Name of the Director	Date of appointment	Relationship with other Directors	Director Identification Number (DIN)
Mr. S.P.S.Dangi	08/11/1994	None	00236827
Mr. Satya Pal	08/11/1994	None	00287845
Mr. Vijay Bhushan	22/07/2000	None	00002421
Mr. Ram Kumar Sharma*	14/09/2013	None	02753381

*Mr. Ram Kumar Sharma was inducted on the Board of the Company as a Nominee Director (appointed by State Bank of India) w.e.f. 14th September, 2013. However, the State Bank of India vide their letter dated 31.07.2014 have informed the Company that Mr. Ram Kumar Sharma has resigned from the Board of the Company.

None of the Non-Executive Director holds any share/convertible instrument in the Company

➤ **Directors' attendance record and Directorships held**

During the financial year ended on 31st March, 2014, 6 (Six) Board meetings were held. The details are as follows:

Sl. No.	Date of Board Meeting	Board Strength	Number of directors Present	Number of independent directors Present
1.	29 th May, 2013	5	5	3
2.	28 th June, 2013	5	4	3
3.	14 th August, 2013	5	5	3
4.	14 th September, 2013	5	5	3
5.	09 th November, 2013	6	6	4
6.	14 th February, 2014	6	5	4

Attendance record of the Directors at the above Board Meetings and at the last Annual General Meeting (AGM) held on 20th September, 2013, along with the number of other Directorships/Committee positions held by them in other Indian Public companies during the year, are as follows:

Name of the Director	Board meetings attended during FY2013-14	Attendance at the last AGM	No. of Directorships held in other companies*	Committee position held in other companies**	
				Chairperson	Member
Mr. Sanjay Aggarwal	4	No	1	0	0
Mr. Sandeep Aggarwal	6	Yes	1	0	0
Mr. S.P.S.Dangi	6	Yes	0	0	0
Mr. Satya Pal	6	Yes	0	0	0
Mr. Vijay Bhushan	6	No	4	2	3
Mr. Ram Kumar Sharma#	2	No	0	0	0

* Excludes directorship in Paramount Communications Limited. Also excludes directorship in Private Limited Companies, Foreign Companies, Section 8 Companies (Erstwhile Section 25 Companies) and Alternate Directorships.

** Only two committees viz. Audit Committee and Shareholders'/Investors' Grievance Committee are considered.

Mr. Ram Kumar Sharma was inducted on the Board of the Company as a Nominee Director (appointed by State Bank of India) w.e.f. 14th September, 2013. However, the State Bank of India vide their letter dated 31.07.2014 have informed the Company that Mr. Ram Kumar Sharma has resigned from the Board of the Company.

As stipulated by Clause 49, none of the Director was a member of more than 10 committees or chairperson of more than 5 committees, across all companies in which he serves as a director.

➤ Information supplied to the Board

The Directors of the Company are provided with all the information and details required for taking informed decisions at the Board meetings, as agenda papers, circulated well in advance of the meeting. In cases where it was not practicable to forward the document(s) with the agenda papers, the same were placed at the meeting.

The Board has unrestricted access to all Company related information. At the Board meetings, managers and representatives who can provide additional insights on the items being discussed are invited.

➤ Details of remuneration paid to Executive Directors (Key Managerial Personnel) during the year 2013-2014

Aggregate value of salary, perquisites and commission paid during the financial year 2013-14 to the executive directors (Key Managerial Personnel) are as follows:- **(Amount in ₹)**

Name	Salary and perquisites	Company's Contribution to P.F.	Sitting Fees	Total
Mr. Sanjay Aggarwal	3,998,143	468,000	Nil	4,466,143
Mr. Sandeep Aggarwal	4,098,346	468,000	Nil	4,566,346

The appointment of Mr. Sanjay Aggarwal as Whole Time Director (designated as Chairman & CEO) and Mr. Sandeep Aggarwal, Managing Director of the Company for a period of five years w.e.f. 01.03.2013 has been made subject to approval of Central Government at a remuneration of ₹400,000/- (Rupees Four Lac) per month all inclusive. The said appointment has been made pursuant to approval of members of the Company by way of postal ballot, declaration of results of which was held on 28.03.2013. The appointment and payment of remuneration is subject to approval of Central Government and thus the terms of appointment may vary.

➤ Compensation and Disclosures of Non-Executive Directors

The Non-executive Directors are paid sitting fee at the rate of ₹ 8,500/- (Rupees Eight Thousand Five Hundred Only) per meeting, for attending meetings of the Board/Committee(s) thereof. The independent directors are also paid a lump sum for conveyance and out of pocket expenses at the rate of ₹ 4,000/- (Rupees Four Thousand Only) for each committee meeting or meeting of the Board of Directors attended by them.

The details of sitting fee paid to the directors for attending the Board and Committee meetings for the year ended 31st March, 2014 are as follows :

(Amount in ₹)

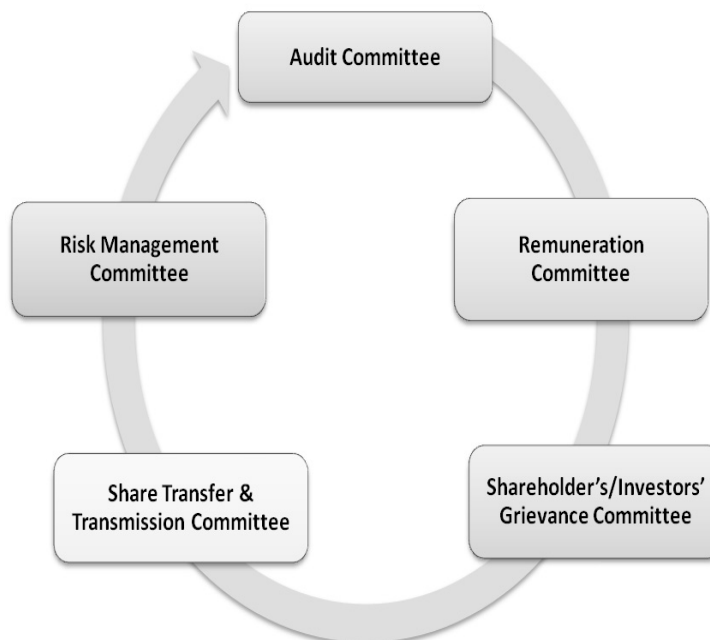
	Name of the Director	Sitting Fee paid
1.	Mr. S.P.S. Dangi	93,500
2.	Mr. Satya Pal	93,500
3.	Mr. Vijay Bhushan	102,000
4.	Mr. Ram Kumar Sharma	17,000

➤ Code of Conduct

The Board of Directors of the Company has laid down a code of conduct for all Board members and senior management of the Company. All the directors and senior management have affirmed compliance with this code for the year ended 31st March, 2014. The code of conduct has been posted on the website of the Company viz. www.paramountcables.com. A declaration of compliance of this code signed by the Chairman & CEO is annexed as Annexure-A to this report.

3. BOARD COMMITTEES

As at year end, there were five standing committees of the Board of Directors, which were delegated requisite powers to discharge their functions, and they meet as often as required. These committees are as follows -



The role and composition of the above committees, including the number of meetings held during the financial year ended on 31st March, 2014 and attendance of Directors thereat, are given hereunder.

(a) AUDIT COMMITTEE

Qualified and Independent Audit Committee

The Board of Directors has constituted an Audit Committee, comprising of three independent non executive directors. Mr. S. P. S. Dangji - Chairman of the Committee is a well known Finance & Management Consultant. He is a fellow member of the Institute of Cost Accountants of India and has expertise in accounting & finance matters. Mr. S.P.S. Dangji was present at the last Annual General Meeting of the Company held on 20th September, 2013.

Mr. Rattan Aggarwal, CFO & Company Secretary of the Company acts as the Secretary of the Committee. The Audit Committee is constituted in compliance of the requirements of Section 292A of the Companies Act, 1956.

The attendance of the members at the Audit Committee Meetings held during the financial year under reporting are as under:-

Name of the Director	Category of Directorship	No. of Meetings attended
Mr. S. P. S. Dangji	Non-executive Independent Director	05
Mr. Satya Pal	Non-executive Independent Director	05
Mr. Vijay Bhushan	Non-executive Independent Director	05

Meetings of Audit Committee held during the financial year 2013-14.

During the financial year ended on 31st March, 2014, five meetings of the Audit Committee were held. The composition of Audit Committee, date on which the meetings were held and attendance of Directors at the above meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings				
		29 th May, 2013	28 th June, 2013	14 th August, 2013	9 th November, 2013	14 th February, 2014
Mr. S. P. S. Dangi	Chairman	✓	✓	✓	✓	✓
Mr. Satya Pal	Member	✓	✓	✓	✓	✓
Mr. Vijay Bhushan	Member	✓	✓	✓	✓	✓

Proper quorum was present at the afore mentioned meetings of Audit Committee.

The Internal Auditor and the Statutory Auditors are invitees to the meetings of Audit Committee.

Powers of Audit Committee

The audit committee of the Company is vested with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit committee

The Terms of reference/role stipulated by the Board for the Audit Committee are as contained under Clause 49 of the Listing Agreement and as per Section 292A of the Companies Act, 1956.

Review of information by Audit Committee

The audit committee reviews the following information:

1. Management Discussion and Analysis of the Company's financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal Audit Reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the internal auditors.

(b) REMUNERATION COMMITTEE

Board of Directors of the Company has constituted a Remuneration Committee, comprising of three independent non-executive directors viz. Mr. Satya Pal, Chairman of the Committee, Mr. S.P.S. Dangi and Mr. Vijay Bhushan. Meeting of the Remuneration Committee are held as and when required to review/revise or modify the remuneration of the executive directors. Mr. Rattan Aggarwal, CFO and Company Secretary acts as the Secretary of the Committee. The present remuneration of the executive directors is in consonance with the existing industry practice. No meeting of the Remuneration Committee was held during the period under review.

(c) INVESTORS' /SHAREHOLDER'S GRIEVANCE COMMITTEE

At present Shareholders'/Investors' Grievance Committee, comprises of Mr. Vijay Bhushan, Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal.

Mr. Vijay Bhushan, non-executive and independent director has been appointed as the Chairman of the Committee. The Committee, inter alia, overlooks:

- ♦ issue of duplicate share certificates;
- ♦ revalidation of dividend warrants;
- ♦ investigates and redresses shareholders' complaints like non receipt of annual report/ balance sheet, non receipt of declared dividends, etc.;
- ♦ oversees and reviews all matters connected with the delay in transfer of securities;
- ♦ oversees the performance of the Registrar and Share Transfer Agents and
- ♦ recommends measures for overall improvement in the quality of investor services.

The Board has delegated the power of approving transfer of shares to the Share Transfer Committee. The Shareholders and Investors Grievance Committee of the Company meets as and when necessary and/or to review the transfer effected by the Share Transfer Committee of the Company. The Board has designated Mr. Rattan Aggarwal, CFO & Company Secretary as the Compliance Officer.

Meetings

During the financial year ended on 31st March, 2014, one meeting of the Investors' Grievance Committee was held. The composition of Investors' Grievance Committee and attendance of Directors at the above meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meeting 29 th May, 2013
Mr. Vijay Bhushan	Chairman	✓
Mr. Sanjay Aggarwal	Member	✓
Mr. Sandeep Aggarwal	Member	✓

Only 1 investor complaint was received during the year. Total numbers of requests received were 19 during the year under review and all of them were replied to the satisfaction of the shareholders. All the investors' grievances and complaints have been resolved as and when received and there were no outstanding complaints/requests as on 31.03.2014.

The Company has designated an e-mail id investors@paramountcables.com exclusively for the purpose of receiving investors' queries and complaints so that they can be attended promptly.

(d) SHARE TRANSFER AND TRANSMISSION COMMITTEE

The Share Transfer Committee is constituted by the Company specifically for making the share transfer process smooth and speedy. The committee meets periodically to approve share transfer/transmission etc. All the transfer/transmissions affected by Share Transfer Committee are placed before & reviewed by the Investors' Grievance Committee. Mr. Sanjay Aggarwal, and Mr. Sandeep Aggarwal are the members of the Committee.

During the year ended 31st March, 2014, the committee met 10 times and 4 transfer requests for transfer of 49 shares were approved thereafter. The Committee also approved re-mat requests for 355 equity shares during the year under reporting.

There were no outstanding complaints/requests and no transfer was pending as on 31st March, 2014

(e) RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted by the Company to analyze/monitor Foreign Exchange risk, forecast the risk involved in forward and option contract/derivatives transactions, to take necessary steps in order to minimize risk on account of foreign currency rate fluctuation and to deal with other incidental matters. The committee consists of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal. Mr. Rattan Aggarwal acts as the Secretary to the Committee. Further, the Audit committee and the management regularly reviews the risk management strategy of the Company. No meeting of the Risk Management Committee was held during the period under review.

4. GENERAL BODY MEETINGS

Details of date, time and venue of the last three Annual General Meetings are as under:

Date & Time	20 th September, 2013 at 12.00. P.M.	21 st September, 2012 at 10.00 A.M.	28 th September, 2011 at 11.00 A.M.
Financial year	2012-2013	2011-2012	2010-2011
Venue	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.
Special Resolution(s) passed, if any	-None-	<ul style="list-style-type: none"> ❖ For increase in authorized share capital of the Company from ₹35 Crore to ₹50 Crore ❖ For report on erosion of more than 50% of peak net worth as per provisions of Sick Industrial Companies (Special Provisions) Act, 1985. 	<ul style="list-style-type: none"> ❖ For appointment of Mr. Tushar Aggarwal, relative of Executive Directors, as Vice President-Business Development, to hold office and place of profit in the Company at remuneration not exceeding ₹1,25,000/- per month ❖ For appointment of Mr. Dhruv Aggarwal, relative of Executive Directors, as Vice President-Business Development, to hold office and place of profit in the Company at remuneration not exceeding ₹1,25,000/- per month

5. POSTAL BALLOT

During the financial year ended 31st March, 2014, no special resolution was passed by the Company which required use of postal ballot process.

6. DISCLOSURES

- (i) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, subsidiary or the relatives of the directors, etc. that may have potential conflict with the interest of the Company at large.**

Members may refer to the disclosures of transactions with the related parties as given under Note no. 30 of the notes to accounts.

- (ii) **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to the capital markets, during the last three years.**

The Company has fully complied with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the Company with any matters whatsoever relating to the requirements as stipulated by the regulatory authorities on capital markets or are for the time being in force. No penalty or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

(iii) **Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

No personnel of the Company had approached the Audit Committee during the year under reporting. The Company has never denied access to any personnel to approach the Audit Committee.

(iv) **Compliance with the code of Corporate Governance.**

The Company regularly complies with the mandatory requirements of the code of Corporate Governance.

(v) **Accounting Standards**

The Company has followed the accounting standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 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.

(vi) **Subsidiary Companies**

The Company does not have any Indian subsidiary company. However, the Company has the following direct/indirect wholly owned subsidiaries located outside India as per the details given herein below:

- (1) Paramount Holdings Limited incorporated under the laws of Cyprus.
- (2) AEI Power Cables Limited incorporated under the laws of England and Wales.
- (3) AEI Cables Limited, which was a subsidiary company as on 31st March, 2013, is "in Administration" (as per UK Laws) w.e.f 28th February, 2014. The name of the Company has been changed from "AEI Cables Limited" to "06196375 Cables Limited".

(viii) **CEO/CFO Certification**

The Chairman & CEO and CFO & Company Secretary of the Company have furnished the requisite certificate to the Board of Directors under Clause 49V of the Listing Agreement with the Stock Exchanges, which is annexed hereto as **Annexure B**.

(ix) **Reconciliation of Share Capital Audit**

A qualified practicing Company Secretary carries out a quarterly reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and certify the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of shares held in dematerialized form with NSDL and CDSL.

(x) **Code of Conduct for Prevention of Insider Trading**

In terms of the requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a "Code of Conduct for Prevention of Insider Trading" (Insider Code) has been set in place by the Company. The purpose of the Insider Code is to prevent misuse of unpublished price sensitive information for individual benefit, by those who have access to such information by virtue of their employment or association with the Company.

7. MEANS OF COMMUNICATION

(a) **Quarterly financial results** - The quarterly and annual financial results of the Company are published in 'Jansatta' (Hindi newspaper), 'Financial Express' (English newspaper) or Business Standard.

(b) **Company's Website** - Important shareholders' information such as Annual Report of the Company and the shareholding pattern are displayed on the website of the Company, i.e., www.paramountcables.com and the websites of BSE, www.bseindia.com and NSE at www.nseindia.com.

(c) **Annual Report** - The Annual Report of the Company, giving a detailed insight on the working of the Company, practices followed, message for Key Managerial personnel etc., is sent to all shareholders at their registered addresses. Keeping in view the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Annual Report is sent via mail to the shareholders whose e-mail addresses are registered with the Company.

- (d) **Management Discussion and Analysis** - Management Discussion and Analysis covering the operations of the Company, forms part of the Annual Report.
- (e) **Designated e-mail-id** - The Company has designated the e-mail id viz. investors@paramountcables.com, in order to ensure prompt redressal of investor's requests/complaints.

8. GENERAL SHAREHOLDER INFORMATION

8.1 Twentieth Annual General Meeting

Day, Date and Time	Friday, the 26 th September, 2014 at 2.30 PM
Venue	SHAH AUDITORIUM, Shree Delhi Gujarati Samaj Marg, Near Inter-State Bus Terminal, Delhi-110054, India

8.2 Financial Year

1st April of each year to 31st March of the next year

8.3 Financial Calendar (Tentative)

Results for quarter ending 30 th June, 2014	Mid August, 2014
Results for quarter/half-year ending 30 th September, 2014	Mid November, 2014
Results for quarter ending 31 st December, 2014	Mid February, 2015
Results for year ending 31 st March, 2015	End May, 2015
Annual General Meeting (i.e., next year)	End September, 2015

8.4 Face Value per Equity share

₹2/-

8.5 Dividend Payment date

NOT APPLICABLE

8.6 Book Closure

Monday, the 22nd September 2014 to Friday, the 26th September, 2014 (both days inclusive).

8.7 Listing of Equity Shares on Stock Exchanges and Stock Codes

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	530555
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	PARACABLES
<i>The Calcutta Stock Exchange Assn. Ltd*</i>	—

*The Company has submitted application for voluntary de-listing of equity shares to the Calcutta Stock Exchange Association Ltd., Kolkata during the year 2003-04, which is pending disposal.

The Global Depository Receipts (GDRs) and the Foreign Currency Convertible Bonds {FCCBs} ** issued by the Company in the international market are listed at Luxembourg Stock Exchange, Luxembourg.

** The Outstanding US \$ 7.5 Million Foreign Currency Convertible Bonds (FCCB's) of the Company were due for repayment on 23rd November, 2011. However these bonds were not redeemed on their redemption date and are still outstanding

8.8 ISIN Number

Demat ISIN Number in NSDL and CDSL for Equity Shares is **INE074B01023**

The ISIN of Global Depository Receipts and One Percent Unsecured Foreign Currency Convertible Bonds due 2011 are US69921M1027 and XS0276171823 respectively.

8.9 Payment of Listing fee

The annual listing fee for the financial year 2013-14 has been paid to both BSE and NSE.

8.10 Share Transfer System

The Company has a sound share transfer process. The Company has appointed M/s Link Intime India Private Limited, as its share transfer agents. After the Share Transfer Agents complete the formalities of transfer/transmission, approval of transfer of shares in the physical form is done by the Share Transfer Committee of the Company. As the Company's shares are traded in dematerialized form, transfers are processed and approved in the electronic form by NSDL/CDSL through their depository participants.

As required under Clause 47 (c) of Listing Agreement of Stock Exchanges, the Company obtains a certificate on half-yearly basis from a Company Secretary-in practice, regarding share transfer formalities, copy of which is filed with the Stock Exchanges.

8.11 Stock Price Data:

NSE Scrip Code: PARACABLES

For the Period: April, 2013 to March, 2014

(Value in ₹)

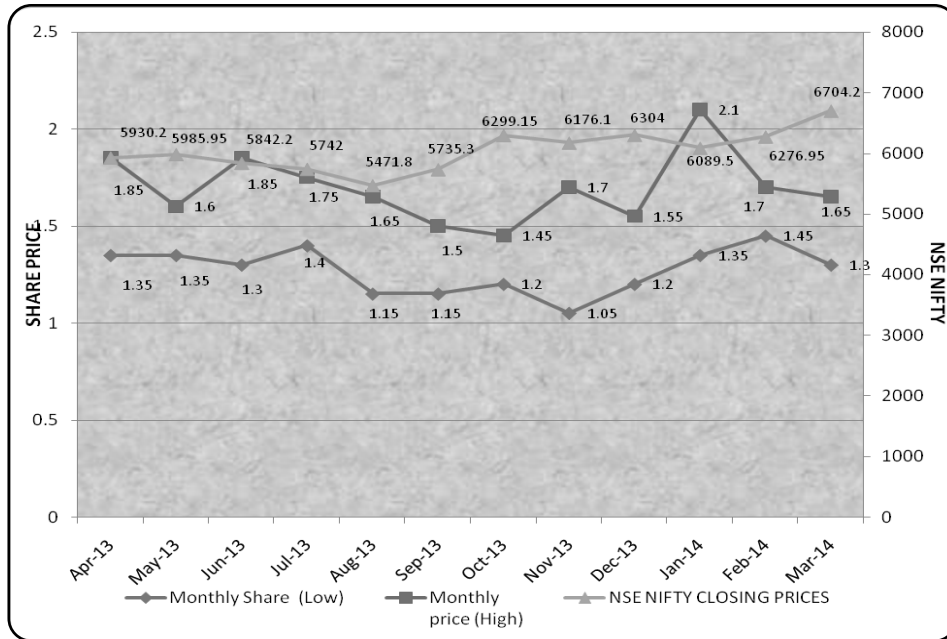
Month	Open Price	High Price	Low Price	Close Price	No. of Shares	*Spread (₹)		NSE NIFTY (closing prices)
						H - L	C - O	
April 2013	1.45	1.85	1.35	1.65	184437	0.50	0.20	5930.20
May 2013	1.60	1.60	1.35	1.40	314896	0.25	-0.20	5985.95
June 2013	1.50	1.85	1.30	1.45	156690	0.55	-0.05	5842.20
July 2013	1.40	1.75	1.40	1.70	85072	0.35	0.30	5742.00
August 2013	1.65	1.65	1.15	1.20	174287	0.50	-0.45	5471.80
September 2013	1.20	1.50	1.15	1.25	180308	0.35	0.05	5735.30
October 2013	1.25	1.45	1.20	1.30	241905	0.25	0.05	6299.15
November 2013	1.30	1.70	1.05	1.35	392118	0.65	0.05	6176.10
December 2013	1.20	1.55	1.20	1.40	355286	0.35	0.20	6304.00
January 2014	1.35	2.10	1.35	1.50	481588	0.75	0.15	6089.50
February 2014	1.55	1.70	1.45	1.65	355847	0.25	0.10	6276.95
March 2014	1.60	1.65	1.30	1.35	423756	0.35	-0.25	6704.20

* Spread

H - L -> High - Low

C - O -> Close - Open

Performance of equity shares in comparison with NSE NIFTY during the Financial Year 2013-14.



BSE Scrip Code : 530555

For the Period: April, 2013 to March, 2014

(Value in ₹)

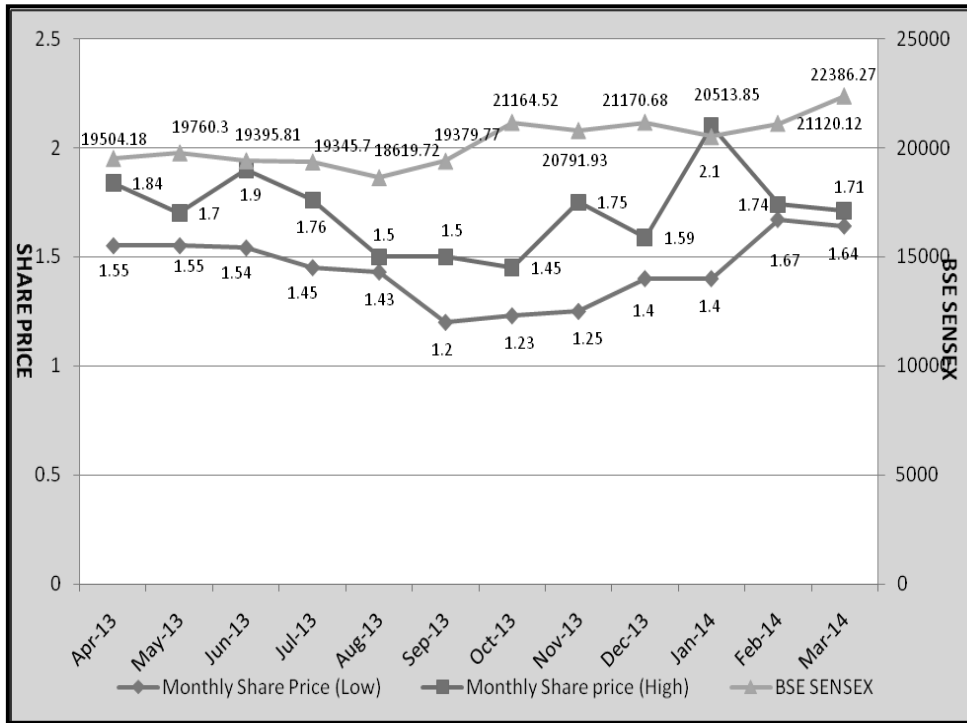
Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹)	*Spread (₹)	
								H - L	C - O
April 2013	1.55	1.84	1.37	1.64	97,042	234	1,51,562	0.47	0.09
May 2013	1.55	1.70	1.33	1.40	1,00,205	295	1,45,875	0.37	-0.15
June 2013	1.54	1.90	1.35	1.47	3,05,402	574	5,01,129	0.55	-0.07
July 2013	1.45	1.76	1.35	1.37	2,34,229	568	3,80,721	0.41	-0.08
August 2013	1.43	1.50	1.17	1.19	2,57,010	445	3,44,984	0.33	-0.24
September 2013	1.20	1.50	1.18	1.27	1,64,838	374	2,15,188	0.32	0.07
October 2013	1.23	1.45	1.20	1.38	1,99,791	572	2,63,973	0.25	0.15
November 2013	1.25	1.75	1.01	1.39	5,80,903	1,117	7,91,305	0.74	0.14
December 2013	1.40	1.59	1.20	1.43	4,25,098	898	5,86,088	0.39	0.03
January 2014	1.40	2.10	1.34	1.61	2,78,711	791	4,74,114	0.76	0.21
February 2014	1.67	1.74	1.44	1.70	1,48,801	345	2,36,300	0.30	0.03
March 2014	1.64	1.71	1.23	1.35	3,16,183	670	4,43,013	0.48	-0.29

* Spread

H - L -> High - Low

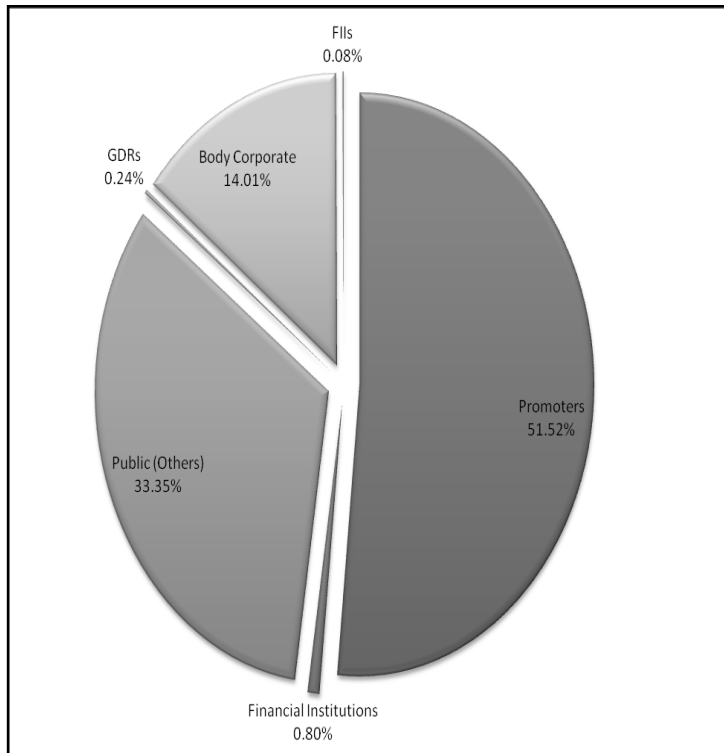
C - O -> Close - Open

Performance of equity shares in comparison with BSE index during the Financial Year 2013-2014



8.12 Distribution of Shareholding and shareholding Pattern as on 31.03.2014.

Shareholding of Nominal Value of ₹	No. of Shareholders		No. of Shares held	Amount	
	Numbers	% to total		₹	% to total
Upto 2,500	26,095	83.32	90,24,317	1,80,48,634	7.21
2,501 - 5,000	2,682	8.56	48,64,377	97,28,754	3.89
5,001 - 10,000	1,337	4.27	50,32,086	1,00,64,172	4.01
10,001 - 20,000	587	1.87	43,85,722	87,71,444	3.50
20,001 - 30,000	204	0.66	25,32,718	50,65,436	2.02
30,001 - 40,000	101	0.32	18,00,890	36,01,780	1.44
40,001 - 50,000	51	0.16	11,65,374	23,30,748	0.93
50,001 - 1,00,000	128	0.41	47,54,753	95,09,506	3.80
1,00,001 & Above	135	0.43	9,16,73,228	18,33,46,456	73.20
Total	31320	100.00	12,52,33,465	25,04,66,930	100.00

Shareholding Pattern of the Company as at 31st March, 2014**8.13 Steps taken by the management for company's revival: Reference made to BIFR**

Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide order No. 77/2013 dated 31.10.2013, BIFR has restrained Company from disposing of or alienating in any manner any fixed assets of the Company without consent of BIFR.

8.14 Outstanding GDR/Warrants and Convertible Bonds, conversions date and likely impact on the equity.

Outstanding FCCBs amounting to US\$ 7.5 Million were due for redemption on 23rd November, 2011 at a premium equal to 145.54% of the outstanding principal amount i.e. @ US\$ 7,277. Pending redemption, a winding up petition has been filed against the Company by the trustees on behalf of FCCB holders, whereas an interim order dated 13th February, 2013 has been passed by the Hon'ble High Court of Delhi restricting the Company from alienation, disposal or creation of third party interest or charge on any of its immovable assets. The Company is contesting the case.

Consequent upon filing of reference with Board for Industrial and Financial Reconstruction (BIFR) under Section 15-(1) of Sick Industrial Companies (Special Provisions) Act, 1985, an application was filed by the Company with the Hon'ble Company Court of Delhi High Court to stay the issue till further orders in connection with the winding up petition pending against the Company. The matter is presently subjudice.

As at 31st March, 2014 there were 301,750 equity shares of ₹2/- each (post split) which are represented by outstanding Global Depository Receipts (GDRs).

8.15 Dematerialization of Shares

At the end of the year 2013-2014 around 99.01% of the equity shares of the Company are held in dematerialized form.

The Reconciliation of Share Capital Audit Report from a practicing Company Secretary confirming that the total issued capital of the Company is in aggregate with the total number of equity shares in physical form and the total number of dematerialized equity shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is periodically submitted to the stock exchanges where the equity shares of the Company are listed.

8.16 Liquidity

The shares of the Company are actively traded at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and thus considered a liquid security.

8.17 Plant Locations (as on 31st March, 2014)

Address
SP-30A, SP-30B and E-31, Khushkhera Industrial Area, District Alwar, Rajasthan, India
Plot No. 37 Industrial Estate, Dharuhera, District Rewari, Haryana, India

8.18 Company Registration Details

CIN:	L74899DL1994PLC061295
Registered Office:	C-125, Naraina Industrial Area, Phase-1, New Delhi-110028, India
Compliance officer :	Mr. Rattan Aggarwal CFO and Company Secretary

Address for correspondence:

- ❖ Any query on Annual Report may be addressed to the Secretarial Department of the Company or to the Registrars at the following addresses.

The Company Secretary
Paramount Communications Ltd.
C-125, Naraina Industrial Area, Phase-I,
New Delhi - 110028, India
E-mail: investors@paramountcables.com

- ❖ For Shares transfer/dematerialisation of share, payment of dividend, and any other query relating to the securities of the Company, please contact:

M/s Link Intime India Private Limited
44, IInd Floor, Community Centre,
Naraina Industrial Area, Phase-I,
New Delhi-110028
Phone(s) +91-11-4141 0592, 93, 94
Fax: +91-11-4141 0591

AUDITORS CERTIFICATE

The Members

Paramount Communications Limited

We have examined the compliance of the conditions of Corporate Governance by Paramount Communications Limited for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR JAGDISH CHAND & CO.
CHARTERED ACCOUNTANTS**

(J. C. Gupta)
Partner

M.No. : 006107

Firm Registration No. : 000129N

Place : New Delhi

Dated : 13.08.2014

Annexure - A

DECLARATION BY CHAIRMAN AND CEO ON COMPLIANCE OF CODE OF CONDUCT

The Members

Paramount Communications Limited

I, Sanjay Aggarwal, Chairman and CEO of the Company, do hereby confirm that all the Board members and the Senior Management Personnel of the Company have complied with the 'Code of Conduct for Directors and senior management personnel', during the financial year 2013-2014.

The declaration is based on and is in pursuance of the individual affirmations received in writing from the Board members and the senior management personnel of the Company.

**For and on Behalf of the Board
Paramount Communications Ltd.**

Place : New Delhi

Dated : 13.08.2014

(Sanjay Aggarwal)
Chairman & CEO

The Board of Directors
Paramount Communications Limited
C- 125, Naraina Industrial Area, Phase-I
New Delhi - 110018

13.08.2014

Sub: Certificate pursuant to Clause 49 (V) of the Listing Agreement of Stock Exchanges on 'Corporate Governance'

Dear Sirs,

Pursuant to the requirements under Clause 49 (V) of the Listing Agreement of Stock Exchanges on "Corporate Governance", we hereby certify that:

- a. we have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended on 31st March, 2014 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the said year, which are fraudulent, illegal or violative of the Company's 'Code of Conduct for Directors and Key Managerial Personnel'.
- c. we accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies (wherever applicable).
- d. we have indicated to the Auditors and the Audit Committee
 - i. significant changes in internal control over financial reporting during the year (wherever applicable);
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements (wherever applicable); and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting (wherever applicable).

Thanking you,
Yours Faithfully,

For Paramount Communications Limited

(Sanjay Aggarwal)
Chairman & Chief Executive Officer

(Rattan Aggarwal)
CFO & Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of

PARAMOUNT COMMUNICATIONS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Paramount Communications Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (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. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to :
 - a) Note 37 to the financial statements. The accompanying financial statements have been prepared on a going concern basis despite negative net worth, defaults in repayment of loan installments and interest to banks and other working capital facilities from banks, default in redemption of Foreign Currency Convertible Bonds (FCCBs) and filing of winding up petition filed against the Company under the Act on behalf of FCCB holders. The appropriation of the said basis is inter-alia dependent on rescheduling of repayments to banks and outcome of winding up petition.

- b) Note 24.1 to the financial statements. Managerial Remuneration of ₹9,032,489/- and ₹853720 /- to Chairman & CEO and Managing Director for the year ended 31st March, 2014 and for March, 2013 respectively, is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government. Pending approval from the Central Government in this regard, the impact thereof on the financial statements to the extent of amount of remuneration that may be disallowed by the Central government, if any, is currently unascertainable.
- Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

8. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of 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;
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For JAGDISH CHAND & CO.
Firm Registration Number: 000129N
Chartered Accountants

Place of signing: New Delhi
Date : 29th May, 2014

(J.C. GUPTA)
Partner
Membership Number 6107

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph '8' of the Independent Auditors' Report to the Members of Paramount Communications Limited on the financial statements for the year ended 31st March, 2014

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme of physically verifying all its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, a portion of the fixed assets were physically verified by the management during the year. The discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of account.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (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) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) There is one party covered in the register maintained under Section 301 of the Companies Act, 1956 to which Company has given deposit as per contractual obligations. The maximum amount involved during the year was ₹18,000,000/- and the year end balance of deposit granted to such party was ₹18,000,000/-. (Refer Note 13.1)
- (b) In our opinion, terms and conditions on which deposit has been given to such party listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company. No interest was charged from the party, since this is deposit against premises taken on rent.
- (c) No principal amount was due for repayment, no interest was charged from the party, since this was deposit against premises taken on rent.
- (d) In respect of aforesaid deposit, there is no overdue amount more than Rupees one Lac.
- (e) The company has not taken any secured / unsecured loans from firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956.
- (f) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore the provision of clause 4(iii) (f) & (g) of the said Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories, fixed assets and with regard to the sale of goods. There are no sale of services during the year. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that during the year, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs in respect of any party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) As, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under, paragraph 4(vi) of the order is not applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) 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 209 (1)(d) of the Companies Act, 1956 and are of the opinion that, prime facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities, We are informed there are no undisputed statutory dues as of March 31, 2014 outstanding for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with appropriate authorities on account of any dispute other than those mentioned below :-

Name of the Statute	Nature of the Due	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	74,807,281	Various years for 2002-03 to 2009-10	CESTAT
		2,566,120	2007-08 & 2008-09	Commissioner (Appeals)
Finance Act	Service Tax	21,927,668	Various years for 2005-06 to 2009-10	CESTAT
		178,378	2005-06 & 2006-07	Commissioner (Appeals)
Customs Act	Custom Duty	5,771,724	2005-06, 2006-07, 2010-11 & 2011-12	CESTAT

- (x) The company's accumulated losses at the end of the financial year 31st March, 2014 were more than fifty percent of its net worth. The company has incurred cash losses during the financial year ended 31st March, 2014 and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of dues to banks and Foreign Currency Convertible Bond Holders (FCCBs) as per details given below. (Also refer Note 4.2, 7.2 & 9.1).

Nature of Due	Default (₹)	Period of Default
Rupee Loans from banks	225,424,887	Since June, 2013
Working Capital Loans from banks (overdrawn)	97,434,093	Since January, 2014
Interest on Loans/working capital loans from banks	123,531,305	Since October, 2013
Principal amount of Foreign Currency Convertible Bonds (FCCBs)	452,175,000	Since December, 2011
Premium on redemption of FCCBs	205,958,186	Since December, 2011
Interest on FCCBs due up to 31 st December, 2013	13,865,875	Since January, 2012

- (xii) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the Company is not a chit fund / nidhi / mutual benefit funds / society to which the provisions of special statute relating to chit fund are applicable, paragraph 4(xiii) of the Order is not applicable.
- (xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) The company has given guarantee for loans taken by two corporates from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prime facie prejudicial to the interest of the company. (Refer Note 34 (ii) & (iii)).
- (xvi) The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that during the year short term funds have not been used to finance long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4 (xviii) of the Order are not applicable to the company.
- (xix) The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end on which it is required to create security or charge. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by a public issue during the year. Accordingly, the provisions of Clause 4(xx) of the order are not applicable.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For JAGDISH CHAND & CO.
Firm Registration Number: 000129N
Chartered Accountants

Place of signing: New Delhi
Date : 29th May, 2014

(J.C. GUPTA)
Partner
Membership Number 6107

BALANCE SHEET AS AT 31ST MARCH, 2014

Figures in ₹

	Note	As at 31 st March,2014		As at 31 st March,2013	
EQUITY AND LIABILITIES					
Shareholder's funds					
Share Capital	2	326,966,930		326,966,930	
Reserves and surplus	3	(1,436,183,902)	(1,109,216,972)	(163,359,209)	163,607,721
Non-Current Liabilities					
Long Term Borrowings	4	1,495,079,625		1,625,683,882	
Deferred Tax Liability (Net)	5	—		—	
Long Term Provisions	6	13,135,822	1,508,215,447	12,517,569	1,638,201,451
Current Liabilities					
Short Term Borrowings	7	1,477,993,406		1,325,462,159	
Trade Payables	8	819,361,265		1,001,659,001	
Other Current Liabilities	9	1,368,029,608		892,996,873	
Short Term Provisions	10	1,506,716	3,666,890,995	2,295,235	3,222,413,268
TOTAL			4,065,889,470		5,024,222,440
ASSETS					
Non - Current Assets					
Fixed Assets					
– Tangible assets	11.1	875,307,215		951,852,767	
– Intangible assets	11.2	1,611,239		2,117,184	
– Capital Work - in Progress		—	876,918,454	1,309,033	955,278,984
Non- Current Investments	12		25,748,001		281,217,782
Long Term Loans and Advances	13		29,827,269		40,428,092
Current Assets					
Inventories	14	1,488,637,349		1,698,821,466	
Trade Receivables	15	1,389,733,215		1,820,411,231	
Cash and Bank Balances	16	118,265,856		97,680,843	
Short Term Loans and Advances	17	127,538,236		122,359,179	
Other Current Assets	18	9,221,090	3,133,395,746	8,024,863	3,747,297,582
TOTAL			4,065,889,470		5,024,222,440

Significant Accounting Policies and Notes on Financial Statements 1 to 40

As per our separate report of even date attached.

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi

Date : 29.05.2014

Place: New Delhi

Date : 29.05.2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Figures in ₹

Particulars	Note	Year ended 31 st March, 2014		Year ended 31 st March, 2013	
Revenue from Operations (Gross)	19	4,515,266,789		5,162,033,607	
Less: Excise Duty		426,083,587	4,089,183,202	484,688,892	4,677,344,715
Other Income	20		24,516,046		13,477,448
Total Revenue			4,113,699,248		4,690,822,163
Expenses:					
Cost of Materials Consumed	21		3,624,621,604		3,794,357,139
Purchases of Stock in Trade	22		—		36,274,893
(Increase) / Decrease in Finished goods, Work-in-progress and Stock-in-Trade	23		798,778		16,836,076
Employee Benefits Expense	24		132,930,902		149,592,115
Finance Costs	25		415,538,242		444,736,894
Depreciation and Amortization Expense	26		109,272,959		116,328,792
Other Expenses	27		525,997,757		598,658,492
Total Expenses			4,809,160,242		5,156,784,401
Profit/(Loss) Before exceptional and Tax Exceptional Items	28		(695,460,994) (339,127,888)		(465,962,238) 420,085,189
Profit/(Loss) Before Tax			(1,034,588,882)		(45,877,049)
Tax Expense					
- Current tax			—		—
- Deferred tax			—		—
Short/(Excess) Provision-Earlier Years					
- Current Tax			(254,713)		553,735
Profit / (loss) for the Year			(1,034,334,169)		(46,430,784)
Earnings per Equity Share:	29				
Equity Share of Par Value of ₹2/- each					
- Basic (₹)			(8.26)		(0.50)
- Diluted (₹)			(8.26)		(0.50)

Significant Accounting Policies and Notes on Financial Statements 1 to 40

As per our separate report of even date attached.

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi

Date : 29.05.2014

Place: New Delhi

Date : 29.05.2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Figures in ₹

S.NO. PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and extraordinary items	(695,460,994)	(465,962,238)
Adjustment for:		
Depreciation (Net)	109,272,959	116,328,792
Financial Costs	415,538,242	444,736,894
Loss on sale/disposal of fixed assets	82,470	1,068,446
Exchange loss on FCCBs	22,152,000	12,636,000
Amortisation of FCMITDA	23,429,280	30,884,575
Provision for leave encashment/Gratuity	(3,977,766)	3,705,741
Operating profit before working capital changes	(128,963,809)	143,398,210
Adjustment for:		
Trade Receivables, Loans and Advances and Other Assets	434,182,376	(48,813,554)
Inventories	210,184,117	(99,315,586)
Trade Payables, Other Liabilities and Provisions	151,117,076	176,733,363
Cash generated from operations	666,519,760	172,002,433
Direct tax paid/ Refund	958,392	(835,610)
Cash flow before exceptional items	667,478,152	171,166,823
Exceptional items	(339,127,888)	420,085,189
Net cash from operating activities	328,350,264	591,252,012
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and other capital expenditure	(10,675,652)	(18,600,254)
Diminution in the value of investment in Subsidiary Company	255,469,781	—
Sale of fixed assets	18,000	570,394,398
Net cash used in investing activities	244,812,129	551,794,144
C) CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings (Net of repayments)	(59,014,742)	(591,040,677)
Proceeds from Equity Share Capital	—	74,074,950
Proceeds from Preference Share Capital	—	76,500,000
Premium on redemption of FCCBs adjusted against Securities Premium Accounts	(229,607,788)	—
Working capital facilities from Bank	152,531,246	(249,206,365)
Hire purchase finance (Net of repayments)	(947,856)	(841,081)
Financial Costs	(415,538,242)	(444,736,894)
Net cash received/(used) from financial activities	(552,577,380)	(1,135,250,067)

Figures in ₹

S.NO. PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	20,585,013	7,796,089
Cash and cash equivalents as at 31 st March, 2013 (Opening Balance)	97,680,843	89,884,754
Cash and cash equivalents as at 31 st March, 2014 (Closing Balance)	118,265,856	97,680,843
Note:		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement.		
2. Cash and cash equivalents includes :		
Cash and bank balances	16,784,375	5,447,171
Fixed Deposits under lien/custody with banks/sales tax department	100,640,157	91,138,282
Unclaimed Dividend Accounts	841,324	1,095,390
Total cash and cash equivalents as per balance sheet	118,265,856	97,680,843
3. Figures in brackets represent cash outflow		

As per our separate report of even date attached.

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi

Date : 29.05.2014

Place: New Delhi

Date : 29.05.2014

1. SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

- i. In compliance with the accounting standards referred to in Section 211(3C) and the other relevant provisions of the Companies Act, 1956 to the extent applicable, the company follows the accrual system of accounting in general and the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), except where otherwise stated.
- ii. The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognised prospectively when revised.
- iii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

b Fixed Assets, intangible assets and capital work-in-progress

- i. Construction period expenses directly attributable to projects are capitalised. Financing cost during the construction period on loans raised for/allocated to qualifying projects is capitalised. Financing cost incurred on general borrowings used for projects is capitalised. The amount of such borrowing is determined after setting off the amount of internal accruals.
- ii. Fixed Assets are stated at cost including allocated costs or valuation less accumulated depreciation.
- iii. The cost of any software purchased initially along with the computer hardware is being capitalised along with the cost of the hardware. Any subsequent acquisition/upgradation of software is being capitalised as an asset.

c Depreciation and Amortisation

- i. The cost of capitalised software is amortised over a period of five years from the date of its acquisition.
- ii. Depreciation is provided on Written - Down Value Method on buildings added up to 31st March, 1993 and straight line method on fixed assets added from 1st April, 1993 in accordance with and at the rates specified in Schedule XIV of the Companies Act, 1956. Addition/deletion in the cost of the fixed assets due to exchange fluctuation in long term foreign currency monetary items arising due to difference in exchange rate vis a vis initial recording and reporting date are depreciated over the balance life of the assets.
- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.

d Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management. Current investments are stated at lower of cost or market value.

e Inventories

- i. Inventories are valued as follows :
 - Finished Goods are valued at lower of cost or net realisable value.
 - Raw materials are valued at lower of cost or net realisable value.
 - Work-in-Progress is valued at lower of cost or net realisable value.
 - Packing materials, Stores & Spares are valued at cost.
 - Scrap is valued at estimated realisable value.

- ii. Cost of Raw Material is determined on weighted average basis. Cost of Packing Materials and Stores & Spares is determined on weighted average basis. Work-in-Progress includes raw material costs and allocated production overheads on estimated basis. Cost of Finished Goods is determined by taking derived material costs and other overheads.

f Foreign Currency Transactions

- i. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- ii. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
 - In so far as they relate to the acquisition of a depreciable capital assets are adjusted in the cost of assets.
 - In other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA)' and are amortised over period of foreign currency monetary item or up to 31st March,2020, whichever is earlier.
- iv. Non monetary foreign currency items are carried at cost.

g Revenue Recognition

- i. Sales are accounted for on dispatch of goods from the factory to the customers. Sales are net of returns and include excise duty wherever directly chargeable from customers, but exclude sales tax/VAT.
- ii. Other items of revenue are recognised in accordance with the Accounting Standard on 'Revenue Recognition' (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/ realisation of income, the same is not accounted for.

h Excise Duty

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials and capital goods.

i Employees Benefits

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to a fund maintained by SBI life insurance company Limited under Group Gratuity Scheme. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- ii. Liability in respect of employees who are entitled to leave compensatory & encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.
- iii. Contributions with respect to Provident Fund, is recognized as an expense in the profit and loss account of the year in which the related service is rendered.

j Reserves

- i. The difference between depreciation on the revalued value of the asset and depreciation on their historical cost is transferred from Revaluation Reserve to Profit & Loss Account.
- ii. Project subsidy from State Government is credited to Capital Reserve.

k Preliminary Expenses

Public Issue expenditure and premium on redemption of FCCBs/Preference Shares are being written off against securities premium.

l Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

m Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

2 Share Capital

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Authorised:		
250,000,000 (Previous Year 250,000,000) Equity Shares of ₹ 2/- each	500,000,000	500,000,000
1,000,000 (Previous Year 1,000,000) Redeemable Preference Shares of ₹ 100/- each	100,000,000	100,000,000
	600,000,000	600,000,000
Issued, Subscribed & Paid up		
125,233,465 (Previous Year 125,233,465) Equity Shares of ₹ 2/- each fully paid	250,466,930	250,466,930
765,000 (Previous Year 765,000) 0% Non-Convertible Redeemable Preference Shares (NCRPS) of ₹ 100/- each	76,500,000	76,500,000
Total	326,966,930	326,966,930

2.1 Rights, preferences and restrictions attached to Equity Shares

Equity Shares : The company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

Rights, preferences and restrictions attached to 0% Non-Convertible Redeemable Preference Shares (NCRPS)

Rate of Dividend: 0% rate of dividend. NCRPS are not convertible in equity shares. Redeemable on day and date falling next to date of expiry of a period of 10 years calculated from the date of allotment of these shares. Option of an earlier redemption after expiry of period of 6 months shall be open to Board and can be made by a Board resolution to this effect passed in a duly convened meeting and when consented by the NCRPS shareholders, where the premium payable on redemption shall be adjusted proportionately. Redemption Value & Premium: The redemption premium shall be @ 50% of par value and thereby the redemption value shall be 150% of par value after 10 (Ten) years term. There is no right to vote in general. The voting rights shall be restricted to the matters concerning their interest only. Right to share of Assets: In the event of winding up of the Company, the NCRPS shareholders shall be entitled to share of assets of the Company in proportion of the preference share capital to aggregate of total paid up capital after settlement of all the liabilities of the Company. The NCRPS shareholders shall have a preferential right on the assets of Company over the Equity shareholders while distribution of assets among shareholders in the event of winding up of Company.

2.2 Reconciliation of Number of Equity Shares

Figures in ₹

Particulars	As At 31 st March, 2014		As At 31 st March, 2013	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	125,233,465	250,466,930	93,026,965	186,053,930
Add: Issued during the year (Refer Note 2.2.1)	—	—	32,206,500	64,413,000
Add: Issued on conversion of warrants (Refer Note 2.2.2)	—	—	—	—
Balance as at the end of the year	125,233,465	250,466,930	125,233,465	250,466,930

Reconciliation of Number of Preference Shares

Particulars	As At 31 st March, 2014		As At 31 st March, 2013	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	765,000	76,500,000	—	—
Add: Issued during the year (Refer Note 2.2.3)	—	—	765,000	76,500,000
Balance as at the end of the year	765,000	76,500,000	765,000	76,500,000

2.2.1 Nil (Previous Year 32,206,500) Equity Shares of par value of ₹ 2/- each have been allotted on Preferential basis at Securities Premium of ₹ 0.30 per share as per SEBI (ICDR) regulations, 2009 and as amended from time to time in terms of Regulation 10(2) of SEBI (SAST) Regulations, 2011.

2.2.2 Equity Shares of par value of ₹2/- each have been allotted to warrant holders at Securities Premium of ₹11/- each upon exercise of option by them.

Name of Shareholder	Year ended	Year ended
	31.03.2014	31.3.2013
	Nos.	Nos.
M/s Paramount Telecables Limited	—	21,331,500
M/s April Investment and Finance Pvt. Ltd.	—	10,875,000

2.2.3 Nil (Previous Year 765,000) Preference Shares of par value of ₹100/- each have been allotted at par to M/s Paramount Telecables Limited.

2.3 List of Shareholders holding more than 5% of the aggregate Shares:

Name of Shareholder	Nos.	%age	Nos.	%age
Equity Shareholders				
M/s Paramount Telecables Limited	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	10.41	13,040,172	10.41
Preference Shareholder				
M/s Paramount Telecables Limited	765,000	100.00	765,000	100.00

3 Reserves & Surplus

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Capital Reserve				
- Capital Investment Subsidy				
Balance at the beginning of the year	3,000,000		3,000,000	
- Profit on Issue of forfeited shares				
Balance at the beginning of the year	31,100	3,031,100	31,100	3,031,100
Securities Premium Account				
Balance at the beginning of the year	919,362,225		909,721,234	
Add: On allotment of Equity Shares (Refer note - 2.2.1 & 2.2.2)	—		9,661,950	
Less: Premium on redemption of FCCBs (Refer Note 3.1)	229,607,788		—	
Less: Provision for Premium on Redemption of Preference Shares (Refer Note 3.2)	3,825,000	685,929,437	20,959	919,362,225
Revaluation Reserve				
Balance at the beginning of the year	9,069,493		9,190,603	
Less : Transfer to Profit & Loss Statement	110,754	8,958,739	121,110	9,069,493
General Reserve				
Balance at the beginning of the year		25,282,886		25,282,886
Surplus				
Balance at the beginning of the year	(1,088,860,939)		(1,042,430,155)	
Add: Transfer from Profit & Loss Statement	(1,034,334,169)	(2,123,195,108)	(46,430,784)	(1,088,860,939)
Foreign Currency Monetary Item Translation Difference Account (FCMITDA)				
Balance at the beginning of the year	(31,243,974)		(37,325,308)	
Add: Additions during the year	(28,376,262)		(24,803,241)	
Less: Written off during the year (Refer Note 3.4)	(23,429,280)	(36,190,956)	(30,884,575)	(31,243,974)
Total		(1,436,183,902)		(163,359,209)

- 3.1 Premium on redemption of FCCBs (Gross of tax) ₹ 229,607,788/- (Previous Year ₹ Nil) has been set off against Securities Premium Account.
- 3.2 During the year Redemption Premium payable on prorata basis ₹ 3,825,000/- (Previous Year ₹ 20,959/-) on 0% Non-Convertible Redeemable Preference share (NCRPS) has been charged to Securities Premium Account.
- 3.3 In view of losses Capital Redemption Reserve required under Section 80 of the Companies Act, 1956 has not been created.
- 3.4 Are amortised over period of foreign currency monetary item or up to 31st March, 2020, whichever is earlier.

4 Long Term Borrowings

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Secured				
Term Loans :				
- From Banks				
- Foreign Currency Loan	215,131,079		272,817,664	
- Rupee Loans	1,242,585,796		1,315,248,269	
- From Financial Institution	37,362,750	1,495,079,625	37,362,750	1,625,428,683
Finance Lease Obligations (Refer Note 31)		—		255,199
Total		1,495,079,625		1,625,683,882

4.1 Nature of Security :-

i Term Loan from Banks:-

Term loans from banks are secured by 1st pari-passu charge on present and future fixed assets of the company and 2nd pari-passu charge on present and future current assets of the Company. Further they are secured through collateral by way of 2nd charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/Promoters Group Companies.

ii Term Loan from Financial Institution:-

Loan from Financial Institution is secured against surrender value/ maturity value of keyman insurance policy of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company.

iii Finance Lease Obligations:-

Hire Purchase Finance is secured against assets financed from it.

4.2 Period and Amount of Default in Repayment :-

Due to continuing losses and delays in monetization of an asset stipulated in Corporate Debt Restructuring, EG approved Rework Package, Company is in default as per details given below:

Nature of Payment	FY 2013-2014	FY 2012-2013	Period of default
Rupee Loans from banks	225,424,887	—	Since June,2013
Foreign Currency Loans *	—	91,461,704	
Interest on Loans	76,856,150	—	Since October, 2013

*Amount was due for repayment on 23rd September, 2012 and was paid on 22nd December, 2012.

4.3 Maturity Profile and rate of interest of Secured Term Loans are as set out below :-

Figures in ₹

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
11.5%	8,000,000	8,000,000	8,000,000	21,520,000
10%	—	—	—	37,362,750
10.5%	21,649,659	21,649,659	18,253,457	18,253,457
9%	45,661,955	92,736,159	80,304,159	504,960,334
8.50%	5,652,327	5,652,327	—	—
5.2%	86,052,431	86,052,431	43,026,216	—
1%	41,830,177	41,830,177	38,992,164	77,984,328
0%	29,410,487	33,249,065	46,062,931	72,932,975
Total	238,257,036	289,169,818	234,638,927	733,013,844

5 Deferred Tax Liability (Net)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Deferred Tax Assets :		
- Leave Encashment	3,021,520	4,293,690
- Unabsorbed Depreciation	112,822,597	115,844,117
Deferred Tax Liabilities :		
- Depreciation	115,844,117	127,909,468
Total	—	—

5.1 As required by Accounting Standard-22 ('AS-22') in view of existence of Carried forward losses and unabsorbed depreciation under tax laws, Deferred Tax Assets have been recognised only to the extent they are virtually certain to be realised.

6 Long Term Provisions		Figures in ₹	
Particulars	As At 31 st March,2014	As At 31 st March,2013	
Employee Benefits (Refer Note 24.2)			
- Leave Encashment	7,871,730	11,021,713	
- Gratuity	1,418,133	1,474,897	
Provision for Premium on Redemption of Preference Shares (Refer Note 2.1 & 3.2)	3,845,959	20,959	
Total	13,135,822	12,517,569	

7 Short Term Borrowings		Figures in ₹	
Particulars	As At 31 st March,2014	As At 31 st March,2013	
Secured			
-Working Capital Loans from Banks	1,477,993,406	1,325,462,159	
Total	1,477,993,406	1,325,462,159	

7.1 Nature of Security :-

Working Capital facilities from Banks are secured by 1st Pari-Passu charge by way of hypothecation on the entire current assets including raw material, stocks in process, finished goods, consumable stores & spares and receivables of the Company, 1st Pari-Passu charge on company's property situated at Prahaladpur, Bawana Road, Delhi, 2nd Pari-Passu charge on other present and future fixed assets. Further they are secured through collateral by way of 2nd charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/Promoters Group Companies.

7.2 Period and amount of default:

- Working Capital Loans from banks are overdrawn to the extent of ₹ 97,434,093/- (Previous Year ₹ NIL) due to devolvement of Letter of Credits since January, 2014.
- Interest on Working Capital Loans from banks are overdrawn to the extent of ₹ 46,675,155/- (Previous Year ₹ NIL) due since October, 2013.

8 Trade Payables		Figures in ₹	
Particulars	As At 31 st March,2014	As At 31 st March,2013	
Acceptances	590,532,137	845,389,421	
Due to:			
- Micro, Small & Medium Enterprises	—	803	
- Others	228,829,128	156,268,777	156,269,580
Total	819,361,265	1,001,659,001	

8.1 Disclosure under MSMED Act, 2006

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under :

i. Principal amount due and remaining unpaid	—	803
ii. Interest due on (1) above and unpaid interest	—	—
iii. Interest paid on all delayed payments under the MSMED Act.	—	—
iv. Payment made beyond the appointed day during the year	—	—
v. Interest due and payable for the period of delay other than (3) above	—	—
vi. Interest accrued and remaining unpaid	—	—
vii. Amount of further interest remaining due and payable in succeeding years	—	—

9 Other Current Liabilities

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013
Current Maturities of Long-Term Debt			
Term Loans :			
From Banks			
--- Foreign Currency Loan	86,052,432		—
--- Rupee Loans	356,250,543	442,302,975	342,592,396
(Refer Note 4.1)			
Current Maturities of Finance Lease Obligations		255,199	947,856
(Refer Note 4.1 & 31)			
Interest accrued and due on borrowings		125,351,603	10,327,314
(Refer Note 4.1 & 7.2)			
Interest accrued but not due on borrowings		770,055	—
Unpaid Dividends		841,324	1,095,390
(Refer Note 9.2)			
Foreign Currency Convertible Bonds (FCCBs)		658,133,186	409,575,000
(Refer Note 9.1)			
Interest accrued and due on FCCBs (Refer Note 9.1)		13,865,875	6,500,080
Interest accrued but not due on FCCBs		1,622,794	1,443,085
Employee Benefits Payable		13,087,065	16,140,062
Sundry Creditors -Capital Goods		1,518,254	10,393,320
Statutory Dues Payable		67,568,863	73,309,409
Advance from Customers		4,848,916	14,437,337
Other Payables		37,863,499	6,235,624
Total		1,368,029,608	892,996,873

9.1 Period and Amount of Default in repayment and interest :-

- i. Principal amount of ₹ 452,175,000/- of 1% Foreign Currency Convertible Bonds ('FCCBs') is overdue for repayment since 23rd November, 2011. Interest on FCCBs ₹ 13,865,875/- due up to 31st December, 2013 has also not been paid and is over due. Premium on redemption of FCCB's of ₹ 205,958,186/- is also over due for payment since 23rd November, 2011.
- ii. Refer Note 4.2 for default in repayment of Term Loans.

9.2 No amount is due as on 31st March, 2014 for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to the Fund.

10 Short Term Provisions

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013
Provision for Employee Benefits (Refer Note 24.2)			
- Leave Encashment		1,441,016	2,212,035
Others			
- Provision for Wealth Tax		65,700	83,200
Total		1,506,716	2,295,235

11. FIXED ASSETS

11.1 Tangible Assets

Figures in ₹

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01.04.13	Additions	Deduction	As at 31.03.14	As at 01.04.13	For the Period	Deduction	As at 31.03.14	As at 31.03.14	As at 31.03.13
Own Assets:										
Land										
- Freehold	12,621,330	—	—	12,621,330	—	—	—	—	12,621,330	12,621,330
- Leasehold	69,055,115	—	—	69,055,115	—	—	—	—	69,055,115	69,055,115
Buildings	224,433,411	10,478,908	—	234,912,319	62,371,434	7,142,766	—	69,514,200	165,398,119	162,061,977
Plant & Equipment	1,328,200,948	18,779,510	1,832,505	1,345,147,953	683,459,248	93,866,671	1,832,192	775,493,727	569,654,226	644,741,700
Furniture & Fixtures	55,348,912	975,063	—	56,323,975	22,060,318	2,755,604	—	24,815,922	31,508,053	33,288,594
Leasehold Building Improvement	11,340,968	—	—	11,340,968	2,952,581	717,880	—	3,670,461	7,670,507	8,388,388
Vehicles	25,127,607	3,450	208,316	24,922,741	17,055,266	2,638,176	108,159	19,585,283	5,337,458	8,072,340
Office Equipment	13,179,402	1,069,028	—	14,248,430	4,290,647	629,944	—	4,920,591	9,327,839	8,888,755
Assets taken on Finance Lease:										
Hire Purchase	—	—	—	—	—	—	—	—	—	—
- Vehicles	5,761,531	—	—	5,761,531	1,026,963	—	—	1,026,963	4,734,568	4,734,568
Total	1,745,069,224	31,305,959	2,040,821	1,774,334,362	793,216,457	107,751,041	1,940,351	899,027,147	875,307,215	951,852,767
Previous Year	2,114,160,199	28,242,859	397,333,834	1,745,069,224	718,599,943	112,371,368	37,754,854	793,216,457	951,852,767	1,395,560,256

11.2 Intangible Assets

Figures in ₹

Description	GROSS BLOCK			DEPRECIATION & AMORTIZATION				NET BLOCK		
	As at 01.04.13	Additions	Deduction	As at 31.03.14	As at 01.04.13	For the Period	Deduction	As at 31.03.14	As at 31.03.14	As at 31.03.13
Own Assets (Acquired):										
- Software	29,464,309	1,126,727	—	30,591,036	27,347,125	1,632,672	—	28,979,797	1,611,239	2,117,184
Total	29,464,309	1,126,727	—	30,591,036	27,347,125	1,632,672	—	28,979,797	1,611,239	2,117,184
Previous Year	28,751,947	712,362	—	29,464,309	23,268,591	4,078,534	—	27,347,125	2,117,184	5,483,356

- 11.3** Land includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation ₹ 7650950
 Building includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation ₹ 7406534
 Amount of Depreciation pertaining to revaluation in case of Buildings ₹ 110754
- 11.4** Title deeds of factory land at Prahladpur, Bawana Road, Delhi are in the name of erstwhile Paramount Cable Corporation.
- 11.5** Title deeds of a part of factory land measuring 954.50 sq. mtr. at Prahladpur, Bawana Road, Delhi shown in Balance Sheet at ₹2,386,250 are yet to be registered in name of the Company.
- 11.6** Land (Freehold) of ₹ 7,886,689/- as of 31st March, 2014 situated at Prahaladpur, Delhi is under acquisition as per the Land Acquisition Act, 1894. The Company has decided to contest the acquisition proceedings.
- 11.7** Carrying value of Assets acquired under hire purchase as on 31.03.2013 exclude the amount related to hire purchase agreement settled during the current year.
- 11.8** As per changes made in AS 11 vide Companies (Accounting Standards) Amendment Rules 2009, further amended vide Amendment Rules 2011, during financial year 2008-09 the company exercised option of deferring foreign exchange difference arising on long term foreign currency monetary items viz 'FCCBs', Foreign Currency Term Loan to the Profit and Loss Account, in respect of accounting periods commencing on or after December 22, 2006. As a result, such foreign exchange difference relating to the acquisition of depreciable capital assets have been adjusted with cost of such assets and would be depreciated over the balance life of the assets and in other cases has been accumulated in 'FCMITDA'. Exchange loss (net) ₹ 20,448,000/- (Previous year exchange loss (net) ₹ 11,664,000/-) has been adjusted in gross block of Fixed Assets. Exchange difference on External Commercial Borrowing (ECBs) raised for repurchasing FCCBs has been transferred to 'FCMITDA'.

11.9 Additions are after adjusting exchange loss (net) ₹2,04,48,000/- (Previous Year exchange loss (net) ₹11,664,000/-)

Figures in ₹

Assets	31.3.2014	31.3.2013
i. Building	6,490,470	3,702,311
ii. Plant & Equipment	12,857,867	7,334,416
iii. Furniture & Fixtures	727,374	414,911
iv. Software	372,289	212,362
Total	20,448,000	11,664,000

12 Non Current investment

(Long Term Investments)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Other Investments (Valued at Cost unless stated otherwise)		
Quoted		
Equity Shares		
- Haryana Financial Corporation 4,800 (Previous Year 4,800) Equity Shares of ₹ 10/- each, fully paid	168,000	168,000
Unquoted		
Equity Shares of Associate Company		
- Paramount Wires & Cables Limited 2,558,000 (Previous Year 2,558,000) Equity Shares of ₹10/-each, fully paid	25,580,000	25,580,000
Equity Shares of Subsidiary Company		
- Paramount Holdings Limited, Cyprus 3675 (Previous Year 3675) Equity Shares of € 1.71 each, fully paid	255,469,782	255,469,782
Less : Provision for Diminution in value of investment	255,469,781	1
Total	25,748,001	281,217,782
Quoted Investments		
- Aggregate of Book Value	168,000	168,000
- Aggregate of Market Value	118,320	118,320
Unquoted Investments		
- Aggregate of Book Value	281,049,782	281,049,782
- Aggregate Provision for Diminution in value of investment	255,469,781	—

12.1 Aggregate Provision for diminution in value of investments in Paramount Holdings Limited, Cyprus has been made keeping in view that step down subsidiary "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is under Administration as per UK Laws and negative net worth in AEI Power Cables Limited, United Kingdom. In case of Associate, no provision for diminution in value is required since the investment of Company has been sold off at book value subsequent to the year end.

13 Long Term Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Capital Advances	3,492,220	7,992,220
Security Deposits		
- Related Parties (Refer Note 13.1)	18,000,000	18,000,000
- Others	8,251,580	8,627,830
Loans and Advances to Workers & Staff	83,469	864,270
Advance to Related Parties - Considered Doubtful		
- Paramount Holdings Limited (Subsidiary Company)	6,144,370	4,943,772
[Maximum Balance during the year ₹6,144,370/- (Previous Year ₹4,943,772/-)]		
Less: - Provision for advances recoverable from subsidiary Company	6,144,370	—
Total	29,827,269	40,428,092

13.1 Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below:

(a) Loans and Advances in the nature of Security deposit given to Related Parties: Figures in ₹

Name	As at 31.03.2014	Maximum Balance during 2013-14	As at 31.03.2013	Maximum Balance during 2012-13
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Paramount Telecables Limited	18,000,000/-	18,000,000/-	18,000,000/-	18,000,000/-
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--Security deposit for premises taken on rent by the Company and adjustable/ refundable as per terms & conditions of the Lease Agreement.

(b) Investment by the Loanee in the shares of the company

Equity Shares

- Amount (par value)	49,703,000	49,703,000
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- No of shares	24,851,500	24,851,500
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Preference Shares

- Amount (par value)	76,500,000	76,500,000
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- No of shares	765,000	765,000
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14 Inventories

(as taken, valued & certified by the management)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Raw Materials	282,593,742	493,452,263
Work -in- Progress	522,607,814	604,194,320
Finished Goods	661,424,719	578,469,684
Stores & Spares	14,050,970	12,903,057
Packing Materials	1,129,178	803,909
Scrap	6,830,926	8,998,233
Total	1,488,637,349	1,698,821,466

15 Trade Receivables (Current)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Unsecured		
Outstanding for a period exceeding six months from the date due for payment		
- Considered Good	231,775,798	209,567,375
- Considered Doubtful	37,179,850	28,000,000
	<u>268,955,648</u>	<u>237,567,375</u>
Less: Provision for Bad and Doubtful Debts	<u>37,179,850</u>	<u>28,000,000</u>
	231,775,798	209,567,375
Others		
- Considered Good	1,157,957,417	1,610,843,856
- Considered Doubtful	77,513,737	—
	<u>1,235,471,154</u>	<u>1,610,843,856</u>
Less: Provision for Bad and Doubtful Debts	<u>77,513,737</u>	<u>—</u>
	1,157,957,417	1,610,843,856
Total	1,389,733,215	1,820,411,231

16 Cash and Bank Balances Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Cash in hand		5,896,833		5,174,800
Balances with Banks				
- Current Accounts	11,728,866		1,367,761	
- Fixed Deposits	100,640,157	112,369,023	91,138,282	92,506,043
(Refer Note 16.1)				
Total		118,265,856		97,680,843
Balance with Bank in Unpaid Dividend Accounts		841,324		1,095,390
Fixed Deposit with more than twelve months maturity		7,782,952		17,802,986

16.1 Fixed deposits with banks ₹ 100,640,157/- (Previous Year ₹ 91,138,282/-) are under lien/custody with banks/others.

17 Short Term Loans & Advances

(Unsecured, considered good)

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Balance with Excise Authorities		55,861,637		11,298,676
Others				
- Advances to Supplier	19,805,208		25,761,251	
- Prepaid Expenses	1,787,774		2,763,079	
- Amount Recoverable in Cash or Kind	59,511		1,323,280	
- Earnest Money Deposits	13,225,562		12,846,673	
- Security Deposits	826,190		679,505	
- Loans to Workers & Staff	715,779		1,110,730	
- Advances to Workers & Staff	2,279,216		1,699,932	
- Claims Recoverable from Government	29,111,831		60,289,346	
- Advance Tax	3,865,528	71,676,599	4,586,707	111,060,503
[Net of Provision Nil (Previous Year ₹1,180,966/-)]				
Total		127,538,236		122,359,179

18 Other Current Assets

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Interest Accrued on Deposits		9,221,090		8,024,863
Total		9,221,090		8,024,863

19 Revenue From Operations (Gross)

Figures in ₹

Particulars	Year ended 31 st March,2014		Year ended 31 st March,2013	
Sale of Products				
- Manufactured Goods	4,452,401,686		5,035,317,132	
- Traded Goods	—	4,452,401,686	91,023,358	5,126,340,490
Other Operating Revenue				
- Export Benefits	2,240,778		4,847,657	
- Sale of Scrap	60,624,325	62,865,103	30,845,460	35,693,117
Total		4,515,266,789		5,162,033,607

19.1 Detail of Sales (Manufactured Goods)

Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Power Cables	3,693,261,856	4,495,237,978
Jelly Filled Telephone Cables	642,420,581	353,584,457
Optical Fibre Cables	116,719,249	186,494,697
Total	4,452,401,686	5,035,317,132

19.2 Detail of Sales (Traded Goods)

Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Cables & Accessories	—	36,456,271
Others	—	54,567,087
Total	—	91,023,358

20 Other Income

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Interest Income		
- Fixed Deposits	9,200,476	8,094,988
- Others	5,623,157	4,929,587
Liabilities Written Back	83,978	17,308
Insurance Claim Received	2,820	401,955
Miscellaneous Income	9,311	33,610
Exchange Fluctuation (Net)	9,596,304	—
Total	24,516,046	13,477,448

21 Cost of Materials Consumed

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Raw Materials consumed		
- Opening Stock	493,452,263	377,389,297
Add : Purchases	3,413,763,083	3,910,420,105
Less : Closing Stock	282,593,742	493,452,263
	3,624,621,604	3,794,357,139
	3,624,621,604	3,794,357,139

21.1 Particulars of Raw Materials consumed

Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Copper	1,661,869,587	1,594,997,509
Aluminum	814,703,844	949,798,176
PVC/PE	708,992,280	731,725,507
GI Wires/Strips	265,117,760	361,783,458
Others	173,938,133	156,052,489
Total	3,624,621,604	3,794,357,139

22 Purchase of Stock in Trade

Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Cables & Accessories	—	36,274,893
Total	—	36,274,893

23 (Increase)/Decrease in Inventory of Finished Goods, Work In Progress and Stock in Trade Figures in ₹

Particulars	Year ended 31 st March,2014		Year ended 31 st March,2013	
Opening Stock				
- Finished Goods	578,469,684		609,005,858	
- Work In Progress	604,194,320		590,827,928	
- Scrap	8,998,233	1,191,662,237	8,664,527	1,208,498,313
Less: Closing Stock				
- Finished Goods	661,424,719		578,469,684	
- Work In Progress	522,607,814		604,194,320	
- Scrap	6,830,926	1,190,863,459	8,998,233	1,191,662,237
		798,778		16,836,076

24 Employee Benefits Expense

Figures in ₹

Particulars	Year ended 31 st March,2014		Year ended 31 st March,2013	
Salaries, Wages & Others Benefits	121,137,461		135,362,761	
Contribution to Provident & Other Funds	7,712,805		9,683,339	
Welfare Expenses	4,080,636	132,930,902	4,546,015	149,592,115
		132,930,902		149,592,115

24.1 Managerial Remuneration of ₹ 9,032,489/- and ₹ 853,720/- to Chairman & CEO and Managing Director for year ended 31st March, 2014 and for March, 2013 respectively, is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government.

24.2 The disclosures required under Accounting Standard 15 "Employee Benefits" ("AS-15") are given below:

Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

Figures in ₹

Particulars	Year ended 31st March,2014	Year ended 31st March,2013
Contributory Provident Fund & Employees Pension Scheme, 1995	6,120,155	6,484,150

Defined Benefit Plan

The company is having following Defined Benefit Plans:

- ❖ Gratuity (Funded)
- ❖ Leave Encashment (Unfunded)

Figures in ₹

Particulars	Gratuity (Funded) 2013-14	Leave Encashment (Unfunded) 2013-14	Gratuity (Funded) 2012-13	Leave Encashment (Unfunded) 2012-13
a) Actuarial Assumptions				
Discount rate	9.17	9.10	8.00	8.10
Expected rate of return on assets	8.00	—	8.00	—
Expected rate of future salary increase	8.00	6.00	8.00	6.00
b) Reconciliation of opening and closing balances of Defined Benefit obligation				
Present value of obligations as at beginning of year	18,035,390	1,32,33,746	14,370,166	11,002,903
Interest cost	1,424,964	10,71,933	1,119,483	946,250
Current Service Cost	1,888,710	6,66,121	1,649,414	1,762,087

Figures in ₹

Particulars	Gratuity (Funded) 2013-14	Leave Encashment (Unfunded) 2013-14	Gratuity (Funded) 2012-13	Leave Encashment (Unfunded) 2012-13
Benefits paid	(4,991,956)	(29,14,442)	(753,263)	(383,807)
Actuarial (gain)/loss on Obligations	(116,854)	(27,44,612)	1,649,590	(93,687)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd. during the year	—	—	—	—
Present value of obligations as at end of year	16,240,254	93,12,746	18,035,390	13,233,746
c) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets as on beginning of year	16,560,493	—	16,094,458	—
Expected return on plan assets	1,192,237	—	1,257,426	—
Contributions	1,649,414	—	—	—
Benefits paid	(4,991,956)	—	(753,263)	—
Actuarial Gain/(Loss) on Plan assets	411,933	—	(38,128)	—
Fair value of plan assets at the end of year	14,822,121	—	16,560,493	—
d) Fair value of plan assets				
Fair value of plan assets at beginning of year	16,560,493	—	16,094,458	—
Actual return on plan assets	1,604,170	—	1,219,298	—
Contributions	1,649,414	—	—	—
Benefits paid	(4,991,956)	—	(753,263)	—
Fair value of plan assets at the end of year	14,822,121	—	16,560,493	—
Funded status	(1,418,133)	(9,312,746)	(1,474,897)	(13,233,746)
Excess of Actual over estimated return on plan	411,933	—	(38,128)	—
e) Actuarial Gain/Loss recognized				
Actuarial gain/(Loss) for the year—Obligation	(116,854)	27,44,612	1,649,590	93,687
Actuarial (gain)/Loss for the year—plan assets	(411,933)	—	38,128	—
Total (gain)/Loss for the year	(528,788)	(2,744,612)	1,687,718	(93,687)
Actuarial (gain)/Loss recognized in the year	(528,788)	(2,744,612)	1,687,718	(93,687)
f) The amounts recognized in the balance sheet				
Present value of obligations as at the end of year	16,240,254	93,12,746	18,035,390	13,233,746
Fair value of plan assets as at the end of the year	14,822,121	—	16,560,493	—
Funded status	(1,418,133)	(9,312,746)	(1,474,897)	(13,233,746)
Net (Asset)/liability recognized in balance sheet	(1,418,133)	(9,312,746)	(1,474,897)	(13,233,746)
g) Expenses Recognized in statement of Profit & Loss				
Current Service Cost	1,888,710	6,66,121	1,649,414	1,762,087
Interest cost	1,424,968	10,71,933	1,119,483	946,250
Expected return on plan assets	(1,192,237)	—	(1,257,426)	—
Net Actuarial (gain)/Loss recognized in the year	(528,788)	(2,744,612)	1,687,718	(93,687)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	—	—	—	—
Expenses recognized in statement of Profit & Loss	1,592,650	(1,006,558)	3,199,189	2,614,650

25 Finance Costs		Figures in ₹	
Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013	
Interest Expense			
- Interest on Loans	359,248,735	399,820,900	
- Interest On Income Tax	—	75,031	399,895,931
Other Borrowing Costs			44,840,963
Total	<u>415,538,242</u>		<u>444,736,894</u>
26 Depreciation and Amortisation Expenses		Figures in ₹	
Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013	
Fixed Assets			
- Tangible Assets	107,751,041	112,371,368	
- Intangible Assets	1,632,672	4,078,534	116,449,902
Less: Transfer from Revaluation Reserve		110,754	121,110
	<u>109,272,959</u>		<u>116,328,792</u>
27 Other Expenses		Figures in ₹	
Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013	
Stores, Spares & Consumables	19,687,137		22,732,149
Excise Duty (Refer Note 27.1)	(4,217,671)		(2,847,883)
Packing Expenses	124,148,109		137,685,459
Power, Fuel and Lighting	82,054,605		92,208,163
Rent	22,064,899		21,840,818
Repair & Maintenance			
- Plant & Machinery	10,758,075	15,059,280	
- Building	1,782,119	1,586,034	
- Others	2,379,371	1,922,420	18,567,734
Insurance	7,017,295		7,208,216
(Refer Note 27.2)			
Rates and Taxes	987,444		2,876,151
[Includes Wealth Tax ₹ 65,700/- (Previous Year ₹ 83,200/-)]			
Auditor's Remuneration (Refer Note 27.4)	1,658,436		1,561,028
Conversion Charges	9,058,124		25,738,628
Labour Charges	67,589,246		73,868,026
Rebates,Discount,Commission on Sales	19,473,335		25,664,154
Freight, Octroi & cartage	17,326,017		9,627,983
[Net of recovery ₹ 65,365,803/- (Previous Year ₹ 90,475,641/-)]			
Bad Debts written off	18,645,408		18,612,522
Travelling and Conveyance	27,846,616		34,564,173
[Net of recovery ₹ 3,463,592/- (Previous Year ₹ 2,248,786/-)]			
(Refer Note 27.3)			
Amortisation of FCMITDA (Net)	23,429,280		30,884,575
Exchange Fluctuation (Net)	—		11,546,841
Advertisement & Publicity	717,884		688,978
Communication Expenses	5,124,432		6,151,415
Loss on sale/disposal of Fixed Assets (Net)	82,470		1,068,446
Donations	1,150,000		1,075,000
Directors Meeting Fee	306,000		314,500
Miscellaneous Expenses	66,929,126		57,021,416
Total	<u>525,997,757</u>		<u>598,658,492</u>

27.1 Amount of Excise Duty deducted from the turnover is for sales made during the year and the amount recognized separately in the statement of Profit & Loss is related to the difference between the closing stock and opening stock.

27.2 Insurance Premium of ₹ 3,801,438/-(Previous Year ₹ 3,793,545/-) on Keyman Insurance Policy has been charged to Profit & Loss. Maturity value of such policies will be accounted for on receipt basis.

27.3 Following reimbursements from "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom for the portion of expenses attributable to them have been netted off from respective account heads: **Figures in ₹**

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Travelling & Conveyance	3,463,592	2,248,786

27.4 Auditor's Remuneration*:

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Audit Fees	1,260,000	1,260,000
Tax Audit fees	150,000	150,000
Taxation Matters	30,000	30,000
Certification & Consultancy	153,000	60,000
Out of Pocket Expenses	65,436	61,028
	<u>1,658,436</u>	<u>1,561,028</u>

*Excludes Service Tax

27.5 Value of Imports on CIF basis

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
- Raw Materials purchases	672,400,983	897,661,042
- Stores, Spares & Consumables	1,928,628	797,686

27.6 Expenditure in Foreign Currency (On Accrual Basis)

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Finance Cost		
- Interest on Loan	21,732,117	28,509,500
Other Expenses		
- Travelling & Conveyance	6,168,699	8,343,961
- Miscellaneous Expenses	7,991,805	3,581,708
- Annual Maintenance Fee to Exchange	213,425	368,750

27.7 Value of Imported and Indigenous materials consumed

Figures in ₹

Class of Goods	Year ended 31 st March,2014		Year ended 31 st March,2013	
	Percentage	Amount	Percentage	Amount
Materials				
- Indigenous	81.45	2,952,220,621	76.58	2,905,901,209
- Imported	18.55	672,400,983	23.42	888,455,930
Total	<u>100.00</u>	<u>3,624,621,604</u>	<u>100.00</u>	<u>3,794,357,139</u>
Stores, Spares & Consumables				
- Indigenous	90.20	17,758,509	96.49	21,934,463
- Imported	9.80	1,928,628	3.51	797,686
Total	<u>100.00</u>	<u>19,687,137</u>	<u>100.00</u>	<u>22,732,149</u>

Figures in ₹

Class of Goods	Year ended 31 st March,2014		Year ended 31 st March,2013	
	Percentage	Amount	Percentage	Amount
Packing Materials				
- Indigenous	100.00	124,148,109	100.00	137,685,459
- Imported	—	—	—	—
Total	100.00	124,148,109	100.00	137,685,459
Traded Goods				
- Indigenous	—	—	100.00	36,274,893
- Imported	—	—	—	—
Total	—	—	100.00	36,274,893

27.8 Earnings in Foreign Exchange (on Accrual Basis)

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
- Exports (on FOB Prices)	251,506,856	192,841,586

28. Exceptional Items

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
-Write back of Secured Loan Liability (Refer Note 28.1)	—	208,201,325
-Profit on Sale of Factory land, Building & some Assets (Net) (Refer Note 28.2)	—	211,883,864
Provision for Diminution in the value of investment in Subsidiary Company	(255,469,781)	—
Provision for doubtful debts recoverable from AEI power Cables Limited (Step down Subsidiary)	(77,513,737)	—
Provision for advances recoverable from subsidiary Company	(6,144,370)	—
	(339,127,888)	420,085,189

28.1 Exceptional item of ₹ Nil (Previous Year ₹ 208,201,325/-) is on account of write back of secured loan from some banks upon one time settlement.

28.2 Exceptional item of ₹ Nil (Previous Year ₹211,883,864/-) is on account of profit on sale of assets (net of WDV and expenses) consisting of factory land, building and some plant & machineries situated at SP - 76, 77 & 77 A, Khushkhara Industrial Area, Alwar (Rajasthan). These assets were sold as per the terms of approved CDR Rework Package dated 11th July, 2012.

28.3 "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom, a step down subsidiary of the Company, is under 'Administration' and AEI Power Cables Limited, United Kingdom has negative net worth. In view of this development, management has made following provisions pertaining to subsidiaries during the year:

Particulars	Figures in ₹
Provision for diminution in value of Investment	255,469,781
Provision for doubtful debts	77,513,737
Provision for Advance Recoverable	6,144,370
Total:	339,127,888

29 Earnings Per Equity Share pursuant to Accounting Standard- 20 ("AS-20") Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Net Profit/(Loss) after Taxation	(1,034,334,169)	(46,430,784)
Number of Equity Shares at the beginning of the year	125,233,465	93,026,965
Add: Weighted average number of equity shares issued during the year	—	176,474
Weighted average number of Equity shares for Basic EPS	125,233,465	93,203,439
Weighted average number of equity shares for Diluted EPS	125,233,465	93,203,439
Basic Earnings per Share (₹)	(8.26)	(0.50)
Diluted Earnings per Share (₹)	(8.26)	(0.50)
Par Value of each Equity Share (₹)	2/-	2/-

30 "Related party disclosures", for the year ended 31st March, 2014, as required by Accounting Standard-18 ("AS-18") are given below:

Relationships:

i) Subsidiaries of the Company:

Paramount Holdings Limited, Cyprus
 "06196375 Cables Limited"
 (formerly AEI Cables Limited), United Kingdom (in Administration)
 AEI Power Cables Limited, United Kingdom

ii) Associate of the Company:

Paramount Wires & Cables Limited

iii) Other related parties in the Group where common control exists:

Sanjay Aggarwal (HUF)
 Sandeep Aggarwal (HUF)
 S.S. Aggarwal (HUF)
 April Investment & Finance Private Limited
 Worth Finance & Leasing Private Limited
 Paramount Telecables Limited
 S.S. Aggarwal Foundation

iv) Key Managerial Personnel:

Shri Sanjay Aggarwal, Chairman and CEO
 Shri Sandeep Aggrawal, Managing Director

v) Relatives of Key Managerial Personnel with whom transaction have taken place:

Smt. Kamla Aggarwal
 Shri. Dhruv Aggarwal
 Shri. Tushar Aggarwal
 Smt. Shashi Aggarwal
 Smt. Archana Aggarwal
 Ms Parul Aggarwal

a) Details relating to parties referred to in items (i), (ii), (iii), (iv) and (v) above:
Figures in ₹

PARTICULARS	Year	(i)	(ii)	(iii)	(iv)	(v)	TOTAL
Maximum outstanding of deposits taken during the year	2013-14 2012-13	— —	— —	216,000 122,949,633	— —	— —	216,000 122,949,633
Maximum outstanding of advance given during the year	2013-14 2012-13	6,144,370 4,943,772	— —	— —	— —	— —	6,144,370 4,943,772
Advance given balance outstanding as at year end	2013-14 2012-13	6,144,370 4,943,772	— —	— —	— —	— —	6,144,370 4,943,772
Maximum outstanding of sundry debtors during the year	2013-14 2012-13	207,643,455 282,413,559	173,887,643 67,844,852	— —	— —	— —	381,531,098 350,258,411
Sundry debtors outstanding as at year end	2013-14 2012-13	90,861,671 112,712,103	173,800,143 27,302,531	— —	— —	— —	264,661,814 140,014,634
Maximum outstanding of security deposits given for premises taken on rent	2013-14 2012-13	— —	— —	18,000,000 18,000,000	— —	— —	18,000,000 18,000,000
Outstanding of security deposit given for premises taken on rent as at year end	2013-14 2012-13	— —	— —	18,000,000 18,000,000	— —	— —	18,000,000 18,000,000
Maximum outstanding balance of amount payable during the year	2013-14 2012-13	3,297,229 —	— —	— —	— —	— —	3,297,229 —
Amount Recoverable as at year end	2013-14 2012-13	— —	— —	— —	— 860,400	— —	— 860,400
Rent Paid for use of assets	2013-14 2012-13	— —	— —	20,906,664 21,266,664	— —	— 540,000	20,906,664 21,806,664
Managerial Remuneration	2013-14 2012-13	— —	— —	— —	9,032,489 6,948,707	— —	9,032,489 6,948,707
Salaries and other Benefits	2013-14 2012-13	— —	— —	— —	— —	3,234,000 3,169,440	3,234,000 3,169,440
Reimbursement of expenses received	2013-14 2012-13	3,463,592 2,248,786	— —	— —	— —	— —	3,463,592 2,248,786
sales	2013-14 2012-13	113,486,197 181,934,044	425,964,852 115,929,079	— —	— —	— —	539,451,049 297,863,123
Purchases of Raw Materials	2013-14 2012-13	3,259,571 8,014,865	— —	— —	— —	— —	3,259,571 8,014,865
Purchases of Machinery	2013-14 2012-13	— —	— 138,119	— —	— —	— —	— 138,119
Donations	2013-14 2012-13	— —	— —	1,150,000 1,075,000	— —	— —	1,150,000 1,075,000
Equity Share Allotment	2013-14 2012-13	— —	— —	— 64,413,000	— —	— —	— 64,413,000
0% Non-Convertible redeemable Preference share allotment	2013-14 2012-13	— —	— —	— 76,500,000	— —	— —	— 76,500,000

PARTICULARS	Year	(i)	(ii)	(iii)	(iv)	(v)	TOTAL
Security Premium on Equity Share Allotment	2013-14 2012-13	— —		— 9,661,950	— —	— —	— 9,661,950
Equity Share Application Money received	2013-14 2012-13	— —		— 74,074,950	— —	— —	— 74,074,950
Preference Share Application Money received	2013-14 2012-13	— —		— 76,500,000	— —	— —	— 76,500,000

b) Non-Financial Transactions:

- i. Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings and also have pledged their share holding in the company with banks.
- ii. Guarantee of ₹ 10,000,000/- (Previous Year ₹ 10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2014 ₹ 7,586,617/- (Previous year ₹ 7,153,292/-).
- iii. The Company has executed a parental guarantee of ₹ 1,634,655,000/- (sterling pounds 16,500,000) (Previous Year ₹ 1,347,885,000/- (sterling pounds 16,500,000) given to a Bank for credit facilities sanctioned to its wholly owned subsidiary, "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom. Credit facilities availed by the said company as on 31.03.2014 was ₹ 5,646,990/- (sterling pounds 57,000) (Previous year ₹ 805,231,504/- (sterling pounds 9,858,263).
- iv. Paramount Telecables Limited has given its property as collateral by way of 2nd charge to the banks of the company.
- v. The remuneration does not include Gratuity and Provision for Leave Encashment under Accounting Standard -15 (Revised) and personal accident insurance premium, since same is not available for individual employees.

31 Future lease obligation by way of lease rental:

Fixed Assets taken on lease on or after April 1, 2001 include motor vehicles at an aggregate cost of ₹ 57,61,531/- (Previous year ₹ 5,761,531/-) with future lease obligation by way of lease rental as follows:

Figures in ₹

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Within one year	260,325	1,041,300	5,126	93,444	255,199	947,856
Later than one year and not later than five years	—	260,325	—	5,126	—	255,199
Total:	260,325	1,301,625	5,126	98,570	255,199	1,203,055

31.1 Operating Leases:

The Company has entered into lease transactions during the current financial year mainly for leasing of storage/office premises and company leased accommodations for its employees for periods up to 10 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. There are no subleases. The Operating lease payments recognized in the Profit & Loss account amount to ₹ 22,064,899/- (Previous year ₹ 22,867,167/-) for the leases, which commenced on or after April 1, 2001. Minimum lease payments under non-cancellable operating leases are:

Figures in ₹

PARTICULARS	As at 31 st March,2014	As at 31 st March,2013
Minimum Lease Payments		
--Not later than one year	20,666,664	20,666,664
--Later than one year but not later than five years	82,666,656	82,666,656
--Later than five years	14,499,998	35,166,662

32 In opinion of the management Company's business activity mainly falls within a single primary business segment "Cables", the disclosures requirements of Accounting Standard-17 ("AS-17") "Segment Reporting" are not applicable.

33 (i) Unhedged amount payable in foreign currency:

Figures in ₹

Particulars	As at 31 st March,2014			As at 31 st March,2013		
	Amount in (Rs)	Amount in foreign currency	Foreign currency	Amount in (Rs)	Amount in foreign currency	Foreign currency
Trade Payables	26,714,035	443,092	USD	1,932,648	35,390	USD
Payables	15,488,669	256,903	USD	7,943,165	145,543	USD
FCCBs	658,133,186	10,916,125	USD	409,575,000	7,500,000	USD
Foreign Currency Term Loans	301,183,510	4,995,580	USD	272,817,664	4,995,746	USD

(ii) Unhedged amount receivable in foreign currency:

Figures in ₹

Particulars	As at 31 st March,2014			As at 31 st March,2013		
	Amount in (Rs)	Amount in foreign currency	Foreign currency	Amount in (Rs)	Amount in foreign currency	Foreign currency
Trade Receivables	149,746,160	1,501,308	GBP	112,160,380	1,373,000	GBP
Receivables	—	—	—	551,723	6,754	GBP
	6,144,370	87,981	EURO	4,943,772	73,581	EURO

34 Contingent Liabilities & Commitments

(to the extent not provided for)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Contingent Liabilities		
Claims Against the Company not acknowledged as Debt	8,822,654	6,097,504
Guarantees		
i. Financial Bank Guarantees outstanding	33,661,802	46,986,124
ii. Guarantee of ₹ 10,000,000/- (Previous Year ₹ 10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Ltd. (Associate)		
- Credit Facilities availed by Paramount Wires & Cables Ltd.	7,586,617	7,153,292
iii. Parental Guarantee of ₹ 1,634,655,000/- (sterling pounds 16,500,000/-) [Previous Year ₹ 1,347,885,000/- (sterling pounds 1,65,00,000/-)] given to a Bank for credit facilities ((sanctioned limit (sterling pounds 11,500,000/-) sanctioned to "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (Subsidiary).		
- Credit Facilities availed	(₹) 5,646,990 (£) 57,000	805,321,504 9,858,263
iv. Right of recompense of CDR lenders for reliefs / sacrifices / waivers extended by respective CDR lenders to the company.	Amount unascertainable	Amount unascertainable
Other money for which company is contingently liable		
i. Unutilised Letter of Credits	112,518,884	71,267,047
ii. Outstanding Bill discounted	81,477,573	117,991,871
iii. Income Tax		
- Demand under appeal/rectification arising out of disallowances and non-credit of tax deduction at source	—	1,203,403
- Matter which have been decided in favour of the Company in first appeal stage, however, Income tax department has filed appeal against orders of first appellate authority.	<u>27,008,740</u>	<u>27,008,740</u>
iv. Excise demands under appeal	79,448,401	76,411,296
v. Service tax demands under appeal	22,593,046	22,330,441
vi. Custom duty demand due to denial of concessional custom duty, under appeal	6,434,896	1,836,570
Commitments		
i. Estimated amount of contracts (net of advances) remaining to be executed on Capital Account.	8,270,000	—

35. Outstanding 1% Foreign Currency Convertible Bonds (FCCBs) amounting to USD 7.5 million were due for redemption on 23rd November, 2011 and are yet to be redeemed. The Company was to redeem these FCCBs at a Premium equal to 145.54% of the outstanding principal amount. The said premium amounts to ₹ 229,607,788/- (Gross of tax). A winding up petition has been filed against the Company on behalf of the the FCCB holders, wherein an interim order has been passed by the Hon'ble High Court of Delhi restricting the Company from alienation, disposal or creation of third party interest or charge on any of its immovable assets. The Company is contesting the case. The matter is presently subjudice.
36. Till Previous Year Company had not provided Premium due on redemption on FCCBs. During the year Company has provided Premium due on redemption on FCCBs ₹ 229,607,788/- (Gross of Tax) and the same has been adjusted against the Securities Premium Account. Had Company followed earlier practice of non provision of Premium due on redemption on FCCBs. Current Liabilities would have been lower by ₹ 229,607,788/- and balance in Securities Premium Account would have been higher by ₹ 229,607,788/-.
37. **Going Concern :**
The company has recorded a net loss of ₹ 1,034,334,169/- for the year and has accumulated losses of ₹ 2,123,195,108/- as at 31st March, 2014, resulting in negative net worth. The company has also defaulted in payments of interest and redemption amount of Foreign currency Convertible Bonds (FCCBs) and interest and term loans installments to banks and other working capital facilities from banks. A winding up petition has also been filed against the Company on behalf of the FCCB holders, whereas an interim order has been passed by the Hon'ble High Court of Delhi restricting the Company from alienation, disposal or creation of third party interest or charge on any of its immovable assets. The management is confident that the company will be able to generate profits in future years and dispose off some assets to meet its financial obligations as may arise. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:
- The company has not defaulted in payment of statutory dues or its trade creditors etc.
 - CDR package was approved during financial year 2010-11 and further "Rework Package" has been approved by CDR-EG vide Letter of Approval (LOA) dated 11th July, 2012. The Company has again proposed banks to reschedule term loans repayments.
 - The Company and promoters have undertaken to raise and have raised adequate finances by way of disposal of assets and induction of fresh funds by promoters and/or promoter group companies.
 - The Company is contesting the Winding up petition filed against it. The matter is presently subjudice.
 - The Company has strong order book position.
38. Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under section 15 (1) of Sick Industrial Companies (Special Provisional Act, 1985 vide order dated 31.10.2013, BIFR has restrained company from disposing of or alienating in any manner any fixed assets of the Company without consent of BIFR.
39. Name of AEI Cables Limited, United Kingdom was changed to "06196375 Cables Limited" w.e.f. 28th February, 2014. This Company is "in Administration" (as per UK laws).
40. Previous Year's figures have been regrouped / rearranged wherever necessary.

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi

Date : 29.05.2014

Place: New Delhi

Date : 29.05.2014

GIST OF FINANCIAL PERFORMANCE OF SUBSIDIARIES

STATEMENT PURSUANT TO EXEMPTION AVAILED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Figures in ₹

Particulars	Paramount Holdings Limited, Cyprus	AEI Power Cables Limited, UK
Capital (Including Share Application Money)	350,577	7,260,826
Reserve & Surplus (Net of Misc. Exp.)	(6,755,989)	(68,300,726)
Total Assets(excluding Investment)	402,783	31,004,650
Total Liabilities	6,808,255	92,044,550
Investment *	60	—
Turnover	—	159,437,741
Profit/(Loss) before Taxation	(256,948,788)	(66,763,049)
Provision for Taxation	—	—
Profit/(Loss) after Taxation	(256,948,788)	(66,763,049)
Proposed Dividend	—	—
Reporting Currency	EURO	GBP
Conversion Rate	81.85	99.07

* Paramount holdings Limited, Cyprus has made provision for diminution in value of investments in "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom, which is under Administration as per UK Laws and AEI Power Cables Limited, U K, which has negative net worth.

For and on behalf of the Board of Directors

(Sanjay Aggarwal)
Chairman & CEO

(Sandeep Aggarwal)
Managing Director

(Rattan Aggarwal)
CFO & Company Secretary

Place : New Delhi
Dated : 29th May, 2014

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF PARAMOUNT COMMUNICATIONS LIMITED, ITS SUBSIDIARIES AND ITS ASSOCIATE

To the Board of Directors of **PARAMOUNT COMMUNICATIONS LIMITED**

1. We have audited the accompanying Consolidated Financial Statements of Paramount Communications Limited ("the company") its subsidiaries and associate company; hereinafter referred to as the "Group", which comprise Consolidated Balance Sheet as at 31st March, 2014 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

7. We draw attention to :

- a) Note 37 to the consolidated financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis despite negative net worth, defaults in repayment of loan installments and interest to banks and other working capital facilities from banks., default in redemption of Foreign Currency Convertible Bonds (FCCBs) and filing of winding up petition filed against the Company under the Act on behalf of FCCB holders. The appropriation of the said basis is inter-alia dependent on reschedulement of repayments to banks and outcome of winding up petition.
- b) Note 25.1 to the consolidated financial statements. Managerial Remuneration of ₹9,032,489/- and ₹853720/- to Chairman & CEO and Managing Director for the year ended 31st March, 2014 and for March, 2013 respectively, is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government. Pending approval from the Central Government in this regard, the impact thereof on the financial statements to the extent of amount of remuneration that may be disallowed by the Central government, if any, is currently unascertainable
- c) Note 1.4 to the consolidated financial statements. "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28th February, 2014. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company.

Our opinion is not qualified in respect of these matters.

Other Matters

8. We did not audit the financial statements of :

- (i) Two subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 31,407,434/- and net assets of ₹ (67,445,372/-) as at 31st March, 2014, total revenue of ₹ 159,442,728/- and net loss of ₹ 323,711,837/- for the year then ended; and
- (ii) One associate company which constitutes net profit of ₹2,643,004/- for the year then ended.

These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For JAGDISH CHAND & CO.
Firm Registration Number: 000129N
Chartered Accountants

Place of signing: New Delhi
Date: 29th May, 2014

(J.C. GUPTA)
Partner
Membership Number 6107

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Figures in ₹

	Note	As at 31 st March,2014		As at 31 st March,2013	
EQUITY AND LIABILITIES					
Shareholder's funds					
Share Capital	2	326,966,930		326,966,930	
Reserves and surplus	3	(1,431,871,987)	(1,104,905,057)	(477,484,261)	(150,517,331)
Non-Current Liabilities					
Long Term Borrowings	4	1,495,079,625		1,625,683,882	
Deferred Tax Liability (Net)	5	—		—	
Other Long Term Liabilities	6	—		104,971,650	
Long Term Provisions	7	13,135,822	1,508,215,447	12,517,569	1,743,173,101
Current Liabilities					
Short Term Borrowings	8	1,477,993,406		2,130,783,664	
Trade Payables	9	821,208,029		991,165,324	
Other Current Liabilities	10	1,368,029,608		994,589,631	
Short Term Provisions	11	1,506,716	3,668,737,759	2,295,235	4,118,833,854
TOTAL			4,072,048,149		5,711,489,624
ASSETS					
Non - Current Assets					
Fixed Assets	12				
-Tangible assets	12.1	875,307,215		976,120,980	
-Intangible assets	12.2	1,611,239		2,117,184	
-Capital Work - in Progress		—	876,918,454	1,309,033	979,547,197
Non- Current Investments	13		13,847,180		11,673,156
Long Term Loans and Advances	14		29,827,269		35,484,320
Current Assets					
Inventories	15	1,496,067,599		2,396,493,874	
Trade Receivables	16	1,376,979,701		1,942,412,551	
Cash and Bank Balances	17	127,457,845		109,021,963	
Short Term Loans and Advances	18	141,729,011		228,831,700	
Other Current Assets	19	9,221,090	3,151,455,246	8,024,863	4,684,784,951
TOTAL			4,072,048,149		5,711,489,624

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our separate report of even date attached.

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi

Date : 29.05.2014

Place: New Delhi

Date : 29.05.2014

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Figures in ₹

Particulars	Note	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Revenue from Operations (Gross)	20	4,561,218,333	7,291,840,574
Less: Excise Duty		426,083,587	484,688,892
Other Income	21	24,521,033	28,036,356
Total Revenue		4,159,655,779	6,835,188,038
Expenses:			
Cost of Materials Consumed	22	3,624,621,605	5,155,970,682
Purchases of Stock in Trade	23	20,399,253	101,795,373
(Increase) / Decrease in Finished goods, Work-in-progress and Stock-in-Trade	24	27,956,506	109,984,094
Employee Benefits Expense	25	134,853,401	618,720,016
Finance Costs	26	418,245,562	493,732,097
Depreciation and Amortization Expense	27	109,344,781	120,332,129
Other Expenses	28	524,407,370	899,347,496
Total Expenses		4,859,828,478	7,499,881,887
Profit/(Loss) Before exceptional items and tax		(700,172,699)	(664,693,849)
Exceptional items	29	(310,287,698)	420,085,189
Profit/(Loss) Before Tax		(1,010,460,397)	(244,608,660)
Tax Expense			
- Current tax		—	—
- Tax Credit under UK Laws		—	—
- Deferred tax		—	—
Short/(Excess) Provision-Earlier Years -- Current Tax		(254,713)	553,735
Profit/(loss) for the Year		(1,010,205,684)	(245,162,395)
Add: Share of Profit/(Loss) in Associate		2,643,004	22,947
Net Profit/(Loss) for the Year		(1,007,562,680)	(245,139,448)
Earnings per Equity Share:	30		
Equity Share of Par Value of ₹2/- each			
-Basic (₹)		(8.05)	(2.63)
-Diluted (₹)		(8.05)	(2.63)

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our separate report of even date attached.

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants
(J.C. Gupta)

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi

Date : 29.05.2014

Place: New Delhi

Date : 29.05.2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Figures in ₹

S.NO. PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation and exceptional items & after share of profit/(loss) of Associates	(697,529,694)	(664,670,902)
Adjustment for:		
Depreciation (Net)	109,344,781	120,332,129
Financial Costs	418,245,562	493,732,097
Loss on sale/disposal of fixed assets	551,660	1,068,446
Amortisation of FCMITDA	23,429,280	30,884,575
Exchange loss on FCCBs	22,152,000	12,636,000
Provision for leave encashment/ Gratuity	(3,977,766)	3,705,741
Opening balance of Loss of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration)	245,366,356	—
Exchange Fluctuation Reserve	46,299,122	1,906,828
Operating profit before working capital changes	163,881,301	(405,086)
Adjustment for:		
Trade Receivables, Loans and Advances and Other Assets	656,275,185	168,093,405
Inventories	900,426,274	(2,483,766)
Trade Payables, Other Liabilities and Provisions	(43,106,890)	93,730,329
Cash generated from operations	1,677,475,868	258,934,882
Direct tax paid/ Refund	958,392	(835,610)
Cash flow before exceptional items	1,678,434,260	258,099,272
Exceptional items	(310,287,698)	420,085,189
Net cash from operating activities	1,368,146,562	678,184,461
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and other capital expenditure	13,131,673	(19,013,771)
Sale of fixed assets	(62,124)	570,050,664
(Increase)/decrease of Investments (net)	(2,174,024)	(26,277)
Net cash used in investing activities	10,895,525	551,010,616
C) CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings (Net of repayments)	(59,014,741)	(591,040,678)
Proceeds from Equity Share Capital	—	74,074,950
Proceeds from Preference Share Capital	—	76,500,000
Premium on redemption of FCCBs adjusted against Securities Premium Accounts	(229,607,788)	—
Working capital facilities from Bank	(652,790,258)	(296,842,710)

Figures in ₹

S.NO. PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Hire purchase finance (Net of repayments)	(947,856)	(841,081)
Financial Costs	(418,245,562)	(493,732,097)
Net cash received/(used) from financial activities	(1,360,606,205)	(1,231,881,616)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	18,435,882	(2,686,539)
Cash and cash equivalents as at 31 st March, 2014 (Opening Balance)	109,021,963	111,708,502
Cash and cash equivalents as at 31 st March, 2014 (Closing Balance)	127,457,845	109,021,963
Note:		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement.		
2. Cash and cash equivalents includes:		
Cash and bank balances	25,976,364	9,087,620
Fixed Deposits under lien/ custody with banks/sales tax department	100,640,157	98,838,953
Unclaimed Dividend Accounts	841,324	1,095,390
Total cash and cash equivalents as per balance sheet	127,457,845	109,021,963
3. Figures in brackets represent cash outflow		

As per our separate report of even date attached

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants**(J.C. Gupta)**

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi**Date : 29.05.2014****Place: New Delhi****Date : 29.05.2014**

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1.1 Principles of Consolidation

The consolidated financial statements relate to Paramount Communications Limited (Company), its subsidiaries and Associate. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealised profits or losses in accordance with Accounting Standard (AS-21) on "Consolidated financial Statements".
- b. Investments in Associate are accounted for using the equity method as per Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements".
- c. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- d. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Exchange Fluctuation Reserve.

1.2 The Consolidated Financial Statements include the results of the following entities:

S.No.	Name of Company	Country of incorporation	Relationship	Ownership Interest
a.	Paramount Holdings Limited (PHL)	Cyprus	Subsidiary	100.00%
b.	AEI Power Cables Limited (APCL)	United Kingdom	Subsidiary	100.00%
c.	Paramount Wires & Cables Ltd. (PWCL)	India	Associate	44.49%

1.3 Financial statements of Paramount Holdings Limited, Cyprus are drawn in Euro and AEI Power Cables Limited, United Kingdom are drawn in Sterling Pound.

1.4 "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28th February, 2014. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31st March, 2014.

1.5 Other Significant Accounting Policies

a. Basis of Accounting

- i. The accounts have been prepared under the historical cost convention and in accordance with the applicable accounting standards except where otherwise stated.

b. Going concern

After making appropriate enquiries and reviewing budgets, profit and cash flow forecasts and business plans, together with financing facilities available, the directors of AEI Power Cables Limited, United Kingdom have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has more than sufficient resources and available facilities to continue in operational existence for the foreseeable future.

The company has a deficit on shareholders' funds and is dependent on the financial support of its parent undertaking and £906,935 (2013: £819,743) was owed to the parent undertaking at 31st March 2014. The ultimate parent company has confirmed that it intends to support the company for a period of at least 12 months from the date these financial statements were signed.

For these reasons the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate.

c. Fixed Assets, intangible assets and capital work-in-progress

- i. Construction period expenses directly attributable to projects are capitalised. Financing cost during the construction period on loans raised for/allocated to qualifying projects is capitalised. Financing cost incurred on general borrowings used for projects is capitalised. The amount of such borrowing is determined after setting off the amount of internal accruals.
- ii. Fixed Assets are stated at cost including allocated costs or valuation less accumulated depreciation.
- iii. The cost of any software purchased initially along with the computer hardware is being capitalised along with the cost of the hardware. Any subsequent acquisition/up gradation of software is being capitalised as an asset.

d. Depreciation and Amortisation

- i. The cost of capitalised software is amortised over a period of five years from the date of its acquisition.
- ii. Depreciation is provided on Written - Down Value Method on buildings added up to 31st March, 1993 and straight line method on fixed assets added from 1st April, 1993 in accordance with and at the rates specified in Schedule XIV of the Companies Act, 1956. Addition/deletion in the cost of the fixed assets due to exchange fluctuation in long term foreign currency monetary items arising due to difference in exchange rate vis a vis initial recording and reporting date are depreciated over the balance life of the assets.
- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.
- iv. In case of APCL, depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Equipments	- 10% Straight line basis
Computers	- 20% Straight line basis

e. Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management. Current investments are stated at lower of cost or market value.

f. Inventories

- i. Inventories are valued as follows :
 - Finished Goods are valued at lower of cost or net realisable value.
 - Raw materials are valued at lower of cost or net realisable value.
 - Work-in-Progress is valued at lower of cost or net realisable value.
 - Packing materials, Stores & Spares are valued at cost.
 - Scrap is valued at estimated realisable value.
- ii. Cost of Raw Material is determined on weighted average basis. Cost of Packing Materials and Stores & Spares is determined on weighted average basis. Work-in-Progress includes raw material costs and allocated production overheads on estimated basis. Cost of Finished Goods is determined by taking derived material costs and other overheads.

g. Foreign Currency Transactions

- i. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- ii. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
 - In so far as they relate to the acquisition of a depreciable capital assets are adjusted in the cost of assets.

--- In other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA)' and are amortised over period of foreign currency monetary item or up to 31st March, 2020, whichever is earlier.

iv. Non monetary foreign currency items are carried at cost.

h. Revenue Recognition

- i. Sales are accounted for on dispatch of goods from the factory to the customers. Sales are net of returns and include excise duty wherever directly chargeable from customers, but exclude sales tax/VAT.
- ii. Other items of revenue are recognised in accordance with the Accounting Standard on 'Revenue Recognition' (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/realisation of income, the same is not accounted for.

i. Excise Duty

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials and capital goods.

j. Employees Benefits

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to a fund maintained by SBI life insurance company Limited under Group Gratuity Scheme. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- ii. Liability in respect of employees who are entitled to leave compensatory & encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.
- iii. Contributions with respect to Provident Fund, is recognized as an expense in the profit and loss account of the year in which the related service is rendered.

k. Reserves

- i. The difference between depreciation on the revalued value of the asset and depreciation on their historical cost is transferred from Revaluation Reserve to Profit & Loss Account.
- ii. Project subsidy from State Government is credited to Capital Reserve.

l. Preliminary Expenses

Public Issue expenditure and premium on redemption of FCCBs / Preference Shares are being written off against securities premium.

m. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

n. Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

2 Share Capital

Figures in ₹

Particulars	As At 31 st March, 2014		As At 31 st March, 2013	
	Nos.	Amount	Nos.	Amount
Authorised:				
250,000,000 (Previous Year 250,000,000) Equity Shares of ₹ 2/- each		500,000,000		500,000,000
1,000,000 (Previous Year 1,000,000) Redeemable Preference Shares of ₹ 100/- each		100,000,000		100,000,000
		<u>600,000,000</u>		<u>600,000,000</u>
Issued, Subscribed & Paid up				
125,233,465 (Previous Year 125,233,465) Equity Shares of ₹ 2/- each fully paid		250,466,930		250,466,930
765,000 (Previous Year 765,000) 0% Non-Convertible Redeemable Preference Shares (NCRPS) of ₹ 100/- each		76,500,000		76,500,000
Total		<u>326,966,930</u>		<u>326,966,930</u>

2.1 Rights, preferences and restrictions attached to Equity Shares

Equity Shares : The company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

Rights, preferences and restrictions attached to 0% Non-Convertible Redeemable Preference Shares (NCRPS)

Rate of Dividend: 0% rate of dividend. NCRPS are not convertible in equity shares. Redeemable on day and date falling next to date of expiry of a period of 10 years calculated from the date of allotment of these shares. Option of an earlier redemption after expiry of period of 6 months shall be open to Board and can be made by a Board resolution to this effect passed in a duly convened meeting and when consented by the NCRPS shareholders, where the premium payable on redemption shall be adjusted proportionately. Redemption Value & Premium: The redemption premium shall be @ 50% of par value and thereby the redemption value shall be 150% of par value after 10 (Ten) years term. There is no right to vote in general. The voting rights shall be restricted to the matters concerning their interest only. Right to share of Assets: In the event of winding up of the Company, the NCRPS shareholders shall be entitled to share of assets of the Company in proportion of the preference share capital to aggregate of total paid up capital after settlement of all the liabilities of the Company. The NCRPS shareholders shall have a preferential right on the assets of Company over the Equity shareholders while distribution of assets among shareholders in the event of winding up of Company.

2.2 Reconciliation of Number of Equity Shares

Figures in ₹

Particulars	As At 31 st March, 2014		As At 31 st March, 2013	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	125,233,465	250,466,930	93,026,965	186,053,930
Add: Issued during the year (Refer Note 2.2.1)	—	—	32,206,500	64,413,000
Add: Issued on conversion of warrants (Refer Note 2.2.2)	—	—	—	—
Balance as at the end of the year	<u>125,233,465</u>	<u>250,466,930</u>	125,233,465	250,466,930

Reconciliation of Number of Preference Shares

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	765,000	76,500,000	—	—
Add: Issued during the year (Refer Note 2.2.3)	—	—	765,000	76,500,000
Balance as at the end of the year	765,000	76,500,000	765,000	76,500,000

2.2.1 Nil (Previous Year 32,206,500) Equity Shares of par value of ₹ 2/- each have been allotted on Preferential basis at Securities Premium of ₹ 0.30 per share as per SEBI (ICDR) regulations, 2009 and as amended from time to time in terms of Regulation 10(2) of SEBI (SAST) Regulations, 2011.

2.2.2 Equity Shares of par value of ₹ 2/- each have been allotted to warrant holders at Securities Premium of ₹ 11/- each upon exercise of option by them.

Name of Shareholder	Year ended	Year ended
	31.03.2014	31.3.2013
	Nos.	Nos.
M/s Paramount Telecables Limited	—	21,331,500
M/s April Investment and Finance Pvt. Ltd.	—	10,875,000

2.2.3 Nil (Previous Year 765,000) Preference Shares of par value of ₹ 100/- each have been allotted at par to M/s Paramount Telecables Limited.

2.3 List of Shareholders holding more than 5% of the aggregate Shares:

Name of Shareholder	As At 31 st March,2014		As At 31 st March,2013	
	Nos.	%age	Nos.	%age
Equity Shareholders				
M/s Paramount Telecables Limited	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	10.41	13,040,172	10.41
Preference Shareholder				
M/s Paramount Telecables Limited	765,000	100.00	765,000	100.00

3 Reserves & Surplus

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Capital Reserve				
- Capital Investment Subsidy				
Balance at the beginning of the year	3,000,000		3,000,000	
- Profit on Issue of forfeited shares				
Balance at the beginning of the year	31,100	3,031,100	31,100	3,031,100
Exchange Fluctuation Reserve		(29,856,541)		(76,155,663)
Capital Reserve on Consolidation		9,901,599		9,901,599

3 Reserves & Surplus (Contd....)

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Securities Premium Account				
Balance at the beginning of the year	919,362,225		909,721,234	
Add: On allotment of Equity Shares (Refer note - 2.2.1 & 2.2.2)	—		9,661,950	
Less: Premium on redemption of FCCBs (Refer Note 3.1)	229,607,788		—	
Less: Provision for Premium on redemption of Preference Shares (Refer Note 3.2)	3,825,000	685,929,437	20,959	919,362,225
Revaluation Reserve				
Balance at the beginning of the year	9,069,493		9,190,603	
Less: Transfer to Profit & Loss Statement	110,754	8,958,739	121,110	9,069,493
General Reserve				
Balance at the beginning of the year		25,282,886		25,282,886
Surplus				
Balance at the beginning of the year	(1,336,731,927)		(1,091,592,479)	
Less: Opening balance of surplus of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration) (Refer Note 1.4)	(245,366,356)		—	
Add: Transfer from Profit & Loss Statement	(1,007,562,680)	(2,098,928,251)	(245,139,448)	(1,336,731,927)
Foreign Currency Monetary Item Translation Difference Account (FCMITDA)				
Balance at the beginning of the year	(31,243,974)		(37,325,308)	
Add: Additions during the year	(28,376,262)		(24,803,241)	
Less: Written off during the year (Refer Note 3.4)	(23,429,280)	(36,190,956)	(30,884,575)	(31,243,974)
Total		(1,431,871,987)		(477,484,261)

- 3.1 Premium on redemption of FCCBs (Gross of tax) ₹ 229,607,788/- (Previous Year ₹ Nil) has been set off against Securities Premium Account.
- 3.2 During the year Redemption Premium payable on prorata basis ₹ 3,825,000/- (Previous Year ₹ 20,959/-) on 0% Non-Convertible Redeemable Preference share (NCRPS) has been charged to Securities Premium Account.
- 3.3 In view of losses Capital Redemption Reserve required under Section 80 of the Companies Act, 1956 has not been created.
- 3.4 Are amortised over period of foreign currency monetary item or up to 31st March, 2020, whichever is earlier.

4 Long Term Borrowings

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Secured				
Term Loans :				
- From Banks				
-- Foreign Currency Loan	215,131,079		272,817,664	
-- Rupee Loans	1,242,585,796		1,315,248,269	
- From Financial Institution	37,362,750	1,495,079,625	37,362,750	1,625,428,683
Finance Lease Obligations (Refer Note 32)		—		255,199
Total		1,495,079,625		1,625,683,882

4.1 Nature of Security :-

i Term Loan from Banks:-

Term loans from banks are secured by 1st pari-passu charge on present and future fixed assets of the company and 2nd pari-passu charge on present and future current assets of the Company. Further they are secured through collateral by way of 2nd charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/ Promoters Group Companies.

ii Term Loan from Financial Institution:-

Loan from Financial Institution is secured against surrender value/ maturity value of key man insurance policy of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company.

iii Finance Lease Obligations:-

Hire Purchase Finance is secured against assets financed from it.

4.2 Period and Amount of Default in Repayment :-

Due to continuing losses and delays in monetization of an asset stipulated in Corporate Debt Restructuring, EG approved Rework Package, Company is in default as per details given below:

Nature of Payment	FY 2013-2014	FY 2012-2013	Period of default
Rupee Loans from banks	225,424,887	—	Since June,2013
Foreign Currency Loans *	—	91,461,704	
Interest on Loans	76,856,150	—	Since October, 2013

*Amount was due for repayment on 23rd September, 2012 and was paid on 22nd December, 2012.

4.3 Maturity Profile and rate of interest of Secured Term Loans are as set out below :-

Figures in ₹

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
11.5%	8,000,000	8,000,000	8,000,000	21,520,000
10%	—	—	—	37,362,750
10.5%	21,649,659	21,649,659	18,253,457	18,253,457
9%	45,661,955	92,736,159	80,304,159	504,960,334
8.50%	5,652,327	5,652,327	—	—
5.2%	86,052,431	86,052,431	43,026,216	—
1%	41,830,177	41,830,177	38,992,164	77,984,328
0%	29,410,487	33,249,065	46,062,931	72,932,975
Total	238,257,036	289,169,818	234,638,927	733,013,844

5 Deferred Tax Liability (Net)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Deferred Tax Assets :		
- Leave Encashment	3,021,520	4,293,690
- Unabsorbed Depreciation	112,822,597	115,844,117
Deferred Tax Liabilities :		
- Depreciation	115,844,117	127,909,468
Total	—	—

5.1 As required by Accounting Standard-22 ('AS-22') in view of existence of Carried forward losses and unabsorbed depreciation under tax laws, Deferred Tax Assets have been recognised only to the extent they are virtually certain to be realised.

6 Other Long Term Liabilities		Figures in ₹	
Particulars	As At 31 st March,2014	As At 31 st March,2013	
Trade Payables (under CVA)	—	104,971,650	
Total	<u>—</u>	<u>104,971,650</u>	

7 Long Term Provisions		Figures in ₹	
Particulars	As At 31 st March,2014	As At 31 st March,2013	
Employee Benefits (Refer Note 25.1)			
- Leave Encashment	7,871,730	11,021,713	
- Gratuity	1,418,133	1,474,897	
Provision for Premium on Redemption of Preference Shares (Refer Note 2.1 & 3.2)	3,845,959	20,959	
Total	<u>13,135,822</u>	<u>12,517,569</u>	

8 Short Term Borrowings		Figures in ₹	
Particulars	As At 31 st March,2014	As At 31 st March,2013	
Secured			
-Working Capital Loans from Banks	1,477,993,406	2,130,783,664	
Total	<u>1,477,993,406</u>	<u>2,130,783,664</u>	

8.1 Nature of Security :-

- i. Working Capital facilities from Banks are secured by 1st Pari-Passu charge by way of hypothecation on the entire current assets including raw material, stocks in process, finished goods, consumable stores & spares and receivables of the Company, 1st Pari-Passu charge on company's property situated at Prahaladpur, Bawana Road, Delhi, 2nd Pari-Passu charge on other present and future fixed assets. Further they are secured through collateral by way of 2nd charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/ Promoters Group Companies.

8.2 Period and amount of default:

- Working Capital Loans from banks are overdrawn to the extent of ₹ 97,434,093/- (Previous Year ₹ NIL) due to devolvement of Letter of Credits since January, 2014.
- Interest on Working Capital Loans from banks are overdrawn to the extent of ₹ 46,675,155/- (Previous Year ₹ NIL) due since October, 2013.

9 Trade Payables		Figures in ₹	
Particulars	As At 31 st March, 2014	As At 31 st March, 2013	
Acceptances	590,532,137	845,389,421	
Due to:			
- Micro, Small & Medium Enterprises	—	803	
- Others	230,675,892	145,775,100	145,775,903
Total	<u>821,208,029</u>	<u>145,775,100</u>	<u>145,775,903</u>

9.1 Disclosure under MSMED Act,2006

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under :

i. Principal amount due and remaining unpaid	—	803
ii. Interest due on (1) above and unpaid interest	—	—
iii. Interest paid on all delayed payments under the MSMED Act.	—	—
iv. Payment made beyond the appointed day during the year	—	—
v. Interest due and payable for the period of delay other than (3) above	—	—
vi. Interest accrued and remaining unpaid	—	—
vii. Amount of further interest remaining due and payable in succeeding years	—	—

10 Other Current Liabilities

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Current Maturities of Long-Term Debt		
Term Loans :		
From Banks		
--- Foreign Currency Loan	86,052,432	—
--- Rupee Loans (Refer Note 4.1)	356,250,543	442,302,975
Current Maturities of Finance Lease Obligations (Refer Note 4.1 & 32)	255,199	342,592,396
Interest accrued and due on borrowings (Refer Note 4.1 & 8.2)	125,351,603	947,856
Interest accrued but not due on borrowings	770,055	10,327,313
Unpaid Dividends (Refer Note 10.2)	841,324	—
Foreign Currency Convertible Bonds 'FCCBs' (Refer Note 10.1)	658,133,186	1,095,390
Interest accrued and due on FCCBs (Refer Note 9.1)	13,865,875	409,575,000
Interest accrued but not due on FCCBs	1,622,794	6,500,080
Employee Benefits Payable	13,087,065	1,443,085
Sundry Creditors -Capital Goods	1,518,254	16,140,062
Statutory Dues Payable	67,568,863	10,393,320
Advance from Customers	4,848,916	171,448,753
Other Payables	37,863,499	14,437,337
Total	1,368,029,608	9,689,039
		994,589,631

10.1 Period and Amount of Default in repayment and interest :-

- i. Principal amount of ₹ 452,175,000/- of 1% Foreign Currency Convertible Bonds ('FCCBs') is overdue for repayment since 23rd November,2011. Interest on FCCBs ₹ 13,865,875/- due up to 31st December,2013 has also not been paid and is over due. Premium on redemption of FCCB's of ₹ 205,958,186/- is also over due for payment since 23rd November,2011.
- ii. Refer Note 4.2 for default in repayment of Term Loans.

10.2 No amount is due as on 31st March, 2014 for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to be Fund.

11 Short Term Provisions

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Provision for Employee Benefits (Refer Note 25.1)		
- Leave Encashment	1,441,016	2,212,035
Others		
- Provision for Wealth Tax	65,700	83,200
Total	1,506,716	2,295,235

12. FIXED ASSETS

12.1 Tangible Assets

Figures in ₹

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01.04.13	Additions	Deduction	As at 31.03.14	As at 01.04.13	For the Year	Ded./Adj.	As at 31.03.14	As at 31.03.14	As at 31.03.13
Own Assets:										
Land										
- Freehold	12,621,330	—	—	12,621,330	—	—	—	—	12,621,330	12,621,330
- Leasehold	69,055,115	—	—	69,055,115	—	—	—	—	69,055,115	69,055,115
Buildings	224,433,411	10,478,908	—	234,912,319	62,371,434	7,142,766	—	69,514,200	165,398,119	162,061,977
Plant & Equipment	1,328,710,465	18,779,510	2,342,022	1,345,147,953	683,533,404	93,926,507	1,966,183	775,493,728	569,654,225	645,177,061
Furniture & Fixtures	55,348,912	975,063	—	56,323,975	22,060,318	2,755,604	—	24,815,922	31,508,053	33,288,594
Leasehold Building Improvement	11,340,968	—	—	11,340,968	2,952,581	717,880	—	3,670,461	7,670,507	8,388,387
Vehicles	25,127,607	3,450	208,316	24,922,741	17,055,266	2,638,176	108,159	19,585,283	5,337,458	8,072,341
Office Equipment	13,220,247	1,069,028	40,845	14,248,430	4,305,965	641,930	27,305	4,920,590	9,327,840	8,914,282
Assets taken on Finance Lease:										
Hire Purchase	—	—	—	—	—	—	—	—	—	—
- Vehicles	5,761,531	—	—	5,761,531	1,026,963	—	—	1,026,963	4,734,568	4,734,568
Total	1,745,619,586	31,305,959	2,591,183	1,774,334,362	793,305,931	107,822,863	2,101,647	899,027,147	875,307,215	952,313,655
Previous Year	2,152,551,266	35,078,025	398,320,263	1,789,309,028	735,898,360	116,374,705	39,085,017	813,188,047	976,120,980	1,416,652,906

12.2 Intangible Assets

Figures in ₹

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01.04.13	Additions	Deduction	As at 31.03.14	As at 01.04.13	For the Year	Deduction	As at 31.03.14	As at 31.03.14	As at 31.03.13
Own Assets (Acquired):										
- Software	29,464,309	1,126,727	—	30,591,036	27,347,125	1,632,672	—	28,979,797	1,611,239	2,117,184
Total	29,464,309	1,126,727	—	30,591,036	27,347,125	1,632,672	—	28,979,797	1,611,239	2,117,184
Previous Year	28,751,947	712,362	—	29,464,309	23,268,591	4,078,534	—	27,347,125	2,117,184	5,483,356

- 12.3** Land includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation ₹ 7650950
 Building includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation ₹ 7406534
 Amount of Depreciation pertaining to revaluation in case of Buildings ₹ 110754
- 12.4** Title deeds of factory land at Prahladpur, Bawana Road, Delhi are in the name of erstwhile Paramount Cable Corporation.
- 12.5** Title deeds of a part of factory land measuring 954.50 sq. mtr. at Prahladpur, Bawana Road, Delhi shown in Balance Sheet at ₹ 2,386,250 are yet to be registered in name of the Company.
- 12.6** Land (Freehold) of ₹ 7,886,689/- as of 31st March, 2014 situated at Prahaladpur, Delhi is under acquisition as per the Land Acquisition Act, 1894. The Company has decided to contest the acquisition proceedings.
- 12.7** Carrying value of Assets acquired under hire purchase as on 31.03.2013 exclude the amount related to hire purchase agreement settled during the current year.
- 12.8** As per changes made in AS 11 vide Companies (Accounting Standards) Amendment Rules 2009, further amended vide Amendment Rules 2011, during financial year 2008-09 the company exercised option of deferring foreign exchange difference arising on long term foreign currency monetary items viz 'FCCBs', Foreign Currency Term Loan to the Profit and Loss account, in respect of accounting periods commencing on or after December 22, 2006. As a result, such foreign exchange difference relating to the acquisition of depreciable capital assets have been adjusted with cost of such assets and would be depreciated over the balance life of the assets and in other cases has been accumulated in 'FCMITDA'. Exchange loss (net) ₹ 20,448,000/- (Previous year exchange loss (net) ₹ 11,664,000/-) has been adjusted in gross block of Fixed Assets. Exchange difference on External Commercial Borrowing (ECBs) raised for repurchasing FCCBs has been transferred to 'FCMITDA'

12.9 Additions are after adjusting exchange loss (net) ₹ 2,04,48,000/- (Previous Year exchange loss (net) ₹ 11,664,000/-)

Figures in ₹

Assets	31.3.2014	31.3.2013
i. Building	6,490,470	3,702,311
ii. Plant & Equipment	12,857,867	7,334,416
iii. Furniture & Fixtures	727,374	414,911
iv. Software	372,289	212,362
Total	20,448,000	11,664,000

12.10 Opening balance exclude fixed assets of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration) (Refer note 1.4)

13 Non Current investment

(Long Term Investments)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Other Investments (Valued at Cost unless stated otherwise)		
Quoted		
Equity Shares		
- Haryana Financial Corporation 4,800 (Previous Year 4,800) Equity Shares of ₹ 10/- each, fully paid	168,000	168,000
Unquoted		
Equity Shares of Associate Company		
- Paramount Wires & Cables Limited 2,558,000 (Previous Year 2,558,000) Equity Shares of ₹10/- each, fully paid	25,580,000	25,580,000
Capital Reserve at the time of acquisition	9,901,599	9,901,599
Share in profit of Associates:		
Balance at the beginning of the year	(24,445,425)	(24,468,372)
Add: Share in profit/(loss) during the year	2,643,004	22,947
	(21,802,421)	(24,445,425)
Equity Shares of Subsidiary Company		
- "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in administration) 20,000 Equity Shares of £ 1 each, fully paid	1,648,970	—
Less: Provision for Diminution in value of investment	1,648,969	1
	1	—
Others		
Preference Shares of Subsidiary Company		
- "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in administration) 2,995,000 Preference Shares of £ 1 each, fully paid	246,933,228	—
Less : Provision for Diminution in value of investment	246,933,227	1
	1	—
- Cable Makers Properties and Services Limited 36,700 (Previous Year 36,700) Ordinary Shares of £ 0.0001/- each, fully paid	—	468,982
Total	13,847,180	11,673,156
Quoted Investments		
- Aggregate of Book Value	168,000	168,000
- Aggregate of Market Value	118,320	118,320
Unquoted Investments		
- Aggregate of Book Value	274,162,198	11,505,156
- Aggregate provision for Diminution in value of investment	248,582,196	—

- 13.1 Aggregate Provision for diminution in value of investments in has been made keeping in view that subsidiary "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is under Administration.
- 13.2 "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28th February, 2014. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31st March, 2014.

14 Long Term Loans and Advances

(Unsecured, Considered Good)

Figures in ₹

Particulars	As At 31 st March,2014		As At 31 st March,2013	
Capital Advances		3,492,220		7,992,220
Security Deposits				
- Related Parties (Refer Note 14.1)	18,000,000		18,000,000	
- Others	8,251,580	26,251,580	8,627,830	26,627,830
Loans and Advances to Workers & Staff		83,469		864,270
Total		29,827,269		35,484,320

14.1 Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below:

(a) Loans and Advances in the nature of Security deposit given to Related Parties:

Figures in ₹

Name	As at 31.03.2014	Maximum Balance during 2013-14	As at 31.03.2013	Maximum Balance during 2012-13
------	---------------------	-----------------------------------	---------------------	-----------------------------------

Paramount Telecables Limited	18,000,000/-	18,000,000/-	18,000,000/-	18,000,000/-
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--Security deposit for premises taken on rent by the Company and adjustable/ refundable as per terms & conditions of the Lease Agreement.

(b) Investment by the Loanee in the shares of the company

Equity Shares

- Amount (par value)	49,703,000	49,703,000
- No of shares	24,851,500	24,851,500

Preference Shares

- Amount (par value)	76,500,000	76,500,000
- No of shares	765,000	765,000

15 Inventories

(as taken, valued & certified by the management)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Raw Materials	282,593,742	619,660,046
Work-in-Progress	522,607,814	835,641,532
Finished Goods	661,424,719	873,791,696
Stock in Trade [Includes In Transit ₹ NIL (Previous Year ₹ 21,634,150/-)]	6,840,090	34,073,332
Stores & Spares	14,050,970	12,903,057
Packing Materials	1,129,178	6,390,443
Scrap	7,421,086	14,033,768
Total	1,496,067,599	2,396,493,874

16 Trade Receivables (Current)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Unsecured		
Outstanding for a period exceeding six months from the date due for payment		
- Considered Good	231,775,798	213,474,444
- Considered Doubtful	113,682,001	32,727,645
	<u>345,457,799</u>	<u>246,202,089</u>
Less: Provision for Bad and Doubtful Debts	113,682,001	32,727,645
	<u>231,775,798</u>	<u>213,474,444</u>
Others		
- Considered Good	1,145,203,903	1,728,938,107
- Considered Doubtful	—	—
	<u>1,145,203,903</u>	<u>1,728,938,107</u>
Less: Provision for Bad and Doubtful Debts	—	—
	<u>1,145,203,903</u>	<u>1,728,938,107</u>
Total	<u>1,376,979,701</u>	<u>1,942,412,551</u>

17 Cash and Bank Balances

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Cash on hand	5,896,833	5,518,960
Balances with Banks		
- Current Accounts	20,920,855	4,664,050
- Fixed Deposits	100,640,157	98,838,953
(Refer Note 17.1)		
	<u>127,457,845</u>	<u>109,021,963</u>
Total	<u>127,457,845</u>	<u>109,021,963</u>
Balance with Bank in Unpaid Dividend Accounts	841,324	1,095,390
Fixed Deposit with more than twelve months maturity	7,782,952	17,802,986

17.1 Fixed deposits with banks ₹ 100,640,157/- (Previous Year ₹ 98,838,953/-) are under lien/custody with banks/others.

18 Short Term Loans & Advances

(Unsecured, considered good)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Balance with Excise Authorities	55,861,637	11,298,676
Others		
- Commercial Advances	19,805,208	90,695,651
- Prepaid Expenses	2,126,879	18,303,403
- Amount Recoverable in Cash or Kind	59,511	1,323,280
- Earnest Money Deposits	13,225,562	12,846,673
- Security Deposits	826,190	26,289,320
- Loans to Workers & Staff	715,779	1,110,730
- Advances to Workers & Staff	2,279,216	1,699,932
- Claims Recoverable from Government	42,963,501	60,677,328
- Advance Tax	3,865,528	4,586,707
[Net of Provision Nil (Previous Year ₹ 1,180,966/-)]		
	<u>85,867,374</u>	<u>217,533,024</u>
Total	<u>141,729,011</u>	<u>228,831,700</u>

19 Other Current Assets Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Interest Accrued on Deposits	9,221,090	8,024,863
Total	9,221,090	8,024,863

20 Revenue From Operations (Gross) Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Sale of Products		
- Manufactured Goods	4,452,401,686	6,709,349,704
- Traded Goods	45,137,054	480,487,898
Other Operating Revenue		
- Export Benefits	2,240,778	4,847,657
- Sale of Scrap	61,438,815	97,155,315
Total	4,561,218,333	7,291,840,574

20.1 Detail of Sales (Manufactured Goods) Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Power Cables	3,693,261,856	4,752,935,582
Jelly Filled Telephone Cables	642,420,581	353,584,457
Optical Fibre Cables	116,719,249	186,494,697
General Wiring Cables	—	214,822,060
OEM Cables	—	1,201,512,908
Total	4,452,401,686	6,709,349,704

20.2 Detail of Sales (Traded Goods) Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Cables & Accessories	45,137,054	425,920,811
Others	—	54,567,087
Total	45,137,054	480,487,898

21 Other Income Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Interest Income		
- Fixed Deposits	9,200,476	8,095,074
- Others	5,623,157	4,929,587
Liabilities Written Back	83,978	17,308
Insurance Claim Received	2,820	9,496,905
Government Grant Written Back	—	3,576,404
Miscellaneous Income	9,311	1,149,353
Exchange Fluctuation (Net)	9,601,291	771,725
Total	24,521,033	28,036,356

22 Cost of Materials Consumed

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Raw Materials consumed		
- Opening Stock *	493,452,263	501,038,601
Add : Purchases	3,413,763,084	5,274,592,127
Less : Closing Stock	282,593,742	619,660,046
	<u>3,624,621,605</u>	<u>5,155,970,682</u>
	<u>3,624,621,605</u>	<u>5,155,970,682</u>

* Exclude stock of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration)
(Refer Note 1.4)

22.1 Particulars of Raw Materials consumed

Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Copper	1,661,869,588	2,401,450,535
Aluminum, Metal & Braiding	814,703,844	993,451,591
PVC/PE	708,992,280	1,134,195,803
GI Wires/Strips	265,117,760	361,783,458
Others	173,938,133	265,089,295
Total	<u>3,624,621,605</u>	<u>5,155,970,682</u>

23 Purchase of Trading Goods

Figures in ₹

Class of Goods	Year ended 31 st March,2014	Year ended 31 st March,2013
Cables & Accessories	20,399,253	101,795,373
Total	<u>20,399,253</u>	<u>101,795,373</u>

24 (Increase)/Decrease in Inventory of Finished Goods, Work In Progress and Stock in Trade

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Opening Stock		
- Finished Goods	578,469,683	881,251,608
- Stock In Trade	34,073,332	153,762,877
- Work In Progress	604,194,320	821,187,034
- Scrap	9,512,880	11,322,903
	<u>1,226,250,215</u>	<u>1,867,524,422</u>
Less: Closing Stock		
- Finished Goods	661,424,719	873,791,696
- Stock In Trade	6,840,090	34,073,332
- Work In Progress	522,607,814	835,641,532
- Scrap	7,421,086	14,033,768
	<u>1,198,293,709</u>	<u>1,757,540,328</u>
	<u>27,956,506</u>	<u>109,984,094</u>

* Exclude stock of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration)
(Refer Note 1.4)

25 Employee Benefits Expense

Figures in ₹

Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013
Salaries, Wages & Others Benefits	123,059,960	589,681,979
Contribution to Provident & Other Funds	7,712,805	24,492,021
Welfare Expenses	4,080,636	4,546,016
	<u>134,853,401</u>	<u>618,720,016</u>
	<u>134,853,401</u>	<u>618,720,016</u>

25.1 Managerial Remuneration of ₹ 9,032,489/- and ₹ 853,720/- to Chairman & CEO and Managing Director for year ended 31st March, 2014 and for March, 2013 respectively, is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government.

25.2 The disclosures required under Accounting Standard 15 "Employee Benefits" ("AS-15") are given below:

Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

Figures in ₹

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Contributory Provident Fund & Employees Pension Scheme, 1995	6,120,155	6,484,150
Contribution to Group Pension Scheme in AEI Cables Limited, United Kingdom	—	14,808,682

Defined Benefit Plan

The company is having following Defined Benefit Plans:

- ❖ Gratuity (Funded)
- ❖ Leave Encashment (Unfunded)

Figures in ₹

Particulars	Gratuity (Funded) 2013-14	Leave Encashment (Unfunded) 2013-14	Gratuity (Funded) 2012-13	Leave Encashment (Unfunded) 2012-13
a) Actuarial Assumptions				
Discount rate	9.17	9.10	8.00	8.10
Expected rate of return on assets	8.00	—	8.00	—
Expected rate of future salary increase	8.00	6.00	8.00	6.00
b) Reconciliation of opening and closing balances of Defined Benefit obligation				
Present value of obligations as at beginning of year	18,035,390	1,32,33,746	14,370,166	11,002,903
Interest cost	1,424,964	10,71,933	1,119,483	946,250
Current Service Cost	1,888,710	6,66,121	1,649,414	1,762,087
Benefits paid	(4,991,956)	(29,14,442)	(753,263)	(383,807)
Actuarial (gain)/loss on Obligations	(116,854)	(27,44,612)	1,649,590	(93,687)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	—	—	—	—
Present value of obligations as at end of year	16,240,254	93,12,746	18,035,390	13,233,746
c) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets as on beginning of year	16,560,493	—	16,094,458	—
Expected return on plan assets	1,192,237	—	1,257,426	—
Contributions	1,649,414	—	—	—
Benefits paid	(4,991,956)	—	(753,263)	—
Actuarial Gain/(Loss) on Plan assets	411,933	—	(38,128)	—
Fair value of plan assets at the end of year	14,822,121	—	16,560,493	—

Figures in ₹

Particulars	Gratuity (Funded) 2013-14	Leave Encashment (Unfunded) 2013-14	Gratuity (Funded) 2012-13	Leave Encashment (Unfunded) 2012-13
d) Fair value of plan assets				
Fair value of plan assets at beginning of year	16,560,493	—	16,094,458	—
Actual return on plan assets	1,604,170	—	1,219,298	—
Contributions	1,649,414	—	—	—
Benefits paid	(4,991,956)	—	(753,263)	—
Fair value of plan assets at the end of year	14,822,121	—	16,560,493	—
Funded status	(1,418,133)	(9,312,746)	(1,474,897)	(13,233,746)
Excess of Actual over estimated return on plan	411,933	—	(38,128)	—
e) Actuarial Gain/Loss recognized				
Actuarial gain/(Loss) for the year—Obligation	(116,854)	27,44,612	1,649,590	93,687
Actuarial (gain)/Loss for the year—plan assets	(411,933)	—	38,128	—
Total (gain)/Loss for the year	(528,788)	(2,744,612)	1,687,718	(93,687)
Actuarial (gain)/Loss recognized in the year	(528,788)	(2,744,612)	1,687,718	(93,687)
f) The amounts recognized in the balance sheet				
Present value of obligations as at the end of year	16,240,254	93,12,746	18,035,390	13,233,746
Fair value of plan assets as at the end of the year	14,822,121	—	16,560,493	—
Funded status	(1,418,133)	(9,312,746)	(1,474,897)	(13,233,746)
Net (Asset)/liability recognized in balance sheet	(1,418,133)	(9,312,746)	(1,474,897)	(13,233,746)
g) Expenses Recognized in statement of Profit & Loss				
Current Service Cost	1,888,710	6,66,121	1,649,414	1,762,087
Interest cost	1,424,968	10,71,933	1,119,483	946,250
Expected return on plan assets	(1,192,237)	—	(1,257,426)	—
Net Actuarial (gain)/Loss recognized in the year	(528,788)	(2,744,612)	1,687,718	(93,687)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	—	—	—	—
Expenses recognized in statement of Profit & Loss	1,592,650	(1,006,558)	3,199,189	2,614,650

26 Finance Costs		Figures in ₹	
Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013	
Interest Expense			
- Interest on Loan	359,250,365	434,911,576	
- Interest On Income Tax	—	75,031	434,986,607
Other Borrowing Costs	58,995,197	58,745,490	
Total	418,245,562	493,732,097	
27 Depreciation and Amortisation Expenses		Figures in ₹	
Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013	
Fixed Assets			
- Tangible Assets	107,822,863	116,374,705	
- Intangible Assets	1,632,672	4,078,534	120,453,239
Less: Transfer from Revaluation Reserve	110,754	121,110	
	109,344,781	120,332,129	
28 Other Expenses		Figures in ₹	
Particulars	Year ended 31 st March,2014	Year ended 31 st March,2013	
Stores, Spares & Consumables	19,687,137	30,892,207	
Excise Duty (Refer Note 28.1)	(4,217,671)	(2,847,883)	
Packing Expenses	124,148,109	157,782,929	
Power, Fuel and Lighting	82,054,605	182,157,714	
Rent	22,064,899	56,888,492	
Repair & Maintenance			
- Plant & Machinery	10,758,075	36,001,931	
- Building	1,782,119	2,783,919	
- Others	2,379,371	1,922,420	40,708,270
Insurance	7,017,295	19,018,751	
(Refer Note 28.2)			
Rates and Taxes	987,444	20,813,446	
[Includes Wealth Tax ₹ 65,700/- (Previous Year ₹ 83,200/-)]			
Auditor's Remuneration (Refer Note 28.3)	3,049,369	5,937,446	
Conversion Charges	9,058,124	25,738,628	
Labour Charges	67,589,246	82,986,066	
Rebates,Discount,Commission on Sales	19,473,335	32,873,354	
Freight, Octroi & cartage	18,166,677	37,777,173	
[Net of recovery ₹ 65,365,803/- (Previous Year ₹ 91,999,468/-)]			
Bad Debts written off/provided	18,645,408	27,122,091	
Travelling and Conveyance	27,846,616	39,207,996	
[Net of recovery ₹ 3,463,592/- (Previous Year ₹ 2,248,786/-)]			
Amortisation of FCMITDA (Net)	23,429,280	30,884,575	
Exchange Fluctuation (Net)	—	11,546,841	
Advertisement & Publicity	717,884	3,014,966	
Communication Expenses	5,123,665	6,617,917	
Loss on sale/disposal of Fixed Assets (Net)	551,660	1,068,446	
Donations	1,197,945	1,332,499	
Directors Meeting Fee	306,000	314,500	
Share Transfer Expenses	—	—	
Miscellaneous Expenses	62,590,778	87,511,072	
Total	524,407,370	899,347,496	

- 28.1** Amount of Excise Duty deducted from the turnover is for sales made during the year and the amount recognized separately in the statement of Profit & Loss is related to the difference between the closing stock and opening stock.
- 28.2** Insurance Premium of ₹ 3,801,438/- (Previous Year ₹ 3,793,545/-) on Keyman Insurance Policy has been charged to Profit & Loss. Maturity value of such policies will be accounted for on receipt basis.

28.3 Auditor's Remuneration*:

Figures in ₹

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Audit Fees	2,315,318	4,009,883
Tax Audit fees	150,000	150,000
Taxation Matters	365,615	369,040
Certification & Consultancy	153,000	60,000
Out of Pocket Expenses	65,436	61,028
All other services – to previous auditors	—	1,287,495
	<u>3,049,369</u>	<u>5,937,446</u>

*Excludes Service Tax

29 Exceptional Items

Figures in ₹

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
-Write back of Secured Loan Liability (Refer Note 29.1)	—	208,201,325
-Profit on Sale of Factory land, Building & some Assets (Net) (Refer Note 29.2)	—	211,883,864
Write back of creditors under CVA in AEI Cables (Refer Note 29.3)	—	—
Provision for Diminution in the value of investment in "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration)	(248,582,195)	—
Provision for Doubtful debts recoverable from "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration)	(61,705,503)	—
	<u>(310,287,698)</u>	<u>420,085,189</u>

- 29.1** Exceptional item of ₹ 208,201,325/- for the year ended 31st March, 2013 is on account of write back of secured loan from some banks upon one time settlement.
- 29.2** Exceptional item of ₹ 211,883,864/- for the year ended 31st March, 2013 is on account of profit on sale of assets (net of WDV and expenses) consisting of factory land, building and some plant & machineries situated at SP - 76, 77 & 77 A, Khushkhara Industrial Area, Alwar (Rajasthan). These assets were sold as per the terms of approved CDR Rework Package dated 11th July, 2012.

30 Earnings Per Equity Share pursuant to Accounting Standard- 20 ("AS-20")

Figures in ₹

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Net Profit/(Loss) after Taxation	(1,007,562,680)	(245,139,448)
Weighted average number of Equity shares for Basic EPS	125,233,465	93,026,965
Add: Weighted average number of equity shares issued during the year	—	176,474
Weighted average number of Equity shares for Basic EPS	125,233,465	93,203,439
Weighted average number of equity shares for Diluted EPS	125,233,465	93,203,439
Basic Earnings per Share (₹)	(8.05)	(2.63)
Diluted Earnings per Share (₹)	(8.05)	(2.63)
Par Value of each Equity Share (₹)	2/-	2/-

31 "Related party disclosures", for the year ended 31st March, 2014, as required by Accounting Standard-18 ("AS-18") are given below:

Relationships:

i) Subsidiaries of the Company:

"06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration)

ii) Associate of the Company:

Paramount Wires & Cables Limited

iii) Other related parties in the Group where common control exists:

Sanjay Aggarwal (HUF)
Sandeep Aggarwal (HUF)
S.S. Aggarwal (HUF)
April Investment & Finance Private Limited
Worth Finance & Leasing Private Limited
Paramount Telecables Limited
S.S. Aggarwal Foundation

iv) Key Managerial Personnel:

Mr. Sanjay Aggarwal
Mr. Sandeep Aggarwal
Mr. Julian wood (w. e. f. 4th March, 2013)
Mr. Mark Heneghan (resigned 28th February, 2014)
Mr. Clive Sharp (resigned 28th February, 2014)
Mr. Keith Scott
Mr. M C Goel (up to 23rd August, 2012)
Mr. Rattan Lal Aggarwal (Appointed 27th February, 2014)

v) Relatives of Key Managerial Personnel with whom transaction have taken place:

Smt. Kamla Aggarwal
Sh. Dhruv Aggarwal
Sh. Tushar Aggarwal
Smt. Shashi Aggarwal
Smt. Archana Aggarwal
Ms Parul Aggarwal

a) Details relating to parties referred to in items (i), (ii), (iii) (iv) and (v) above:

Figures in ₹

PARTICULARS	Year	(i)	(ii)	(iii)	(iv)	(v)	TOTAL
Maximum outstanding of deposits taken during the year	2013-14 2012-13	— —	— —	216,000 122,949,633	— —	— —	216,000 122,949,633
Maximum outstanding of sundry debtors during the year	2013-14 2012-13	85,969,221 —	173,887,643 67,844,852	— —	— —	— —	259,856,864 67,844,852
Sundry debtors outstanding as at year end	2013-14 2012-13	76,502,198 —	173,800,143 27,302,531	— —	— —	— —	250,302,341 27,302,531
Maximum outstanding of security deposits given for premises taken on rent	2013-14 2012-13	— —	— —	18,000,000 18,000,000	— —	— —	18,000,000 18,000,000
Outstanding of security deposit given for premises taken on rent as at year end	2013-14 2012-13	— —	— —	18,000,000 18,000,000	— —	— —	18,000,000 18,000,000
Amount payable as at year end	2013-14 2012-13	— —	— —	— —	— 1,721,780	— —	— 1,721,780

Figures in ₹

PARTICULARS	Year	(i)	(ii)	(iii)	(iv)	(v)	TOTAL
Amount Recoverable as at year end	2013-14	—	—	—	—	—	—
	2012-13	—	—	—	860,400	—	860,400
Rent Paid for use of assets	2013-14	—	—	20,906,664	—	—	20,906,664
	2012-13	—	—	21,266,664	—	540,000	21,806,664
Managerial Remuneration	2013-14	—	—	—	9,032,489	—	9,032,489
	2012-13	—	—	—	27,713,684	—	27,713,684
Salaries and other Benefits	2013-14	—	—	—	—	3,234,000	3,234,000
	2012-13	—	—	—	—	3,169,440	3,169,440
Reimbursement of expenses received	2013-14	3,463,592	—	—	—	—	3,463,592
	2012-13	—	—	—	—	—	—
Sales	2013-14	60,298,509	425,964,852	—	—	—	486,263,361
	2012-13	—	115,929,079	—	—	—	115,929,079
Purchases of Machinery	2013-14	—	—	—	—	—	—
	2012-13	—	138,119	—	—	—	138,119
Donations	2013-14	—	—	1,150,000	—	—	1,150,000
	2012-13	—	—	1,075,000	—	—	1,075,000
Equity Share Allotment	2013-14	—	—	—	—	—	—
	2012-13	—	—	64,413,000	—	—	64,413,000
0% Non-Convertible redeemable Preference share allotment	2013-14	—	—	—	—	—	—
	2012-13	—	—	76,500,000	—	—	76,500,000
Security Premium on Equity Share Allotment	2013-14	—	—	—	—	—	—
	2012-13	—	—	9,661,950	—	—	9,661,950
Equity Share Application Money received	2013-14	—	—	—	—	—	—
	2012-13	—	—	74,074,950	—	—	74,074,950
Preference Share Application Money received	2013-14	—	—	—	—	—	—
	2012-13	—	—	76,500,000	—	—	76,500,000

b. Non-Financial Transactions:

- Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings and also have pledged their share holding in the company with banks.
- Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for AEI 's borrowings.
- Guarantee of ₹10,000,000/-(Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2014 ₹ 7,586,617/-(Previous year ₹7,153,292/-).
- The Company has executed a parental guarantee of ₹ 1,634,655,000/- (sterling pounds16,500,000) (Previous Year ₹1,347,885,000/- (sterling pounds 16,500,000) given to a Bank for credit facilities sanctioned to its wholly owned subsidiary, "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom. Credit facilities availed by the said company as on 31.03.2014 was ₹ 5,646,990/-(sterling pounds 57,000) (Previous year ₹ 805,231,504/- (sterling pounds 9,858,263).
- Paramount Telecables Limited has given its property as collateral by way of 2nd charge to the banks of the company.
- In case of Company, the remuneration does not include Gratuity and Provision for Leave Encashment under Accounting Standard -15 (Revised) and personal accident insurance premium, since same is not available for individual employees.

32 Future lease obligation by way of lease rental:

Fixed Assets taken on lease on or after April 1, 2001 include motor vehicles at an aggregate cost of ₹5,761,531/- (Previous year ₹5,761,531/-) with future lease obligation by way of lease rental as follows:

Figures in ₹

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Within one year	260,325	1,041,300	5,126	93,443	255,199	947,856
Later than one year and not later than five years	—	260,325	—	5,127	—	255,199
Total:	260,325	1,301,625	5,126	98,570	255,199	1,203,055

32.1 Operating Leases:

The Company and its subsidiaries have entered into lease transactions during the current financial year mainly for leasing of storage / office premises and company leased accommodations for its employees for periods up to 10 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. There are no subleases. The Operating lease payments recognized in the Profit & Loss account amount to ₹ 22,064,899/- (Previous year ₹ 57,688,492/-) for the leases, which commenced on or after April 1, 2001. Minimum lease payments under non-cancellable operating leases are:

Figures in ₹

PARTICULARS	As at 31 st March, 2014	As at 31 st March, 2013
Minimum Lease Payments		
--- Not later than one year	20,666,664	21,483,564
--- Later than one year but not later than five years	82,666,656	131,027,136
--- Later than five years	14,499,998	35,166,662

33 In opinion of the management Company's business activity mainly falls within a single primary business segment 'Cables', the disclosures requirements of Accounting Standard-17 ("AS-17") "Segment Reporting" are not applicable.

34 (i) Unhedged amount payable in foreign currency:

Figures in ₹

Particulars	As at 31 st March, 2014			As at 31 st March, 2013		
	Amount in (Rs)	Amount in foreign currency	Foreign currency	Amount in (Rs)	Amount in foreign currency	Foreign currency
Trade Payables	26,714,035	442,092	USD	1,932,648	35,390	USD
Payable	15,488,669	256,903	USD	7,943,165	145,543	USD
FCCBs	658,123,186	10,916,125	USD	409,575,000	7,500,000	USD
Foreign Currency Term Loans	301,183,510	4,995,580	USD	272,817,664	4,995,746	USD

(ii) Unhedged amount receivable in foreign currency:

Figures in ₹

Particulars	As at 31 st March, 2014			As at 31 st March, 2013		
	Amount in ₹	Amount in foreign currency	Foreign currency	Amount in ₹	Amount in foreign currency	Foreign currency
Trade Receivables	58,884,490	594,373	GBP	—	—	—

35 Contingent Liabilities & Commitments

(to the extent not provided for)

Figures in ₹

Particulars	As At 31 st March,2014	As At 31 st March,2013
Contingent Liabilities		
Claims Against the Company not acknowledged as Debt	8,822,654	6,097,504
Guarantees		
i. Financial Bank Guarantees outstanding	33,661,802	54,338,224
ii. Guarantee of ₹10,000,000/- (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Ltd (Associate)		
- Credit Facilities availed by Paramount Wires & Cables Ltd.	7,586,617	7,153,292
iii. Parental Guarantee of ₹1,634,655,000/-(sterling pounds 16,500,000/-)[Previous Year ₹1,347,885,000/- (sterling pounds 1,65,00,000/-)] given to a Bank for credit facilities ((sanctioned limit (sterling pounds 11,500,000/-) sanctioned to "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (Subsidiary).		
- Credit Facilities availed by AEI Cables Ltd.	(₹) 5,646,990	805,321,504
	(£) 57,000	9,858,263
iv. Right of recompense of CDR lenders for reliefs / sacrifices / waivers extended by respective CDR lenders to the company.	Amount unascertainable	Amount unascertainable
Other money for which company is contingently liable		
i. Unutilised Letter of Credits	112,518,884	71,267,047
ii. Outstanding Bill discounted	81,477,573	117,991,871
iii. Income Tax		
- Demand under appeal/rectification arising out of disallowances and non-credit of tax deduction at source	—	1,203,403
- Matter which have been decided in favour of the Company in first appeal stage, however, Income tax department has filed appeal against orders of first appellate authority.	27,008,740	27,008,740
iv. Excise demands under appeal	79,448,401	76,411,296
v. Service tax demands under appeal	22,593,046	22,330,441
vi. Custom duty demand due to denial of concessional custom duty, under appeal	6,434,896	1,836,570
Commitments		
i. Estimated amount of contracts (net of advances) remaining to be executed on Capital Account.	8,270,000	—

36. a. Outstanding 1% Foreign Currency Convertible Bonds (FCCBs) amounting to USD 7.5 million were due for redemption on 23rd November, 2011 and are yet to be redeemed. The Company was to redeem these FCCBs at a Premium equal to 145.54% of the outstanding principal amount. The said premium amounts to ₹229,607,788/- (Gross of tax). A winding up petition has been filed against the Company on behalf of the FCCB holders, wherein an interim order has been passed by the Hon'ble High Court of Delhi restricting the Company from alienation, disposal or creation of third party interest or charge on any of its immovable assets. The Company is contesting the case. The matter is presently subjudice.
- b. Till Previous Year Company had not provided Premium due on redemption on FCCBs. During the year Company has provided Premium due on redemption on FCCBs ₹229,607,788/- (Gross of Tax) and the same has been adjusted against the Securities Premium Account. Had Company followed earlier practice of non provision of Premium due on redemption on FCCBs. Current Liabilities would have been lower by ₹ 229,607,788/- and balance in Securities Premium Account would have been higher by ₹ 229,607,788/-.
37. **Going Concern :**
- The company has recorded a net loss of ₹1,034,334,169/- for the year and has accumulated losses of ₹2,123,195,108/- as at 31st March, 2014, resulting in negative net worth. The company has also defaulted in payments of interest and redemption amount of Foreign currency Convertible Bonds (FCCBs) and interest and term loans installments to banks and other working capital facilities from banks. A winding up petition has also been filed against the Company on behalf of the FCCB holders, whereas an interim order has been passed by the Hon'ble High Court of Delhi restricting the Company from alienation, disposal or creation of third party interest or charge on any of its immovable assets. The management is confident that the company will be able to generate profits in future years and dispose off some assets to meet its financial obligations as may arise. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:
- The company has not defaulted in payment of statutory dues or its trade creditors etc.
 - CDR package was approved during financial year 2010-11 and further "Rework Package" has been approved by CDR-EG vide Letter of Approval (LOA) dated 11th July, 2012. The Company has again proposed banks to reschedule term loans repayments.
 - The Company and promoters have undertaken to raise and have raised adequate finances by way of disposal of assets and induction of fresh funds by promoters and/or promoter group companies.
 - The Company is contesting the Winding up petition filed against it. The matter is presently subjudice.
 - The Company has strong order book position.
38. Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under section 15 (1) of Sick Industrial Companies (Special Provisional Act, 1985 vide order dated 31.10.2013, BIFR has restrained company from disposing of or alienating in any manner any fixed assets of the Company without consent of BIFR.
39. Previous Year's figures have been regrouped / rearranged wherever necessary. Previous year figures are not comparable since it included financials of AEI Cables Limited, United Kingdom.

As per our separate report of even date attached

For Jagdish Chand & Co.,

Firm Registration Number : 000129N

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Rattan Aggarwal)

CFO & Company Secretary

Place of signing: New Delhi

Date : 29.05.2014

Place: New Delhi

Date : 29.05.2014



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]

PARAMOUNT COMMUNICATIONS LIMITED

CIN: L74899DL1994PLC061295

Regd. Office: C-125, Naraina Industrial Area, Phase-I, New Delhi-110028, India.

Tel.: +91(11) 4561 8800/900 Fax: +91(11) 25893719/720

Website: www.paramountcables.com ; Email: investors@paramountcables.com

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

1. Name:

Address:

E-mail Id:

Signature: _____ , or failing him

2. Name:

Address:

E-mail Id:

Signature: _____ , or failing him

3. Name:

Address:

E-mail Id:

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on the **Friday, 26th Day of September, 2014** at **2:30 P.M.** at **SHAH AUDITORIUM, SHREE DELHI GUJARATI SAMAJ MARG, NEAR INTERSTATE BUS TERMINAL, DELHI-110054** and at any adjournment thereof in respect of such resolutions as are indicated below:

	Optional	
	FOR	AGAINST
ORDINARY BUSINESS		
1. Adoption of Annual Accounts of the Company as on March 31, 2014.		
2. Re-appointment of Mr. Sandeep Aggarwal, retiring by rotation and being eligible, offering himself for re-appointment.		
3. Re-appointment of Statutory Auditors of the Company till the conclusion of the next Annual General Meeting.		
SPECIAL BUSINESSES		
4. Re-appointment of Mr. S.P.S Dangi, as an Independent Director in terms of the Companies Act, 2013.		
5. Re-appointment of Mr. Satya Pal, as an Independent Director in terms of the Companies Act, 2013.		
6. Re-appointment of Mr. Vijay Bhushan, as an Independent Director in terms of the Companies Act, 2013.		
7. Alteration of Articles of Association to enable an individual to act as Chairman and Chief Executive Officer at the same time.		

Date: _____, 2014.

Signature of shareholder

Affix Revenue Stamp

Signature of Proxy holder(s)

Note:

1. 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.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent 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.



PARAMOUNT COMMUNICATIONS LIMITED

CIN: L74899DL1994PLC061295

Regd. Office: C-125, Naraina Industrial Area, Phase-I, New Delhi-110028, India.

Tel.: +91(11) 4561 8800/900 Fax: +91(11) 25893719/720

Website: www.paramountcables.com ; Email: investors@paramountcables.com

ATTENDANCE SLIP

Please complete this slip and hand it over at the entrance of the meeting hall.

L.F. No. _____

No. of Shares Held _____

DP. ID.*	_____
----------	-------

Client ID.*	_____
-------------	-------

	Name(s) in full	Father/Husband's Name	Address as Regd. With the Company
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company being held on Friday, the 26th day of September, 2014 at 2:30 P.M. at Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near Inter State Bus Terminal, Delhi-54, India.

Signature of the shareholder(s)/Proxy**

1. _____

2. _____

* *Applicable for investors holding shares in electronic form*

** *Strike out whichever is not applicable*

Note: Attendance slip in original should be complete in all respect.

If undelivered, please return to:

Paramount Communications Limited

C-125, Naraina Industrial Area, Phase-I

Naraina, New Delhi-110 028, India

Phone(s) : +91-11-45618800,900, +91-11-25897421-30

www.paramountcables.com